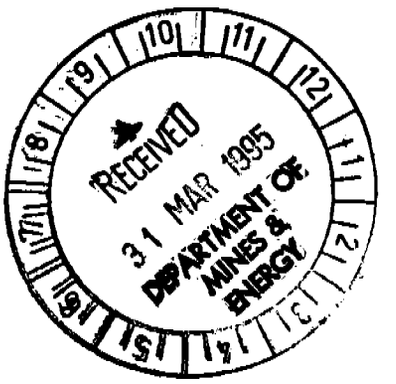
1268



SEL(A) 8493

(Incorporating Exploration Licences
7696, 7960, 7971, 7998, 8006, & 8103.)

WEST MOUNT BLEECHMORE PROJECT
ALCOOTA 1:250 000 Map, Section 70/5.

SECOND ANNUAL REPORT to 25 February 1995

Tenement holder: L A Johannsen
Baikal Homestead
PMB 41
ALICE SPRINGS NT 0872

CR95/425

Report compiled by Dr S K Dobos and L A Johannsen.
(March 20th, 1995)

SUMMARY

Year two of an exploration program aimed at testing the underlying geology of certain features in the project area, with particular emphasis on identifying any deep seated intrusions. The program involved ground reconnaissance surveys and drilling, and a total of $39,073.00 was spent on the project area in the anniversary year.

CONTENTS

PROJECT AIMS

The aims of the project are to identify and test intrusive structures of a type which might carry economic mineralisation of, (for example), diamond, platinum group metals, gold, niobium, rare earth elements, or any other minerals in economic quantities, such as apatite, vermiculite, etc.

LOCALITY

This general area, which includes the Woolanga Lineament and the Mud Tank Carbonatite, has been considered prospective for diamonds for some considerable time, and in the past has attracted a number of major operators in this field.

EXPLORATION PHILOSOHPY

The primary aim of the exploration program is to search for diamonds and other economic minerals by looking for any evidence (or surface expression) that might be left by a deep seated magmatic intrusion, given the prolonged weathering episodes to which the surface of such a structure will have been subjected. A number of features in the project area have been identified as exploration targets, including several isolated residual iron laterite caps, some magnetic anomalies, and a well defined geological circular feature with a diameter of about two hundred meters.

EXPLORATION TECHNIQUES

The targets were identified in the initial stages of the project, using conventional air photo and geological map research techniques, followed by ground reconnaissance and (where appropriate) ground magnetic survey. Percussion and diamond drilling is currently being used to establish the nature of the underlying geology.

WORK COMPLETED

GROUND RECONNAISSANCE

Further work in the north western sector of the project area was carried out to clarify the issue as to whether several indistinct features identified by air photo stereo observation were possible targets. Access was found to be difficult due to the very dense mulga scrub which is typical of the red clay soil plains of the area.

No suitable targets were identified, and no further work is planned for this part of the project area.

DRILLING PROGRAM

The main focus of the exploration effort for the year was directed toward two of the principal target areas of the project. This was by way of a diamond drilling program, aimed at investigating (firstly), the geological nature of the rocks underlying the magnetic anomaly of the Central Premier, while checking the western extent of the vermiculite found there during earlier drilling programs; and (secondly), the structure and geology of an unusual circular feature dubbed the Douglas Circle.

This feature is located about two kilometers west of New Well, and shows on the coloured air photos as a prominent circle of trees, with an interior free of vegetation and of a somewhat different colour to that of the surrounding countryside. (Fig. 3.) The feature is in a small block of tertiary unit lying to the south of the main part of the Mount Bleechmore complex, and contains areas of residual silcrete capping. The circle is neither depressed nor elevated, and the gravelly calcrete soil of the interior is substantially different to the red slightly expansive clay outside. Ironwood trees growing on the perimeter are somewhat more robust than others in the immediate vicinity, suggesting that they have some means of accessing a better water supply than is generally available, possibly because of fracturing associated with the feature.

Four vertical diamond core holes were drilled at the Central Premier, (PDDs 1-4), and one vertical hole at the Douglas Circle, (DCF 1), comprising a total of 395.6 meters. (See Figure 1 and 2, showing drill hole locations.)

DRILLING EQUIPMENT

The drilling rig used for this part of the exploration project is a Jacro model 200, a light machine designed to drill BQ diameter holes to around 75 meters. To facilitate the drilling of the deeper holes planned for this stage of the project, certain structural and hydraulic control modifications were made to the drill, along with the acquisition of a further 125 meters of drill rods and 100 meters of new and used NQ rods for use as casing.

The drill itself is trailer mounted, but for convenience the whole outfit has been set up on the back of a light truck. This arrangement allows for ease of transport and provides a stable working platform, while having the benefit of giving ample loading and storage space for the drill rods, casing, and all other associated tools and equipment in the space between the loading tray and the trailer chassis. Drilling thus proceeds over the back of the truck without unloading the drill.

The additional height means a tall collar can be used, allowing return water to be delivered to two portable sand settling tanks before it goes to the demountable plastic lined holding tank. The high pressure pump draws water for the drilling operation from this reserve via a specially constructed device which preferentially delivers the cleanest water to the suction point.

DRILL SAMPLES

Core recovery varied from zero to nearly 100% due to the range of weathering encountered with varying depths and rock types.

All core was loaded into trays and transported to Baikal Homestead for logging and permanent storage.

ENVIRONMENTAL CONSIDERATIONS

The exploration sites are on relatively flat ground, and are easily accessed by station tracks which pass to within two or three hundred meters. It was not found necessary to cut any timber or use any earthworks to reach or prepare any of the drill sites, and no pits were dug for the purpose of settling and recirculating the drilling water, this being contained in an above-ground plastic-lined demountable tank. The drill holes were plugged before vacating the site, and all refuse was removed,(not buried).

EXPLORATION RESULTS

DRILLING

As demonstrated by the information in the diamond core hole logs, the rocks which PDDs 1, 2, and 3 intersected were essentially the granulites and garnet rich gneisses of the Bleechmore complex, (or their weathering products). In PDD 1 the predominant unit intersected was a garnet rich quartzofeldspathic gneiss, weathered near the surface to a point where the garnets have been completely removed. This has produced a pellet textured gossan in the gneiss matrix, which has itself been silicified to a minor degree.

Because of the weathered nature of the rock the core recovery in this hole was poor. Some bands of a greenish clay with relict textures after granulite were encountered, as well as some minor bands of a weathered very fine quartz-rich schist. Toward 30 meters the garnet fraction is in evidence in the gneiss, though it is still thoroughly weathered and altered around the grain boundaries of the fractured crystals.

PDD 2 intersected (mostly) the greenish clay weathering products of a dark coloured mafic granulite, which became more evident and less weathered toward the bottom of the hole. As well there was some evidence of a shear zone, though the core recovery was so poor in the soft fractured material that little can be gauged as to its place in the geology. The hole was abandoned at 30 meters due to loss of the casing seal, causing the return water to permeate upward and outward through the ground surrounding the collar, which very quickly threatened the stability of the drill.

PDD3 was drilled to 55.5meters in particularly resistant garnet rich gneisses and felsic granulites encountered after intersecting softer weathered material to about 27 meters. Core recovery in the more weathered section was poor, but this improved considerably in the harder rock.

PDD 4 was drilled to a depth of 173 meters in two stages because of time constraints. No problems were encountered in returning and setting up the drill over the capped collar and casing after nine days absence. Several meters of sediment had developed in the bottom of the hole (at 97 meters) though this proved to be mostly fine vermiculite.

Two short intersections of apatite with evidence of metasomatised contact zones were encountered at 142.7m and 144.6m, as well as a certain amount of vertical (radial?) fracturing, which has produced a few examples of 'pre-split' core. The general nature and quality of the vermiculite core sections returned would seem to indicate that the hole has established the western extent of the vermiculite unit identified earlier, and possibly the western contact of what would seem to be a carbonatite intrusion, as suggested by the

apatite intersection and the magnetic anomaly. Any evidence of the material which drives the magnetic anomaly however has yet to be observed.

While the apatite is of carbonatitic origins, the vermiculite at this locality has developed from a biotite-rich unit of the Bleechmore complex, unlike that of the Lexandra carbonatite some 600 meters to the south south west, where it is derived from phlogopite associated with the intrusion.

DCF 1 was positioned in the centre of the Douglas Circle and drilled to 107.1 meters. This depth was only reached with some difficulty due to long sections of soft doughy sediments being encountered, little of which was returned as core. At this point it was considered prudent to not risk losing the drilling gear by attempting to go on.

The intersect sequence of tertiary sediments, iron laterite, and weathered Bleechmore rocks seems to give little indication as to the origins of this unusual feature. It is certainly not a pipe intrusion, and the possibility of it being a paeleo-meteorite crater, (which would appear the most likely answer), was not clarified by the drilling. A depth of 107 meters drilled vertically from the centre of a circular feature should be near (or just through) the approximate bottom of a hypothetical 200 meter diameter crater, yet no evidence of any cataclastic material was observed.

On the other hand, the 55 meters of sediment encountered in the drill hole may well indicate the filling in of a crater, particularly if the surrounding sediments are much shallower, but to confirm this would require further drilling outside the circle , something beyond the ambit of this exploration program.

DRILL HOLE LOGS

(EL 7696, CENTRAL PREMIER MAGNETIC ANOMALY)

Diamond Drill Hole: PDD 1 (Vertical, to 30m.)

CORE LOG

1m-14m	Quartzofeldspathic gneiss with gossan after garnet. Some evidence of silicification near the surface.
14m-30m	Garnet-rich quartzofeldspathic gneiss, with garnets partially weathered out. A few bands of weathered granulite and thoroughly weathered very fine quartz-rich schist.

Diamond Drill Hole PDD 2 (Vertical, to 30m.)

CORE LOG

1m-17m	Blind BQ bit used,(no core). Mostly whitish and greenish clays, probably after mafic granulite.
17m-30m	Mixed thoroughly weathered and less weathered dark coloured mafic granulite. Some thoroughly weathered material from possible shear zone in micaceous unit.

Diamond Drill Hole PDD 3 (vertical, to 55.5m.)

CORE LOG

0m-7.5m	Roller bit precollar.
7.5m-17m	Clays and weathered gneisses.
17m-21m	Weathered quartz-hornblende granulite.
21m-55.5m	Quartz-feldspar garnet gneiss with a few alternating bands of quartz-feldspar amphibole garnet granulite. Dip generally about 40° to 45°.

Diamond Drill hole No. PDD 4 (173 meters).

Location: CENTRAL PREMIER Magnetic Anomaly.

CORE LOG: Dip angle where observable.)

0-9m Rollerbit precollar. (0-1m, Brown clay, 1m-9m, mostly whitish clays.)

9m-19.3m Pale greenish clays, typically after mafic granulite. Dip 35°.

19.3m-20.5m White clay and biotite in shear zone.

20.5m-24m Mafic granulite weathered to greenish clay, brown bands where Fe rich.

24m-25m Transition to less weathered rock, mostly brecciated mafic granulite, weathered to greenish clay around fractures. Dip 40°.

25m-27.5m Partly weathered hornblende-quartz granulite.

27.5m-28m Weathered and fractured mafic granulite.

28m-31.5m Fractured mafic granulite, mostly weathered to greenish clay. Dip 45°.

31.5m-35m Green, grey and white banded clays with fine biotite or vermiculite.

35m-35.4m Weathered feldspar and fine biotite or vermiculite.

35.4m-36m No core. Mostly fine loose vermiculite,(about 0.5mm)

36m-36.5m Vermiculite, and quartz vermiculite with sandy texture.

36.5m-36.8m Weathered vermiculite. Flake size to about 2mm.

36.8m-37.1m Quartz biotite to about 1mm.

37.1m-38.1m Vermiculite. Flake size to about 10mm, average size about 3mm.

38.1m-42m Fractured quartz biotite with some vermiculite bands.

42m-52m Thoroughly weathered biotite quartz, with quartz-rich bands, clayey bands, and vermiculite bands. Dip at 52m, 45°.

52m-52.8m Mostly feldspar, with a few thin biotite bands. Dip 45°.

(53m Dip 70°.)

52.8m-53.3m Yellowish quartzose rock with a few garnet and biotite rich bands.

53.3m-53.7m Hornblende and quartz-garnet granulite dipping at 50° and folding from...

53.7m-54m ...into a near vertical shear zone.

54m-54.9m Clayey and very fine vermiculite in shear

54.9m-57m Quartz-garnet and biotite rock. Garnets from 3mm to 10mm. Dip at 56.2m: 50°; at 56.5m: 80°.

57m-57.4m Quartz.

57.4m-61m Quartz garnet biotite rock with greenish clay in shears.

61m-68m Clearly banded quartz-feldspar and biotite. Dip at 64m, 55°; at 68m, 70°

68m-68.8m Quartz biotite with a few bands of greenish weathered hornblende.

68.8m-69m Vermiculite. (Flake size about 1mm.)

69m-69.8m Mostly greenish weathered hornblende.

(70m Dip 40°) (80m Dip 50°)

69.8m-92.8m Quartz-feldspar with many biotite rich bands, some weathered to vermiculite.

92.8m-94.5m Greenish weathered hornblende and vermiculite, and quartz biotite.

94.5m-96m Quartz hornblende?

96m-110.6m Quartz feldspar biotite with a few greenish weathered hornblende bands and vermiculite bands. Dip from 35° to 50°.

110.6m-117m Banded biotite quartz-feldspar granulite with a few garnet rich bands.

117m-119.2m Mostle very fine biotite and quartz feldspar, with occasional garnet rich patches.

119.2m-119.5 Same, but coarse texture, biotite flake size from 5mm to 15mm. No garnet.

119.5m-142m Quartz-feldspar with fine textured biotite rich bands. Patches of pinkish feldspar and occasional garnet rich bands. Dip varies from 55° to 0°.

142m-142.6m Quartz-feldspar-biotite rock, with bands of coarse textured biotite-amphibole containing a few apatite crystals, (5mm-10mm).

142.6m-142.9m Off white crystaline apatite with minor biotite and amphibole inclusions.

142.9m-143m Biotite-amphibole textured 1mm to 5mm with pinlish feldspar band to about 7mm.

143m-143.5m Fine textured quartz-feldspar-biotite. Dip at 143m: 0°.

143.5m-144m Coarse textured biotite and amphibole with off-white patches of apatite.

144m-144.6m Off-white and greenish crystalline apatite (grain size 5mm-10mm), with occasional biotite and amphibole inclusions of a similar size.

144.6m-144.7m Coarse textured biotite-amphibole with some feldspar and apatite.

144.7m-150.2m Homogeneous looking quartz-feldspar and biotite rock of medium texture, (biotite flakes 1mm-3mm), grading into a fine grained rock of similar composition.

150.2m-151m Biotite-amphibole-quartz granulite.

151m-151.5m Same, but as breccia, cemented with soft off-white mineral exhibiting colourless 3mm crystals in vug.

151.5m-153.5m Feldspar rich quartz-biotite rock with medium texture. Sections with yellowish weathering products after... biotite?

153.5m-168m Quartz-feldspar biotite rock with biotite rich and garnet rich sections. Dip at 167.8m: 40°.

168m-169m Quartz amphibole?

169m-173m Quartz feldspar biotite garnet rock to end.

Diamond Drill Hole: DCF 1 (Vertical, to 107.5m)

CORE LOG

0m-3m	Percussion precollar. Pale grey partially silicified clay sediments.
3m-55m	Soft pale grey clay sediments.
55m-70.5m	Iron laterite horizon with many nodules, then laterite clays and thoroughly weathered and iron stained quartz gneisses.
70.5-107.1m	Thoroughly weathered quartz gneisses and quartzose schists with all feldspar fractions kaolinised, and many soft clay sections.
	Dip angle of weathered metasediments generally about 45°.

VERMICULITE

During the year a small sample of vermiculite was given to Normandy Exploration for preliminary testing by Commercial Minerals Limited. The results of these tests were favorable, and CML have requested a sample of about 250 kg in order to conduct further tests on the quality and refractory nature of the material.

GEOLOGICAL SYNTHESIS

The following synthesis is derived from a number of field traverses over the SEL(A) 8493 project area and adjacent Els 7940 and 7959; from fresh surface samples collected during these traverses and selected thin-sections cut from these samples; and from visual and microscopic examinations of the various diamond drill cores and petrographic analyses of thin-sections cut from these. It also encompasses geochemical data from the weathering products of this rock suite (as listed in previous reports).

From the available data, there are three principal rock types in the Mount Bleechmore area, namely, the rock suite comprising the Bleechmore granulite, various small leucocratic quartz and feldspar dominated "intrusives", and the rocks comprising the carbonatitic suite, genetically and temporally related to the Mud Tank Carbonatite.

THE BLEECHMORE GRANULITE

The Bleechmore granulite is a heterogeneous suite of pelitic metasediments and intercalated mafic granulites. The dominant lithological type is a heterogeneous, garnetiferous 2-feldspar-quartz-biotite±hornblende+magnetite granulite. This rock type exhibits a wide range of modal compositions and textures, reflecting inherited protolithic compositions and grainsizes; some variants are garnet-free, and others may be mono-, bi- or tri-mineralic assemblages of the above mineral suite, such as garnet-quartz-plagioclase, biotite-quartz-garnet, garnet-biotite, and just biotite. These compositional variants may range from fine bands or lenses of several centimetres thickness, to more massive and continuous layers or lenses exceeding 12 metres in thickness.

The protolithic suite which gave rise to these rocks comprised differing ratios of quartz chlorite and/or montmorillonites, illite and/or kaolinite and/or detrital feldspars, as well as minor calcite, and the usual array of heavy detrital trace minerals such as zircon, monazite, allanite and tourmaline. As a suite, these protoliths were significantly more mafic than normal pelitic sequences.

In common with a number of pelitic rock suites throughout the Arunta Block, the Bleechmore Granulite includes lenses and layers of mafic granulite on a variety of scales up to 40m in thickness. These rocks comprise the assemblages plagioclase+clino- and/or orthopyroxene±hornblende+magnetite, and some of these may contain garnet and/or quartz as their compositions vary towards more silica saturated types; some lower-grade diopside-amphibolites may be observed locally.

Again in common with rocks of similar compositions throughout the Arunta Block, the Bleechmore Granulite may contain variants that are notably rich in magnetite, and we infer that small "blows" of magnetite, up to say 30m in length, may also exist,

probably in close proximity to the lithological contact between pelitic granulites and thick mafic lenses. We have not actually observed such blows at the surface in the areas encompassed in the ELs, but these may be responsible for some of the localised magnetic "highs" that comprise one class of our drilling targets.

LEUCOCRATIC "INTRUSIVES"

For the most part, these are quartz- or quartz and feldspar-dominated thin cross-cutting veinlets, veins and dykes, evident both at the surface and in the drill cores. Their most probable source is the anatectic melting of selected compositions of the high grade peletic granulites-(similar to the occurrences in Migma Creek near the Harts Range Police Station)- hence their source is localised. Though possible, it is unlikely that these veins and dykes emanated from late-stage post-tectonic granitoid intrusives underlying the Bleechmore granulite, and we have seen no evidence of such granitoids. Geochemically, these leucocratic intrusives are quite 'barren', and are of no economic significance.

CARBONATITIC INTRUSIVES

Part of the area covered by the EL 7696, (a component of SEL(A) 8493), is intruded by a small? carbonatitic unit, whose exposed and deeply weathered outcrops are identical in appearance to some of those at Mud Tank, and we believe that the two units are genetically related, and thus coeval. We have not intercepted any fresh carbonatites in our cores, though a number of them show signs of local metasomatism by the carbonatite, in the form of zones of bleaching and strong apatite enrichment from late-stage differentiated fluids. (Core log, PDD 4: 142.6m, and 144m.)

Note that lithological variants of the Mud Tank suite may be locally rich in magnetite, (in octahedra up to 6cm); by inference, this allows another explanation for some of the diffuse magnetic anomalies which occur throughout the project area.

VERMICULITE

Vermiculite pods in the area may be derived from two genetically different sources, one being from the alteration of almost monomineralic biotite "schist" units within the Bleechmore Granulite, and the other from the alteration of phlogopite-rich carbonatitic rocks, as per the vermiculite deposits at Mud Tank. Our evaluation of the economic potential of one of these deposits in EL 7696 is underway, and prelimilary tests have shown it to be of high quality, but not comparable to the superior Kenyan material.

TABLE 1

SEL(A) 8493

EXPENDITURE - 1994/95

DRILLING	
5 holes by diamond drill, (total 395.6 meters @ $60.00/meter)...	$23,736.00
DRILLING EXPENSES	
Mob and demob of drill, (five trips Baikal/Project area/Baikal*), plus water tank/service/maintenance vehicle and caravan, core trays and incidental items,and return of completed core to Baikal.	$7,200.00
RECONNAISSANCE	
Field vehicle expenses for final reconnaissance, (500km @ 1.00/km)...	$500.00
S K DOBOS AND ASSOCIATES	
Geological Consultants	$1,670.00
TOTAL HOURS	
(*Excluding* time involved with drilling and drill movement), self plus one assistant, (105 hours @ $35.00/hour)...	$3,675.00
SAMPLES	
Preparation, handling and freight, etc.	$452.00
Rent	$660.00
Report compilation	$980.00
Office costs,(phone and fax, stationary etc.) (say)	$200.00
TOTAL	**$39,073.00**

*Note: Time constraints on each visit to the project area with the diamond drill meant that the drilling had to be accomplished in stages, and the drill returned to Baikal Homestead for maintenance and repairs after each occasion.

SEL(A) 8493

The application for SEL(A) 8493 has now been cancelled, and the bulk of the land comprising the Exploration Licences which were the subject of the application have been relinquished. Those Exploration Licences which were surrendered were: ELs 7960, 7998, 8006, and 8103.

EL 7971 has had a statutory reduction of 50%, and now comprises three blocks.

EL 7696 is the subject of a separate application for the continuation of an exploration licence which has expired.

In keeping with this state of affairs, two separate proposals for work and expenditure are presented.

EL 7696

PROPOSED EXPLORATION PROGRAM AND EXPENDITURE 1995/96

CENTRAL PREMIER VERMICULITE DEPOSIT AND MAGNETIC ANOMALY

The principal task to be addressed during the year will be to explore the extent and nature of the vermiculite deposit at Central Premier. It is intended to divide this exercise into three parts, which are as follows:

Part 1. Delineation of the deposit boundaries by RAB drilling through the overburden which completely covers the unit to an average depth of about 3 meters, then penetrating the underlying weathered rock for another 6 - 9 meters, and retaining portion of the last sample taken for reference. It is anticipated that it will require up to 10 such holes to define the unit boundaries.

Part 2. Testing the quality and depth consistency of the vermiculite deposit by drilling a further four holes to approximately 50 meters. It is proposed to use a roller-bit and air return in order to preserve the flake size and texture of the vermiculite sample as much as possible. All sample material from these holes will be retained as bulk samples.

Normandy Exploration have requested approximately 250kg of sample material from these holes to conduct further general quality tests.

3. Exploration of the depth potential of the deposit by diamond drilling a 100 meter vertical hole at a position selected to give the best intersection of the vermiculite unit. This may at the same time provide some information about the geology which drives the Central Premier magnetic anomaly, and the carbonatitic intrusion which possibly underlies the vermiculite.

Core samples from this hole will be logged, then stored at Baikal Homestead. Selected split portions will be forwarded to S K Dobos and Associates and/or Normandy Exploration, as required.

LEXANDRA CARBONATITE

Further exploration of the geology and vermiculite potential of this locality is planned during the year. As at Central Premier, shallow hole RAB drilling will be used to identify how the carbonatite lies beneath the overburden which covers all but a small outcrop of related magnetite. At least five holes will be drilled on an east-west axis through a section coinciding with the previosly drilled LEX 2 diamond hole.

SOUTHERN STAR MAGNETIC ANOMALY

No work is planned at this locality during the current year, however if time permits a pattern of shallow RAB holes may be drilled to try and identify the source of the anomaly, which lies on a strike trend that includes both Lexandra and Premier magnetic anomalies.

EL 7971

PROPOSED EXPLORATION PROGRAM AND EXPENDITURE 1995/96

GREAT NORTHERN MAGNETIC ANOMALY

One further drill hole in the feature is planned before a decision is made about the continuation of the exploration program at this locality. This will be a diamond drill hole aimed at gaining some knowledge of the geology associated with the anomaly.

Proposed depth of the hole is 50 meters, but this may be extended if the weathering profile is deeper than anticipated.

TABLE 2

EL7696

PROPOSED EXPENDITURE

DRILLING	
Shallow hole by RAB, (say 135m @ $20.00/m)	$2,700.00
50m rotary bulk sample holes, (say 150m @ $35.00/m)	$5,250.00
Diamond core sample hole, (say 100m @ $60.00/m)	$6,000.00
DRILL MOB/DEMOB	
Semi-trailer mounted percussion rig, (500km @ $6.00/km)	$3,000.00
Diamond drill, (if one trip then 500km @ $2.50/km)	$1,250.00
Service /maintenance vehicle/water tank/caravan etc.	$1,000.00
S K DOBOS and ASSOCIATES	
Geological Consultants, (allocate 75% of site visit costs,etc)	$750.00
TIME ASSOCIATED WITH PROJECT	
Activities other than drilling and drill movement, self plus one assistant, (estimate...)	$1,200.00
Other costs, (rent, reporting, office costs etc.,say...)	$1,500.00
TOTAL	$21,150.00

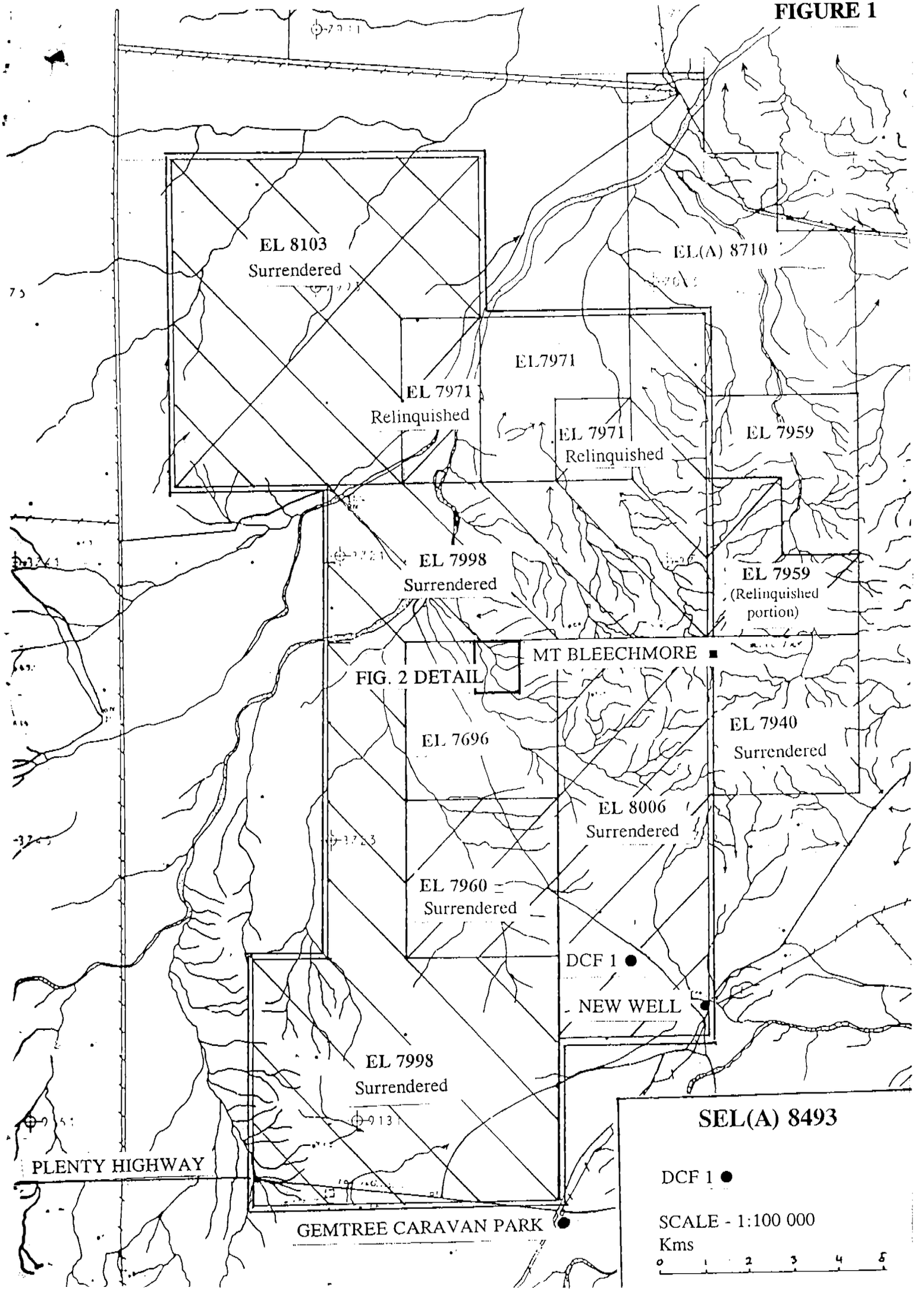
TABLE 2

EL 7971

PROPOSED EXPENDITURE

DRILLING		
50 Meters by diamond drill, (@ $60.00/meter)		$3,000.00
DRILL MOB/DEMOB		
One trip, (500km @ $2.50/km)		$1,250.00
Service/maintenance vehicle/water tank/caravan, etc.		$500.00
S K DOBOS and ASSOCIATES		
Geological Consultants, (allocate 25% of site visit costs, etc.)		$250.00
TIME ASSOCIATED WITH PROJECT		
Activities other than drilling and drill movement, self plus one assistant, (estimate...)		$350.00
Other costs, (rent, reporting, office costs etc.,say...		$300.00
	TOTAL	$5,650.00

FIGURE 1


EL 8103
Surrendered
EL(A) 8710
EL7971
EL 7971
Relinquished
EL 7971
Relinquished
EL 7959
EL 7998
Surrendered
EL 7959
(Relinquished
portion)
MT BLEECHMORE
FIG. 2 DETAIL
EL 7696
EL 7940
Surrendered
EL 8006
Surrendered
EL 7960
Surrendered
DCF 1
NEW WELL
EL 7998
Surrendered
PLENTY HIGHWAY
GEMTREE CARAVAN PARK
SEL(A) 8493
DCF 1
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Kms
0 1 2 3 4 5

FIGURE 2

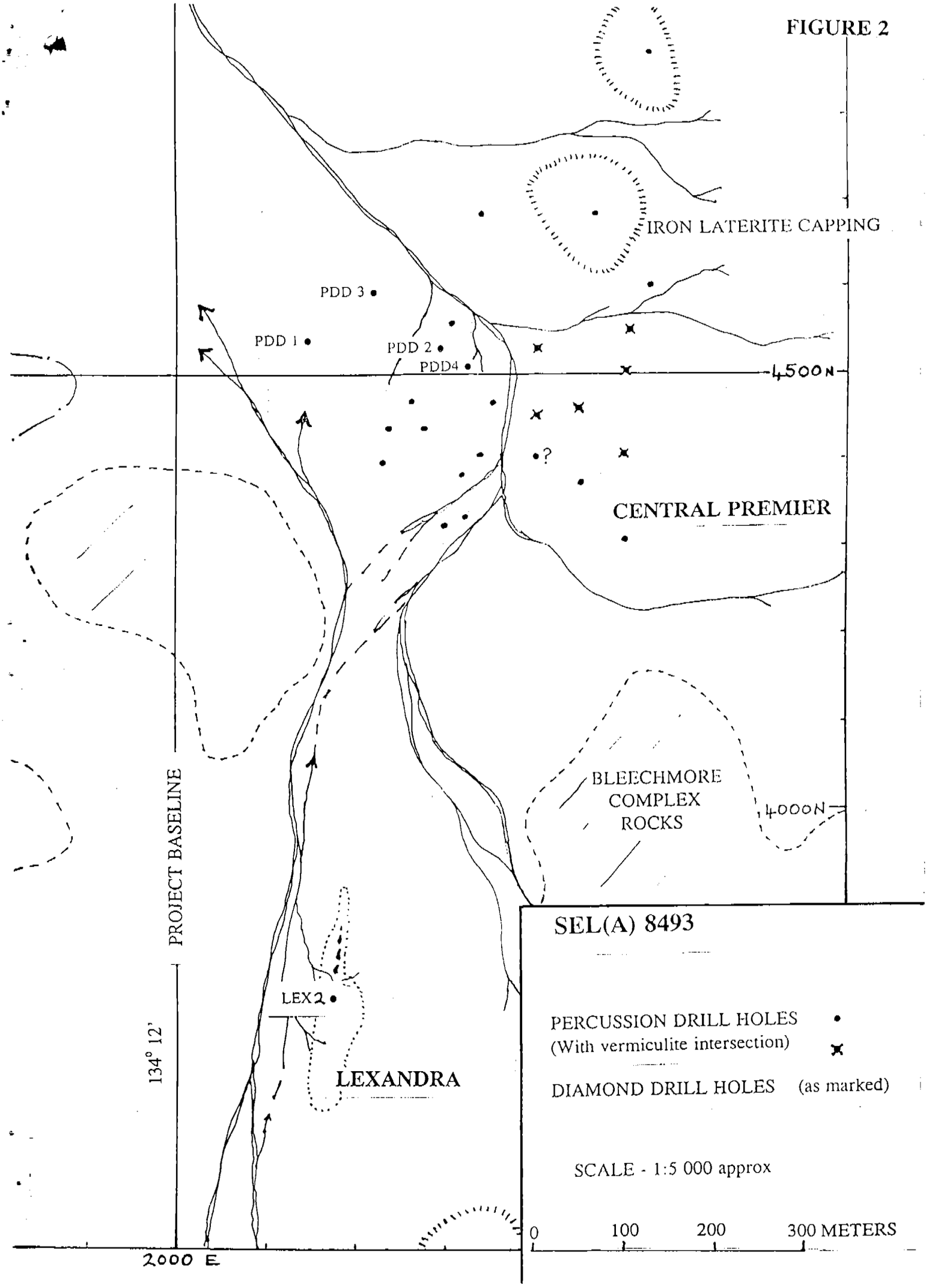
IRON LATERITE CAPPING
PDD 3
PDD 1
PDD 2
PDD4
4500N
CENTRAL PREMIER
BLEECHMORE
COMPLEX
ROCKS
4000N
PROJECT BASELINE
LEX2
LEXANDRA
134° 12'
2000 E
SEL(A) 8493
PERCUSSION DRILL HOLES
(With vermiculite intersection)
DIAMOND DRILL HOLES (as marked)
SCALE - 1:5 000 approx
0
100
200
300 METERS

FIGURE 3

SEL(A) 8493

PHOTO SERIES: NTG 1074 1/9/88 ALICE SPRINGS REGIONAL
(ALCOOTA) 1:50 000 COLOUR RUN 8 NUMBER 019

Detail from air photo showing DOUGLAS CIRCLE