

### 2.3 Alteration and Mineralisation.

Detailed systematic exploration and research on the relinquished part of the South Henty EL has identified two target areas (Figure 2) with the potential to host Cambrian volcanogenic gold deposits and VHMS deposits:

- The Lake Newton Prospect (Cu-Au) (including Howard's Anomaly (Ba-Ag).
- The Spillway Horizon (polymetallic massive sulphide).

The Lake Newton Prospect was the main focus of exploration activity.

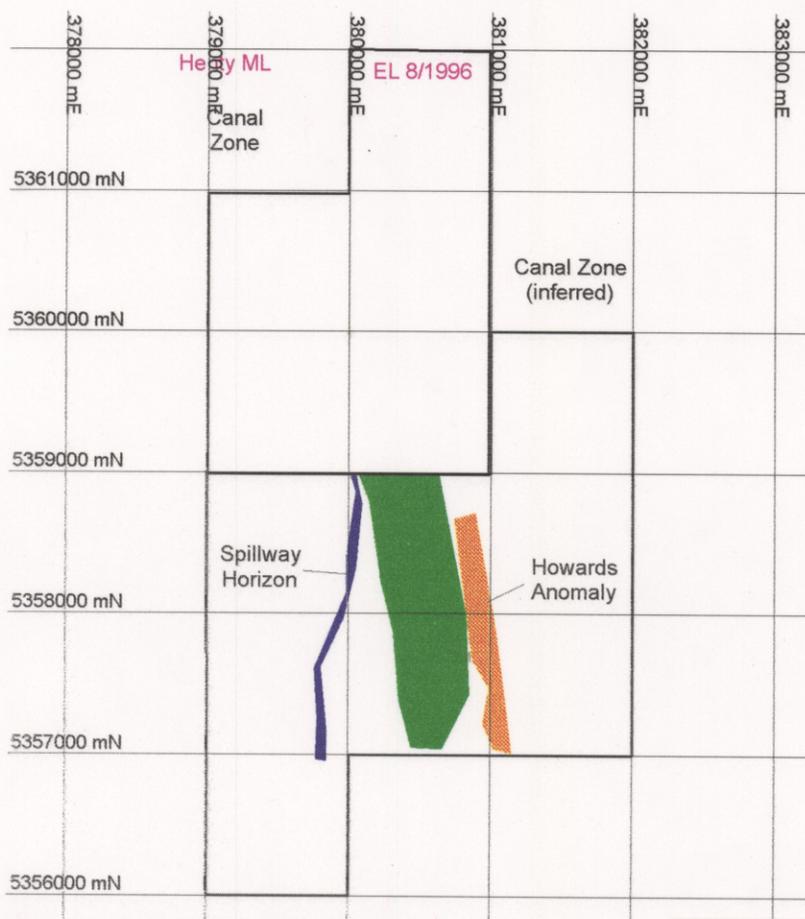


Figure 2. Prospect Location Map

#### *Lake Newton Prospect*

Exploration over the past three years has demonstrated that the basemetal-carbonate alteration extensively explored by Pasminco in the north of the EL, the Lake Newton sulphide alteration discovered by Goldfield's Exploration and extensively explored by Resolute Ltd., and the Howard's Anomaly alteration are all part of the one large hydrothermal system.

The prospect is a well zoned, epigenetic, low grade (0.2-0.4 g/t Au), disseminated copper-gold system with an extensive low grade (<1% Pb + Zn) base metal halo. Typical results from the inner zone include: