

SUMMARY

Concurrent with mining of the Moline Dam, Northern Hercules and Southern Hercules gold deposits, exploration on the Cyprus/Greenbushes Moline joint venture property continued during the 10 months ending 15th January 1990, with the aim of locating further open pittable gold deposits close to the new 850,000 tonne/year CIP plant.

Cyprus' 1989 work comprised gridding, geological mapping, soil, rock chip and costean geochemistry plus air-trac, reverse circulation percussion (RC) and HQ triple tube (HQ₃) diamond core drilling. Exploration expenditure totalled \$1,278,382.23.

A comprehensive gridding, mapping, soil sampling and costeaning programme at **Tumbling Dice**, 1.5 km. west of Moline was followed up by a 4750 metre RC drilling programme. An in-situ geological resource totalling 374,000 tonnes at 2.63 g/t (uncut) and 2.37 g/t (cut to 10 g/t) was indicated by this work. The area is considered to have substantial remaining exploration potential.

The **Southern Hercules** area was further drill tested by 492 metres of air-trac, 2565 metres of RC and 188 metres of HQ₃ diamond core drilling. Though the planned programme was not completed because of drill site set-up problems in the open pit, some significant gold intersections were made beneath and around the pit. No new ore resource calculation was completed. This area is also considered to have significant exploration potential.

The **Trig** and **Highway** areas - extensions of the Moline Dam and Northern Hercules deposits respectively - were partially assessed by a total of 838 metres of air-trac and 2064 metres of RC drilling. Preliminary indications suggest an open pittable resource of 70,000 tonnes grading 2.3 g/t gold at Trig and 45,000 tonnes grading 4.2 g/t at Highway. Two RC holes to test for additional ore north of the proposed **North Moline Dam** pit did not locate significant mineralisation.

The **Kendergarden** area, adjacent to the Northern Hercules deposit, was gridded and initially drill-tested by 748 metres of air-trac and 246 metres of RC drilling. This area is considered to have limited open pittable potential - probably less than 50,000 tonnes at around 3 g/t gold.

A programme of gridding, soil geochemistry, geological mapping/rock chip sampling and costeaning initially assessed the **Eureka** prospect - covering a 3 km. southerly extension of the Moline Dam - Southern Hercules mineralised structure. While there is evidence of widespread gold mineralisation in the area and a number of drill targets have been defined, no indications of large (+ 100,000 tonne) deposits have been found so far.

The High Chinese prospect, covering a 4 km. strike length of the regional anticline axis south of Tumbling Dice and Eureka, was explored by variable spaced gridding with soil geochemistry follow up and some rock chip sampling. This area has some old Chinese alluvial, elluvial and (small) hard rock workings, has not been previously explored in detail and is considered to have significant exploration potential.

A chert-shale-greywacke-tuff sequence in the El Dollarado - Bonnie Line area 2 km. east of Moline is correllatable with the Tumbling Dice, Moline Dam and Southern Hercules mineralised sequences and was also assessed by gridding followed by soil and rock chip geochemistry. No high rating zones of interest have been delineated to date.

Simple Dreams, 3 km. SE of the Moline plant, was further (to 1986-87 work) assessed by detailed geological mapping, soil geochemistry and 242 metres of air-trac and 617 metres of RC drilling. Indications are that a small open pittable resource (less than 50,000 tonnes) could be developed in this area.

Dingo, an area 3 km. SW of Moline initially assessed by geological/magnetic work in 1987, was further assessed by soil geochemistry and 552 metres of RC drilling. A small deposit is also indicated for this area.

A total of 252 metres of further (to 1986) RC drilling was carried out at Waterhole, 4 km. SW of the plant. The near-surface resource at this area also appears small but there are indications of grade/tonnage improvements with depth.

A number of gossanous zones at Mango, 3 km. NW of Moline, were costeamed during the year with reasonably encouraging results. Limited RC drill testing of this area in 1986 returned mainly negative results and the costeaning was designed to elucidate the near surface geology of the gossanous zones. Further work is recommended.

As a follow up to 1987 gridding/magnetometer work a detailed geological mapping and rock chip sampling programme further assessed Stockyard - an old United Uranium prospect 3 km. WNW of the plant. United Uranium received some encouragement from one of four 1970 shallow percussion holes and the area is considered to have small tonnage potential.

RC drilling of the Paw Paw prospect, an area 7 km. SSE of Moline where a 640 g/t rock chip sample was located in 1985, was proposed but not carried out.

Rock chip geochemistry provided a continuing regional assessment of some of the above prospects (prior to detailed grid work) and of other areas and a 1:5,000 scale geological mapping programme was initiated during the year.

Following a re-alignment of Cyprus' Australian interests, future exploration and development work at Moline will be carried out by Moline Management Pty Ltd - a company jointly owned by Greenbushes Ltd and Arimco N.L.