MEMORANDUM TO: Mr Colin Good.  
FROM: Geoff Orridge.


Dear Colin,

This memorandum is just to bring you up to date on the results of the work so far completed at Mount Bundey.

1. Survey of Dumps, Stockpiles & Tailings. These were surveyed using a theodolite with EDM attachment, and the survey was tied in to Quasco's 1989 survey of the old open pit mine. I estimate that the various dumps contain a total volume of 165,000 cubic metres. This corresponds well with Brazier & Motti's 1986 estimate of 150,000 cubic metres.

In 1964 the Bureau of Mineral Resources estimated that the "boulder and scree ore" (which was pushed aside to form the bulk of the presently existing dumps) contained 1.5 tons of recoverable product per cubic yard; this is equivalent to 1.9 tonnes per cubic metre. On this basis it is possible that the dumps may yield about 300,000 tons of ore. However this figure should be regarded with caution until some bulk testing has been carried out.

SGS carried out sampling of the dumps on 7th December: their analytical results will provide a good indication of the grade of iron ore which could be recoverable from the dump materials. I would expect this ore to be low in sulphur.
2. Resources Below the Bottom of the Old Open Pit. I have assessed the results of drilling carried out by the Bureau of Mineral Resources in 1964, and by Fanning in 1989. I estimate that the resource remaining between the pit bottom, and a depth of ten metres below the pit bottom, is 190,000 tonnes averaging 62% Fe and 0.9% S, with a stripping ratio of about 2 : 1. Most of this resource is based on the BMR drillholes which were wide-spaced (about 150m apart), and for which the precise collar positions are doubtful since they were obliterated by the subsequent mining activities. Accordingly this is best categorised as an "Inferred Resource" under the current nomenclature code of the AusIMM, until some confirmatory drilling is carried out.

3. The Magnetic Anomaly "A" Area. Anomaly "A" lies about 400m west of the main open pit. BMR discovered a strong magnetic anomaly here, associated with scattered outcrops of iron ore. They drilled two holes with discouraging results, but concluded in their report that "the aeromagnetic results show that there are large amounts of magnetite in the area and further drilling is recommended, preferably after more detailed ground magnetic survey has been made". There are no records of further drilling or ground magnetics having been done at that time.

We have completed a detailed ground magnetic survey covering an area of about 350m X 200m surrounding Anomaly "A". This work discloses a clear magnetic anomaly extending over a length of 350m in a north-south direction. In the southern portion there is an intense anomaly (plus 10,000 gammas) over a length of more than 100m, which indicates the presence of a substantial magnetite body at shallow depth. Further north the anomaly is much weaker (2000 gammas) and suggests that the magnetite body is deeper, perhaps commencing about 25m below surface.

The form and magnitude of the strongest part of the anomaly are similar to that formerly existing over the northern part of the main pit area where the orebody was mined with an average width of about 12 metres. If a comparable thickness is also present at Anomaly "A" we could expect to find between 100,000 and 200,000 tonnes of iron ore above a vertical depth of 25m. This should be mostly oxidised and low in sulphur. I recommend that high priority should be given to a program of drilling to test this possibility. As a first
indication I suggest that an initial program of ten inclined percussion drillholes to 25m depth should be drilled, which would cost about Aus$ 14,000. If results were good an extension of this program would be warranted, perhaps costing a further Aus$ 8,000.

4. **Bl Anomaly Area.** The Bl magnetic anomaly is situated 2000m NNE of Mt Bundey mine. It was discovered by the BMR 1965 aeromagnetic survey. Consulting geophysicist Peter Woyzbun (in 1988) reviewed the data and concluded that Bl offered the best prospects for discovering additional iron ores in the immediate vicinity of the mine.

I have conducted a preliminary magnetic survey and located the anomaly on the ground. It occurs on the floodplain of Mt Bundey Creek, an area without outcrop, covered by several metres of alluvial deposits. The anomaly has been traced along a length of 500 metres, with an amplitude of between 1000 and 2500 gammas. The form of the anomaly suggests a relatively deep magnetite body, commencing at 15m to 30m below the surface. Systematic detailed magnetic surveys and preliminary drilling are warranted, but would have to be delayed until after the present wet season because of the swampy terrain.

5. **Mt Goyder Area.** Peter Woyzbun also flagged a number of magnetic anomalies near Mt Goyder (8km east of Mt Bundey) which he suggested could indicate iron ores. I carried out a reconnaissance of these areas in 1989, and located a number of scattered outcrops of iron ore. One of these (G1 anomaly) showed a magnetic response very similar to that of Anomaly "A" at Bundey, and accordingly could have a similar potential of 100,000 tonnes or more. Further work is warranted here but, as at Bl, could not be easily accomplished until after the wet season because of the swampy conditions.

Regards,

Geoff Orridge.
February 19, 1993
Attention: C.P. Smith, Principal Registrar
Department of Mines and Energy

Re: Application for nine month extension - Authority N385 - Good Mining

Thank you for your fax of 9th February 1993.

During the first three months of the above Authority we completed the works specified under items 1 to 4 in the Second Schedule (page 2) of the Authority Document. Items 5 and 6 of the Schedule (drilling and comprehensive report) could not be completed because of the heavy monsoonal rains which fell during January. When the nine months extension is granted we can start to complete the full work program specified in the Second Schedule.

Additional work proposed during the nine months extension, when granted, comprise the following:

1. Confirmatory percussion drilling of the main lode, below the existing pit bottom, in order to prove reserves which are presently estimated only on the basis of wide-spaced holes put down by the BMR in 1964. This will require approximately 250m of drilling.

2. Additional drilling of the Anomaly "A" and Anomaly "B1" areas, if warranted, in order to bring reserves up to a proven status. A provision of 250m of drilling is made for this purpose.
3. Carry out further evaluation of known iron ore occurrences in the Mount Goyder vicinity, by means of detailed magnetic surveys and preliminary drilling. These prospects lie outside Authority N385, but may be significant to the overall economics of the project.

4. Prepare final feasibility report, and a mining proposal for consideration by the Department of Mines.

For your information, we are sending a copy of the analysis of the stockpiles as completed by S.G.S.

Regards,

C. Good
CLIENT : GOOD MINING PTY. LTD.,
PRODUCT : MOUNT BUNDEY IRON ORE SAMPLES.
REPORT NO. : 750937.

We hereby certify that we attended Mount Bunday, Northern Territory and took samples from eight sites as directed in Mr. Geoff Orridge's 'site plan', copy attached as Annex 'A'. Initially only seven sites were recommended for the sampling grid, however Mr. Orridge suggested that the 8th sample "H" Dump (some 10,000 M3) be included.

Increments were taken from all eight sites, combined, mixed and split into duplicate composite samples (Sampling System attached as Annex 'B'). One lot of composite samples were blended into a total composite sample and again split, of which the working portion was sent to our Perth laboratory for analysis and the residue held at our Darwin office. The other eight composite site samples are also held in our Darwin office.

In the absence of any heavy earth moving equipment, we were restricted to what we could see on the surface and just below the surface. Of what we could see, our estimate of iron ore to other (ie clay and gravel) was 50/50.

Signed and Dated : 29.02.93
at Darwin.

For and on behalf of
SGS Australia Pty Ltd

Annexes:
A. Site Plan.
B. Sampling System
C. Analytical Report.
TO: COLIN GOOD, GOOD MINING, U.S.A.

FROM: FRANK OSBORNE, SGS DARWIN, AUSTRALIA.

CC: NIL.

DATE: 25.02.93.

SUBJECT: ANALYTICAL REPORTS MOUNT BUNDEY.

THE ANALYTICAL RESULTS FROM THE TESTS ARE AS FOLLOWS.

A COPY OF OUR INSPECTION REPORT IS ENCLOSED AND REQUEST IS MADE FOR YOU TO FORWARD BY RETURN YOUR POSTAL ADDRESS TO ENABLE OUR OFFICE TO SEND ORIGINAL ANALYTICAL REPORTS, INSPECTION REPORT AND SUPPORTING DOCUMENTS.

BEST REGARDS,

FRANK OSBORNE.
## Analytical Report

### Sample Reference

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### Results Expressed As

- **Lower Detection Limit**: 0.01 0.01 0.01 0.001 0.001 0.01
- **Analysis Code**: XRF-4 XRF-4 XRF-4 XRF-4 XRF-4 XRF-4
- **Method of Preparation**: SP 1 SP 1 SP 1 SP 1 SP 1 SP 1
SAMPLE PREPARATION CARRIED OUT

PREPARATION CODE: SP 1
Where necessary, sample has been dried, jaw crushed, split and pulverised in a Chromium Steel Mill.

METHOD OF ANALYSIS USED

ANALYSIS CODE: XRF-4
XRF fusion method with corrections for inter-element matrix effects using calculated ALPHA corrections for relevant matrix, flux and X-RAY tube.
Fusion mix contains Lanthanum as a heavy absorber.
Precision of analysis is +/- 5% at 10X LLD.
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### RESULTS EXPRESSED AS

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### ANALYSIS CODE

- VOL
- D3(a)
- S1E
- D3(a)
- XRF-1

### METHOD OF PREPARATION

- SP 7
- SP 7
- SP 7
- SP 7
- SP 7
SAMPLE PREPARATION CARRIED OUT

PREPARATION CODE .. SP 7
No sample preparation required as samples received as pulps.

METHOD OF ANALYSIS USED

ANALYSIS CODE .. VOL
Wet chemical titration method after appropriate digestion.

ANALYSIS CODE .. D3(a)
Samples are digested using mixed acids (HF), and leached with HCl. This digest gives total solution in most cases. Solutions are analysed by A.A.S. Precision is of the order of 1-5% of extracted amount of element of interest.

ANALYSIS CODE .. SLE
Carbonate fusion followed by measurement by Specific Ion Electrode.

ANALYSIS CODE .. XRF-1
Pressed powder XRF method with corrections for main interfering elements. Matrix effects normally corrected for by using Compton Scatter method. Precision of analysis is ± 10% at 10X LLD.
### Analytical Report

#### Sample Reference

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<th></th>
<th>TiO₂</th>
<th>CaO</th>
<th>MgO</th>
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#### Analysis Code

- XRF-4
- XRF-4
- XRF-4
- XRF-4
- GRAV
- VOL

#### Method of Preparation

- SP 1
- SP 1
- SP 1
- SP 1
- SP 1
- SP 1
- SP 1
SAMPLE PREPARATION CARRIED OUT

PREPARATION CODE: SP 1
Where necessary, sample has been dried, jaw crushed, split and pulverised in a Chromium Steel Mill.

METHOD OF ANALYSIS USED

ANALYSIS CODE: XRF-4
XRF fusion method with corrections for inter-element matrix effects using calculated ALPHA corrections for relevant matrix, flux and X-RAY tube.
Fusion mix contains Lanthanum as a heavy absorber.
Precision of analysis is ± 5% at 10% L.M.

ANALYSIS CODE: VOL
Wet chemical titration method for iron in Iron Ores.