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Date	21st February, 1989	Ref	swr.jmc
To	D. B. Wallace	From	S. W. Rand
At	Burnie	At	Burnie
Copies to	EHS, ETE, RGP, AMcN, IRR	Keep	

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Subject DRILL HOLE PROPOSAL - MT. CHARTER (MAC-23)

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A 250 metre diamond drill-hole is proposed as a test for economic gold mineralisation in the footwall of the massive barite deposit at Mt. Charter.

The hole is designed to pass through the surface outcrop of massive barite and down the centre of the barite-pyrite stringer system. This will allow an assessment of variations in gold grade with stratigraphic level in the system.

The main stringer system is characterised by a central zone containing abundant pyrite veining with common barite as veins and porphyroblasts. Associated with the mineralisation is strong silica-sericite-pyrite alteration. Less intense mineralisation associated with carbonate, chlorite and moderate silica and sericite alteration occurs in an "outer zone" surrounding the "central core". The central zone is anomalous in gold, silver and arsenic and is very similar to the Precious Metal Zone at Que River.

The surface expression of the stringer system is a strong soil geochemical anomaly (co-incident Au, Ag, As and Ba) and moderate IP anomaly.

#### Previous Drilling

No previous drill-holes have passed through massive barite.

Three previous holes (MC-1, 2 and 3) have intersected the "central core" of the stringer system. Continuous core-grind data from these intersections indicates barite grades of greater than 1% (up to 10%) combined with prospective gold grades (maximum 1.17 ppm). Alignment of the surface projection of these intersections and the outcropping massive barite indicates a grid north north easterly orientation for the main stringer system (Plate MAC 227).

Drill holes MC-1 and MC-3 intersect the core of the stringer system at approximately the same stratigraphic level, ~200m below the barite horizon (refer to Plate MAC 226). MC-2 intersects the system at a shallow level but is limited, however, to only the margin of the central core zone.

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Drill-holes MC-5, 6 and 8 were drilled to intersect the andesite/dacite (hangingwall/footwall) contact. Only MC-5 and 8 reached the contact. Mineralisation and alteration in the footwall rhyodacitic rocks intersected by these holes represents only weak "outer zone" style.

#### Proposed Hole

The proposed hole is designed to test different stratigraphic levels within the stringer system. The initial 50m will test grades within the massive barite and establish its near surface extent. Rock chip samples from the surface outcrop contained gold grades of up to 3.8 ppm and silver up to 175 ppm.

The hole will provide information on previously untested levels within the system, specifically from the surface massive barite to ~150m. The final 50m of the hole will also test the system stratigraphically deeper than either MC-1 or MC-3.

The hole will be sited at 4250E 4640N and oriented grid 035° with a declination of 50°. The hole is aimed to terminate at an RL of ~625m (co-ordinates 4350E 4760N). Close supervision will be required as the hole is expected to deviate parallel to veining and cleavage.

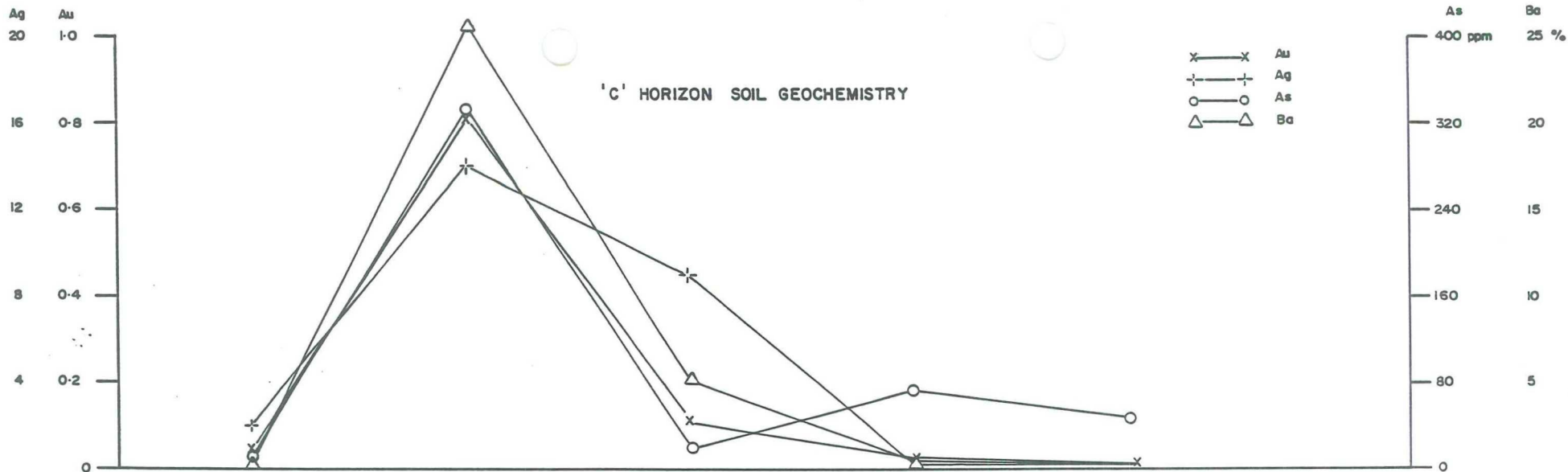
The hole will be drilled in HQ to maximise the amount of core available for sampling. Subsequent work will involve logging, core grinding and the hole will be read with DHEM.

A percussion drilling program was considered to test this target but was rejected on the grounds that rehabilitation of the access track would offset any cost benefits of this drilling technique.

*Swan Rand*

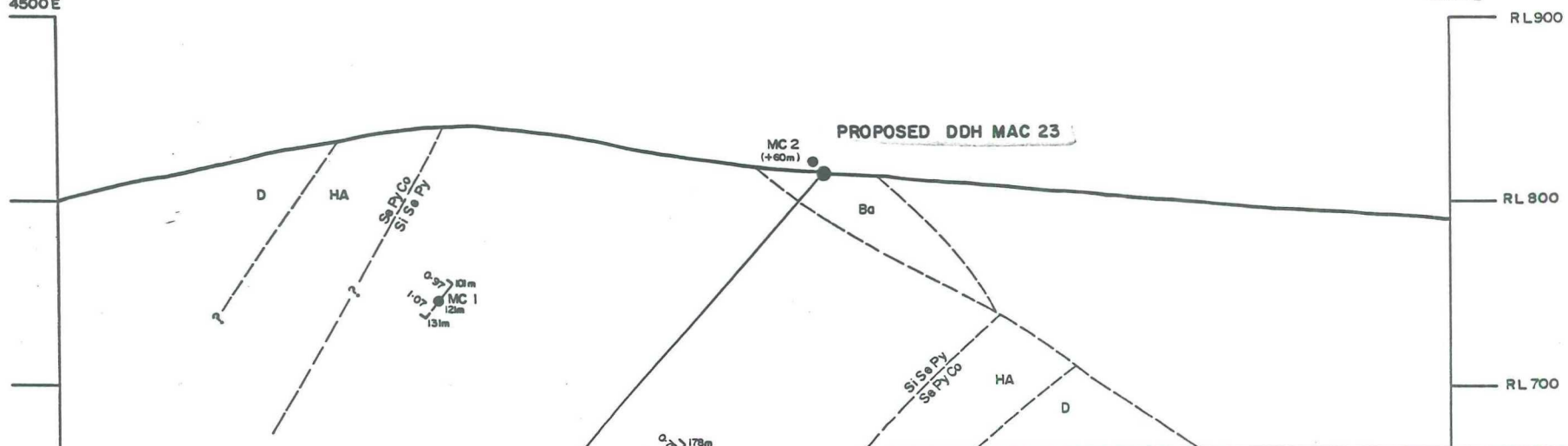
S. W. RAND.

Attachments: Plate MAC 226 Mt. Charter Area - Proposed Drilling.  
Plate MAC 227 Mt. Charter Area - Interpreted geology  
and drilling.



**A**  
4960N  
4500E

**B**  
4420N  
4060E



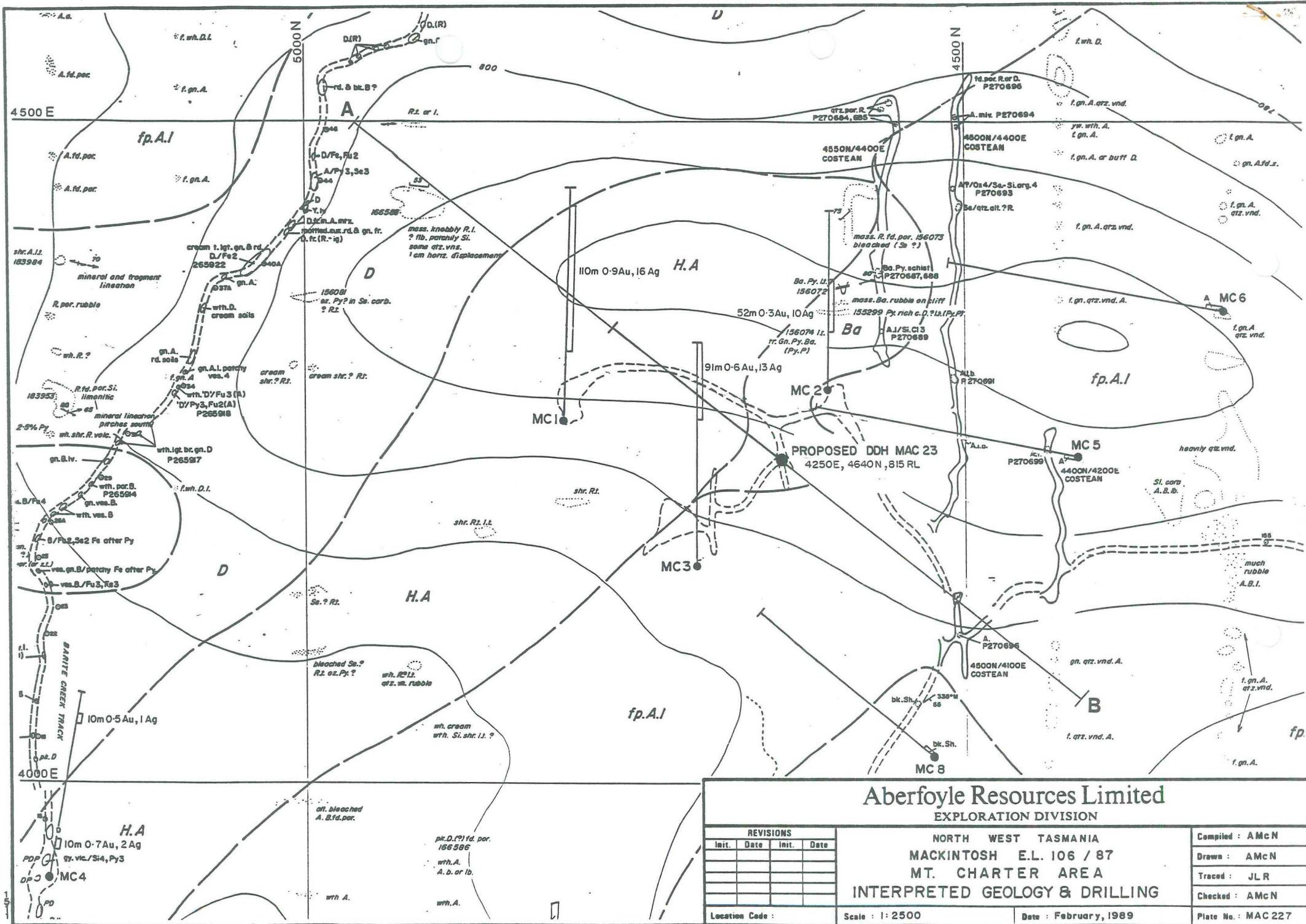
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EXPLORATION DIVISION

NORTH WEST TASMANIA  
MACKINTOSH E.L. 106/87  
MT. CHARTER AREA  
PROPOSED DRILLING

Compiled : SWR  
Drawn : SWR  
Traced : RJE  
Checked : AMcN  
Plate No. : MAC 226

REVISIONS			
Init.	Date	Init.	Date

Location Code :      Scale : 1:2500      Date : February, 1989



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NORTH WEST TASMANIA  
MACKINTOSH E.L. 106 / 87  
MT. CHARTER AREA  
INTERPRETED GEOLOGY & DRILLING

REVISIONS			
Init.	Date	Init.	Date

Compiled : AMcN
Drawn : AMcN
Traced : JLR
Checked : AMcN
Plate No. : MAC 227

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