ANNUAL REPORT
FOR EL 7704, “FLETCHERS GULLY”
DALY RIVER REGION, FERGUSON RIVER, SD52-12
FOR REPORTING PERIOD ENDING 26/10/97

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Kalmel Resources NL
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1. INTRODUCTION

EL 7704 surrounds the old Fletchers Gully goldfield about 180 kilometres south-south west of Darwin.

Kalmet Resources NL acquired a 75% interest in EL 7704 by way of purchase from Norminco Limited and other arrangements negotiated with Mr R M Biddlecombe in mid-1995. Subsequently Mr R M Biddlecombe holds a 25% interest in the tenement.

During 1994 Norminco and thereafter in 1995 Kalmet defined a substantial gold-arsenic soil anomaly. This report covers the first pass drill testing of the anomaly by Kalmet in 1996.

2. LOCATION AND ACCESS

EL7704 is located about 180 kilometres south-south west of Darwin and 128 kilometres west-south-west of Pine Creek (see Figure 1).

Access to the area is by way of the Stuart Highway from Darwin to Adelaide River (110 kilometres) and then along the old Stuart Highway (32 kilometres) and Daly River-Port Keats Road (89 kilometres) to a point about 10 kilometres west of the Daly River causeway. A system of station fence lines and firebreak tracks then leads generally south (20 kilometres) to a rough bush track which leads generally south-east (26 kilometres) to Fletchers Gully.

Within the exploration grid area access is very limited for vehicles because of the steep terrain.

3. TENURE

EL 7704 comprises an area of 5 graticular blocks covering approximately 16.6 square kilometres (see Figure 2).

The tenement lies entirely within the boundaries of the Elizabeth Downs pastoral lease.

4. GEOLOGY

EL 7704 encompasses rocks of the Early Proterozoic Noltenius Formation (Finniss River Group of the Pine Creek Geosynclinal sequence) intruded by the post-orogenic Allia Granite (about 1820 Ma). The Noltenius Formation nominally consists of quartz greywacke conglomerate, siltstone and shale and is about 4,000 meters in thickness. To the immediate west of the title the Noltenius formation is conformably overlain by 4-5,000 meters of white ripple-marked medium sandstone of the Chilling Sandstone. The Allia Granite is described as a coarse-grained porphyritic biotite muscovite granodiorite which is commonly foliated (see Figure 2).
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FLETCHERS GULLY - Tenure and Geological Setting

From 1:250000 BMR Fergusson River Geological Series
A major south-easterly plunging anticline transects the gridded area of the tenement (Goulevitch, 1995a, 1995b).

5. PREVIOUS WORK

Details of exploration conducted at Fletchers Gully prior to the drilling programme described in this report are provided by Goulevitch (1995a & 1995b).

6. CURRENT WORK

The results from the drilling program carried out during 1996 (refer 1996 Annual Report) were evaluated. As the best part of the soil anomaly has been tested, and considering that RGC previously drilled several shallow holes under some of the old workings with similar results, the potential of the area now appears limited. No further work by Kalmat is recommended.

7. EXPENDITURE

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Total $20,570.00

8. REFERENCES


Goulevitch, J., 1995b, Annual Report For Exploration Licence 7704 For The Year Ended 26 October, 1995 (Unpubl.)