YARDARINO MINING NL

FINAL REPORT

EL9095 - WARRREGO NORTH
TENNANT CREEK DISTRICT
NORTHERN TERRITORY

PERIOD 2 JUNE 1995 TO 1 JUNE 1999

COPIES:
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2. Department of Mines

AUTHOR:
A. RECHNER

Report No. 9095-3
May 1999
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1. INTRODUCTION

This report is a final report for Exploration Licence 9095 - Warrego North and covers exploration activities from 2 June, 1995 to 1 June, 1999.

The tenement falls on the Short-Range 100,000 map sheet and is located approximately 50 km NW of Tennant Creek and 8 km due north of the Warrego Mine (Fig 1). The tenement comprising 6 sub-blocks was granted to Yardarino Mining NL for a period of five years on 2 June, 1995. Four mineral claims (MLC 300-303) located in the southwest corner are excluded from the licence area.

A statutory 50% reduction of the tenement was completed on 12 August, 1997. The remaining three sub-blocks are held 100% by Yardarino Mining NL. An expenditure covenant of $7,360 had been set for the twelve months ending 1 June, 1999.

2. EXPLORATION HISTORY

During the seven-month period between tenement grant and the 15 December, 1995, the tenement was subject to a joint venture agreement with Orion Resources NL. On termination of the joint venture agreement it was discovered that Orion had not completed any work on the tenement. Consequently, Yardarino commenced a compilation of relevant open file data and identified target areas although no fieldwork could be undertaken in the remaining months because of the onset of the northern wet season.

The data review highlighted the southern central part of the tenement as an area requiring further evaluation. Ground magnetic anomalies had been identified by WMC but never geochemically assessed as the lack of a co-incident gravity anomaly led WMC to conclude that the anomalies related either to ironstones beneath 200m depth or to local increased magnetite accumulations in the Warramunga Group sediments. Yardarino believed that further follow-up was required given the favourable structural setting adjacent to the regional Navigator Fault and the presence of WNW trending splay faults.

During the second year of tenure 8 north-south oriented grid lines were pegged and cleared for vehicle access over the area of magnetic anomalism and 324 vacuum holes drilled for a total of 943m. A strong co-incident Cu-Bi anomaly was delineated aligned along a WNW trending linear magnetic low interpreted as a possible shear zone. Best results were 746 ppm Bi and 268 ppm Cu. A follow-up program of angled RAB drilling was proposed to test the area of peak Cu-Bi anomalism.

During the reporting period ending 1 June, 1998 eight angled RAB holes for an advance of 414m were drilled across the peak Cu-Bi soil anomaly. Five holes were drilled at 50m spacings along line 376300E and three holes along line 376100E (Fig 2).

The RAB drilling was undertaken by Radial Drilling Australia of Tennant Creek using a purpose built 4x4 drill rig with a 250 psi/ 500 cfm air compressor. All holes were drilled using an open hole hammer to approximately 50m depth. Bedrock was not encountered in every hole. Drill cuttings were collected at 1m intervals and 4m composite sampled for assay. Samples were assayed by Assaycorp of Pine Creek for Au, Cu and Bi. RAB drill logs are tabulated in Appendix 1 and assay results in Appendix 2.
Fine grained ferruginous siltstone was intersected in all holes. No anomalous gold values were recorded but anomalous Cu and Bi are present associated with bands of silicification and/or quartz veining or with zones of secondary iron enrichment particularly near the saprolite/saprock interface. Better intersections include:

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<tr>
<td>TKR-2</td>
<td>32 - 34m</td>
<td>4m @ 123 ppm Cu, 46 ppm Bi</td>
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<tr>
<td></td>
<td>40 - 49m (EOH)</td>
<td>9m @ 246 ppm Cu, 9 ppm Bi</td>
</tr>
<tr>
<td>TKR-3</td>
<td>0 - 52m (EOH) incl. 4 - 8m</td>
<td>52m @ 108 ppm Cu, 43 ppm Bi</td>
</tr>
<tr>
<td></td>
<td>44 - 52m (EOH)</td>
<td>4m @ 168 ppm Cu, 255 ppm Bi</td>
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<tr>
<td>TKR-5</td>
<td>16 - 20m</td>
<td>8m @ 187 ppm Cu, 4 ppm Bi</td>
</tr>
<tr>
<td>TKR-6</td>
<td>16 - 20m</td>
<td>4m @ 47 ppm Cu, 53 ppm Bi</td>
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3. CONCLUSIONS AND RECOMMENDATIONS

Results of the 8 hole RAB program designed to better assess a Cu-Bi soil anomaly have been inconclusive. All holes intersected variably ferruginous siltstones. Anomalous Cu and Bi were encountered associated with zones of secondary iron enrichment and more particularly with zones of quartz veining and silicification. The occurrence of silicification and quartz veining is supportive of the presence of a major shear as interpreted from the magnetic data.

The strongest Cu-Bi result occurs in the upper part of hole TKR-3 and corresponds to the site of peak vacuum soil anomalist. A silicified and ferruginous siltstone outcrops at this locality but because of the non-overlap of the drillholes it has not been tested at depth.

It is concluded that the RAB drilling has been of inadequate extent to determine the significance of the shear hosted geochemical anomaly. Additional drilling is required to completely cover the anomalous zone with a series of deeper and overlapping holes and to assess the along strike potential to both west and east.

Due to the current difficult market conditions and a low gold price, exploration activities have been concentrated by Yardinino over other areas of greater prospectivity. Consequently no additional work was carried out on this licence during the past twelve (12) months, resulting in the area being relinquished.
GRID LOCATION PLAN

YARDARINO MINING N.L.
WARREGO NORTH E9095

0 1km
Scale 1:25 000

FIGURE 2

AREA RELINQUISHED 12.8.97