

**Update on Gourlays Creek Prospect EL 46/2003
Exploration Results and Potential – October 2007**

In late May-early June 2007 Stellar Resources Ltd completed a program of 7 reverse circulation percussion drill holes along strike to the NW of the three 1984 Geopeko diamond drill holes which were intended to test the prospect for its tin skarn potential.

The Stellar drilling essentially reproduced the Geopeko results and in combination the 10 drill holes and Geopeko surface mapping allow a reasonable understanding of the main controls on mineralisation. The prospect is stratiform and hosted in a sequence of NW striking, NE dipping Proterozoic schistose meta turbidites, which can be subdivided into a western magnetite rich association with a probable basaltic component to the stratigraphy, and an eastern association dominated by calc silicate style alteration and including probable carbonate units in the stratigraphy. The western zone sources a strong magnetic high and to date most exploration has focussed on that anomaly. The eastern zone is non magnetic but tends to source more EM and IP conductive anomalies than the magnetic rocks. Both the Geopeko and Stellar drilling intersected significant but patchy copper mineralisation and minor tin, gold and lead-zinc mineralisation (see table).

Goulays Creek Drilling-Best Intersections

Hole ID	Depth From (m)	Intersection
GC1	41	1m @ 0.3% Sn
	151	1m @ 0.2% Cu, 0.4% Pb, 0.4% Zn
	162	2m @ 0.4% Cu
	172	4m @ 0.3% Cu
GC2	97	1m @ 2.1% Cu
GC3	298	4m @ 0.3% Cu
	372	4m @ 0.4% Cu
SRG1	75	9m @ 0.4% Cu
SRG2	93	3m @ 0.3% Cu
SRG3	44	3m @ 1.4% Cu
	53	4m @ 0.3g/t Au

Projecting all holes onto section normal to strike shows that the best copper hits are contained in a stratiform envelope within the magnetic rocks but some copper also occurs within the calc silicate (non magnetic) zone. Possibly the best results to date are the copper and gold intersections from SRG3. This is the most easterly of the Stellar drill holes and is drilled within the non magnetic zone. The hole was abandoned at only 57 metres, still within the gold intersection, due to wet surficial sand running into the hole and preventing hammer function. Sand dunes of probable last interglacial vintage are masked by the basaltic soil cover and were unknown prior to the Stellar drilling (SRG3 drilled 32 metres of dune sand before hitting the target rocks). Future drilling will require casing off this sand and there is certainly a need to follow up SRG3.

Conclusions

- The stratiform and discontinuous style of copper mineralisation with average intersection grades of about 0.5% at Gourlays Creek, and its general but not exclusive association with magnetite, is similar to the known mineralisation at Alpine. Furthermore, both Alpine and Gourlays Creek exhibit copper-gold anomalism associated with non magnetic carbonate bearing stratigraphy and conductive anomalies from ground electrical geophysics. At both prospects this target type is peripheral to the prominent magnetic anomalies which have driven drill targeting to date, and consequently the non magnetic copper-gold play is underexplored.
- At Gourlays Creek sufficient drilling exists to show that the magnetite-copper prospect is sub economic in the area tested. The magnetic anomaly continues along strike for many kms but much of it is under Tertiary basalt cover and there is no incentive to conduct step out drilling through cover rocks, without a specific target. On the other hand, the down dip and along strike extensions of copper-gold near SRG3 need testing with at least one hole collared NE of SRG3, to drill under the anomaly. One hole about 100 metres each side of and along strike from SRG3 should also be planned.
- There is no support from results to date for ranking Gourlays Creek as a tin prospect. If Gourlays Creek is a Devonian granite-sourced skarn style system (and Alpine may also be one), then theoretically it could be prospective for tin, tungsten, lead, zinc, iron and copper (even nickel if some ultramafic host rocks could be found), but so far Gourlays Creek looks more like a copper magnetite equivalent to the St Dizier and Tenth Legion magnetite skarns around the Heemskirk Granite.

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