

## 1. SUMMARY

- (a) In 1998 Golden Triangle Resources NL completed a 3,381 m core drilling program to test a series of magnesite deposits south-west of Savage River township as a potential feedstock for a magnesium metal refinery.

That program identified the following inferred resource:

Area	Tonnes (Mt)	Grade (%)			
		MgO	CaO	SiO <sub>2</sub>	Fe <sub>2</sub> O <sub>3</sub>
Main Creek	24.3	44.03	2.17	2.41	1.22
Bowry Creek	23.1	42.64	2.24	2.93	2.32
<b>Total Inferred Resource (1998)</b>	<b>47.4</b>	<b>43.36</b>	<b>2.20</b>	<b>2.66</b>	<b>1.75</b>

- (b) Initial metallurgical test work, environmental, and conceptual mine planning studies suggested that this resource was potentially suitable for the commercial production of magnesium metal.
- (c) To facilitate more advanced studies, it was decided to complete a second more definitive drilling program.
- (d) Between January-May 1999 a 21-hole core drilling program totalling 6,473 m was completed on the **Main Creek deposit**.
- (e) **This program is estimated to have identified an indicated resource of 23.76 Mt of high-grade magnesite present in five major lenses as tabulated below:**