Appendix 2: Review of All Geophysical Anomalies

Below are six oblique aspects showing the Airborne Magnetic Anomalies (red bodies), the Airborne Electro-Magnetic (AEM) traverses (longer lines across the block), and the eight IP/resistivity traverses and shells (short blue lines in central part of block).

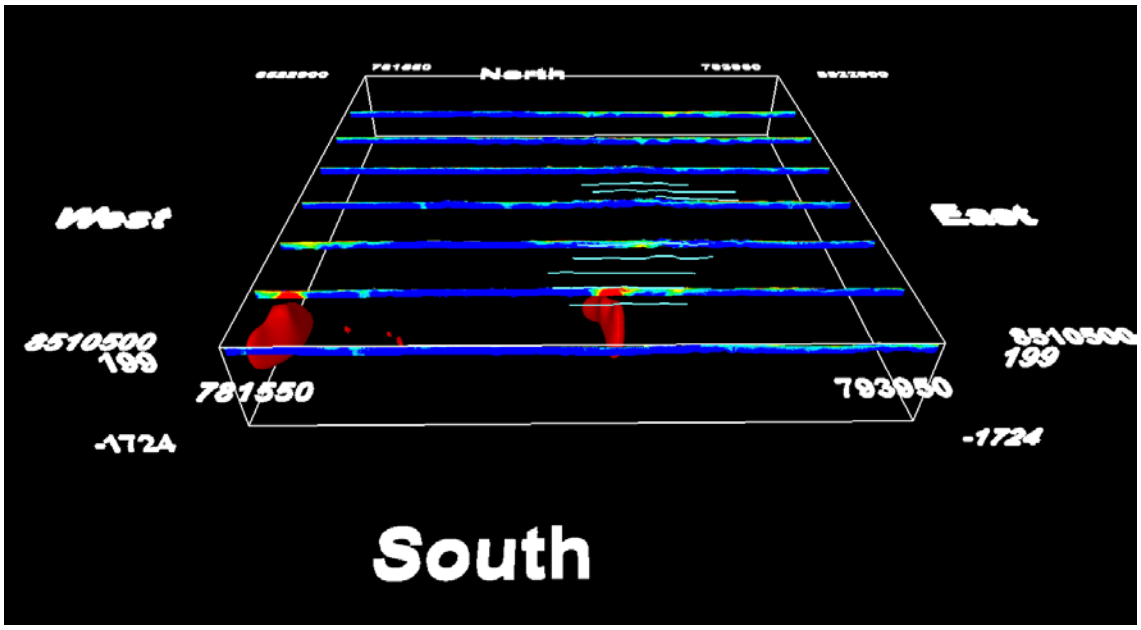

Figure 1: Shallow Oblique View of magnetic highs (red shells) and AEM sections (w/ red highs). The AEM traverses clearly show significant conductors associated with the magnetic bodies.

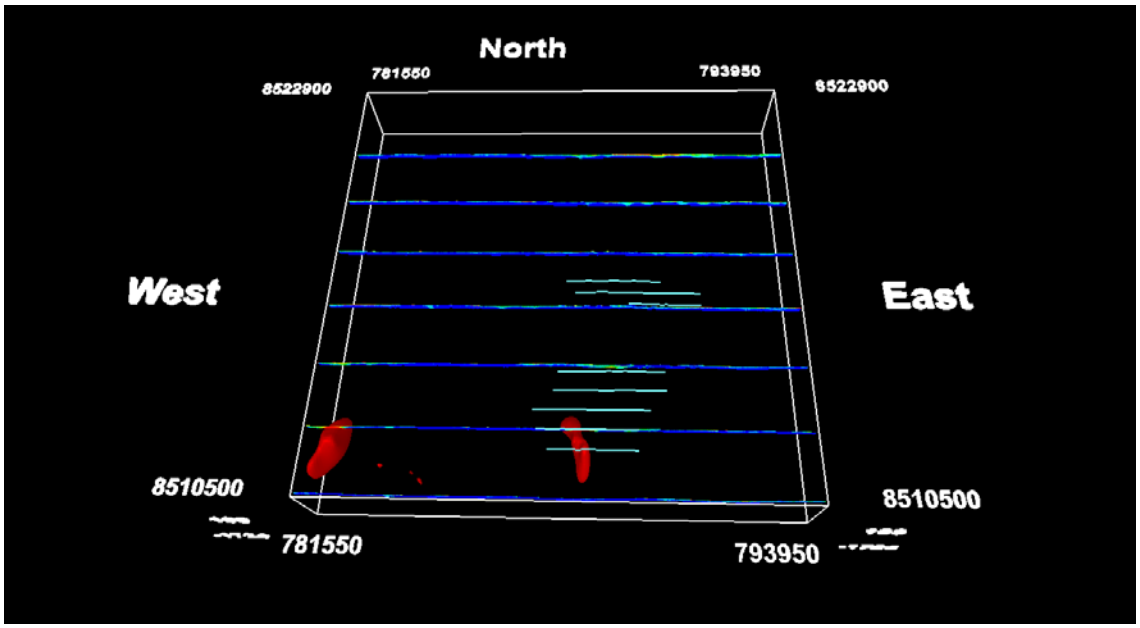

Figure 2: Steep Oblique View of Figure 1, showing location of 8 IP/resistivity lines. This view provides a better depiction of the locations of the Spundaily "Magnetic" anomaly in the south-centre, and the New Waterdrum magnetic anomaly in the SW corner.

The south-central magnetic anomaly is the magnetic body on the Spundaily tenement, just south-west of the Mavis Au-Sn prospect. The magnetic body in the SW corner of the view is located just to the south of the gold veins of the New Waterdrum prospect.

Both magnetic anomalies are located on the edge of the Prices Springs Granite and both are in the core of north plunging anticlinal structures within sediments of the upper South Alligator Group (Gerowie Tuff and Mount Bonnie Formation) and the lower Finniss River Group (Burrell Creek Formation).

In Figure 1, the AEM traverse over the two magnetic anomalies shows significant EM responses coincident with both magnetic bodies. This confirms that both magnetic anomalies are also conductors, likely related to the presence of significant sulphides (pyrrhotite-pyrite).

Figure 2 provides a better view of where the magnetic anomaly on the Spundaily tenement is located in relation to the recent IP/resistivity lines (short pale blue E-W lines). The strong IP response on these lines confirms the presence of high sulphides related to the Spundaily magnetic anomaly. Therefore the IP response also substantiates the AEM anomaly as a likely sulphide conductor.

These two southern-most AEM traverses are data that has only been recently incorporated into our data base. The recognition of the AEM anomalies coinciding with the two magnetic anomalies is a new revelation and provides great encouragement for the newly acquired area known as New Waterdrum.

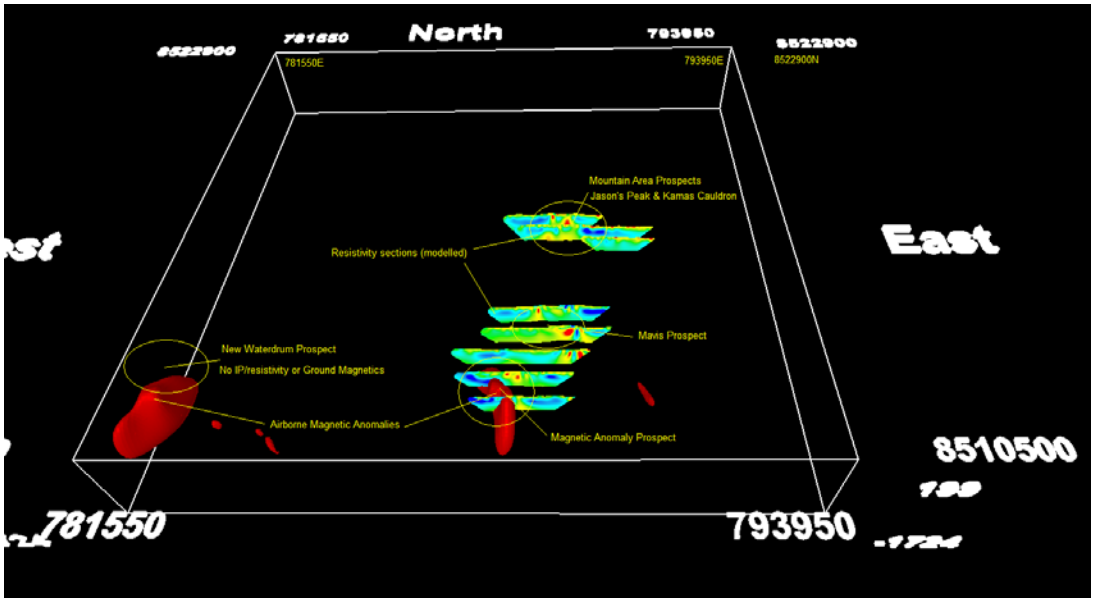

Figure 3: Shows the modelled IP Resistivity sections at the Mountain Area, Mavis and Magnetic Anomaly prospects. The strong airborne magnetic anomalies are also shown. Note that the New Waterdrum prospect has not had any IP/Resistivity done on it. The resistivity sections correlate well with the known mineralised areas.

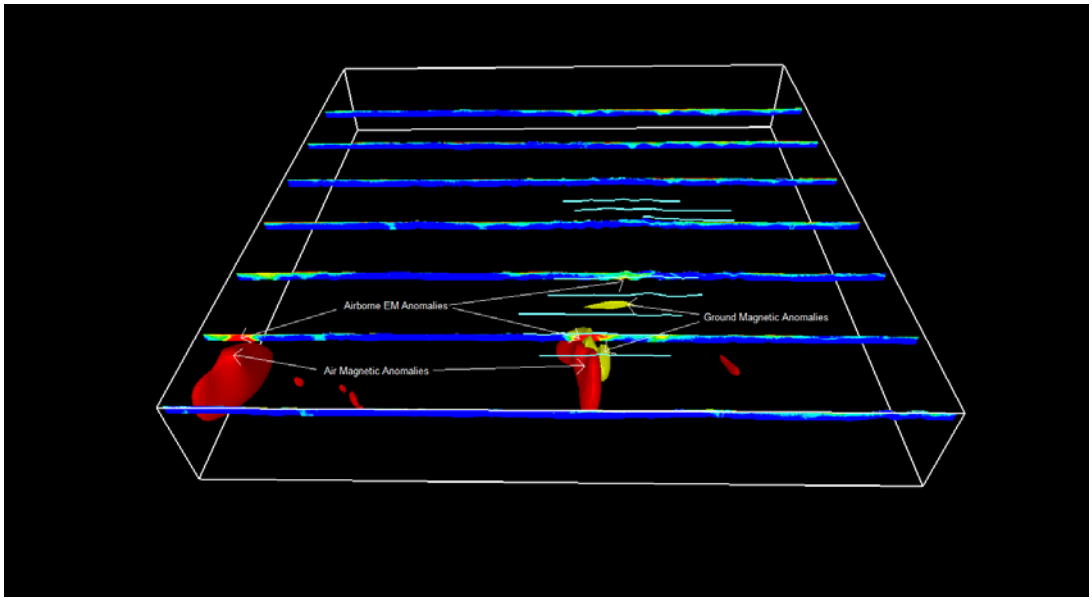

Figure 4: Shows a combination of ground and airborne magnetic anomalies with the regional airborne EM anomalies. Note: ground magnetics have not been done at New Waterdrum or the Mountain prospect area. This view shows the strong coincidence of the magnetic anomalies with the shallow AEM anomalies and shows the AEM anomalies plunging to the north beneath the Mavis and Mountain prospects.

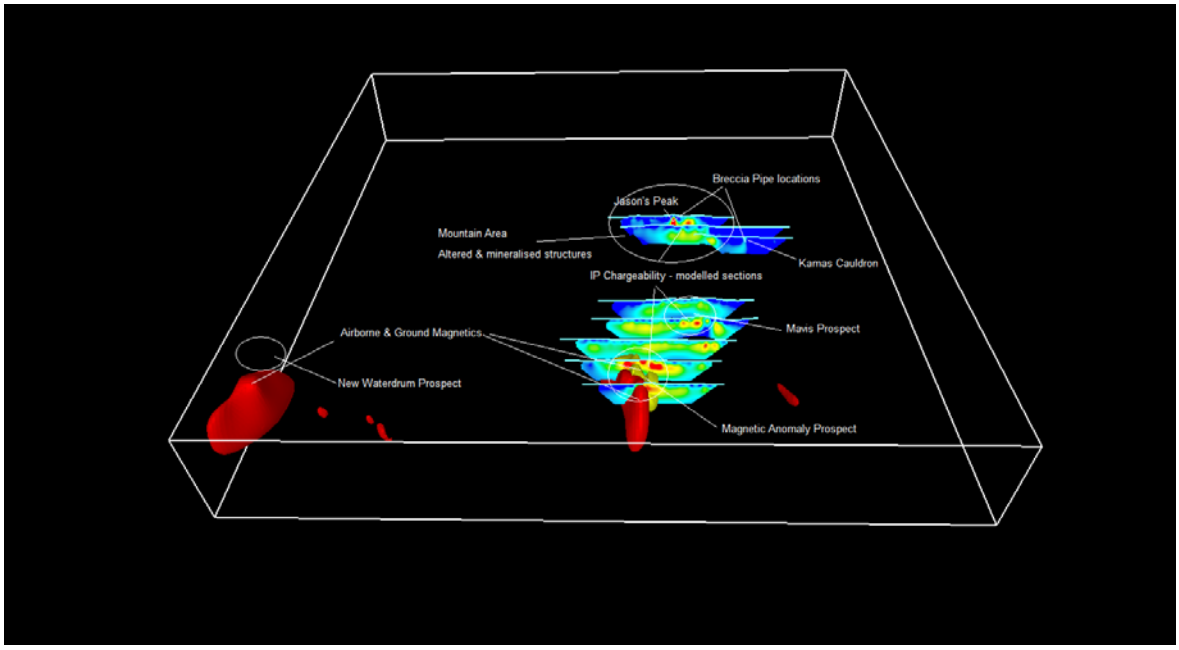

Figure 5: Shows all the modelled IP Chargeability sections superimposed on the airborne and ground magnetic anomalies (red & green shells respectively) at the Magnetic Anomaly Prospect. In the Mountain Area the two breccia pipes (Jason's Peak & Kamas Cauldron) show clear IP responses. At the Mavis Prospect, the IP response confirms a chargeable source at depth and not seen on surface. At the Magnetic Anomaly Prospect the IP response coincides with the magnetic anomalies and occurs from surface to depth, confirming the known sulphides on surface.

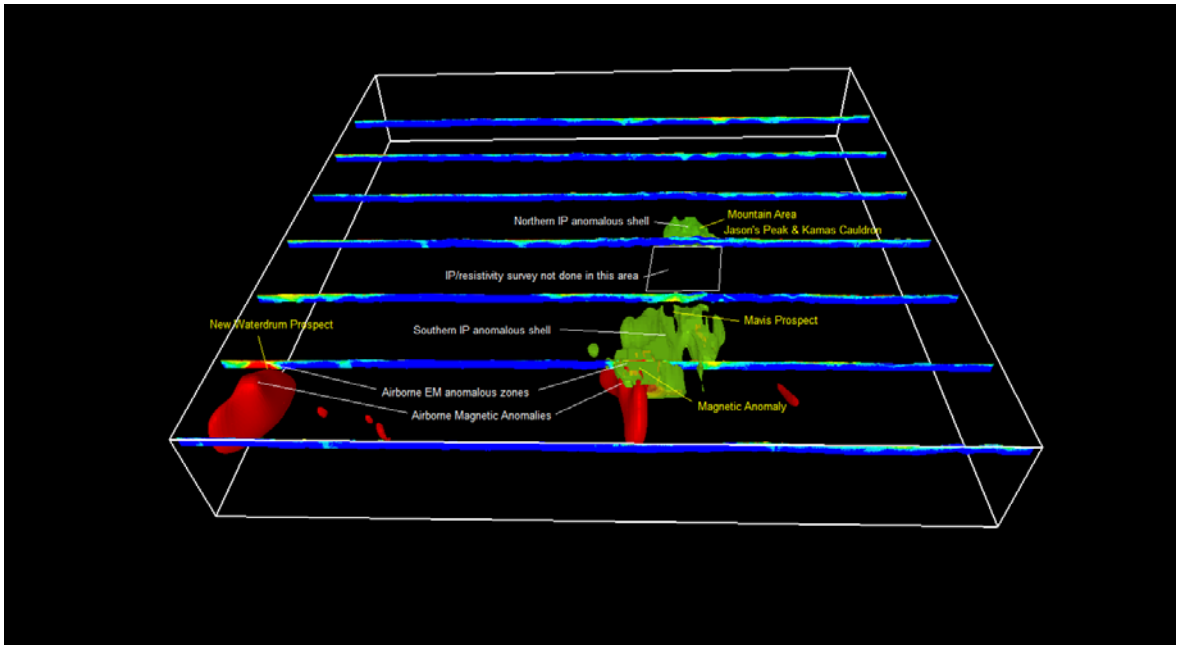

Figure 6: Shows the modelled IP shells (green) with the regional AEM sections and the airborne magnetic shells (red). Note the block of ground between the Mountain Area and the Mavis Prospect where IP lines were not done. This area contains mineralised structures and broad alteration, so it is highly likely that the IP responses will continue north from Mavis to the Mountain Area. Also the AEM anomaly occurs at depth in this area (beneath Mavis, and plunging shallowly to the north).