

4.

Both the resistivity and the magnetic data highlight an area of extreme conductivity and magnetic character between 5,371,000N and 5,372,000N; or more particularly the area between the two cross-cutting faults (marked F1 and F2 on the summary plan).

The resistivities in this anomalous zone are generally between 1 and 10 ohm.metres. Using the "skin-depth" equation with the frequencies applied for VLF EM and DIGHEM EM the effective penetration will be 3-10m and 15-50m, respectively. Therefore both systems are responding to very shallow variations in conductivity and are probably not recognizing the mineralisation intersected in CHP240.

The existing surface geophysical data has probably been used to gain the maximum amount of information possible and will not assist greatly in siting the next drill hole.

In other words, the area between the two named faults is extremely prospective, but targetting drill holes from the surface geophysical data is not satisfactory.