

## 2. INTRODUCTION

Golden Triangle Resources NL (GTR) has identified magnesium metal as a product with a strong growth future, primarily because of its light weight and comparative strength.

The most commercially attractive route to produce magnesium metal involves acid leaching of magnesite, followed by electrolytic extraction of the magnesium. The quality of the magnesite feed to the processing plant is critical in terms of major element composition and trace elements.

Currently, large capacity magnesium metal processing operations produce between 60,000-100,000 tonnes per annum of magnesium metal. This requires a feedstock of 250,000-400,000 tpa of magnesite. Thus, a large plant producing, say, 100,000 tpa magnesium metal, operating for 100 years, will require a high-grade magnesite resource of approximately 40 million tonnes.

Previous exploration in the Main Creek area south of the Savage River township indicated potential existed for such a deposit.

A drilling program was undertaken by GTR in 1998 to test this potential. As a result, an inferred resource of 47.4 Mt 43.36% MgO, 2.2% CaO was identified in two adjacent areas at Main Creek and Bowry Creek.

Project planning required that approximately half this resource should be further drilled both to elevate its resource status to the "indicated" category and provide additional material for metallurgical test work.

A 6,000-7,000 m drilling program focused on the Main Creek deposit was designed and implemented between January-June 1999.

This report details the results of that program.