

## **EL 10339- FIRST YEAR'S EXPLORATION REPORT**

A Review of Company Reports on previous exploration in the area revealed that comprehensive stream sediment and rock chip sampling of the area had already been conducted, with somewhat disappointing results.

On the basis of the previous results, an initial field reconnaissance trip and considering the area's relatively close proximity to the rich nuggety Margaret River Diggings it was decided to concentrate our exploration activities to assessing the area's potential for coarse, nuggety alluvial/ eluvial gold.

Most of the area was traversed by vehicle and on foot. The difficult vehicular access to a majority of the exploration licence area necessitated extensive exploration on foot. Areas of outcropping quartz, quartz scree and nearby drainage systems were systematically and intensively detected using Minelab GP3000 and SD2200 metal detectors. No gold was discovered despite many arduous days of prospecting.

Four stream sediment samples were screened and panned with no visible gold being detected. Two rock chip samples of reasonably mineralized Quartz outcrops were milled and panned with no visible gold being detected.

The locations of our prospecting activities are indicated on the attached plan. As previously advised the inadvertent misplacement/ loss of our field book has necessitated determining the areas indicated using a topographical map marked up in the field. The attached plan should therefore be of reasonable accuracy.

Despite the disappointing results from our first year's exploration efforts we are still reasonably optimistic that the area holds some potential for nuggety gold. In the second year of the exploration licence we intend to complete prospecting of areas in the North, central West and South East areas of the tenement.

Expenditure for year two of the exploration licence is estimated at \$10,000. Should the results of the second year's exploration effort prove to be disappointing the tenement will be relinquished.

Expenditure for the first year's exploration was \$16,420. A break up of this expenditure is detailed below:

Labour	\$ 9,600
Camping Allow	\$ 2,880
Vehicle	\$ 1,800
Overheads	<u>\$ 2,140</u>
<b>TOTAL</b>	<b><u>\$16,420</u></b>

Neville Manhire  
NT Gold P/L