Aberfoyle Resources Limited
A.C.N. 004 664 108

Exploration Division

EXPLORATION LICENCE 9145
‘TINARKIE BORE’
(Napperby 1:250 000 Sheet)

ANNUAL REPORT ON EXPLORATION
FOR THE YEAR ENDED
18 AUGUST 1998

Distribution:

Aberfoyle Resources Ltd, Perth (1)
Dept Minerals and Energy, Perth (1)

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1. SUMMARY

Aberfoyle Resources is exploring the gold potential of EL 9145, with the Early Proterozoic sequences present on the licence seen as being potential host rocks for mineralisation of the type developed to the west in the Granites/Tanami inlier. Existing deposits within the Granites/Tanami are often intimately associated with magnetic anomalies and as such Aberfoyle’s exploration is directed towards the testing of magnetic features. Numerous such magnetic anomalies occur on EL 9145 and are targeted for exploration. The prospectivity of the area is enhanced by encouraging recent exploration results achieved by Exodus Minerals/PosGold Limited at their Sabre Prospect, located along geological/structural strike in the Reynolds Ranges, to the west of EL 9145.
2. INTRODUCTION

2.1. Location and Access

EL 9145 'Tinarkie Bore' is located to the north of the settlement of Aileron, approximately 160 kilometres north of Alice Springs. The licence falls on the Napperby map sheet (Plate TNB01), occurring on both the Aileron and Pine Hill Station Pastoral Leases. The Stuart Highway transects the SE corner of EL 9145 for approximately 7km, 3km north of Prowse Gap. Alternatively access may be gained via Arden Soak Bore or Kerosene Well, both of which lie approximately 2km within the EL, on station tracks to the west of the Stuart Highway.

2.2. Tenure

EL 9145 'Tinarkie Bore' (1030 sq km) was granted to Aberfoyle Resources Limited on 19 August 1996 for a period of six years. An annual expenditure covenant of $35,000 applied to EL 9145 for the first year of tenure. A 50% reduction was completed at the end of the second year of title.

3. WORK COMPLETED

3.1. Previous Work

Work in the first year of tenure included:
- The application and subsequent granting of an AAPA Authority Certificate detailing the locations of sites of Aboriginal Significance within the EL.
- Acquisition and interpretation of 250m line spaced airborne magnetics and radiometrics data.

3.2. Work by Aberfoyle in the 12 months to 18/08/98

Work by Aberfoyle has involved reviewing airborne magnetic and radiometric data to generate targets for planned upcoming exploration.
4. EXPENDITURE

Excluding tenement rentals, Aberfoyle Resources expended a total of $7223 on exploration on EL 9145 in the second year of tenure. A breakdown of expenditure is shown on page ___.

5. PROPOSED PROGRAMME AND BUDGET

With the acquisition of suitably detailed aeromagnetic data Aberfoyle’s programme of exploration will concentrate upon the geochemical sampling of magnetic features and their environs located within EL 9145. Magnetic features considered to be significant will be targeted for surface and sub-surface geochemical coverage. Selected, attractive features within these anomalies will be more accurately located by reading ground magnetic traverses, the ground data modelled and the magnetic bodies tested. It is recommended that RAB/Aircore drilling is employed to increase the success rate of penetration to bedrock, as Quaternary cover, ground water and deep weathering may prohibit effect shallow geochemical sampling.

The estimated costing of this programme is as follows:

1) Ground Magnetic Surveying $2000
2) Access $1500
3) RAB/Aircore drilling, geochemical sampling and assaying as appropriate $45000

TOTAL $48500
ABERFOYLE RESOURCES LIMITED
EXPLORATION DIVISION

EXPLORATION LICENCE 9145 ‘TINARKIE BORE’

SUMMARY OF EXPENDITURE
FOR THE YEAR ENDED
18 AUGUST 1998

GEOLOGY $4,790.95
OTHER SERVICES $1,680.00
ADMINISTRATION $752.04
TOTAL $7,222.99