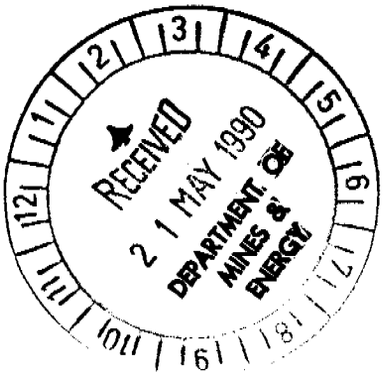
FINAL REPORT

EXPLORATION LICENCE 5312



OCEANIA EXPLORATION & MINING NL

MAY 1990

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1. INTRODUCTION

EL 5312 is situated 90 kilometres south-southeast of Darwin in the western part of the Pine Creek Geosyncline (Fig 1). It covers an area of 7 square kilometres. The area is entirely within the Burrell Creek Formation which is an important host for gold mineralization elsewhere in the district, particularly at the Goodall mine some 12 kilometres to the northeast.

EL 5312 was explored for gold during the first two years of the licence by Golden Plateau N.L. under the terms of a farm-in joint venture agreement with Robert Johnston and Oceania Exploration and Mining N.L (OEM). This work consisted of geological mapping, limited rock chip and drainage sampling, and regional airborne magnetic and radiometric surveys. No encouragement was obtained from this work, and Golden Plateau subsequently withdrew from the Joint Venture.

The northeastern part of EL 5312 was retained by Robert Johnston and OEM for further investigation along the Mount Shoobridge Fault, a regionally mineralized structure that passes through the retained area.

2. SUMMARY

Low analytical results from last year's exploration programme did not indicate mineralization potential for El 5312. The main question remaining as regards to the prospectiveness of EL 5312 was whether there were any indications of gold mineralization along the Mount Shoobridge Fault. To this end, the 1989 exploration programme consisted of systematic sampling to test for anomalous gold values along and across the fault zone which, within EL 5312, is represented by a well defined ridge of silicification and quartz infill.

Across the zone, two 200 metres long soil lines 650 metres apart were sampled at 25 metres intervals for bulk leach extractable Au and As (bleg) determinations (18 samples). Along the structure 22

rock chip samples were taken at regular intervals for Au and As analyses.

Analytical results indicated very low order anomalism in soils with a maximum value returned of 0.75ppb Au. Rock chip samples returned a maximum value of 0.83ppm Au.

3. CONCLUSIONS AND RECOMMENDATIONS

The analytical results are not considered sufficiently encouraging to continue further work. Consequently the licence has been relinquished.

4. LOCATION AND ACCESS

EL 5312 is located 16 kilometres east of Adelaide River (Fig. 1). It comprises an area of 7 square kilometres, and is covered by the Batchelor 1:100,000 topographic and the Batchelor-Hayes Creek 1:100,000 geological sheets. The area is easily accessible by turning north off the Fisher Road 4 kilometres past the Stuart Highway turn off along fence line station tracks.

5. TENURE

EL 5312 consists of 2 one minute square blocks on freehold land. The tenure was granted to Robert Johnston for a period of 3 years from 13/08/87 to 12/08/90. The licence was transferred to Oceania Exploration & Mining NL on 6th July 1988 and surrendered on 20th February 1990.

6. PRESENT EXPLORATION

The 1989 exploration programme involved spot check mapping onto 1:25,000 aerial colour photographs, rock chip sampling, soil traverse sampling, and assaying.

Attention was focussed along the Mount Shoobridge Fault passing through the eastern part of the prospect. Rock chip samples (2 kg, R1 - R22) were taken at regular intervals along the zone and sent to Comlabs, Darwin for Au and As analyses.

Soil samples (5kg,18 samples) were taken at 25 metre intervals along 2 east-west traverse lines across the Mount Shoobridge Fault and submitted to Comlabs, Darwin for Au and As bleg determination. The lines were 450 metres apart, 200 metres long and were sampled west to east (sample numbers 1/S1-S9; 2/S1-S9).

7. RESULTS

Sample locations are presented in Figure 2 and analytical results are shown in Figure 3. Results are disappointing with a maximum recorded soil value of 0.75ppb au and rock chip value of 0.83ppm Au. These results are not considered worthly of further follow-up work. The area is considered to have been adequately tested.

8. GEOLOGY

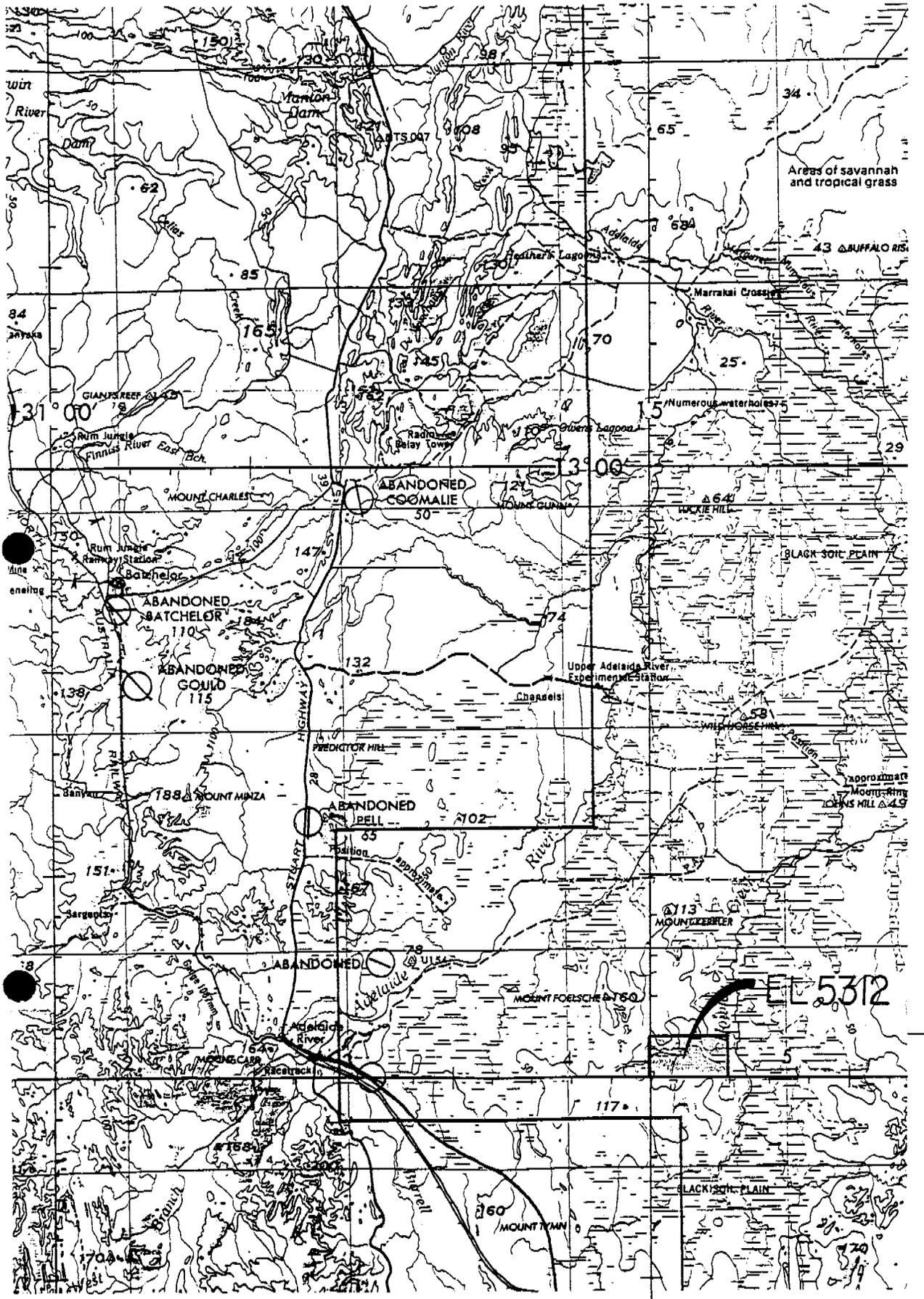
The rocks in the area are part of the early Proterozoic Burrell Creek Formation, a folded turbidite sequence of shales, siltstones, greywackes, and related sediments that crops out extensively throughout the Pine Creek Geosyncline. Within EL 5312, the Burrell Creek Formation is represented by northeasterly trending strike ridges of interbedded siltstones and fine to medium grained greywackes.

In the eastern portion of EL 5312, the sequence terminates against a north-south ridge of silicification representing the Mount Shoobridge Fault, east of which outcrop disappears under floodplain cover beyond the limits of EL 5312. The silicification consists of grey microcrystalline "cherty" silica throughout which minor pyrite is disseminated, fine-grained sugary silica, and massive white quartz stockworks and pods. The width of the zone is unknown as the slopes of the ridge are covered with soil and scree but in places, the outcrop is more than 10 metres wide. The low results, however, exclude the possibility of significant tonnage potential.

9. EXPENDITURE

Expenditure on the project in total amounts to:

		$
1987-1988 inclusive	Golden Plateau NL	18,250
1989	Relinquishment Report on two blocks of EL 5312	400
1989	Exploration carried out by Oceania Exploration & Mining NL	7,504
1990	Relinquishment Report on EL 5312	400
TOTAL		**26,554**



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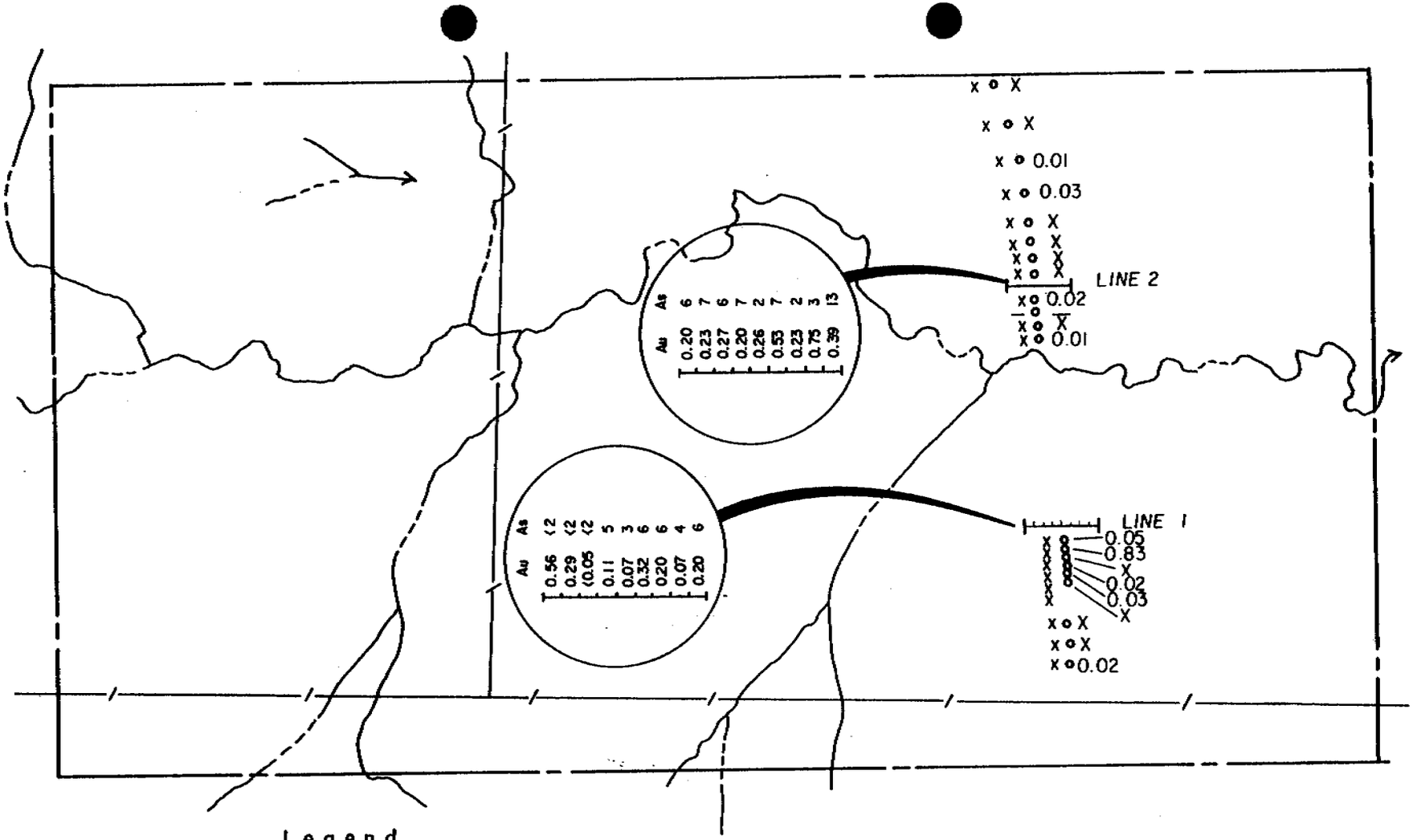
LOCATION MAP
EL 5312

FIGURE 1



Legend

Arsenic assay below 50 ppm

x o 0.05 — Gold rock chip assay (Au ppm), (X equals value <0.01)

— o — Sample not received

Soil sample traverse (Au ppb), (As ppm)

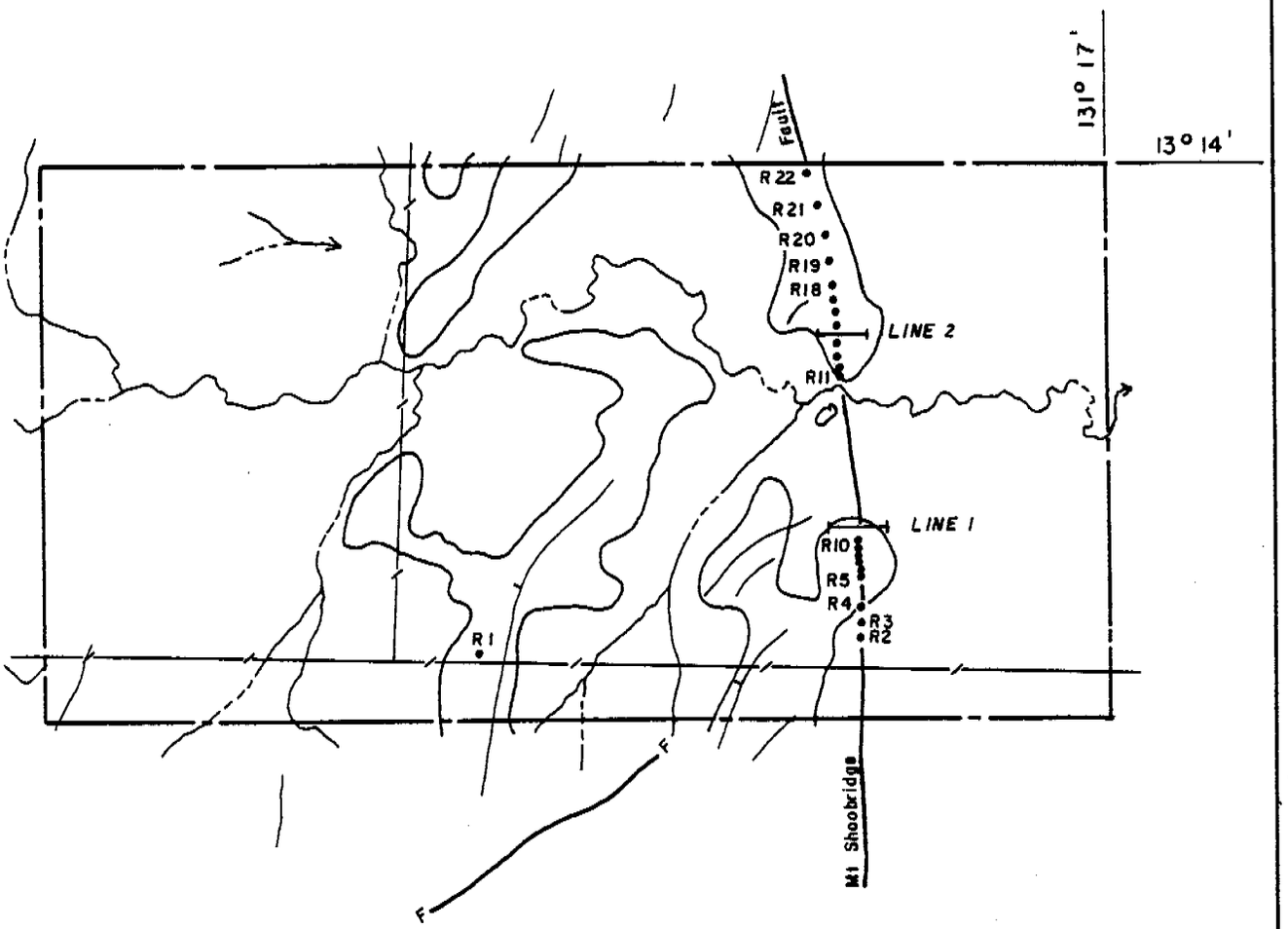
0 500 m

Scale

EL 5312

ROCK CHIP ASSAYS AND SOIL TRAVERSE ASSAYS

FIGURE 3



LEGEND

- Airphoto bedding trend
- Ridge
- R3 — Rock chip sample site
- Soil sample traverse (LINE 1, 2)
- F — F — Fault
- Drainage
- Fence

ROCK CHIP AND SOIL SAMPLES

EL 5312

0 Scale 1 km

1 : 25 000

FIGURE 2