

3.2 Geophysics.

Consultant geophysicist, Mike Asten, (Flagstaff Geoconsultants) completed processing and analysis of the CSAMT survey conducted by Zonge in March 1999. A consultants report, imaged sections and plans are located in Appendix 2. The survey completes the 400m spaced coverage of the South Henty, Anthony and Basin Lake EL's, the last two EL's previously surveyed by Billiton during the 1980's.

The most significant CSAMT anomaly is a broad zone of low resistivity (Cagniard resistivity) coincident with the sericite-pyrite alteration of the Lake Newton Prospect to a depth of greater than 500m. A simplified plan of the CSAMT Cagniard Resistivity anomaly over lake Newton at 1024hz (300-500m) with the known mineralisation is included in figure 6. The survey has proved useful in defining the trend of the deposit as well as identifying the more intensely altered core of the system. Unfortunately the survey could not be completed over the centre of the prospect due to the HEC impoundment. Bostick inversions of the data are harder to interpret, and give spotty results that are difficult to correlate with the known mineralisation.

The Cagniard Resistivity anomaly over the Lake Newton Prospect was drill tested by diamond drillholes SHD20, SHD21 and SHD22 as discussed in section 3.1. The 1km southern extension of the anomaly remains untested.

A smaller CSAMT anomaly and coincident IP anomaly is detected on lines 5357400N and 5357800N in the vicinity of the Spillway Horizon stratigraphic position.