

KILKENNY

GOLD N.L.



**1998 ANNUAL REPORT
ON**

**MCNs 3839-3844,
Eva Valley**

For the Reporting Period

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1.0 INTRODUCTION

1.1 Tenure

Katherine Mining NL (a wholly owned subsidiary of Kilkenny Gold NL) acquired the Eva Valley mineral claims (MCNs 3835-3844) from Denehurst Limited and Acacia Resources Ltd. On 1/1298 (registered dealing no.D6759). The MCNs are surrounded by Katherine Mining NL's EL 9078A, Yeuralba.

1.2 Location and Access

The six Eva Valley MCNs are located 3km NNW of Manyallaluk (old Eva Valley Homestead) approximately 68 kilometres north east of the town of Katherine as shown on Figure 1.

Access from Katherine is southeastwards via the Stuart Highway for approx. 65km then northeastwards along the Central Arnhem Highway for approx. 20km to the Manyallaluk turnoff. A well maintained gravel road leads approx. 35km northwards to Manyallaluk with a further 3km of bush track to the MCNs.

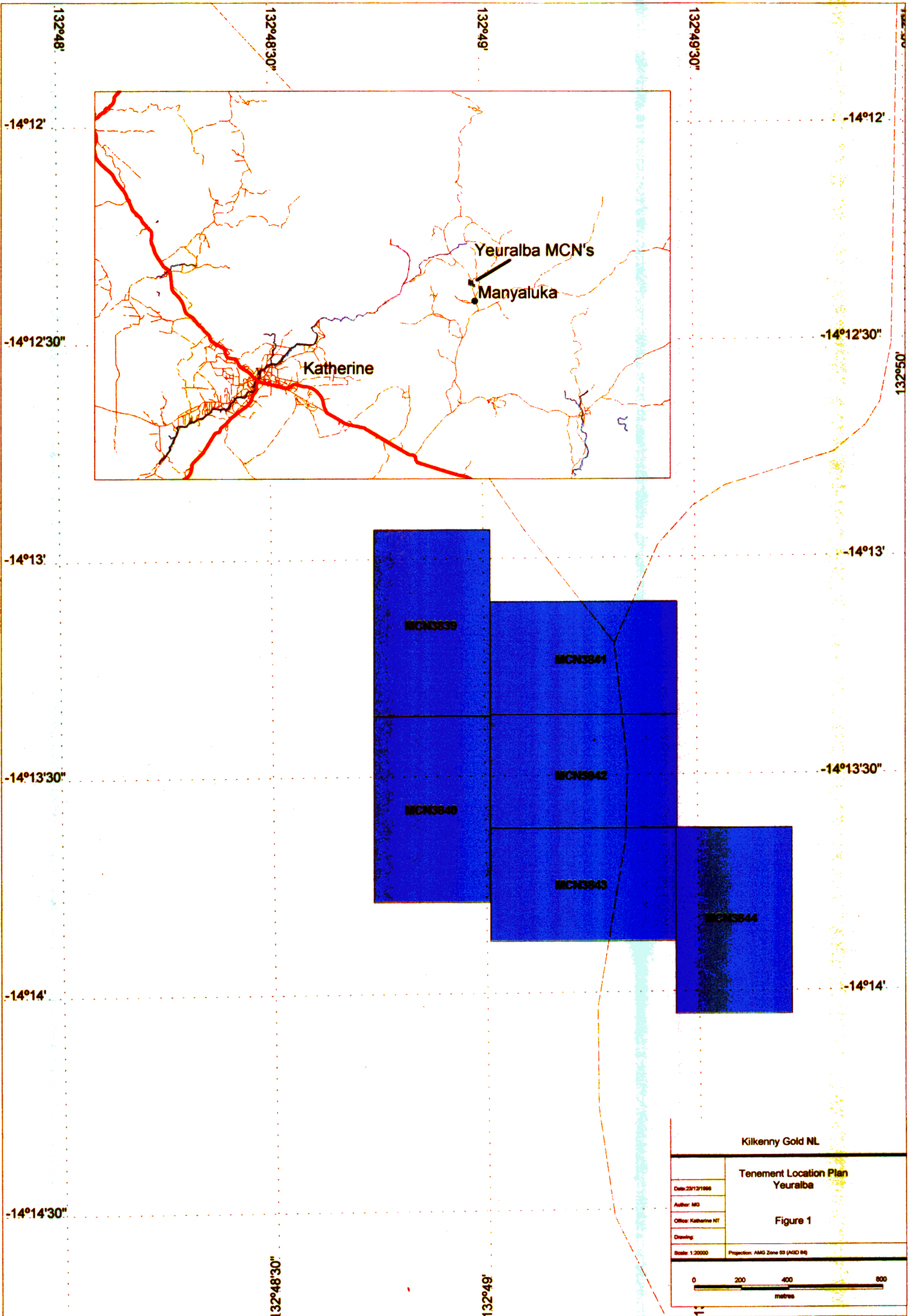
2.0 GEOLOGY

The Eva Valley area is situated in the extreme south-eastern part of the Pine Creek Geosyncline, which comprises a 14 kilometre thick sequence of Lower Proterozoic sediments, interbedded volcanics and mafic sills. This sequence was regionally metamorphosed during the 1870 to 1780 ma. period during which, granitoid plutons were emplaced and overlapped with the development of two unconformably bound felsic volcanic sequences.

Proterozoic rock units within the Eva Valley MCNs comprise the Tollis Formation and Maud Dolerite.

The Tollis Formation unconformably overlies the Burrell Creek Formation and is typified by thin to thick beds of alternating greywacke and mudstone, tuff and minor conglomerate, altered mafic to intermediate volcanic rocks and banded ironstone.

The Maud Dolerite intrudes the Tollis formation and outcrops as massive dolerite which is interpreted as a sill.



3.0 PREVIOUS EXPLORATION

Previous exploration was carried out in the area by Geopeko (1966-1970), Nord Resources (1977-1982) and Newmont (1979) searching mainly for banded iron formation (BIF) hosted base metal style deposits without success. Billiton conducted exploration between 1984 and 1987 with exploration subsequently taken over by Denehurst Ltd in 1988. Exploration was centred on the Copperflower, Ghost Gum Flats, Twin Ridges and Ludan Prospects. Drilling at the Copperflower prospect lead to a preliminary resource estimate of 116,000 tonnes at approx. 2g/t Au and 1% Cu to a depth of 50m.

4.0 EXPLORATION

No work was carried out on the MCNs by Denehurst Ltd during the year. Since assuming ownership late in 1998 Kilkenny Gold NL has carried out literature research, acquired aerial photography and geological and topographic maps.