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## 1. SUMMARY

An initial drilling program in early 1998 in the Main Creek-Bowry Creek area identified an inferred resource of 47 Mt of 43.36% MgO, principally occurring as magnesite. This resource lay in two areas one kilometre apart; viz, Main Creek and Bowry Creek. The geological setting and grades of these two resource areas are similar. A limited amount of petrological work suggests they may have similar treatment characteristics but this remains to be confirmed by metallurgical test work.

A second program of drilling is now recommended with the prime objectives of the program being:

- (a) identify 15 Mt of high grade magnesite as an indicated and measured resource
- (b) provide additional material for metallurgical test work
- (c) acquire data for initial mine planning

This program should focus **either** on the Bowry Creek deposit **or** Main Creek. Two programs have thus been designed but only one should be drilled.

Three contractors have been invited to tender:

- Diamond Drilling (Tas) Pty Limited
- Almac Drilling Pty Limited
- Andy Horbach

The programs can be summarised as follows:

	<b>Bowry Creek</b>	<b>Main Creek</b>
<b>Number of holes</b>	<b>19</b>	<b>24</b>
<b>Total metres</b>	<b>6,270</b>	<b>6,820</b>
<b>Duration (months)</b>	<b>3-4</b>	<b>4-5</b>
<b>Budget</b>	<b>680,000</b>	<b>763,000</b>

The decision between Main Creek and Bowry Creek is difficult.

The advantages of Bowry Creek are:

- better access for drilling and mining
- possibly slightly lower mining costs

The advantage of Main Creek is:

- possibly better grade magnesite

The Bowry Creek **possible** advantages are essentially short-term whilst the Main Creek advantage is longer term and in the refinery.

Ideally this decision should be influenced by some initial metallurgical test work. However, if this is not available in a timely manner, then it is recommended that:

- the Main Creek program be drilled
- Almac Drilling be awarded the contract

The estimated cost of this program on Main Creek is \$763,000.

If Bowry Creek is drilled, the estimated cost is \$680,000.

## 2. PROGRAM

476006

An 80,000 tpa magnesium metal refinery will require a magnesite feedstock of approximately 400,000 tpa.

Because, firstly, the mine will probably be underground and, secondly, there may be advantages to the refinery by some degree of selective mining, it is reasonable to assume the resource inventory may be depleted by 600,000 tpa to produce 400,000 tpa of feedstock.

Thus, a 25-year life-of-mine will require an identified resource of 15 Mt.

Using the inferred resource boundaries defined by the first drilling program, it can be estimated that the required 15 Mt resource should lie within the top 200-300 m at either Bowry Creek or Main Creek.

Thus, this second drilling program is designed to test such a block(s) on 100 m centres, with a special effort being made to define the upper limits, ie, shallow 'ore', of the block(s).

The selection of 100 m spaced intersections is considered adequate at this stage to define an indicated and measured resource, and provide sufficient data for initial mine planning.

If 20% of the drilled metres intersected high grade magnesite and, if half NQ core was retained for metallurgical testing, approximately 3,000 kg would be so available.

The proposed holes are shown on accompanying sections, plan, and longitudinal projection.

### 2.1 Drilling Procedures:

In the initial drilling program drilling conditions encountered within the magnesite zones were generally excellent. Two areas of difficulty (equates to cost) encountered were:

- drilling and losing casing in decomposed schists near the collar
- water inflows at Main Creek

This infill program is designed to overcome these problems by using casing advancers near the top of the hole and using appropriate plugs at the source of water.

No other special drilling procedures are required as the program is relatively straight forward.

## 2.2 Rig Selection:

476007

This is usually a matter of what is available rather than choice. Preference would be for smaller, self moving rigs, possibly supplemented by jack-up skid mounted rigs.

If it is decided to drill Main Creek, this program will require a tracked support vehicle.

## 2.3 Contractors and Contracts:

Three contractors, all Zeehan based, have been asked to tender:

- Diamond Drilling (Tas) Pty Limited
- Almac Drilling Pty Limited
- Andy Horbach

All have good reputations and are capable of completing the specific program efficiently. Some observations on each are:

**DDT:** Large range of rigs and crews. They completed the initial program at Main Creek with somewhat worn out L44's, and crews of varying quality. Substantial cost overruns on that program.

**Almac:** Has LF70 and jack-up skid mounted L44, which would be an ideal combination for this job. Has a top quality Muskeg support vehicle. Excellent crews and predictable contract.

**Horbach:** Has two upgraded Mindrill F66's, one track mounted. Supported by large tracked troop carrier. Both rigs may not be available, in which case he would not be able to complete on time. Rig sizes are a bit of overkill.

In order to avoid the substantial cost overruns of the initial drilling program, the contractors have been asked to submit "simplified" contracts which are essentially a flat dollars/metre rate with no add-ons such as travelling, accommodation, down-hole additives, etc. This requires an element of risk-sharing by the contractor and will provide Golden Triangle with a more predictable cost outcome.

In my view, the contracts we have received are excellent in achieving these outcomes.

### 3. SURVEYING

476008

The initial drilling program holes were designed and located using a combination of Savage Resources plans, tape and compass, and collar pick ups with DGPS.

This next round of drilling is more focused and a higher level of survey accuracy should be introduced. GPS surveying in this area is often marginal because vegetation influences and errors do occur.

It is recommended all relevant roads, access tracks and drill collars be accurately ground surveyed by licenced surveyor. A Reduced Level system of actual elevation +1,000 m should be introduced to avoid +/- elevation confusion.

Drill holes will be surveyed down hole by camera.

#### 4. CORE MANAGEMENT

476009

All core will be stored in plastic or metal trays on pallets.

Attempts will be made to locate a suitable core shed on the north-west coast area, **preferably in Waratah**. Ideally core should be stored on pallets, under cover. If this is not possible, they must be protected with lids in a secure open yard.

Sample rejects from the lab must be stored under cover on pallets.

Core and rejects from the initial program are currently stored in Zeehan and these should be moved to the new north-west coast facility.

Because the magnesite quality is not highly variable over short distances or nuggetty, it is recommended that only 1/4 core be sent for assay, thus leaving 1/4 core for reference and 1/2 core for metallurgical testing.

With respect to logging of core, three refinements to the initial drilling program are recommended:

- (i) use of the stain test developed by Stafford McKnight
- (ii) some geotechnical logging by specialist geologist/engineer
- (iii) some degree of formatted logging for entry into GT's Gemcom system

## 5. ASSAYING

476010

Quotations for major element assaying should be obtained from Analabs and AMDEL.

Analabs did the assaying for the initial drilling program and their service was adequate. They have the advantage of a sample preparation base in Burnie. (They will also be doing Crest assaying.)

For AMDEL to be preferred, their price will have to be substantially below that of Analabs to offset the freight and inconvenience costs.

Initial assaying should be for CaO, MgO, SiO<sub>2</sub>, Fe<sub>2</sub>O<sub>3</sub>.

## 6. DATA MANAGEMENT

476011

All assay, survey and geological data should be entered into the GT Gemcom system.

I will discuss with the Surveyor what steps we should consider to address the forthcoming changes to the Australian map grid.

Whilst the deposit as currently interpreted lies at a 20-30° angle to the AMG, there is a strong case for all future plans, sections and longitudinal projections to be drawn parallel to the grid. This results in a much tidier and easier-to-use data set. However, because the drill holes are not parallel to the AMG, structural contour plans of the magnesite must be developed and digitised into the system. (I can discuss all this with Matt in due course.)

## **7. MAIN CREEK PROGRAM**

476012

A program of 24 holes totalling 6,820 m is recommended to test the Main Creek magnesite lenses over a strike length of 700 m to a depth of 300 m.

Particular emphasis is placed on testing the upper (near surface) limits of the magnesite lenses, on the basis that this may be both the best quality magnesite and the least expensive to mine.

The resultant hole spacings will be 100 m x 100 m, which is considered adequate for an indicated-measured resource estimate.

Following the initial drilling program, the Main Creek resource was interpreted as existing as a series of three higher grade lenses within a broader zone of lower grade magnesite.

If this proposed program confirms that interpretation, it should result in the definition of 20-24 Mt of high grade resources which would constitute an adequate basis for a large degree of selective mining from which to extract the initial 15 Mt of highest grade magnesite.

### **7.1 Access Development:**

The Main Creek deposit lies in a very steep valley covered by old growth myrtle rain forest. This means any new access development to drill sites is difficult because of steep topography, deep clays, high rainfall and consequential environmental factors associated with roading in such areas.

The program as designed will require 2,000 m of new tracks as shown on the accompanying 1:2,500 plan. These tracks have been designed with gradients <1:10 which is considered a maximum in this type of country. Unfortunately, the main access road is much steeper than this and thus represents a major problem when it rains.

These drill sites and access tracks will have to be marked out on the ground and approval sought from Government for their construction.

It is important that the tracks be developed in summer (Jan-Feb), and in two campaigns, so that there is flexibility to adjust drill sites as the program progresses.

### **7.2 Schedule:**

On the assumption that a rig will average 25 m/shift, including moves and breakdowns, this program will take 275 shifts to complete.

476013

If one rig works 2 shifts/day, on an average 5 days per week, the program will take 28 weeks to complete with one rig or 14 weeks with 2 rigs; ie, 3-4 months.

Starting in early January, this means drilling until the end of April.

To start drilling early in January, contracts need to be let by end of November and drilling proposals also submitted to Government by end of November in order to get approval process going. Some drill sites would need to be constructed before end of December.

If the start to this program was delayed, the program would extend into the difficult winter season - not impossible, but difficult.

	Nov	Dec	Jan	Feb	Mar	Apr	May
Approve program	→						
Let contract	↔						
Ground design	↔						
Submit to Government	↔						
Initial track develop.		↔					
Drilling			←			→	

**Main Creek Drilling Schedule**

**7.3 Budget:**

**Drilling:**

	Almac	DDT
595 m non-core	20,825	24,990
745 m HQ	63,325	64,740
5,480 m NQ	400,040	421,960
Standby (3%)	14,525	15,350
Contingency (5%)	24,209	25,584
<b>TOTALS</b>	<b>522,924</b>	<b>552,624</b>

**Item Total**

**\$523,000**

**Site Preparation and Moving:**

2,000 m of new track = 15 days' work  
 @ \$1,000/day = **\$15,000**

24 holes @ 1-2 days moving/hole =  
 30 days @ \$900/day = \$27,000

Reduce by moves made by drillers,  
 total = **\$20,000**

**Item Total** **\$35,000**

**Surveying:**

Pre-program survey 1 week

Post-program survey 1 week

Field work plus plotting  
 10 days @ \$1,000/day

**Item Total** **\$10,000**

**Consumables:**

Core trays, bags, blocks, pallets,  
 saw hire @ \$5/m

**Item Total** **\$34,000**

**Core Shed Hire:**

Assume 20 weeks @ \$150/week  
 (duration of program)

**Item Total** **\$3,000**

**Assaying:**

2,500 samples @ \$20/sample

**Item Total** **\$50,000**

**Personnel:**

Project geologist required for  
 permitting, site preparation, drill  
 supervision, reporting, etc  
 5 months, average 5 days/week  
 = 100 days = \$50,000

1 technician full-time for 4 months  
 22 days/month = 88 days @ \$225/day  
 = \$20,000

**Item Total** **\$70,000**

**Vehicle Hire:**

Assume operation based in Waratah;

2 vehicles (1 heavy duty \$0.50/km,  
 1 light duty \$0.35/km), average  
 2,000 km/week for 5 months  
 = 43,000 km @ \$0.43/km

**Item Total** **\$18,000**

**Accommodation:**

Assume Waratah Hotel;

\$50/person/day  
 = 8 person days/week = \$400/week  
 for 20 weeks

**Item Total** **\$8,000**

**Specialist Services:**

Geotechnical geologist/engineer  
 for 1 week during program

**Item Total** **\$5,000**

**Drafting, Reporting:**

Preparation of final plans, reports

**Item Total** **\$7,000**

**Total Main Creek Program:** **\$763,000**

Item	Nov	Dec	Jan	Feb	Mar	Apr	May	Totals
Drilling			120,000	123,000	140,000	140,000		523,000
Site preparation		10,000	7,000	8,000	5,000	5,000		35,000
Surveying		5,000				5,000		10,000
Consumables		5,000	7,000	7,000	7,000	6,000	2,000	34,000
Core shed			600	600	600	600	600	3,000
Assaying			5,000	10,000	15,000	15,000	5,000	50,000
Personnel	3,000	5,000	14,000	14,000	14,000	14,000	6,000	70,000
Vehicles	500	500	3,000	4,000	4,000	4,000	2,000	18,000
Accommodation		500	2,000	2,000	2,000	1,000	500	8,000
Geotech				5,000				5,000
Drafting							7,000	7,000
<b>TOTALS</b>	<b>3,500</b>	<b>26,000</b>	<b>158,600</b>	<b>173,600</b>	<b>187,600</b>	<b>190,600</b>	<b>23,100</b>	<b>763,000</b>

**Main Creek Project - Budget**

## 8. BOWRY CREEK PROGRAM

A program of 19 holes totalling 6,270 m is recommended to test the Bowry Creek magnesite deposit over a strike length of 800 m to a vertical depth of 200-300 m.

There are currently only three drill holes into this deposit which indicate a very thick central section, thinning to the north and south.

The proposed program is designed to better define the deposit with particular emphasis on the extent of the thick central section and the upper (near surface) limits.

Hole spacings are 100 m x 100 m, with the longest hole being 450 m.

If this program confirms the initial interpretation, it will result in the definition of approximately 20 Mt of high grade magnesite as an indicated and measured resource. This would represent a resource capable of being selectively mined as a refinery feedstock for a minimum 25-year period.

### 8.1 Access Development:

Access at Bowry Creek is generally not as severe as Main Creek. The area is more open and less rugged.

The proposed program will require 1,000 m of new access roads, which have been designed with gradients of <1:10 due to the deep clayey nature of the soils.

All sites will have to be marked out on the ground and approval sought from Government for their construction.

The tracks could be developed progressively during the drilling program.

### 8.2 Schedule:

On the assumption that one rig will average 25 m/shift, the program will take 250 shifts to complete.

If one rig averaged 10 shifts/week, the program will take 25 rig weeks to complete, which equates to 13 weeks for 2 rigs; ie, 3 months.

A January start would mean a March-April finish.

The schedule is essentially the same as for the Main Creek Program

(7.2 above). To start drilling in January means letting contracts by end of November and submitting proposals to Government for permitting by end of November. However, it would not be necessary to start track construction until very early in January.

	Nov	Dec	Jan	Feb	Mar	Apr	May
Approve program	→						
Let contract	◆						
Ground design	◆						
Submit to Government	◆						
Initial track develop.		◆					
Drilling			←	→	→	→	→

### Bowry Creek Drilling Schedule

### 8.3 Budget:

#### Drilling:

	Almac	DDT
510 m non-core	17,850	21,420
420 m HQ	35,700	36,498
5,340 m NQ	389,820	411,180
Standby (3%)	13,300	14,073
Contingency (5%)	22,170	23,455
<b>TOTALS</b>	<b>478,840</b>	<b>506,626</b>

**Item Total**

**\$479,000**

#### Site Preparation:

1,000 m of new tracks = 5 days' work  
 @ \$1,000/day = **\$5,000**

19 holes @ 1 day moving/hole  
 = 19 days @ \$900/day = \$17,000

Reduce by moves made by drillers  
 total = **\$10,000**

**Item Total** **\$15,000**

**Surveying:**

Pre-program survey 4 days

Post-program survey 4 days

Field work plus plotting  
 8 days @ \$1,000/day

**Item Total** **\$8,000**

**Consumables:**

Core trays, bags, blocks,  
 pallets, saw hire \$5/m

**Item Total** **\$31,000**

**Core Shed Hire:**

Assume 20 weeks @ \$150/week  
 (duration of program)

**Item Total** **\$3,000**

**Assaying:**

2,250 samples @ \$20/sample

**Item Total** **\$45,000**

**Personnel:**

Project geologist required for  
 permitting, site preparation, program  
 supervision, reporting etc.  
 4-5 months 5 days/week  
 = 90 days = \$45,000

Technician full time for 3-4 months  
 22 days/month = 80 days @ \$225/day  
 = \$18,000

**Item Total** **\$63,000**

**Vehicle Hire:**

Assume operation based Waratah;

2 vehicles (1 heavy duty \$0.50/km,  
 1 light duty \$0.35/km) average  
 2,000 km/week for 4.5 months  
 = 40,000 km @ \$0.43/km

**Item Total** **\$17,000**

**Accommodation:**

Assume Waratah Hotel;

\$50/person/day

= 8 person days/week = \$400/week  
 for 17 weeks

**Item Total** **\$7,000**

**Specialist Services:**

Geotechnical geologist/engineer  
 for 1 week during program

**Item Total** **\$5,000**

**Drafting, Reporting:**

Preparation of final plans, reports

**Item Total** **7,000**

**Total Bowry Creek Program**

**\$680,000**

Item	Nov	Dec	Jan	Feb	Mar	Apr	May	Totals
Drilling			120,000	123,000	140,000	96,000		479,000
Site preparation		2,000	4,000	4,000	3,000	2,000		15,000
Surveying		4,000				4,000		8,000
Consumables		5,000	7,000	7,000	6,000	5,000	1,000	31,000
Core shed			600	600	600	600	600	3,000
Assaying			5,000	10,000	15,000	10,000	5,000	45,000
Personnel	3,000	5,000	14,000	14,000	14,000	10,000	3,000	63,000
Vehicles	500	500	3,000	4,000	4,000	4,000	1,000	17,000
Accommodation		500	2,000	2,000	2,000	500		7,000
Geotech				5,000				5,000
Drafting							7,000	7,000
<b>TOTALS</b>	<b>3,500</b>	<b>17,000</b>	<b>155,600</b>	<b>169,600</b>	<b>184,600</b>	<b>132,100</b>	<b>17,600</b>	<b>680,000</b>

### Bowry Creek Program - Budget

476022

# APPENDIX 1

## Drill Hole Lists

## PROJECT AREA: Main Creek

476023

Hole No	Length	Dip	Testing	Non-core	HQ	NQ
1	270	-45	Testing D lens above MC 36, 40 m. below surface; E lens 100m. above MC 36, F lens 100m. above MC 36	25	45	200
2	400	-50	D lens 100m. below MC 36; E lens 100m. below MC 36; other high grade zones in MC 2;	25	35	340
3	200	-45	E lens shallow, 70m. above MC 1; F lens shallow above 1;	10	20	170
4	100	-50	F lens shallow 100m. above 3;	20	80	
5	330	-50	D lens shallow, 75m. below surface; E lens 100m. below MC 30; F lens 100m. below MC 30;	20	30	280
6	400	-50	D lens between 5 and MC34; E lens between 5 and mc34; F lens between 5 and MC34;	20	20	360
7	400	-67	D lens 100m. below MC 34;	40	20	340
8	130	-50	F lens shallow above MC 30;	30	100	
9	260	-50	D lens shallow above and N of MC 33; E lens at RL 0;	25	25	210
10	350	-60	D lens at RL -100, 100m. below MC33 and 70m. to the N;	20	30	300
11	330	-55	D lens shallow between MC34 and MC36; E lens 150m. below surface, midway between MC30 and MC36;	20	30	280
12	250	-55	E lens at shallow depth between MC30 and MC36; F lens at moderate depth midway between MC30 and MC 36;	10	40	200
13	300	-55	D lens midway between MC36 and MC34, 100m. below 11;	30	20	250
14	350	-60	D lens midway between MC36 and MC34, 100m below 13;	30	20	300
15	180	-45	E lens 50m. below surface; F lens 100m. below surface, 100m. S of MC36;	30	20	130
16	300	-50	D lens 50m. below Main Creek, 100m. S of MC30; E lens 100m. below 15; F lens 100m. below 15;	20	30	250
17	400	-60	D lens 140m. below 16; E lens 100m. below 16;	30	20	350
19	120	-50	F lens 70m. below surface 100m. N of MC34;	20	20	80
20	220	-50	F lens 100m. below 19; E lens 70m. below surface;	20	20	180
21	330	-50	F lens 100m. below 20; E lens 100m. below 20; D lens 70m. below surface;	20	20	290
22	450	-50	F lens 120m. below 21; E lens 120m. below 21; D lens 120m. below 21;	30	20	400
23	400	-50	<b>optional hole:</b> D lens 100m. below 22;	30	20	350
24	120	-50	F lens 70m. below surface; 140m. S of MC31;	20	10	90
25	250	-50	F lens 100m. below 24; E lens 100m. below surface; possible D lens 40m. below surface;	20	30	200
26	380	-50	F lens 100m. below 25; E lens 100m. below 25; D lens 100m. below 25;	30	20	330

## PROJECT AREA: Bowry Creek

476024

Hole No	Length	Dip	Testing	Non-core	HQ	NQ
1	250	-45	C lens 70m. above MC32;	30	20	200
2	450	-50	C lens 100m. below MC32;	30	20	400
3	170	-50	C lens 100m. above MC35;	20	20	130
4	350	-55	C lens 100m. below MC 35;	20	30	300
5	200	-45	A-B-C lenses 90m. above MC 37;	20	20	160
6	250	-50	A-B-C lenses 50m. below surface and 100m. N of MC37;	20	30	200
7	350	-50	A-B-C lenses 100m. below 6;	30	20	300
8	450	-55	A-B-C lenses 100m. (RL-100) below 7;	30	20	400
9	300	-50	C lens 70m. below surface, 160m S of MC32;	30	20	250
10	400	-50	C lens 100m. below 9;	30	20	350
11	300	-50	C lens 70m. below surface, 80m. south of MC32;	20	30	250
12	400	-50	C lens 100m. below 11;	30	20	350
13	450	-60	<b>optional hole:</b> C lens 100m. below 12;	30	20	400
14	250	-50	C lens 80m. beneath surface 100m. N of MC32;	20	30	200
15	400	-50	C lens 100m. below 14;	30	20	350
16	250	-50	C lens 90m. below surface, 200m. N of MC32;	30	20	200
17	400	-45	C lens 100m. beneath 16;	30	20	350
18	450	-60	C lens 100m. beneath 17;	30	20	400
19	250	-50	C lens 90m. beneath surface, 100m. S of MC35;	30	20	200
20	400	-50	C lens 125m. beneath 19;	30	20	350

## APPENDIX 2

### Drilling Quotations

476026

ALMAC DRILLING PTY LTD  
CONTRACT TENDER FOR

GOLDEN TRIANGLE RESOURCES NL

MAIN / BOWRY CREEK AREA, TASMANIA .

# ALMAC DRILLING PTY LTD

Professionalism To The Core

476027

MAX HARVEY  
Director  
ACN 067 140 318

1 QUIGGIN ST  
(PO BOX 7)  
ZEEHAN TAS  
Phone /Fax  
03 64 716131  
Mbl 0419 528832

4 NOVEMBER, 1998

GOLDEN TRIANGLE RESOURCES N/L

Dear Lindsay

Thank you for your invitation to tender for the Main and Bowry Creek magnesite drilling program. Almac Drilling agree to all terms and conditions outlined in the tender invitation by Golden Triangle Resources NL, unless clearly stipulated within the contract tender that is following. Please note that drilling fluids, consumables, surveys, mobilization, demobilization, moving, running casing, conditioning of holes, cementing (includes setting and drilling cement out), clearing blockages in drill string, preparation of drilling fluids, travelling and accommodation have all been included in the core meterage rate and no extra charges are anticipated to be incurred.

Almac Drilling proposes to do this work with a Longyear LF70 and a Longyear 44 drill rigs. All employees running these machines are experienced. This will also apply in most instances for drillers assistants.

Supervisors if not operating the machine, will visit the drill sites on a daily basis and if any major difficulties occur they will take over operations until difficulties are overcome.

Environmental impact is of major concern to all involved and Almac Drilling will endeavor to surpass all standards set by the Tasmanian Environment Board, as is our policy.

Communications in the form of UHF Radios (Set Call Fitted) and/or mobile phones are fitted in on site vehicles.

Public liability, workers compensation and machinery cover are all with M.M.I. and if we are considered for this program I will personally call M.M.I. and give the authority necessary to have the relevant documentation faxed directly to Golden Resources NL, to allow it to be certified as in place and current.

If there are any inquiries at all, please do not hesitate to call me on the above phone numbers.

Yours Sincerely,



Max Harvey  
Director Almac Drilling

Contract tender now following.

# ALMAC DRILLING PTY LTD – CONTRACT TENDER

## GOLDEN TRIANGLE RESOURCES NL.

For the purpose of this document the above mentioned shall be referred to as the Principle.

### 1. SCOPE OF WORK:

To drill a series of diamond drill holes in the Main and Bowry Creek area to an approximate depths of 0.00m to 450.00m totaling 6000.00m, using HW non core, HQ and NQ coring systems. It is anticipated to drill this program using one LF70 and one 44 diamond drill rig.

### 2. CONTRACTORS OBLIGATIONS:

Almac drilling shall provide all personnel, equipment and logistical services to complete the program, except those services expressly stated herein as being the responsibility of the Principle. Almac Drilling shall have a responsible man in charge of the work who is authorized to receive instructions on behalf of Almac Drilling for all purposes of this agreement.

### 3. DIAMOND DRILLING RATES / DOLLARS PER METER

DEPTH	NON CORE	PQ CORE	HQ CORE	NQ CORE	BQ CORE
0.00 to 150.00	\$35.00	N/A	\$85.00	\$73.00	N/A
150.00 to 250.00	N/A	N/A	\$90.00	\$73.00	N/A
250.00 to 500.00	N/A	N/A	N/A	\$73.00	N/A

3 Series coring operations (triple tube) will be an additional \$5.00 per meter if required. Controlled drilling operations will be an additional 20% of quoted price for the series being used. This also includes the use of chrome barrels.

#### 4. WORK TIME RATE:

Cost per hour when men and equipment are engaged in approved non drilling activities; including, but not limited to the following activities:

- Freeing rods stuck due to difficult drilling conditions.
- Time spent changing drilling method or bits at Principles request.
- Time spent for recovery of casing.
- Time spent fishing for down hole equipment.
- Time spent assisting with down hole geophysical surveys.

HOURLY RATE ....@ PER HOUR. \$80.00

#### 5. STANDBY / RIG IDLE RATE:

Cost per hour including, but not limited to the following:

- Delays whilst awaiting client instructions.
- Shut down for geophysical surveys.

HOURLY RATE ....@ PER HOUR. \$50.00

No standby / rig idle rate charged on night shift operations.

#### 6. LOST CASING AND DRILL RODS:

All casing and drill rods not retrieved, to be charged at landed on site cost, including any diamond tools attached.

#### 7. ADVERSE DRILLING:

1. In the event that adverse drilling conditions are encountered and recognized, Almac Drilling will:

- a: Make safe.
- b: Contact the Principle, discuss the problem and formulate a plan to allow the resumption of drilling with a minimum of risk to bogging equipment.

2. In the event that adverse drilling conditions are encountered suddenly and drill string becomes bogged, Almac Drilling will:

- a: Attempt to free and make safe.
- b: Contact the Principle:
- c: Discuss the problem and formulate a plan that will enable a resumption of drilling with a minimum of lost time and equipment.

#### 8. WATER:

At any time multi staging of water line and pumping is required, a charge of \$50.00 per unit shall be charged daily. The first unit to be supplied by Almac Drilling at no cost.

9. CORE ORIENTATIONS:

476030

Two types of core orientations are available.

- 1. Spear type.(tapered spear)
- 2. Six pronged brass unit that allows marking in a lead plate to determine bottom dead center when matched with core.

\$10.00 per successful orientation to 200.00m.

\$15.00 per successful orientation to 400.00m.

After these depths a WORK TIME RATE shall apply to further core orientations.

10. FUEL:

All fuel for the drilling machine will be supplied by Almac Drilling at no cost to the Principle.

11. ACCOMODATION AND MEALS:

To the cost of Almac Drilling.

12. WORKING HOURS:

Variable depending on the Principles needs.

13. TERMS OF PAYMENT:

Almac Drilling will submit daily drilling reports to the Principles on-site representative for approval and signing. These daily reports will form the basis for Almac Drillings invoices, which will be submitted to the Principles office for payment on a weekly basis, with payment due within fourteen (14) days of the date of invoice.

14. ACCEPTANCE OF PROPOSAL:

The above terms and conditions are accepted.

FOR AND BEHALF OF:

Signed..... Date.....

Witness..... Date.....

FOR AND BEHALF OF: ALMAC DRILLING PTY LTD

Signed..... Date.....

Witness ..... Date.....

# HEATH FIELDING AUSTRALIA PTY LTD

A.C.N. 000 951 146

476031

## Memorandum of Insurance

To Whom It May Concern

We confirm having effected cover as detailed below :

**INSURED :** Almac Drilling Pty Ltd  
**CLASS :** Tasmanian Workers Compensation  
**INTEREST INSURED :** Employers' Indemnity  
**LIMITS OF LIABILITY :** As per Act (Workers' Compensation and Rehabilitation Act 1981 and Amendments)  
**SITUATION / COVERED** Anywhere in Tasmania  
**POLICY NUMBER :** LWL 0001871 02  
**PERIOD OF INSURANCE :** Current to 1 August 1999  
**INSURER :** MMI General Insurance Limited

Yours faithfully

10 September 1998

  
HEATH FIELDING AUSTRALIA PTY LTD

E. & O.E.

SUBJECT ALWAYS TO THE TERMS, CONDITIONS AND EXCLUSIONS OF THE POLICY.

MO:11

LEVEL 16 THE COMO PROJECT  
644 CHAPEL STREET  
SOUTH YARRA VICTORIA 3141  
PO BOX 307  
SOUTH YARRA VICTORIA 3141

TELEPHONE (03) 9826 3666  
FACSIMILE (03) 9826 3225  
TELEX AA33847 HFAMO  
DX 32803 COMO  
INCORPORATED IN NEW SOUTH WALES

# HEATH FIELDING AUSTRALIA PTY LTD

A.C.N. 009 951 146

476032

## Memorandum of Insurance

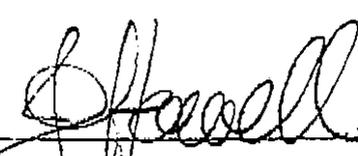
To Whom It May Concern

We confirm having effected cover as detailed below :

**INSURED :** Almac Drilling Pty Ltd  
**CLASS :** Public Liability (A.D.I.A.) Scheme  
**INTEREST INSURED :** Legal Liability to third parties arising out of business of Insured.  
**SUM INSURED :** \$5,000,000  
**SITUATION / COVERED :** Australia wide  
**POLICY NUMBER :** 61-1092349-ADI  
**PERIOD OF INSURANCE :** Current to 1 August 1999  
**INSURER :** MMI General Insurance Limited

Yours faithfully

10 September 1998

  
HEATH FIELDING AUSTRALIA PTY LTD

E. & O.E

SUBJECT ALWAYS TO THE TERMS, CONDITIONS AND EXCLUSIONS OF THE POLICY.

MOE:R

LEVEL 16 THE COMO PROJECT  
644 CHAPEL STREET  
SOUTH YARRA VICTORIA 3141  
PO BOX 307  
SOUTH YARRA VICTORIA 3141

TELEPHONE (03) 9826 3666  
FACSIMILE 1031 9826 3225  
TELEX AAJ3647 HTAMO  
DX 32803 COMO  
INCORPORATED IN NEW SOUTH WALES

476033



DIAMOND DRILLING (TAS.) PTY. LTD.

A.C.N. 009 531 471



DIAMOND DRILLING (TAS.) PTY. LTD.

A.C.N. 009 531 471

P.O. Box 105,  
ZEEHAN,

Tasmania 7469

Telephone (03) 64-71 6339

Facsimile (03) 64-71 6585

476034

5<sup>th</sup> November, 1998

Golden Triangle Resources NL  
C/O Newnham Exploration and Mining Services  
Po Box 139  
Riverside Tas 7250

Dear Lindsay,

Just a short letter to explain a few items regarding the contract attached. After the last Golden Triangle contract you expressed the following concerns. Travelling Costs, Casing Costs, Travelling the Western Explorer and the likely hood of an accident on that road, Moving Costs, Barge Costs and last but not least the Crew on that job.

**Travelling Time and Barge Costs** have been removed totally from the contract so that there will be NIL cost to you.

**Casing Costs** to put it bluntly I can't do much about these costs as they are out of my control. All that we can do is experiment with how we set or drill the casing as you suggested.

**Accommodation** will be at Waratah at the Mount Bischaft Hotel at Diamond Drilling Tas' expense.

**Crew** from the last program I have a pretty good idea on your requirements and will attempt to address these with you before the program starts should we be successful.

**Main Creek or Bowry Creek**, Lindsay the prices attached are for both the only difference will be if we go to Main Creek we will supply a bombardier to move crew in and out, and to assist with your core. Also a charge of \$1.00 per metre shall apply, when or if we need to supply this.

The main reason for the charge is that on the last program we basically wrecked the bombardier and I would imagine the same happening again.

476035

**Moving Time and Setting Up Time**, these times have been completely removed from the contract and No cost will be incurred for moving or Setting the Drill up the onus wil be on the crew and myself. But Please note that if we are waiting on standby to move, that charge will still apply.

Lindsay hopefully what I've done should address your concerns from the last program at Main Creek, in regard to safety and predictable costs for you. Look forward to hearing from you.

Regards

A handwritten signature in black ink, appearing to read 'Stephen Poke', with a stylized flourish underneath.

Stephen Poke

476036

An agreement entered into this            day of November 1998.

**BETWEEN**            *Golden Triangle Resources N.L.*  
C/- Newnham Exploration and Mining Service  
PO Box 139  
Riverside TAS 7250

The party of the first part, herein after referred to as "the Client".

**AND**                    *Diamond Drilling (Tas.) Pty Ltd*  
PO Box 105  
Zeehan TAS 7469

The party of the second part, herein after referred to as "the Contractor".

**WHEREAS**            The Client agrees to have the Contractor drill PQWL, HQWL and NQWL Diamond drill holes to a depth of 300-400 metres, approximately 6000 metres in total. The drill sites are located approximately 6 km south of the Savage River Township on the West Coast of Tasmania.

**C PRICE SCHEDULE**

**1 METREAGE RATE**

476037

DEPTH	TRICONE	PQWL	HQ	NQ
0-150	\$42.00	\$99.00	\$86.90	\$75.15
150-300			\$88.00	\$76.15
300-450				\$78.30
450-600				

**2 FIELD COST TIME - ACTIVE**

It is agreed that operating field cost shall mean all direct labour including supervision at the rate of \$45.00 per man hour.

The following services shall be provided at "operating field cost" rates.

- I Casing of overburden.
- II Reaming and setting casing for drill hole reduction stabilisation and control of return water.
- III All cementing operations, excluding setting time, but including the drilling of set cement.
- IV Recovering of drill rod or casing at the Clients' request.
- V Running PVC casing.
- VII Reaming through shear or caving zones.
- VIII Core orientation and hole conditioning.

**3 FIELD COST TIME - INACTIVE**

It is agreed that non-operating field cost shall be interpreted to mean all direct labour including supervision at the rate of \$36.00 per man hour.

The following services shall be provided on a non-operating field cost basis.

- I Setting time for cement.
- II Delays caused by the Client including down hole surveys or surface survey parties. The Contractor when instructed to do so shall carry out any survey as directed by the Client.
- III Standby time.
- IV All water line time after man hours exceed 4 man hours on any one hole.

**C PRICE SCHEDULE (CONTINUED)**

**4 DIAMOND ARTICLES**

476038

The Client agrees to reimburse the Contractor for the cost of diamond articles lost or consumed in casing operations, wedging operations or when using a casing advancer. In the event of ground conditions adversely affecting bit life, the Contractor retains the right to negotiate additional diamond cost with the Client.

**5 CONSUMABLES**

If the Contractor has to obtain consumable supplies from outside suppliers such as drilling muds, additives, soluble oil, cement etc., to satisfactorily complete a drill hole, then the nett cost plus freight of the consumables shall be charged to the Client.

**6 MOBILISATION AND DEMOBILISATION AND MOVING BETWEEN DRILL AREAS**

The Client agrees to reimburse the Contractor for the nett trucking costs associated with the transportation of the drill rig and all associated equipment, when mobilising, demobilising and moving between drill areas.

**7 EASTMAN SINGLE SHOT CAMERA**

The Contractor will provide an Eastman Kodak single shot camera for the purpose of down hole surveys. For each successful shot a charge of \$50.00 shall be made.

**8 LOST OR LEFT EQUIPMENT**

The Client agrees to reimburse the Contractor for casing or drill rods which, for reasons beyond the Contractors' control, are lost or left in a drill hole. Reimbursement shall be the nett cost plus freight.

**9 PVC - ALL CARE AND NO RESPONSIBILITY**

The Contractor agrees to run and place PVC in completed drill holes as directed by the Client. Because of the potential dangers associated with this operation ie. ultra violet damaged, transportation damage, age damage or the bending of the PVC when running, the potential of drill rods free falling when running or pulling the rods during or after placement of the PVC, the Contractor will not accept any responsibility for failures. In the event of recovery action necessary to retrieve PVC or drill rods, this will be carried out at the "Field Cost Time - Active" rate. In the event of drill rods being lost due to this exercise, depreciated value of equipment lost will be charged to the Client.

**10 OVERSIZE BARRELS**

In the event that the Client requests the Contractor to use oversize barrels, then a charge of \$8.20 per metre for HQWL and \$5.40 per NQWL metre loading rate shall apply to metreage rates, as oversize barrels have a life expectancy of 400 metres.

**11 CORE ORIENTATOR**

If requested to do so, the Contractor agrees to hire core orientation equipment on behalf of the Client and pass the nett cost of same directly to the Client.

**D GENERAL CONDITIONS**

476039

1 The Contractor agrees that its labour, diamond wear and loss and all other operating expenses except as provided in this agreement shall be at its own cost and expense and for its own account.

2 Moves shall be interpreted to include dismantling of the drill rig and water line, moving, laying water lines and the setting up of the drill rig and equipment.

**3 HOURS OF OPERATION**

The Contractor proposes to work a minimum of 10 hours per shift, five days per week.

**4 STAFFING**

The drill rigs will be staffed by one crew, each of one qualified driller and one off-sider.

**5 SAMPLING**

Core drilling shall be conducted so as to produce maximum core recovery with every reasonable precaution taken to prevent wearing or grinding of core.

**6 REPORTS**

On site the Contractor shall make a daily record of drilling progress including the depth of each drill hole as well as a statement of any shut down time and all materials used or left in the hole. This record shall be available to the Client whose representative shall agree to the figures and signify this by signing the Contractors copy of the record.

**7 INSURANCES**

The contractor agrees to carry Public Liability Insurance to the amount of \$10 million and Workers' Compensation Insurance applicable to the State of Tasmania.

**8 REGULATIONS**

The Contractor shall conform with the Mines Inspection Act and regulation or any other Act of Parliament or client policy that governs the Clients' operations.

**9 ENVIRONMENT**

The Contractor shall ensure that no undue environmental damage will be made by his drill crew and all drill sites shall be left clean after the completion of each drill hole.

**10 PAYMENT OF WORK**

*Golden Triangle Resources N.L.* agrees to pay *Diamond Drilling (Tas) Pty Ltd* the above prices. Payment shall be made within 14 days from the date of invoice.

**D GENERAL CONDITIONS (CONTINUED)**

**11 TIME IS OF THE ESSENCE**

**476040**

Time is expressly declared to be the essence of the contract. If either party hereto defaults in the performance of this contract, the other party has the option to terminate the contract and the work involved.

**12 SECRECY**

The Contractor will not give out any information regarding drill results or permit any access to drill core to any individual other than the Clients' representative

**13 DISCIPLINE**

The Contractor shall at all times enforce discipline and maintain good order amongst its employees and shall not retain on the job any person not skilled in the work assigned to him. Any employee of the Contractors' who is objectionable or unsatisfactory to the Client, shall be removed from the job and replaced by any employee satisfactory to the Client.

476041

MMI Insurance Group  
111 Macquarie Street, Hobart TAS 7000  
GPO BOX 656G, HOBART TAS 7001  
Phone : (03)6224 2234 Fax : (03)6224 2210 DX 184 HOBART



**MMI CERTIFICATE OF CURRENCY**

To: Diamond Drilling (Tas) P/L

Attention: Peter Sharp

Company / Department / Branch:

Facsimile Number: 6471 6585

Date & Time: Tuesday, September 29, 1998, 08:42

CLIENT NAME: Diamond Drilling (Tas) P/L

POLICY NUMBER: LWS0000546

SITUATION: Tasmania Wide

COVER: Workers Compensation as per Tasmanian legislation

EXPIRY DATE: 28/09/1999

INTERESTED PARTIES: Nil

ADDITIONAL DETAILS: As per MMI policy wording

Signature:

MMI General Insurance Limited ACN 000 122 850



**NZI Insurance**

HOBART BRANCH  
SHOP 2, 138 COLLINS ST  
GPO BOX 584F  
HOBART 7001  
DX 190  
TELEPHONE 03 6234 3421  
FAX 03 6223 2908

476042

02/07/98

The Manager  
J&H Marsh & McLennan  
Att: Tim Johns

Dear Sir,

Certificate of Currency  
-----

This letter is to certify that our client's policy is current as detailed below.

Client Name : DIAMOND DRILLING (TAS) PTY LTD

Policy Number: 83 J435566 LIA

Sum Insured: \$10,000,000

Property Insured: Public & Products Liability

Situation: Anywhere in Tasmania

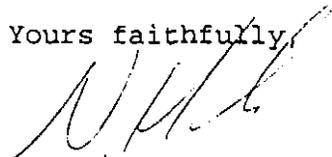
Renewed To: 01/07/99

Interested Party:

Premium Paid: Yes

Type of Cover: PUBLIC/PRODUCTS LIABILITY

Yours faithfully,

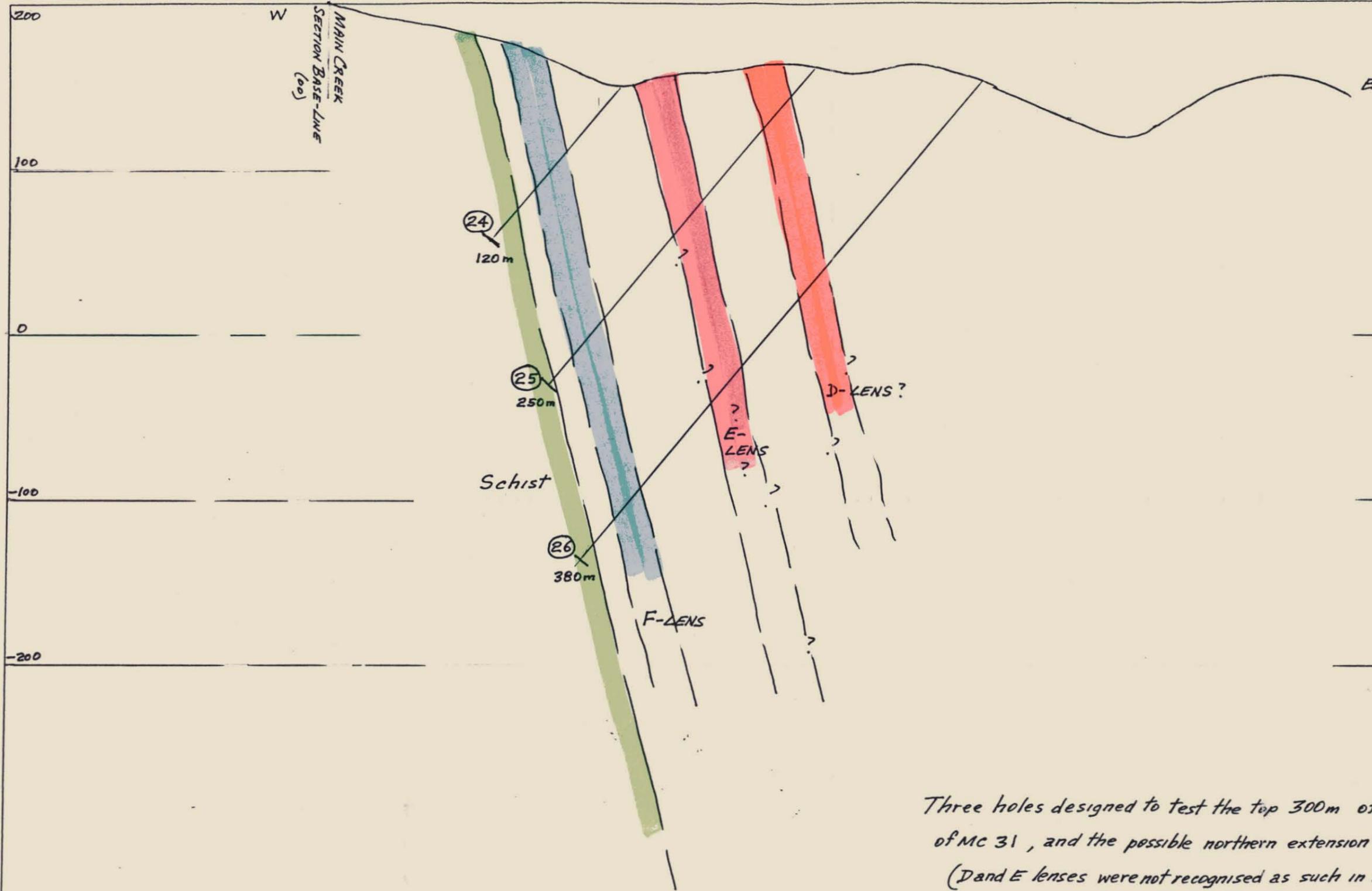
  
For the Manager.  
-----

In reply please contact NICK HAEUSLER  
and quote letter number U200.



# MAIN CREEK SECTIONS

476044



Three holes designed to test the top 300m of F-lens 100m. south of MC 31, and the possible northern extension of D and E-Lenses. (D and E lenses were not recognised as such in MC 31)

5 cm

NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT MAIN CREEK DEPOSIT SECTION A		
0	100m.	Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig



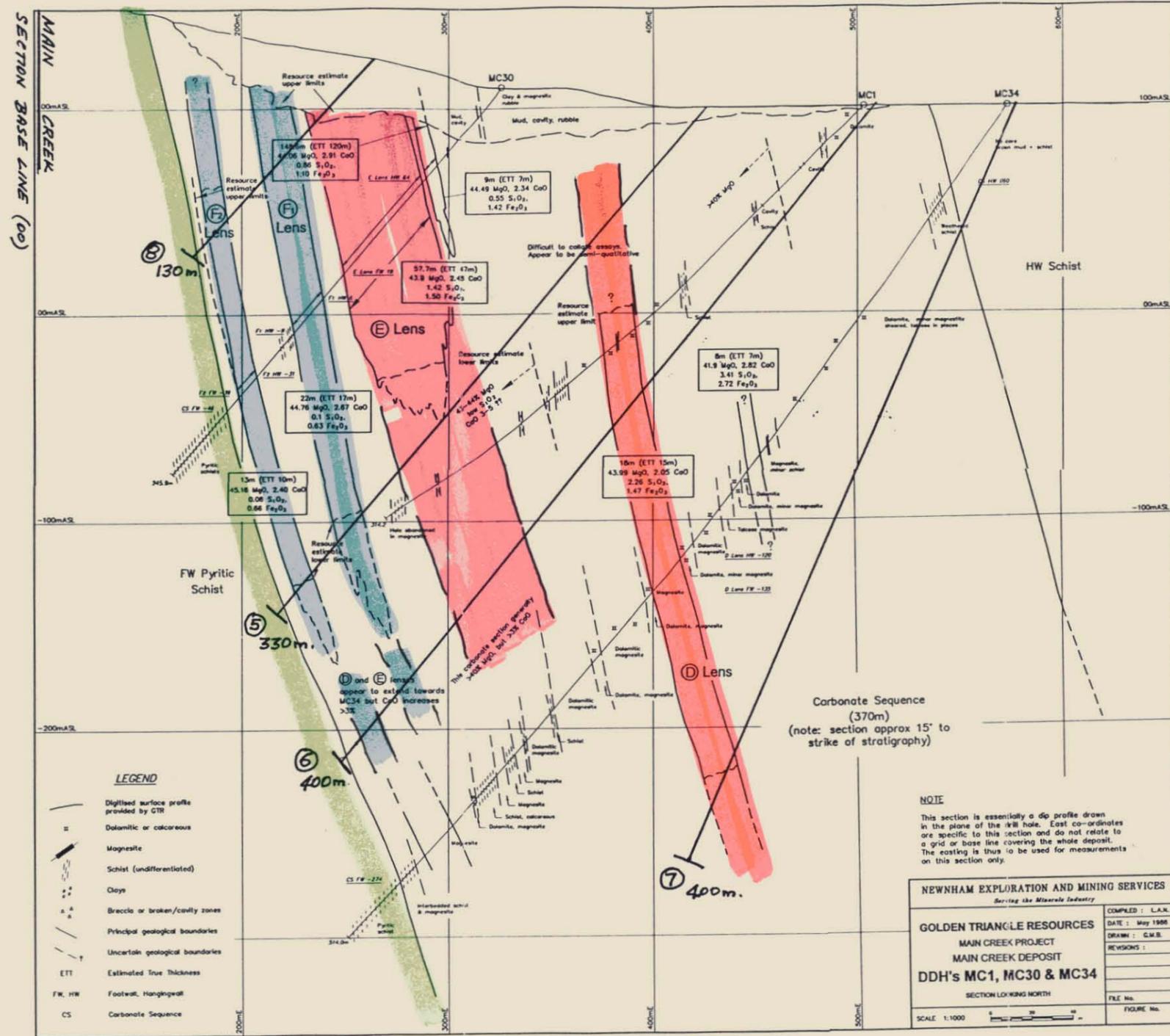
Hole should be sited only after (20) is drilled.

Optional hole  
- only drill if D-Lens in (22) looks very good.

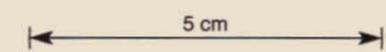
Three holes to test the top 300m of F-lens, possible extension of E-Lens into this area north of MC 34 and top 200-250m of D-lens to north of MC 34. A fourth deeper hole into D-Lens might be justified if hole (22) obtained a good intersection in vicinity of D-Lens (Hole not included in program totals).



NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT MAIN CREEK DEPOSIT SECTION B		
		Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig

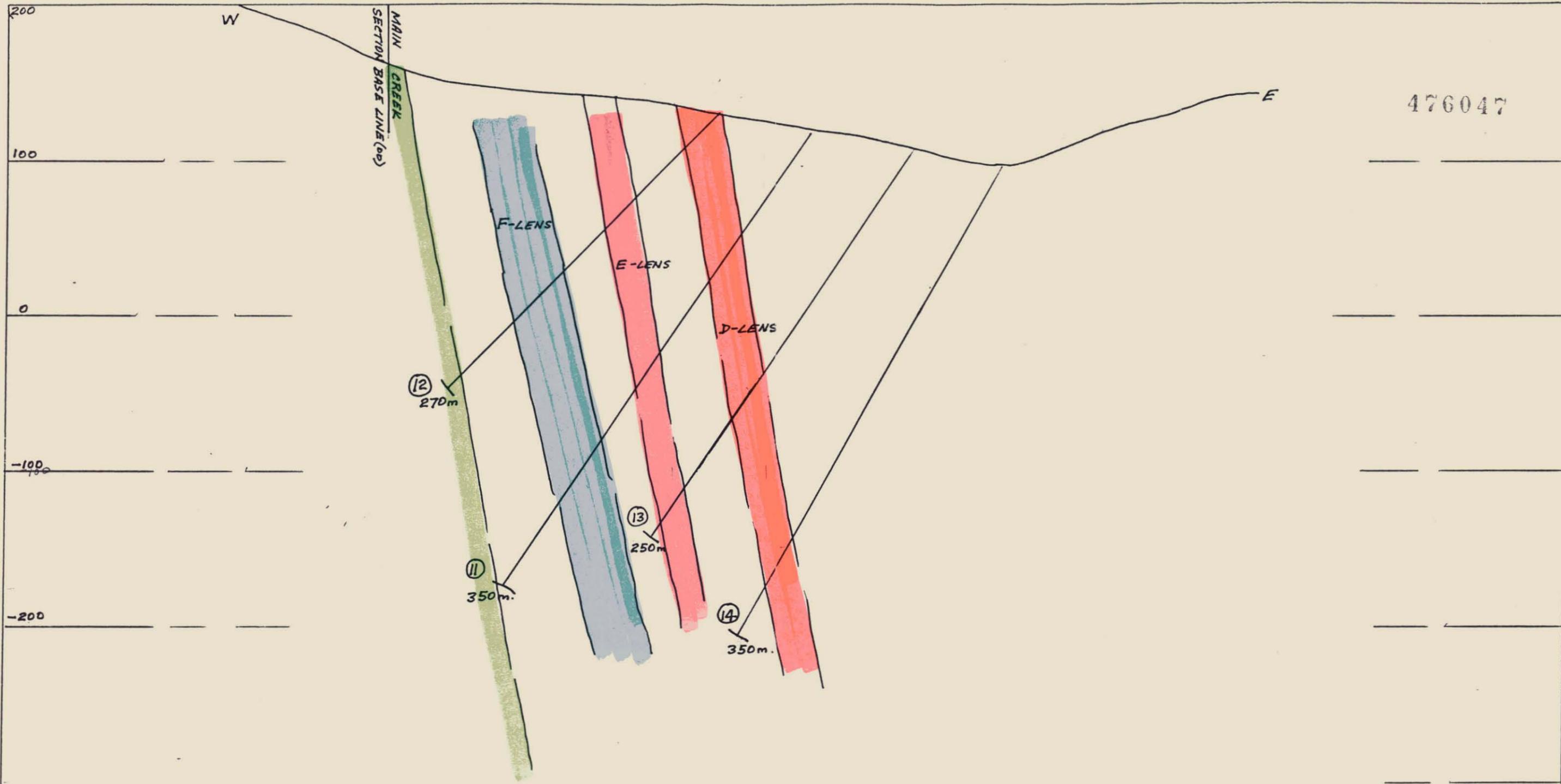


SECTION 'C'



Four holes to test the following:

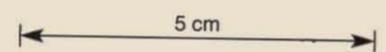
- D lens to 300m depth (100m below MC34) and above MC34
- depth extent of E lens between holes MC30 and MC34, (where MgO was high, but CaO also high)
- extent of F-Lens below MC30 and above MC. This will indicate how close F comes to surface and if there is increase in CaO with depth.



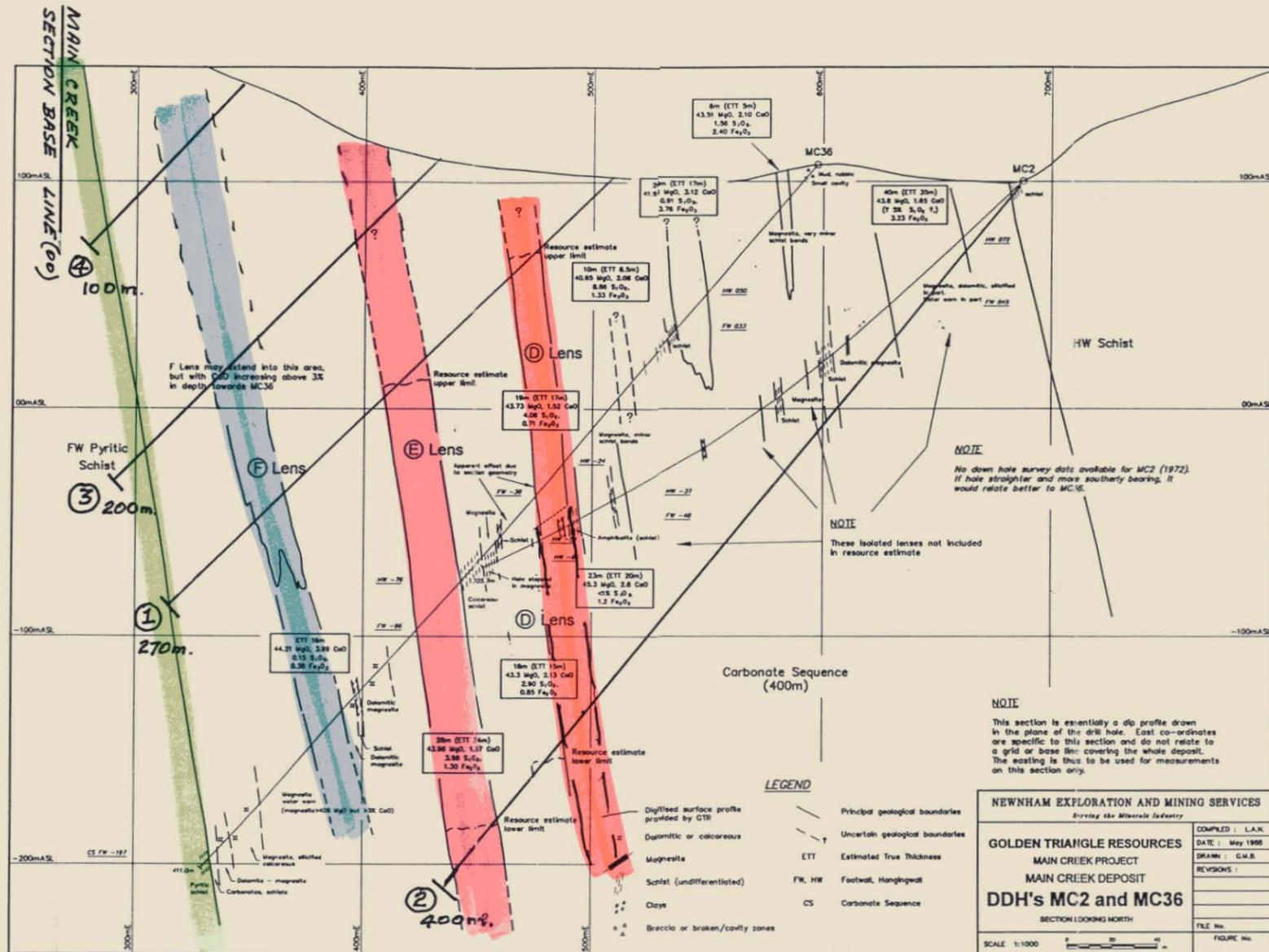
476047

Four holes to test the top 300m of the central section of the full sequence of magnesite lenses, between holes MC 36 and MC 34.

If the F-Lens intersection in (12) is good, a shallow hole above (12) may be justified.

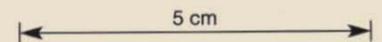


NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT MAIN CREEK DEPOSIT SECTION D		
0	100m.	Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig



Four holes to test the carbonate sequence above and below MC36 (ie) top 300m of deposit.  
 Hole 4 will test Lens F at shallow depth  
 Holes 1 & 3 will test F above the deeper high CaO intersection in MC36, and E above MC36.  
 Holes 1 and 2 will test D above and below MC36.

SECTION E

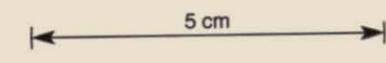


NEWNHAM EXPLORATION AND MINING SERVICES <i>Serving the Minerals Industry</i>	
GOLDEN TRIANGLE RESOURCES MAIN CREEK PROJECT MAIN CREEK DEPOSIT DDH's MC2 and MC36 SECTION LOOKING NORTH	COMPLETED: L.A.K. DATE: May 1988 DRAWN: G.M.B. REVISIONS: FILE No. FIGURE No.

476049



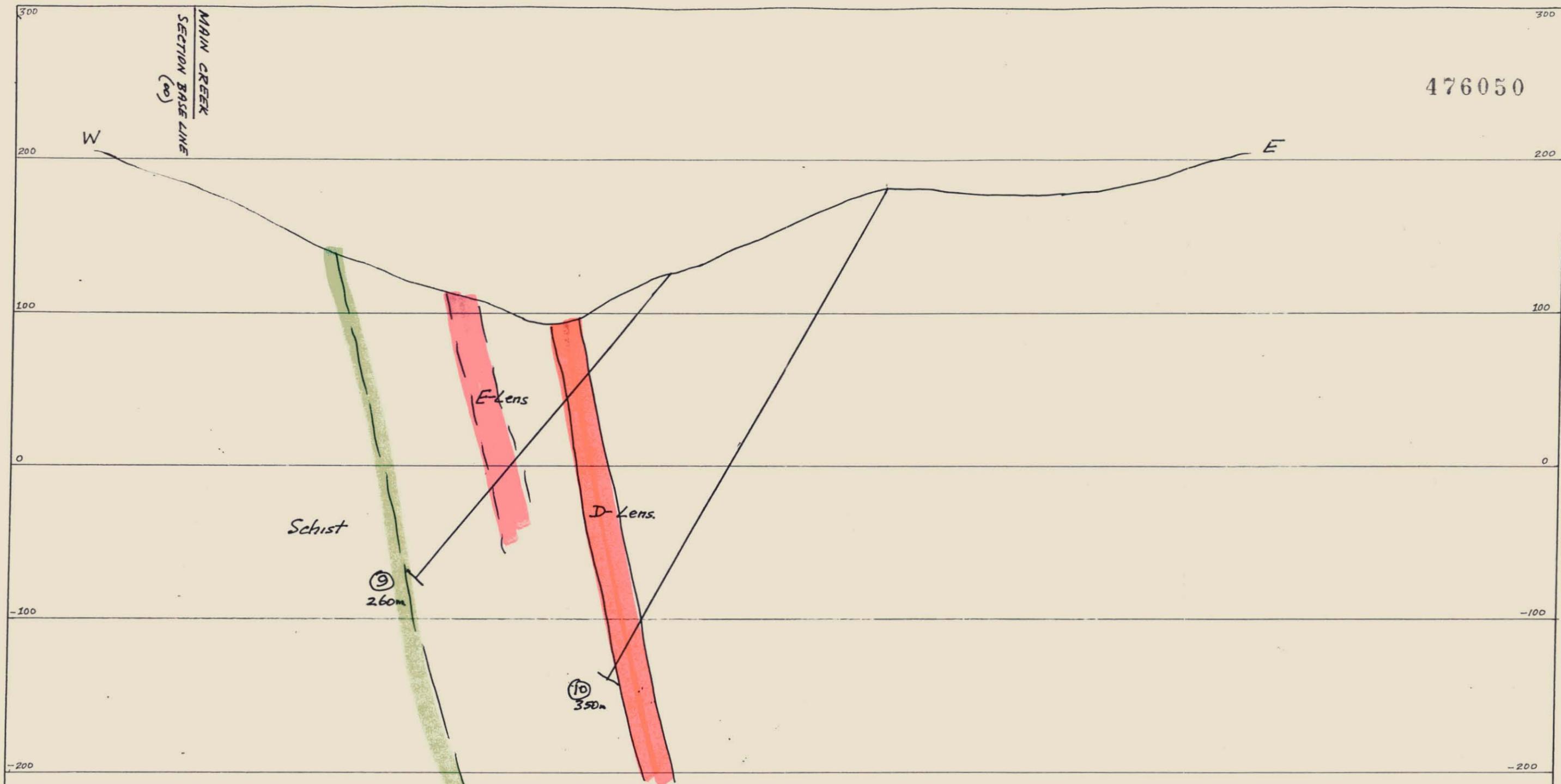
Three holes to test extensions of the main magnesite zones south of MC36 towards MC33, and above 300m. depth.



NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT MAIN CREEK DEPOSIT SECTION F		
Scale: 1:2,500		
Drawn: LAN	Date: Oct 98	Fig

476050

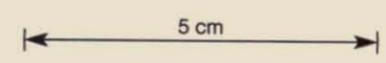
MAIN CREEK  
SECTION BASE LINE  
(00)



Two holes to test the D-Lens and possible E-Lens extensions north of MC 33.

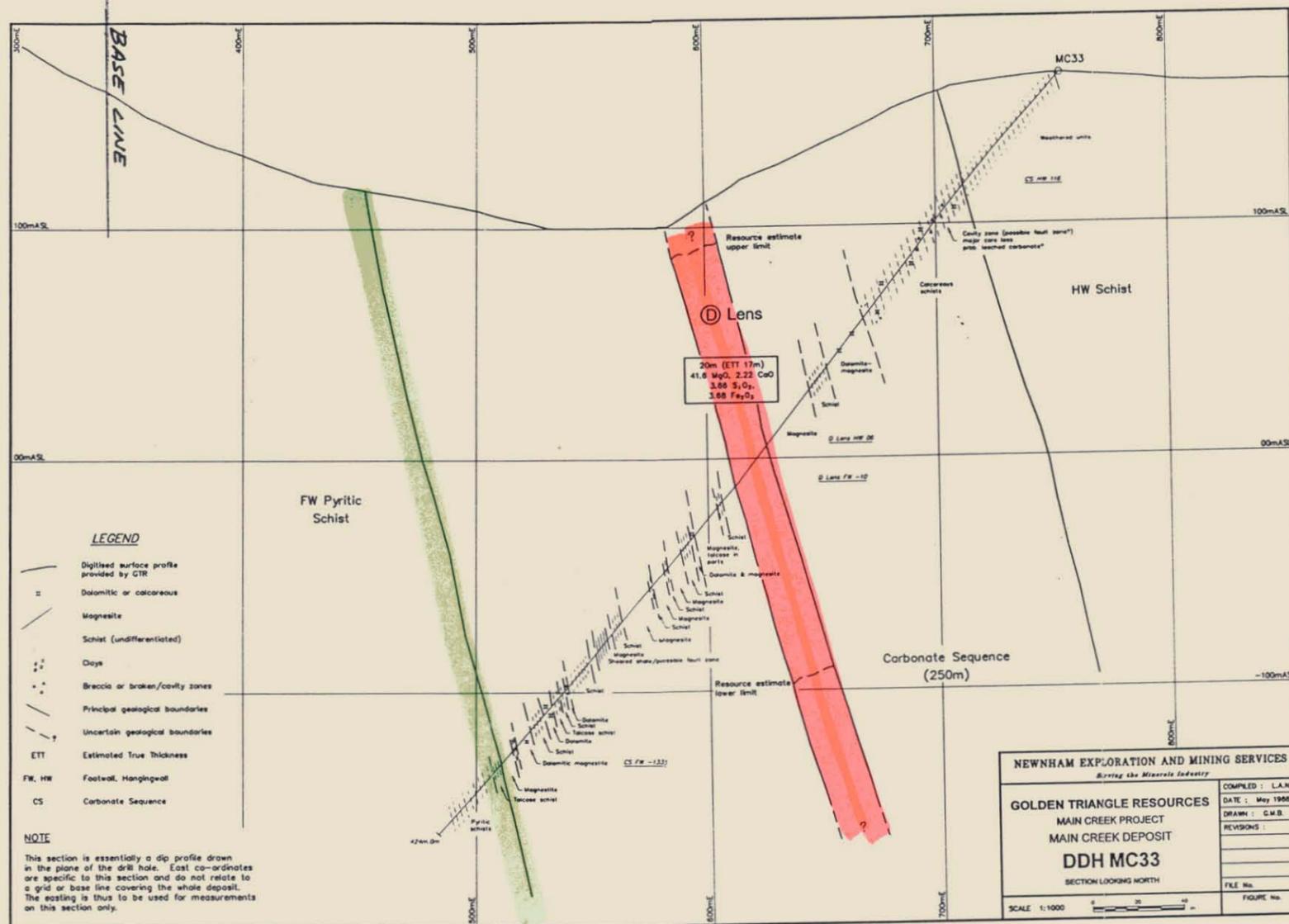
D and E Lenses will be tested at shallow depths but only D-Lens at greater (250m) depth.

Hole 9 may intersect E-lens if it exists in this area.



NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT BOWRY CREEK DEPOSIT SECTION G		
		Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig

476051

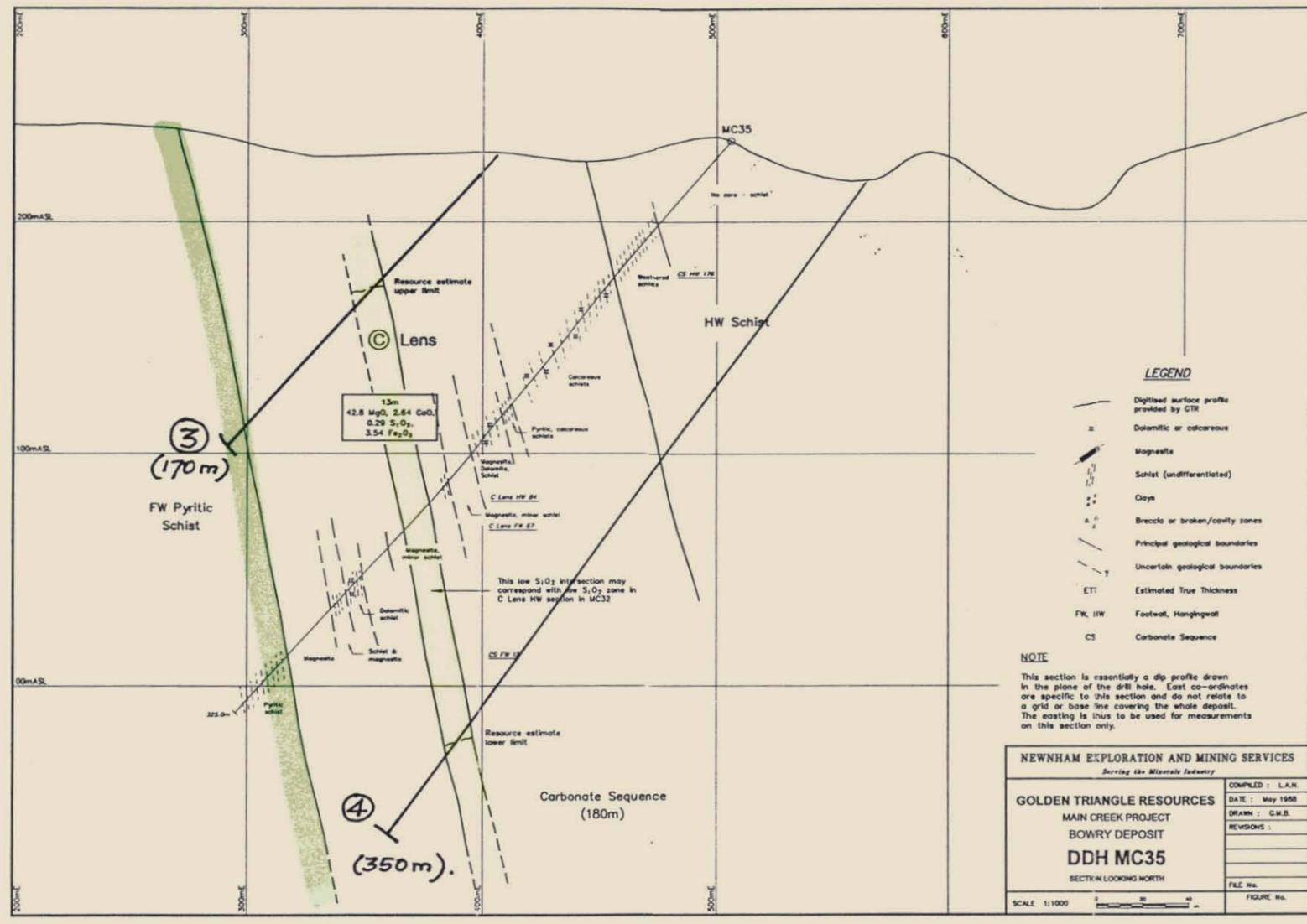


SECTION H

5 cm

476052

# BOWRY CREEK SECTIONS



*Two holes designed to test the northern end of Bowry Deposit, 100m above and 100m below MC 35.*

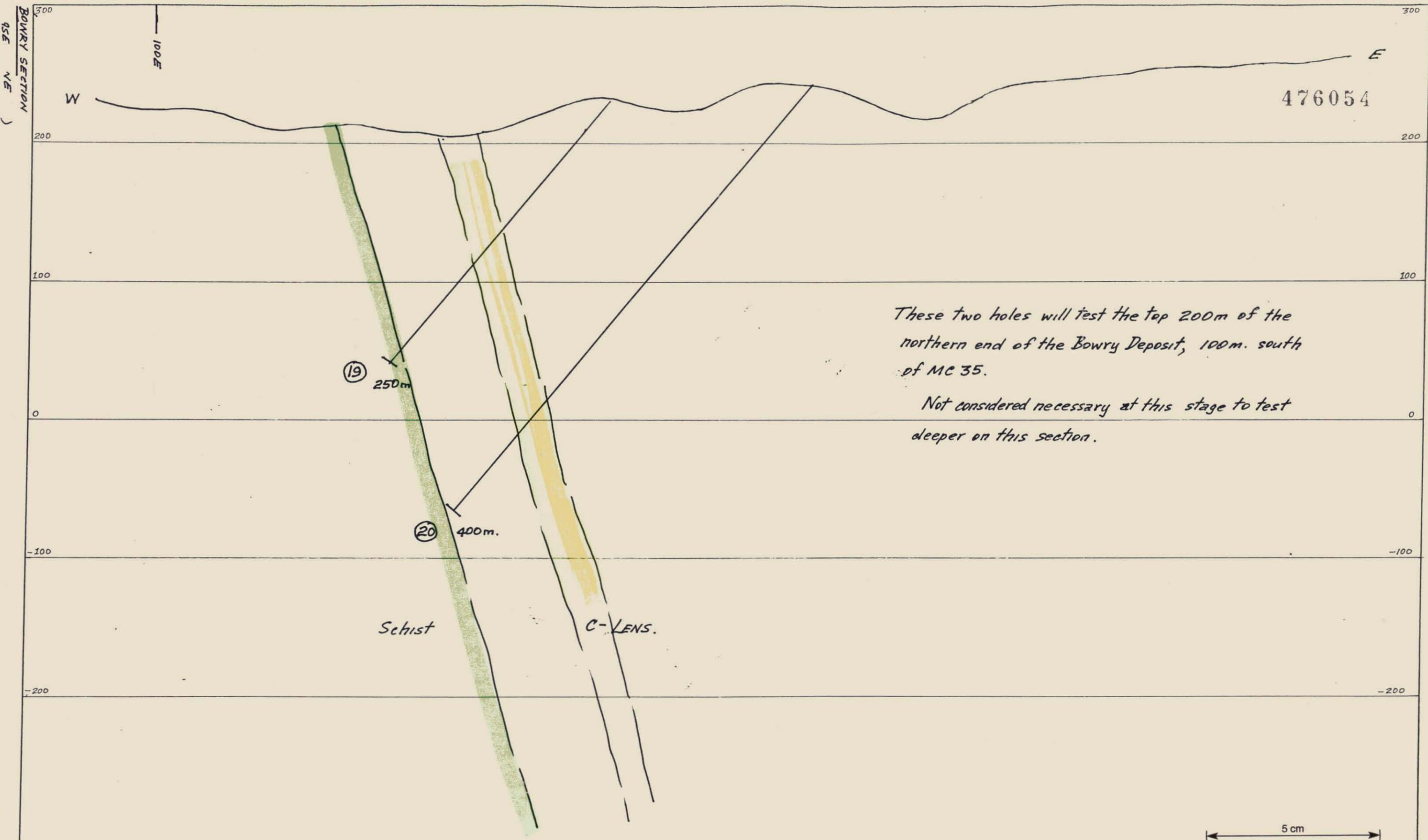
*Deeper holes are not considered necessary at this stage.*

*Holes further to the north of this fan of holes are also not considered necessary to achieve the program objectives.*

*Not considered necessary to take deep hole ④ through to schist contact.*

*SECTION 'J'*  
*1:2,500*  
*0 100m.*

*5 cm*

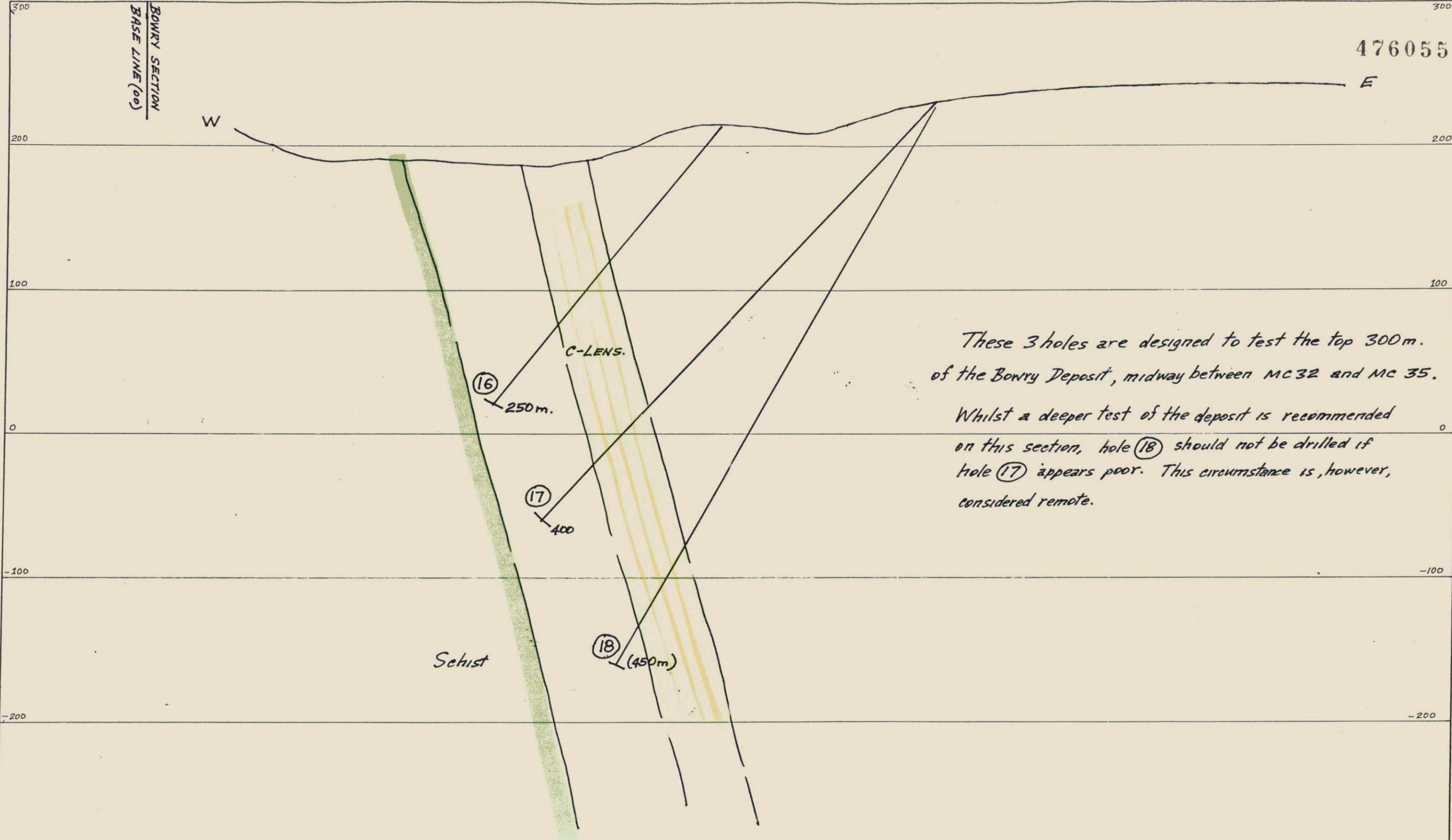


These two holes will test the top 200m of the northern end of the Bowry Deposit, 100m. south of MC 35.  
 Not considered necessary at this stage to test deeper on this section.

NEWHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT BOWRY CREEK DEPOSIT SECTION K		
0m	100m	Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig

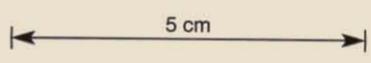
BOWRY SECTION  
BASE LINE (00)

W E



*These 3 holes are designed to test the top 300m. of the Bowry Deposit, midway between MC 32 and MC 35.*

*Whilst a deeper test of the deposit is recommended on this section, hole (18) should not be drilled if hole (17) appears poor. This circumstance is, however, considered remote.*

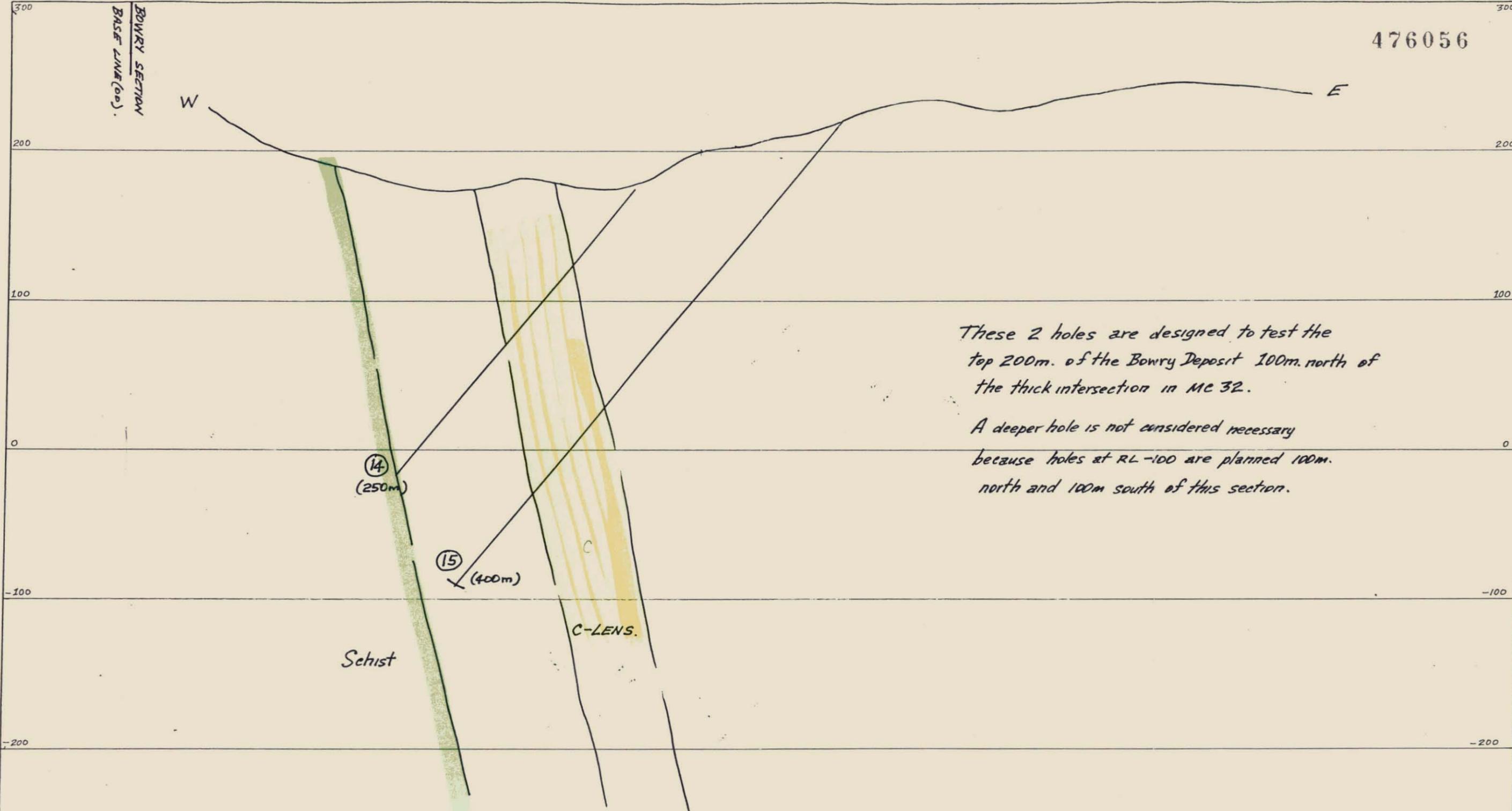


NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT BOWRY CREEK DEPOSIT SECTION $\angle$		
0	100m.	Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig

BOWRY SECTION  
BASE LINE (00)

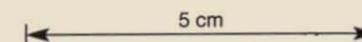
W

E



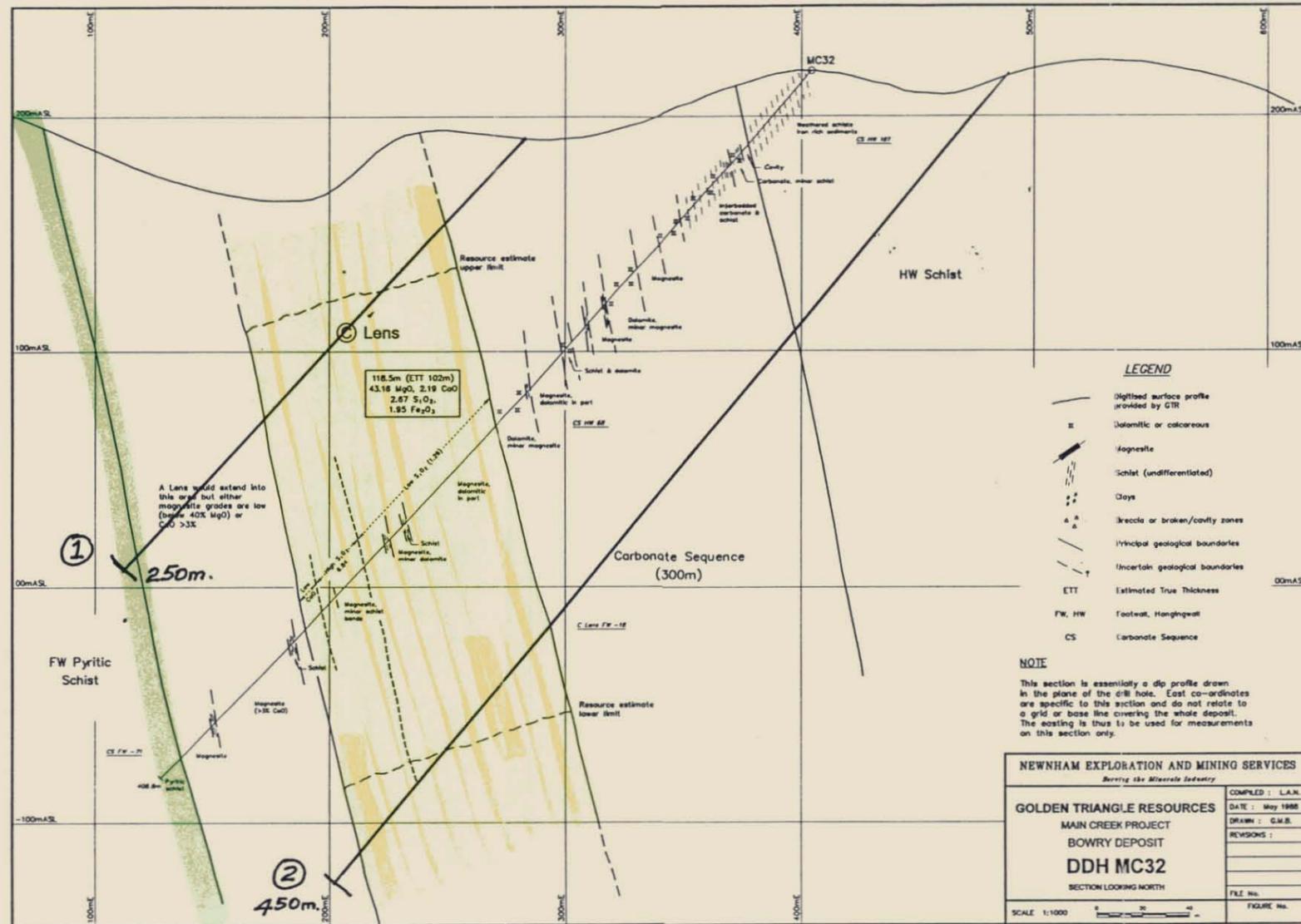
These 2 holes are designed to test the top 200m. of the Bowry Deposit 100m. north of the thick intersection in MC 32.

A deeper hole is not considered necessary because holes at RL -100 are planned 100m. north and 100m south of this section.



NEWHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT BOWRY CREEK DEPOSIT SECTION M		
0	100m.	Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig

BOWRY SECTION  
BASE LINE (00)



SECTION N  
0 100m.

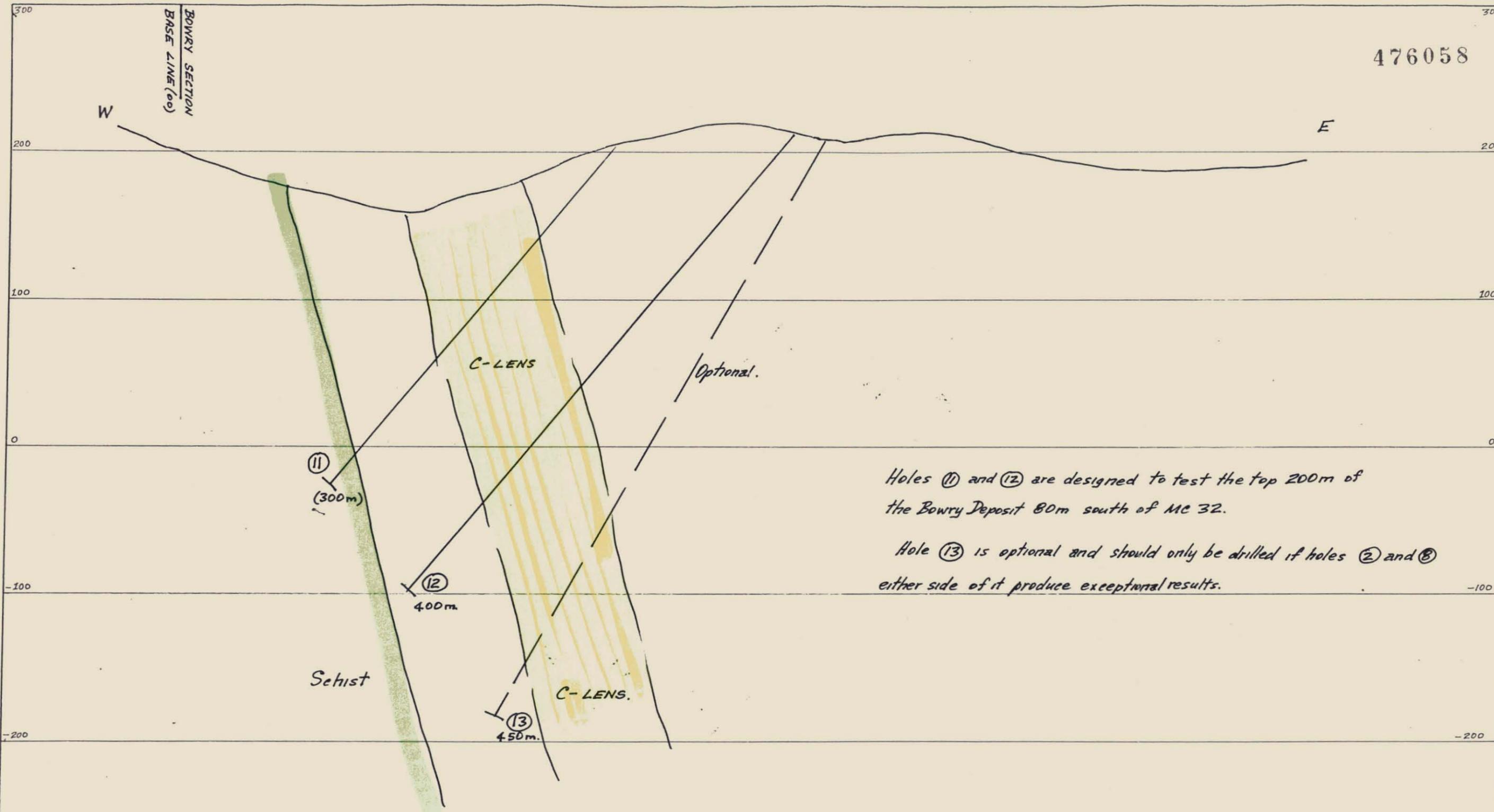
5 cm

Two holes designed to test the Bowry Deposit 90m above and 90m below (100m vertically) the thick intersection in MC32.

Hole 1 will be a usefull indication of the depth of weathering on the magnesite.

Combined, the two holes, together with MC32, will test 200-300 vertical metres of the deposit.

476058



Holes (11) and (12) are designed to test the top 200m of the Bowry Deposit 80m south of MC 32.

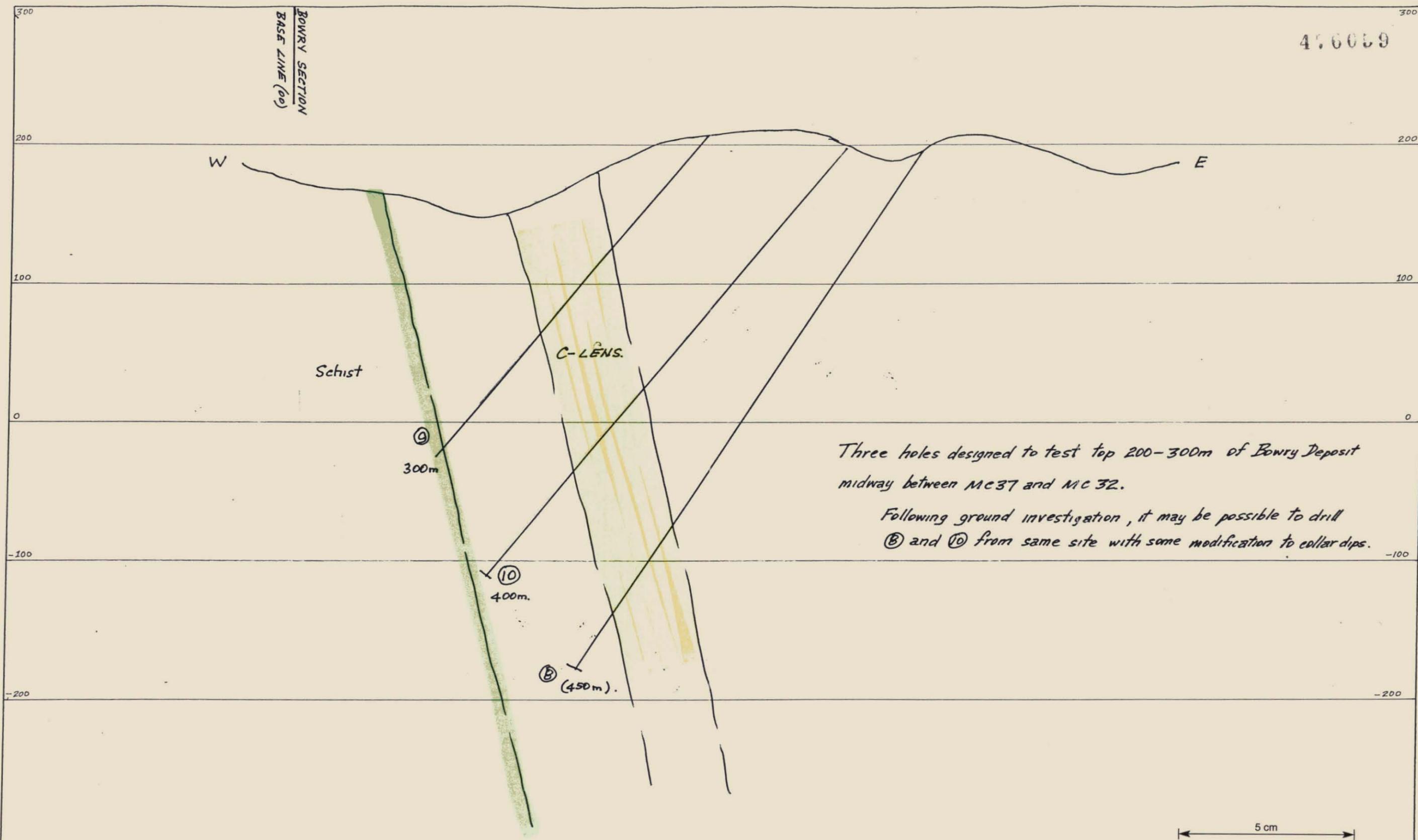
Hole (13) is optional and should only be drilled if holes (11) and (12) either side of it produce exceptional results.



NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT BOWRY CREEK DEPOSIT SECTION P		
0	100m	Scale: 1::2,500
Drawn: LAN	Date: Oct 98	Fig

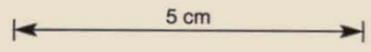
456059

BOWRY SECTION  
BASE LINE (00)



Three holes designed to test top 200-300m of Bowry Deposit  
midway between MC37 and MC 32.

Following ground investigation, it may be possible to drill  
B and 10 from same site with some modification to collar dips.

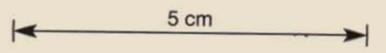


NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDEN TRIANGLE RESOURCES MAIN CREEK MAGNESITE PROJECT BOWRY CREEK DEPOSIT SECTION Q		
0	100m.	Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig

BOWRY SECTION  
BASE LINE (00)

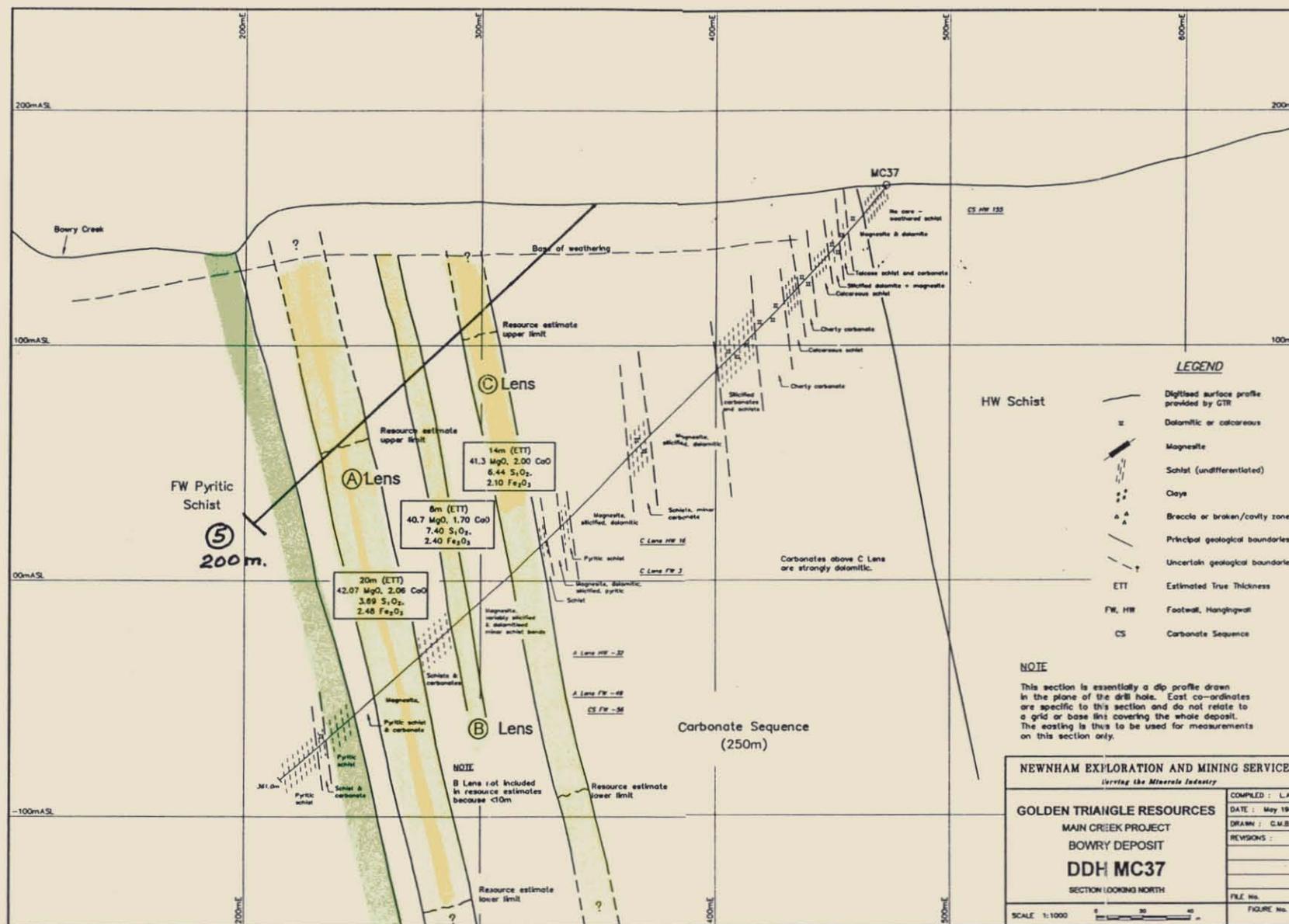


Two holes designed to test top 200m of Bowry Deposit, 100m. north of MC 37.



NEWNHAM EXPLORATION AND MINING SERVICES		
<b>GOLDEN TRIANGLE RESOURCES          MAIN CREEK MAGNESITE PROJECT          BOWRY CREEK DEPOSIT          SECTION R</b>		
0	100m.	Scale: 1:2,500
Drawn: LAN	Date: Oct 98	Fig

BOWRY SECTION  
BASE LINE (00)



FW Pyritic Schist  
⑤  
200m.

14m (ETT)  
41.3 MgO, 2.00 CoO  
6.44 SiO<sub>2</sub>  
2.10 Fe<sub>2</sub>O<sub>3</sub>

8m (ETT)  
40.7 MgO, 1.70 CoO  
7.40 SiO<sub>2</sub>  
2.40 Fe<sub>2</sub>O<sub>3</sub>

20m (ETT)  
42.07 MgO, 2.06 CoO  
3.69 SiO<sub>2</sub>  
2.48 Fe<sub>2</sub>O<sub>3</sub>

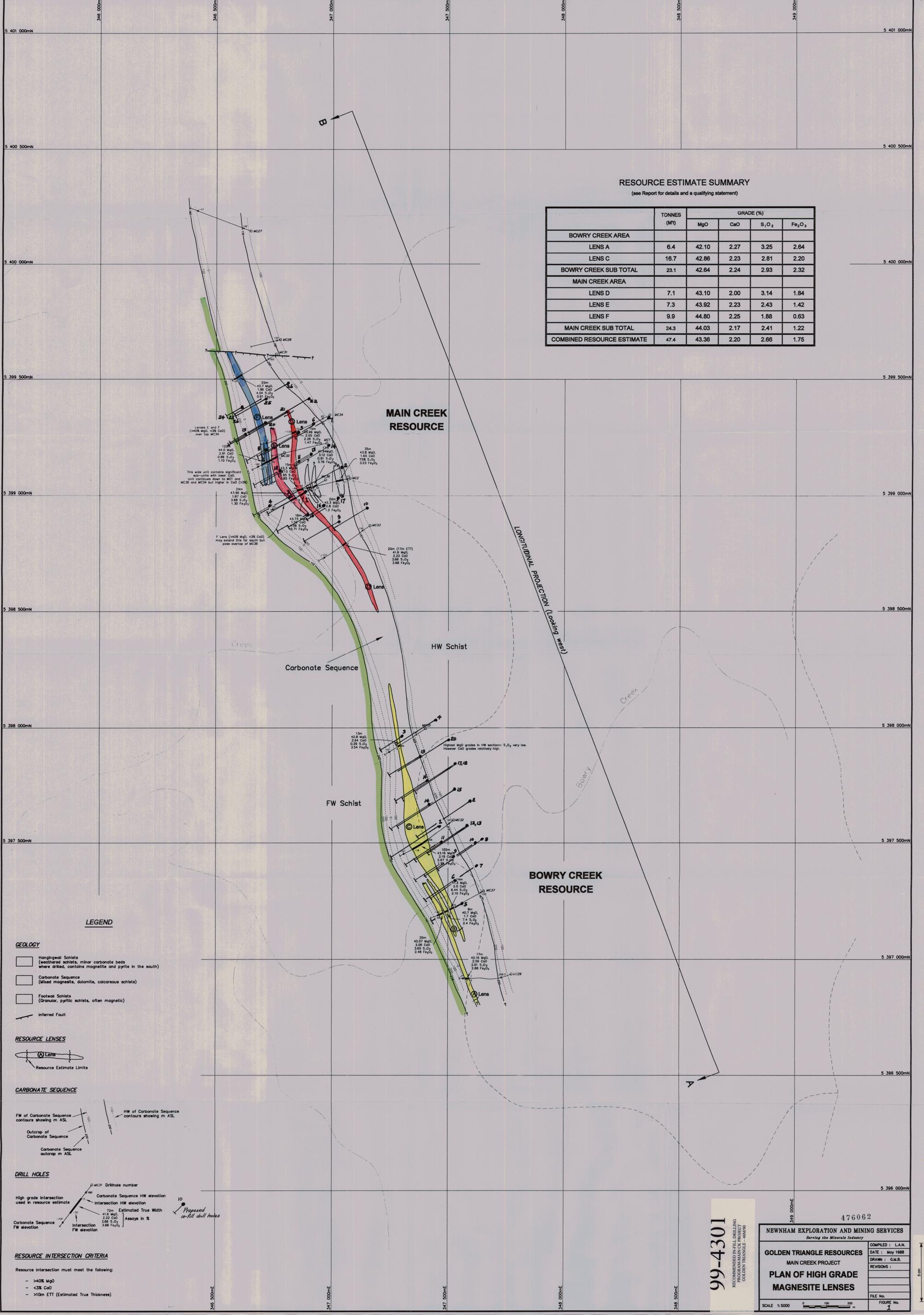
**NOTE**  
B Lens not included in resource estimates because <10m

SECTION S  
0 100m.

1:2,500

Single hole designed to test Bowry Deposit at a shallow depth 100m above MC 37.

5 cm



**RESOURCE ESTIMATE SUMMARY**  
(see Report for details and a qualifying statement)

	TONNES (Mt)	GRADE (%)			
		MgO	CaO	SiO <sub>2</sub>	Fe <sub>2</sub> O <sub>3</sub>
<b>BOWRY CREEK AREA</b>					
LENS A	6.4	42.10	2.27	3.25	2.64
LENS C	16.7	42.86	2.23	2.81	2.20
<b>BOWRY CREEK SUB TOTAL</b>	<b>23.1</b>	<b>42.64</b>	<b>2.24</b>	<b>2.93</b>	<b>2.32</b>
<b>MAIN CREEK AREA</b>					
LENS D	7.1	43.10	2.00	3.14	1.84
LENS E	7.3	43.92	2.23	2.43	1.42
LENS F	9.9	44.80	2.25	1.88	0.63
<b>MAIN CREEK SUB TOTAL</b>	<b>24.3</b>	<b>44.03</b>	<b>2.17</b>	<b>2.41</b>	<b>1.22</b>
<b>COMBINED RESOURCE ESTIMATE</b>	<b>47.4</b>	<b>43.36</b>	<b>2.20</b>	<b>2.66</b>	<b>1.75</b>

**LEGEND**

- GEOLOGY**
- Hangswall Schists (weathered schists, minor carbonate beds where drilled, contains magnetite and pyrite in the south)
  - Carbonate Sequence (Mixed magnesite, dolomite, calcareous schists)
  - Foothill Schists (Granular, pyritic schists, often magnetic)
  - Inferred Fault
- RESOURCE LENSES**
- Resource Estimate Limits
- CARBONATE SEQUENCE**
- FW of Carbonate Sequence contours showing m ASL
  - HW of Carbonate Sequence contours showing m ASL
  - Outcrop of Carbonate Sequence
  - Carbonate Sequence outcrop m ASL
- DRILL HOLES**
- MC37 Drillhole number
  - High grade intersection used in resource estimate
  - Carbonate Sequence HW elevation
  - Intersection HW elevation
  - Estimated True Width
  - Assays in %
  - Carbonate Sequence FW elevation
  - Intersection FW elevation
  - Proposed re-fill drill holes
- RESOURCE INTERSECTION CRITERIA**
- Resource intersection must meet the following:
- >40% MgO
  - <3% CaO
  - >10m ETT (Estimated True Thickness)

**99-4301**  
RECOMMENDED IN-FILL DRILLING PROGRAM MAIN CREEK PROJECT GOLDEN TRIANGLE - BOWRY

476062

**NEWNHAM EXPLORATION AND MINING SERVICES**  
*Serving the Minerals Industry*

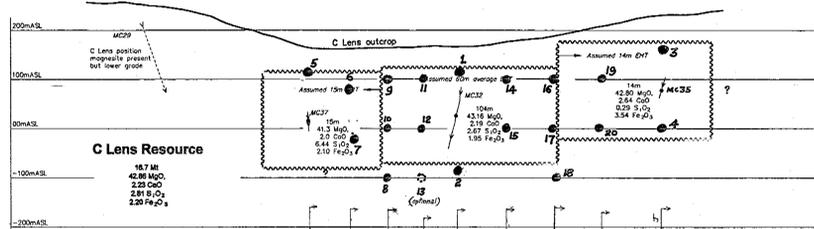
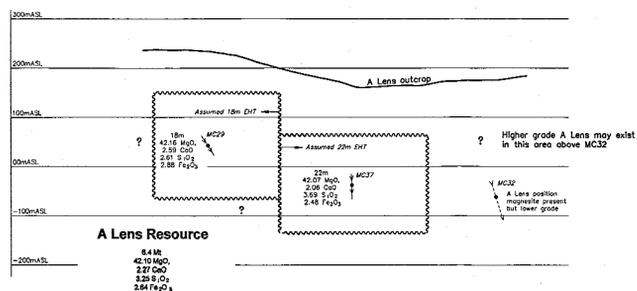
**GOLDEN TRIANGLE RESOURCES**  
MAIN CREEK PROJECT  
**PLAN OF HIGH GRADE MAGNESITE LENSES**

COMPILED: L.A.N.  
DATE: May 1988  
DRAWN: G.M.B.  
REVISIONS:  
FILE No.  
FIGURE No. 1

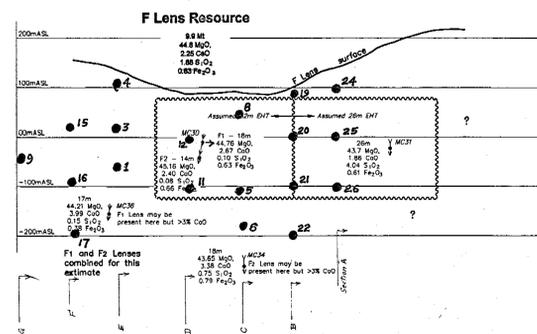
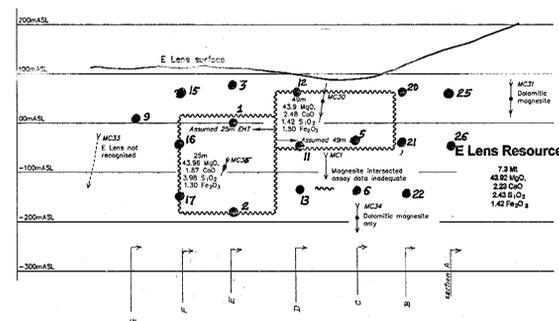
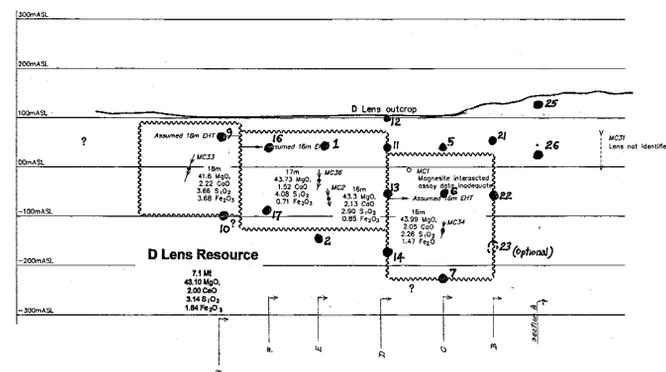
SCALE 1:5000

# BOWRY CREEK LENSES

(Note: B Lens not included)



# MAIN CREEK LENSES



● = Proposed drill hole  
The Bowry Creek program consists of 19 holes (plus one optional hole)  
Totaling 6270m.

The program is designed to further test the top 200-300m of the deposit over a 800m strike length, with a view to defining an indicated resource of 15Mt. high grade magnesite.

A deposit with the following dimensions will contain approx. 15Mt.:

length: 800m  
depth: 200m  
width: 32m  
density: 2.9.

Program details are:

- no of holes: 19  
non-core: 510m  
HQ core: 420m  
NQ core: 5,340m  
total metres: 6,270 m.

Duration:

average 25m/shift  
= 250 shifts.  
average 10 shifts/1rig/week  
= 25 rig weeks.  
= 6 months for 1 rig (double shifts)  
= 3 months for 2 rigs (double shifts)

## RESOURCE ESTIMATE SUMMARY

(see Report for details and a qualifying statement)

	TONNES (Mt)	GRADE (%)			
		MgO	CaO	S <sub>2</sub> O <sub>3</sub>	Fe <sub>2</sub> O <sub>3</sub>
<b>BOWRY CREEK AREA</b>					
LENS A	6.4	42.10	2.27	3.25	2.64
LENS C	16.7	42.86	2.23	2.81	2.20
<b>BOWRY CREEK SUB TOTAL</b>	<b>23.1</b>	<b>42.64</b>	<b>2.24</b>	<b>2.93</b>	<b>2.32</b>
<b>MAIN CREEK AREA</b>					
LENS D	7.1	43.10	2.00	3.14	1.84
LENS E	7.3	43.92	2.23	2.43	1.42
LENS F	9.9	44.80	2.25	1.88	0.63
<b>MAIN CREEK SUB TOTAL</b>	<b>24.3</b>	<b>44.03</b>	<b>2.17</b>	<b>2.41</b>	<b>1.22</b>
<b>COMBINED RESOURCE ESTIMATE</b>	<b>47.4</b>	<b>43.36</b>	<b>2.20</b>	<b>2.66</b>	<b>1.75</b>

The Main Creek program consists of 24 holes (plus one optional hole)  
Totaling 6820m.

The program is designed to test the top 300m of a thick magnesite sequence in which three high grade lenses were recognised in the initial drilling program. This sequence would be tested over a strike length of 800m, with a view to defining an indicated resource of 15Mt. high grade magnesite.

A single lens with the following dimensions, will contain 8Mt.:

length: 700m  
depth: 250m  
width: 16m  
density: 2.9

Thus the combined tonnage of the 3 lenses to be tested as shown would be 20-24Mt., which provides for a large degree of selective mining.

Program details:

No. of holes: 24  
non-core: 895m  
HQ: 745m  
NQ: 5,480m  
Total metres: 6,820m.

Duration:

average 25m/shift  
= 275 shifts  
average 10 shifts/1rig/week (double shift)  
= 28 rig weeks  
= 7 months for 1 rig (double shifts)  
= 3.5 months for 2 rigs (double shifts)

## LEGEND

### DRILL HOLE INTERSECTIONS

MC30 Drillhole number  
Intersection HW  
Intersection mid-point  
Intersection FW

MC30  
72m Estimated Horizontal Width  
41.8 MgO  
2.22 CaO  
3.68 S<sub>2</sub>O<sub>3</sub>  
3.68 Fe<sub>2</sub>O<sub>3</sub>  
Assays in %

### RESOURCE LENSES

Possible lens shapes  
Further potential shown by question marks

Resource estimate boundary

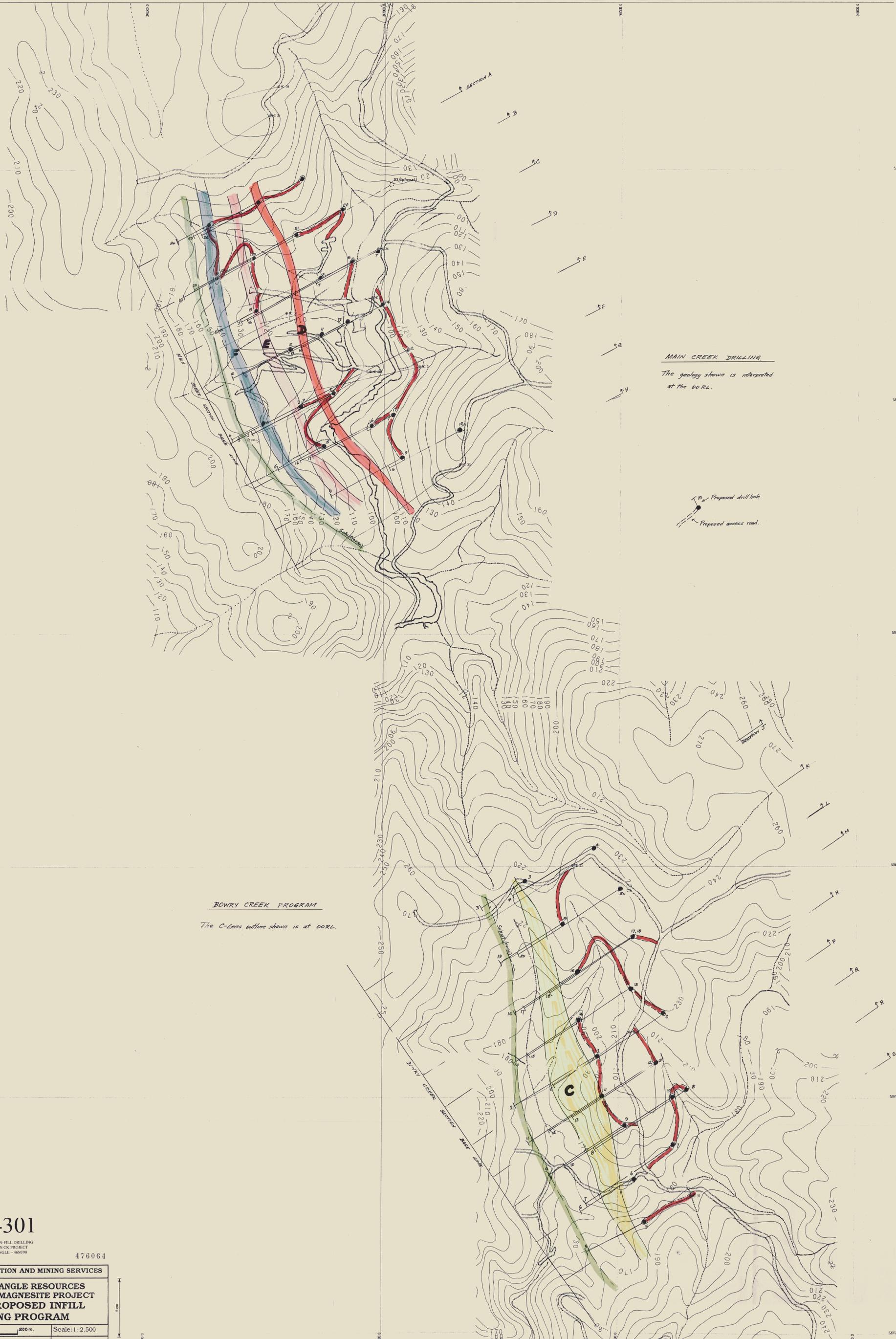
Projection Looking West

476063  
**99-4301**

RECOMMENDED INFILL DRILLING  
PROGRAM-MAIN CK PROJECT  
GOLDEN TRIANGLE - 46M99

NEWHAM EXPLORATION AND MINING SERVICES <i>Serving the Minerals Industry</i>	
<b>GOLDEN TRIANGLE RESOURCES</b> MAIN CREEK PROJECT <b>RESOURCE LENSES</b> <b>LONGITUDINAL</b> <b>PROJECTION</b>	COMPILED: L.A.N. DATE: May 1988 DRAWN: G.M.S. REVISIONS: FILE No. FIGURE No.
SCALE 1:5000	FIGURE No. 2

50m



**MAIN CREEK DRILLING**

The geology shown is interpreted at the 60.R.L.

Proposed drill hole  
Proposed access road

**BOWRY CREEK PROGRAM**

The C-Lens outline shown is at D.R.L.

99-4301

RECOMMENDED INFILL DRILLING  
PROGRAM-MAIN CK PROJECT  
GOLDEN TRIANGLE-66M900

476064

NEWNHAM EXPLORATION AND MINING SERVICES

**GOLDEN TRIANGLE RESOURCES  
MAIN CREEK MAGNESITE PROJECT  
PLAN OF PROPOSED INFILL  
DRILLING PROGRAM**

Scale: 1:2,500  
Drawn: LAN Date: Oct 98 Fig. 3.