

Modelling of borehole EM data for holes SHD1 and SHD2 indicates a thick conductive zone exists between these holes. The conductor strikes north-south, has a width of 300m, a shallow dip and a thickness of up to 400m (Asten, 1999). The conductive zone is only weakly detected in SHD16 which was not logged to the bottom of the hole due to shallow dips. The conductive zone is weakly detected between NC4 and SHD12 in the south, giving the zone an overall length of 800m, open to both the north and south.

This conductor is coincident with the CSAMT anomaly and the geochemical zonation of the Lake Newton Prospect. The EM target was drilled by drillholes SHD21 and SHD22, both of which intersected extensive alteration zones and anomalous Au and Pb-Zn mineralisation.

The final DHEM report for drillholes SHD20, SHD21 and SHD22 is located in Appendix 3. Modelling of the data, combined with previously acquired data has identified three conductive bodies within the Lake Newton Prospect (Asten, 2000).

Body 1 (Figure 7) lies above SHD21, between SHD21 and SHD2 and extends south to the end of SHD22 and north through SHD16. It is 800m long, 150m wide and approximately 50m deep. The conductive body lies in exactly the same vicinity as the inner silica-sericite-pyrite-(Cu-Au) core of the Lake Newton prospect and has possibly been intersected by SHD16. The anomaly represents either:

- 1 The inner silica-sericite-pyrite zone of the alteration system.
- 2 A higher grade zone within the inner core.

Drilling to date suggests the first possibility.

Body 2 (Figure 7) is the best conductor identified on the prospect. It lies beyond and below the ends of SHD21 and SHD1 at a depth of approximately -270m RL or 770m from surface.

Body 3 is a weak off hole conductor located below and east of SHD20, coincident with the deep CSAMT anomaly. The anomaly occurs approximately 800m below surface making it a low priority target.