REPORT ON EXPLORATION LICENCE 5203.

INTRODUCTION.

During the 1988/89 year, almost $52,000 was expended on the exploration of EL5203 through a gridding and sampling program. Results from the sampling program were generally sporadic with a significant portion of the exploration licence indicating initial low prospectivity. The program did however indicate several target areas for more detailed and intensive exploration during the 1989/90 year.

1988/89 EXPLORATION PROGRAM.

Due to the very rugged nature of the terrain in EL5203, many areas were not readily accessible by vehicle. In the western section of the Exploration Licence that was assessable, 4WD vehicles and motorbikes were utilised for access. Over the majority of the Exploration Licence access and sampling was undertaken by use of a Hughes helicopter.

The Exploration Licence was aerially gridded on north-south and east-west compass bearings, with samples generally taken from approximately two mile grid intervals. Areas considered to be of low prospectivity, primarily as a result of surface geology, were sampled at a reduced frequency. Areas that were considered to be more prospective were sampled at an increased frequency.

Rock and soil samples were collected from natural ground surface and from within drainage lines. A total of 140 rock and soil samples were collected for evaluation. These samples were transported to a central base camp for crushing and panning. The presence or degree of color was used to assess prospectivity rather than expensive laboratory assaying.
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Over much of the Exploration Licence results were poor with little or no color resulting from panning. A few areas of reasonable to good values were identified and these are targeted for more detailed and intensive sampling over the next year.

EXPENDATURE 1988/89.

Exploration expenditure for the 1988/89 program on EL 5203 totalled $51,880. The breakdown of this is as follows:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helicopter Hire (110 hrs @ $230/hr)</td>
<td>$25,300</td>
</tr>
<tr>
<td>Fuel</td>
<td>$5,000</td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>$3,150</td>
</tr>
<tr>
<td>Wages (5 personnel)</td>
<td>$18,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$51,950</td>
</tr>
</tbody>
</table>

REDUCTION OF LICENCE AREA.

Subject to section 26 of the Mining Act, the Exploration Licence was required to be reduced. The area dropped consists largely of sandstone, limestone and shale type country. Although one area appeared to be prospective and was subsequently sampled at a higher frequency (see shaded area on figure 1) the values obtained from sampling were either too low or too sporadic to justify further intensive exploration and expenditure.
LICENCE AREA RETAINED.

The area of EL 5203 retained, refer to figure 2, was assessed to be the most prospective as per results of the primary exploration program and interpretation of the geology. Encouraging results were obtained from a number of areas, primarily in the western and central-southern portions of the licence area. These areas have been targeted for further exploration.

NEXT YEARS PROGRAM AND EXPENDITURE.

Next year the target areas will be gridded and surface sampled at an increased frequency. If results from this sampling program indicate a high surface potential, costeining may be undertaken to evaluate the potential at depth. Should costeining be justified the Department of Mines and Energy will be advised pursuant to section 24(e) of the Mining Act.

Expenditure for the next twelve months is estimated at approximately $40,000 to $50,000 for the initial program on the target areas, with further expenditure if results warrant.
FIGURE 1. - AREA OF REDUCTION OF EL5203.
FIGURE 2. - AREA OF EL5203 RETAINED.