

Flagstaff GeoConsultants



the zone of active drilling bounded by holes SHD1, SHD2, SHD20 and SHD22 lies within this zone.

In Zone 2, there is a 400x400 m area showing consistent anomalous conductivity which extends from surface to the limit of the survey (order 500m); this zone is north of SHD2 and has been drilled by SHD16, which returned the most intense alteration and trace mineralization of any hole to date.

In the north of Zone 1, there is a very similar conductive zone which appears untested by drilling; this zone is centred 300 m south of the collar of SHD22.

Zone 3: Interpretation of depth slices and parasections of Bostick resistivity requires some caution, since the algorithm is affected significantly by noise (a problem with this survey, especially from power-lines) and by the transition from far to near field in CSAMT wave propagation (also a problem here, due to the high background resistivities). "Bulls eyes" are unlikely to be significant (since they are often caused by noise in the data affecting the transform maths) but conductive trends with consistency from line to line are of interest. Reference to parasections is also necessary, due to the fact that the "transition-zone notch" gives low apparent resistivities when the CSAMT data lies in the transition-zone; the presence of this notch can be misleading when interpreting conductors at depth.

Subject to this cautionary comment, it is interesting that depth slices show the zone 1 conductor displaced to the west in the vicinity of line 5357800N, marked on PLATE 7 as Zone 3. This zone has not been drill tested (other than by short holes SHD3,4,5 and 7, which encountered volcanics with weak disseminated pyrite in foliated sericitic alteration.

Zone 4: This is imaged best in depth slices of Bostick resistivity. The same cautionary note applies as with Zone 3, but the zone is significant because it may represent a conductive alteration system at 200+ m depth. The north end of this zone has been tested by hole YNC12, which showed weakly disseminated pyritic alteration. Further study of the geophysics of this zone, and a further drill testing, is recommended.

Zone 5: This zone lies at the eastern end of lines 5357800N-5358600N, and is in the vicinity of a power line. While efforts have been made in re-processing the data to remove points affected by powerline noise, it is likely that noise is still affecting this data. Given the lack of line-to-line continuity of this zone, it requires verification with further geophysics using new noise-reduction technology, before a drill target can be sited with confidence.

Zone 6: This zone is at the west end of line 5360600N, and probably off the west end of line 5361000N. The position correlates with the South Henty Fault, and with a clearly-defined conductor and basement IP response seen in inversions of the dipole-

Flagstaff GeoConsultants Pty. Ltd. (ACN 074 693 637)

Suite 2, 337A Lennox Street, (PO Box 2236) Richmond South, Victoria, 3121 Australia

Phone: +61 3 9421 1000 Fax +61 3 9421 1099

Email: postman@flagstaff-geoconsultants.com.au WebSite: www.flagstaff-geoconsultants.com.au