

622.2-626.2, 4.0m @ 0.5 g/t Au.

771.8-775.8, 4.0m @ 1.4 g/t Au.

Best Cu assays include:

667.3-672.6, 5.3m @ 1.9% Cu.

719.5-721.5, 2.0m @ 1.3% Cu.

The Henty position was actually located further east than anticipated and was unaltered in SHD16 (see Enclosures for cross sections). The extensive zone of moderately to strongly altered volcanoclastics appears to be a major northern extension of the Lake Newton Prospect hosted in the dacitic pumice breccias of the CVC.

The alteration zone indicates a voluminous Cu-Au hydrothermal system was active at the Lake Newton Prospect. The alteration is zoned from an outer halo of pervasive sericite-carbonate, to sericite-carbonate-pyrite, to sericite-silica-pyrite±chalcopyrite. The sulphides are disseminated and constitute approximately 1-5% of the sulphidic alteration facies. The alteration style is consistent with the Cu-Au hydrothermal systems found southeast of the Henty Fault (Mt Lyell, Henty-Mt Julia). The system has many similarities with the Mt Lyell Cu-Au system found in the same rocks 20km to the south (316Mt @ 0.96% Cu and 0.3 g/t Au), but the Cu/Au ratio has more similarities to the Henty-Mt Julia system. The Cu-Au fluids that formed the Lake Newton Prospect could form high grade Au mineralisation similar to the Henty Deposit in the right depositional environment (ie. seafloor exhalation, fluid mixing or interaction with reactive sediments). The Henty Horizon is located less than 200m up stratigraphy from the intersected alteration so there is a high probability of a significant deposit existing in this locality.

SHD21

Diamond drillhole SHD21 was targeted on coincident CSAMT and DHEM anomalies within the Lake Newton Prospect. The entire hole was altered from the base of the Tyndall Group (171.3m) to the end of hole at 928m. The hole was terminated when the Longyear 44 reached its limit with NQ drill rods. Cross sections are located in Enclosures and Figure 4.