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To :   **Peko Rehab Project**
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            Attention Mike Fogarty

Date: **April 22, 2004**

Subject: **Resource Statement – Nobles Nob.**

I have completed a "first pass" resource assessment of the Nobles Nob deposit as requested by Mike Fogarty. The purpose of the study was to determine the approximate magnitude of the gold remaining within the deposit outside the stopes and open pit left by the earlier miners.

Data
The data used for this study was included on a CD comprising numerous data files. These files included *.csv* files containing drillhole results and survey data of underground development at various levels and the surface topography including an open pit.

The drill hole files used in this study were
- **Collar file** containing hole ID and collar coordinates in a local grid for 994 holes
- **Survey file** containing hole ID and 2443 down-hole surveys.
- **Assay file** containing sample ID numbers and assays for Au (upto 4), and other elements not studied including Cu, Bi, Pb, Zn, Ag, Fe, Mn, Co and As. Not every sample interval was analysed for the whole suite of analyses. Most sample intervals only had analyses for Au (9493) with a lot fewer Cu (2598) analyses. There were many gaps in the down-the-hole assay data, the most critical being between the collar and the sampled interval and from the sampled interval to the end of the hole. Most of the gaps were presumably visually identified as unmineralised intervals.
- **Sample Number file** containing Sample ID linked to Hole ID and sample down-the-hole interval (from and to)

Interpretation
The drillhole data was loaded into the Pikpoint module in MineMap where the drilling was displayed in 3D.

The drillhole spacing within the main ore zone is intense with fans of holes drilled up and down from several underground levels on closely spaced, often irregular sections. The drill hole density rapidly dropped off below the 291m underground development level.

A lower cut-off grade of 1.0g/t Au was used to draw the ore outlines on plans at the main underground development levels. These polygons were then linked by wireframes to form a "solid".   The mineralisation was not modelled through to the original land surface as this mineralisation is part the existing open pit and has already been mined off. Drilling at the second to lowest lowest underground development level, the 246m level, is sparse with very few worthwhile mineralised intersections so this level is taken as the base of mineralisation.   Further systematic drilling below this level would have a high probability of locating further mineralisation and is highly recommended if drill access to suitable sites is possible.

The wireframed solid was then used to generate a digital block model formed of 5m (EW)x 2m (NS) x 2m (vertical) cells. Each cell was assigned a grade using an inverse distance cubed algorithm with search radii 50m x 50m in the horizontal plane and 50m vertically. Using these search radii almost all of the cells in the digital model within the wireframe were filled.

Open Pit and Stopes
The open pit outline as it now stands is included in the available digital data as a topographical file (nn96topo.csv). There were no files available showing stopes.

Bulk Density
A bulk density of 3.0 was used to calculate tonnes from all volumes. No bulk density measurement data was available for Nobles Nob. The actual bulk density will depend on the mineralogy of the rocks, in particular the sulphide and iron mineral (hematite and magnetite?) content.

Results
The following table summarises the resource estimates that were calculated from the gold model:

	Volume (m^3)	Tonnes	g/t Au
Mineralisation below open pit floor	58,192	174,000	3.16
Note Possible stopes and underground development may reduce this total significantly.			

Reliability
The drilling density below the open pit floor is sparse and concentrated around the shaft area. The mineralisation has been interpreted and modelled along strike beyond the main drilling near the shaft based on a few drill intersections in drilling collared at the surface and higher underground development. This drilling was difficult in places to interpret as it is difficult to know if many of the gaps in the drilling is due to stopes, gaps in the known mineralisation from mapping etc or due to incomplete drill coverage over the mineralisation. Further drilling would be required in these gaps to improve the reliability of the resource estimate. This may not be possible due to access problems.

The lack of reliable stope outlines also adds to the unreliability of the estimate of the resources remaining.

According to the JORC code of reporting mineral resources this resource estimate would be classified as Inferred.

Long Sections

Long sections showing the drilling, open pit, underground development and block model are attached

Phil Jones

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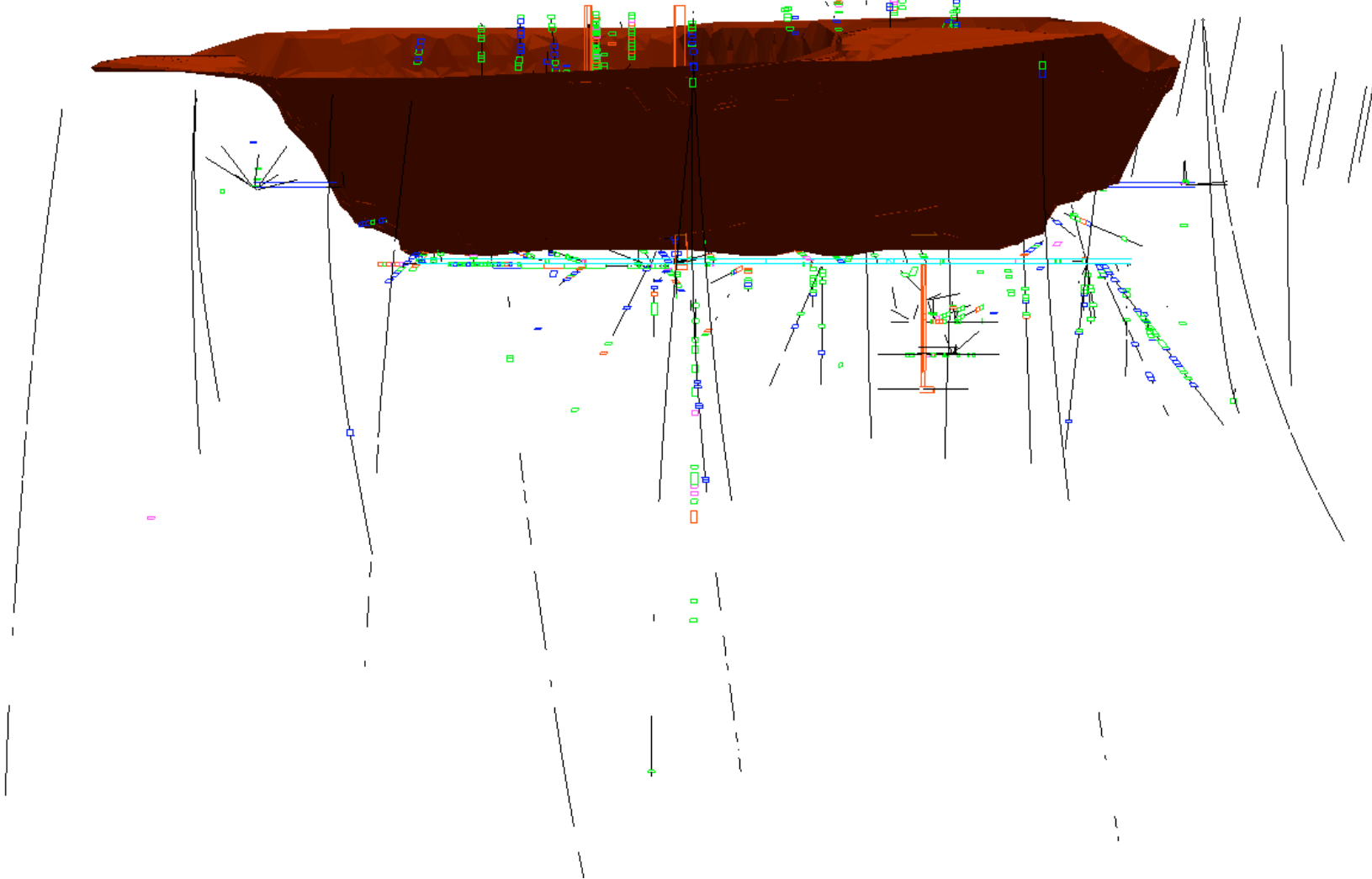West   East
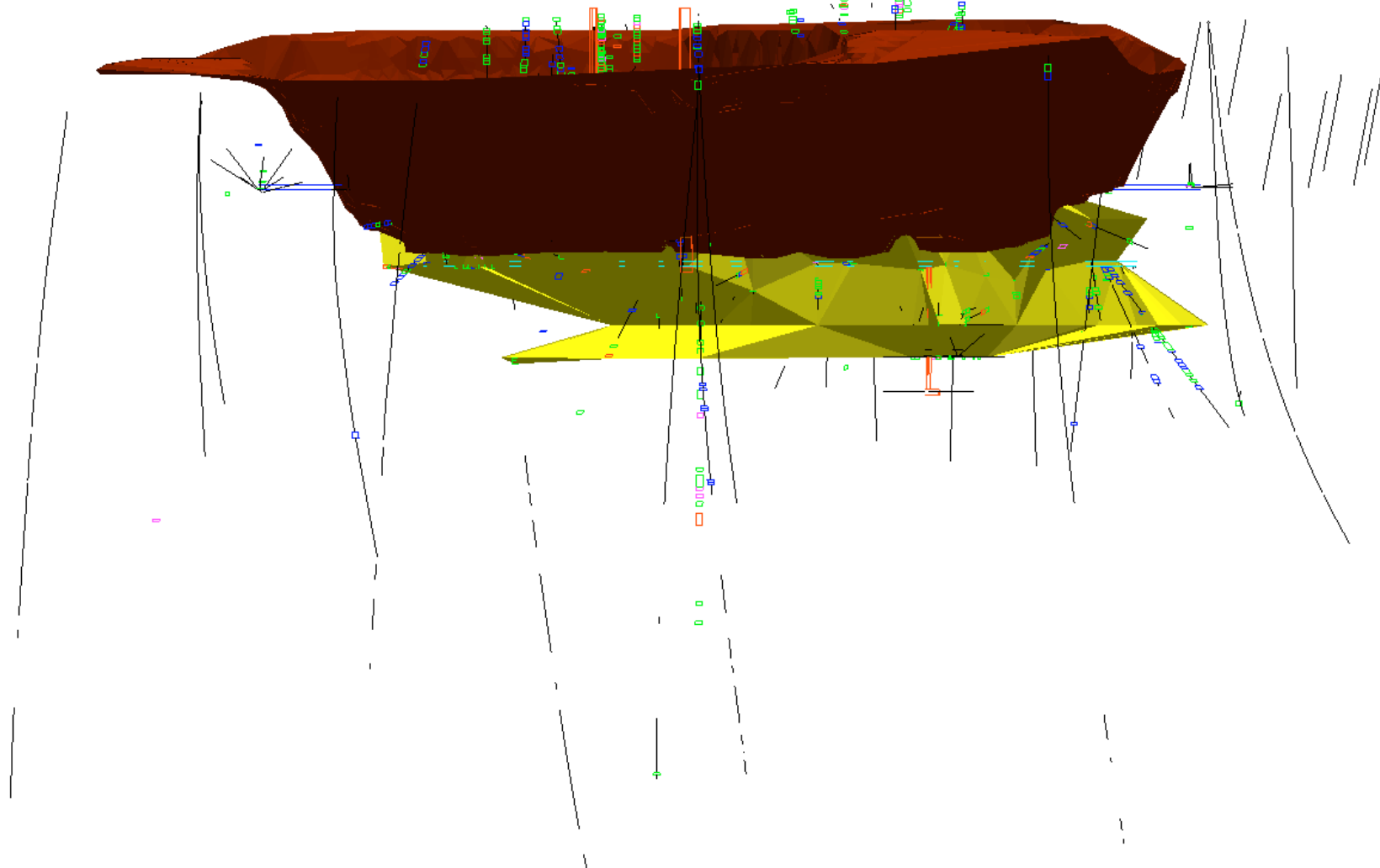
Long Section through Nobles Nob deposit showing existing open pit (brown), gold model (yellow) and drilling.
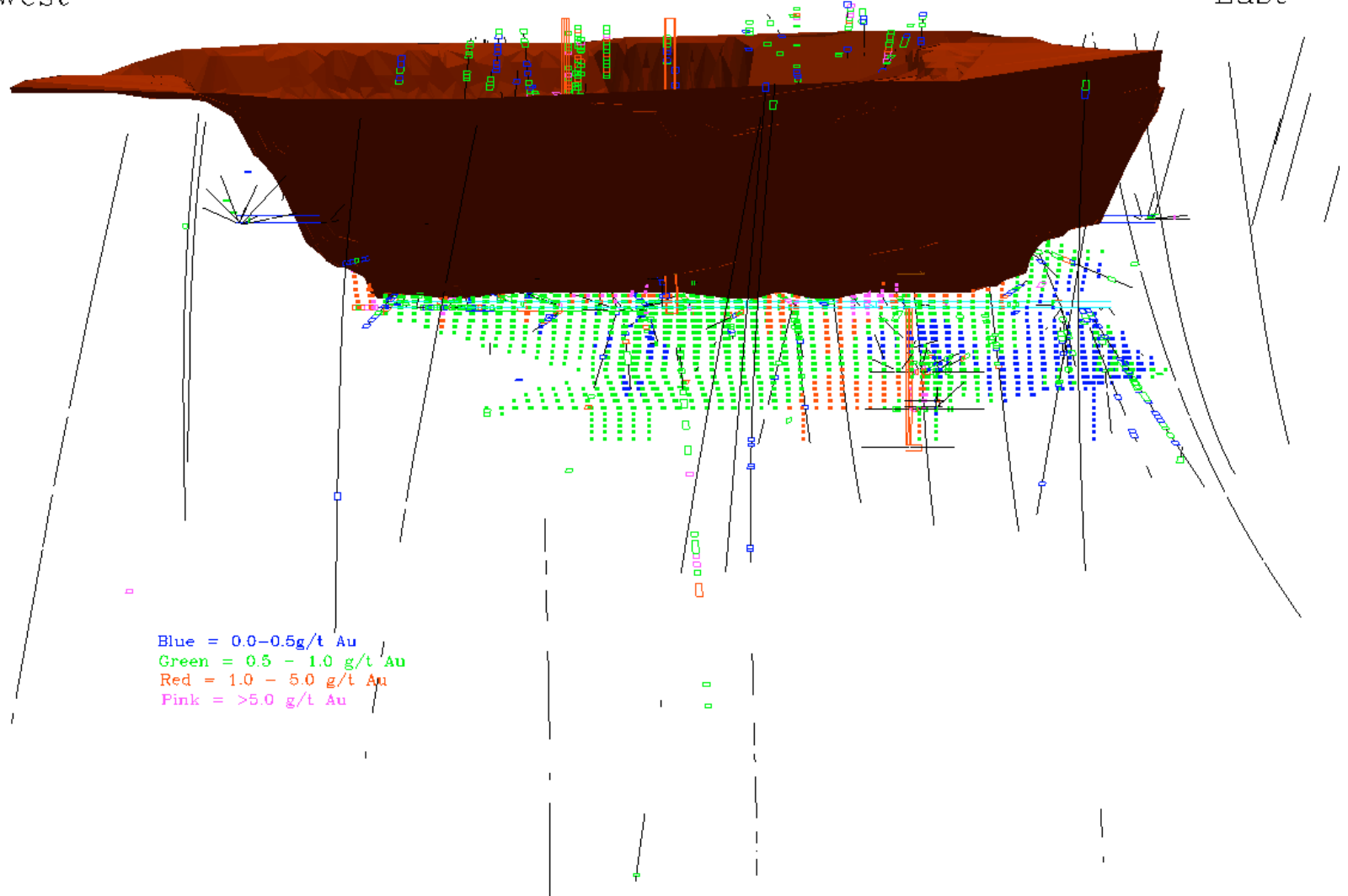
West

East

Long section through Nobles Nob showing drilling used for modelling and underground development as well as existing open pit.

West

East

Blue = 0.0-0.5g/t Au
Green = 0.5 - 1.0 g/t Au
Red = 1.0 - 5.0 g/t Au
Pink = >5.0 g/t Au

Long section showing model cells and grade range