

SUMMARY

Assay results from drill testing of the Cutty Sark and Bobadil prospects have confirmed the minor sphalerite mineralization noted in the core. No significant gold mineralization has been identified at either prospect. The down-hole SIROTEM survey in DDH BDI did not indicate any significant off-hole conductor. The potential for economic mineralization at both Cutty Sark and Bobadil is now quite restricted.

Detailed evaluation, including geological mapping and sampling, VLF EM and ground magnetic surveys and a comprehensive soil geochemical program over the Mt. Black grid has been completed. Although the DIGHEM responses are not clearly explained, the exploration has not delineated potential for economic mineralization in this area.

Similar detailed investigations over DIGHEM responses and a prominent aero-magnetic anomaly in the South Stitt area have given more encouraging results. Geological mapping and sampling, trial soil geochemistry and pitting and VLF EM and ground magnetic surveys have been completed over the grid, and have indicated potential for base metal and gold mineralization, associated with the largely concealed Henty Fault. Diamond drilling is proposed to evaluate this prospect.

Additional geological mapping and sampling was carried out in the headwaters of Jones Creek, White Spur. Gridding in preparation for a UTEM survey in this area commenced, prior to siting drill holes to test this highly prospective horizon.