

Co-ordinates: ..... Azimuth: 315° N 330° TRUE  
 RL Collar: ..... Inclination: -46°

Drillers: KAYE / BILLOWS  
 Drill Types: LONGYEAR 38

Commenced: 9 JULY 1997  
 Completed: 18 JULY 97

Plan-Map Reference: .....  
 Depth: 222.0 Hole No: AR7 (CHECK)  
 Casing Left: 1.1 DPO No's: .....

| Depth    |        | Core Rec (m) | Core Size | Graphic Log  | Core Description |               |             |                | Sample No. | From (m) | To (m) | Rec (m) | Assay Values (Analysed by ..... |       |       |       |       |     |     |
|----------|--------|--------------|-----------|--|------------------|---------------|-------------|----------------|------------|----------|--------|---------|---------------------------------|-------|-------|-------|-------|-----|-----|
| From (m) | To (m) |              |           |  | Mostly           | % Cryptocryst | Minerals in |                |            |          |        |         | MgO                             | CaO   | SiO2  | Al2O3 | Fe2O3 | MnO | SO3 |
|          |        |              |           |  | Buff             | White         | Magnesite   | Sparry patches |            |          |        |         |                                 |       |       |       |       |     |     |
|          |        |              |           |  |                  |               |             | sil            | Dol        | Mag      |        |         |                                 |       |       |       |       |     |     |
| 0        | 11.23  |              |           | 0 - 11m  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
|          |        |              |           | TRICONE  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
|          |        |              |           | ALLUVIAL GRAVEL  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 11.23    | 12.00  | 100%         |           | Fresh massive and conchoidal magnesite   | Buff             |               | 85%         | 15%            | --         | 85%      |        |         | 40.39                           |       | 10.4  |       |       |     |     |
| 12.00    | 13.30  | 50%          | 14Q       | "  | "                |               | 90%         | 10%            |            | 90%      |        |         |                                 |       |       |       |       |     |     |
|          |        |              |           | small cavities reported.   |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 13.30    | 14.20  | 50%          | "         | conchoidal magnesite with few small cavities   | "                |               | 90%         | 10%            |            | 90%      |        |         | 37.73                           |       | 17.10 |       |       |     |     |
|          |        |              |           | conchoidal magnesite with 30cm cavity to 15.7m. From 15.7m - 17m mainly sandy dolomite/sil |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 14.20    | 17.00  | 70%          | "         | conchoidal magnesite with 30cm cavity to 15.7m. From 15.7m - 17m mainly sandy dolomite/sil | "                |               | 90%         | 10%            |            | 90%      |        |         | 37.76                           |       | 13.95 |       |       |     |     |
|          |        |              |           | conchoidal magnesite with 30cm cavity to 15.7m. From 15.7m - 17m mainly sandy dolomite/sil |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 17.00    | 18.00  | 100%         | "         | conchoidal magnesite with sandy dolomite   |                  | White         | 30-40%      | 60%            |            | 30-40    |        |         |                                 |       |       |       |       |     |     |
|          |        |              |           | conchoidal magnesite with sandy dolomite   |                  | White         | 60-70%      | 30-40%         |            | 60-70    |        |         |                                 | 41.08 |       | 11.37 |       |     |     |
| 18.00    | 19.5   |              | "         | "  | Buff             | White         | 80%         | 20%            |            |          |        |         |                                 | 39.67 |       | 11.07 |       |     |     |
|          |        |              |           | at 18.3m changed to buff - conchoidal  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 19.5     | 21.0   | 50%          | "         | broken conchoidal buff conchoidal magnesite with small cavities                            | Buff             |               | 80-90%      | 10-20%         |            |          |        |         |                                 | 42.08 |       | 8.75  |       |     |     |
|          |        |              |           | broken conchoidal buff conchoidal magnesite with small cavities                            |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 21.0     | 22.6   | 90%          | "         | "  | buff             |               | 80-90%      | 10-20%         |            |          |        |         |                                 | 38.75 |       | 11.78 |       |     |     |
|          |        |              |           | "  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 22.6     | 24.0   | 45%          | "         | "  | Buff             |               | 80-90%      | 10-20%         |            |          |        |         |                                 | 36.43 |       | 11.11 |       |     |     |
|          |        |              |           | cavities, broken   |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 24.0     | 25.7   | 90%          | "         | conchoidal buff conchoidal to massive magnesite  | Buff             |               | 70%         | 10%            |            |          |        |         |                                 | 42.71 |       | 6.47  |       |     |     |
|          |        |              |           | conchoidal buff conchoidal to massive magnesite  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 25.7     | 27.0   | 30%          | "         | "  |                  |               |             |                |            |          |        |         |                                 | 41.95 |       | 4.48  |       |     |     |
|          |        |              |           | cavities.  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 27.0     | 28.8   | 55%          | "         | broken and brecciated magnesite + cavities   | Buff             |               | 70-80%      | 20-30%         |            |          |        |         |                                 | 41.30 |       | 6.58  |       |     |     |
|          |        |              |           | broken and brecciated magnesite + cavities   |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 28.8     | 30.0   | 100%         | "         | massive and broken conchoidal magnesite  | Buff             |               | 90% (?)     | 10%            |            |          |        |         |                                 | 42.20 |       | 4.70  |       |     |     |
|          |        |              |           | massive and broken conchoidal magnesite  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
| 30.0     | 31.7   | 100%         | "         | "  | Buff             |               | 95% (?)     | 5%             |            |          |        |         |                                 | 41.08 |       | 4.30  |       |     |     |
|          |        |              |           | "  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |
|          |        |              |           | (white sections may be dolomitic)  |                  |               |             |                |            |          |        |         |                                 |       |       |       |       |     |     |

571039

Co-ordinates: Azimuth: 319 Mag 330 True

Drillers: KAYE/BILLIOWS

Commenced: 9 July 1997

Depth:

Hole No.: AP7 (CHECK)

RL Collar: Inclination: -46°

Drill Types: LONGYETIVE 38

Completed:

Casing Left:

DPO No's:

| Depth | Core     |        | Core Size | Graphic Log | Core Description  | Mostly  |        |       | % Cryptocryst Magnesite | Minerals in Sparry patches |     |     | Assay Values (Analysed by) |     |      |       |       |       |       |     |  |  |  |  |  |
|-------|----------|--------|-----------|-------------|---|---------|--------|-------|-------------------------|----------------------------|-----|-----|----------------------------|-----|------|-------|-------|-------|-------|-----|--|--|--|--|--|
|       | From (m) | To (m) |           |             |   | Rec (m) | Buff   | White |                         | sil                        | Dol | Mag | MgO                        | CaO | SiO2 | Al2O3 | Fe2O3 | MnO   | SO3   | LOI |  |  |  |  |  |
| 1.5   | 31.70    | 33.00  | 100%      | HQ          | Cream buff and white cementation magnesite/dolomite         | 60%     | 40%    | ?     |                         |                            |     |     |                            |     |      |       |       | 41.04 | 5.27  |     |  |  |  |  |  |
| 10    | 33.0     | 34.6   | 100%      | HQ          | "   | 70%     | 30%    | ?     |                         |                            |     |     |                            |     |      |       |       | 40.59 | 5.21  |     |  |  |  |  |  |
| 12    | 34.6     | 36.0   | 100%      | HQ          | "   |         |        |       |                         |                            |     |     |                            |     |      |       |       | 42.62 | 1.38  |     |  |  |  |  |  |
| 16    | 36.0     | 37.60  | 100%      |             | Buff magnesite and white sandy dolomite last 30cm magnesite | 20%     | 80%    | 20%?  |                         |                            |     |     |                            |     |      |       |       | 40.95 | 2.63  |     |  |  |  |  |  |
|       | 37.60    | 39.0   | 100%      |             | Buff magnesite last 30cm white sandy dolomite               | 75-80%  | 20-25% | 80%?  |                         |                            |     |     |                            |     |      |       |       | 42.38 | 3.56  |     |  |  |  |  |  |
|       | 39.0     | 40.6   | 100%      |             | Greenish brownish pale cream white                          | 80%     | 20%    | 80%?  |                         |                            |     |     |                            |     |      |       |       | 38.83 | 3.86  |     |  |  |  |  |  |
|       | 40.6     | 42.0   | 100%      |             | Pale white magnesite sandy dolomite                         | 30%     | 70%    |       |                         |                            |     |     |                            |     |      |       |       | 39.65 | 2.79  |     |  |  |  |  |  |
|       | 42.0     | 42.6   | 100%      |             | "   | 50%     | 50%    |       |                         |                            |     |     |                            |     |      |       |       | 38.67 | 3.20  |     |  |  |  |  |  |
|       | 42.6     | 45.0   | 100%      |             | Massive reddish? Magnesite and white dolomite               | 85%     | 15%    | 85%?  |                         |                            |     |     |                            |     |      |       |       | 40.62 | 4.53  |     |  |  |  |  |  |
|       | 45.0     | 46.7   | 100%      |             | Buff magnesite and white dolomite                           | 75%     | 25%    | 75%   |                         |                            |     |     |                            |     |      |       |       | 35.33 | 3.32  |     |  |  |  |  |  |
| 20m   | 46.7     | 48.0   | 15%       |             | Cavity broken w/ light brown carbonate - quartz             | -       | -      |       |                         |                            |     |     |                            |     |      |       |       | 15.16 | 27.65 |     |  |  |  |  |  |
| 25m   | 48.0     | 49.6   | 25%       |             | Broken as above plus buff magnesite                         | 25%     |        | 25%   |                         |                            |     |     |                            |     |      |       |       | 21.45 | 7.81  |     |  |  |  |  |  |
| 30m   | 49.6     | 51.0   | 66%       |             | Buff + white broken magnesite + cavity                      | 60%     | 50%    |       |                         |                            |     |     |                            |     |      |       |       | 24.80 | 6.32  |     |  |  |  |  |  |
| 40m   | 51.0     | 54.0   | 10%       |             | Broken cement sand dark brown and                           | 50%     |        | 50%   |                         |                            |     |     |                            |     |      |       |       | 33.92 | 16.70 |     |  |  |  |  |  |

571040

2

Co-ordinates: ..... Azimuth: .....

Drillers: .....

Commenced: .....

Depth: .....

Hole No. A27 (CHECK)

RL Collar: ..... Inclination: .....

Drill Types: .....

Completed: .....

Casing Left: .....

DPO No's: .....

| Depth    |        | Core    |           | Graphic Log | Core Description                        | Sample No. | From (m) | To (m) | Rec (m) | Assay Values (Analysed by ..... |       |               |                            |     |     |     |     |      |       |       |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----------|--------|---------|-----------|-------------|---|------------|----------|--------|---------|---------------------------------|-------|---------------|----------------------------|-----|-----|-----|-----|------|-------|-------|-----|-----|-----|--|--|--|--|--|--|--|--|--|--|--|--|--|
| From (m) | To (m) | Rec (m) | Core Size |             |   |            |          |        |         | Mostly                          |       | % Cryptocryst | Minerals in Sparry patches |     |     | MgO | CaO | SiO2 | Al2O3 | Fe2O3 | MnO | SO3 | LOI |  |  |  |  |  |  |  |  |  |  |  |  |  |
|          |        |         |           |             |   |            |          |        |         | Buff                            | White | Magnesite     | sil                        | Dol | Mag |     |     |      |       |       |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 54       | 56.2   | 72%     | HQ        |             | buff magnesite with 20cm white dolomite |            |          |        |         | 90%                             |       |               |                            |     |     |     |     |      | 38.13 | 8.31  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 56.2     | 57.0   | 100%    |           |             | buff magnesite and white dolomite?      |            |          |        |         | 50%                             | 50%   |               |                            |     |     |     |     |      | 28.03 | 8.62  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 57.0     | 58.6   | 100%    |           |             | buff and white magnesite + dolomite?    |            |          |        |         | 100%                            | 90%   |               |                            |     |     |     |     |      | 40.95 | 9.05  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 58.6     | 59.7   | 100%    |           |             | white magnesite                         |            |          |        |         |                                 | 100%  |               |                            |     |     |     |     |      | 43.2  | 3.32  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 59.7     | 61.3   | 100%    |           |             | buff magnesite and white dolomite?      |            |          |        |         | 60%                             | 40%   |               |                            |     |     |     |     |      | 44.01 | 3.49  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 61.3     | 63.0   | 40%     |           |             | yellow buff magnesite cavity at 63m     |            |          |        |         | 100%                            |       |               |                            |     |     |     |     |      | 44.29 | 3.44  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 63.0     | 65.3   | 100%    |           |             | Decomposed yellow magnesite             |            |          |        |         | 50%                             | 50%   |               |                            |     |     |     |     |      | 40.66 | 2.91  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 65.3     | 69.0   | 25%     |           |             | yellow clay 66-69 cavity                |            |          |        |         |                                 |       |               |                            |     |     |     |     |      | 25.53 | 2.77  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 69.0     | 72.0   | 2%      |           |             | yellow clay                             |            |          |        |         |                                 |       |               |                            |     |     |     |     |      | 39.9  | 12.88 |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 72.0     | 75.0   | 33%     |           |             | yellow clay plus rock fragments         |            |          |        |         |                                 |       |               |                            |     |     |     |     |      | 42.36 | 6.36  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 75.0     | 78     | 25%     |           |             | yellow clay                             |            |          |        |         |                                 |       |               |                            |     |     |     |     |      | 42.15 | 6.20  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 78       | 81     | 40%     |           |             | "<br>last 50cm some rock fragments      |            |          |        |         |                                 |       |               |                            |     |     |     |     |      | 39.62 | 4.63  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 81       | 83     | 50%     |           |             | white clay                              |            |          |        |         |                                 |       |               |                            |     |     |     |     |      | 42.60 | 6.49  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 83       | 84     | 100%    |           |             | "                                       |            |          |        |         |                                 |       |               |                            |     |     |     |     |      | 42.89 | 4.70  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 84       | 85.6   | 75%     |           |             | creamy white clay plus rock fragments   |            |          |        |         |                                 |       |               |                            |     |     |     |     |      | 44.01 | 3.71  |     |     |     |  |  |  |  |  |  |  |  |  |  |  |  |  |

5/1041

21







Co-ordinates: ..... Azimuth: .....  
 RL Collar: ..... Inclination: .....

Drillers: .....  
 Drill Types: .....

Commenced: .....  
 Completed: .....

Depth: .....  
 Casing Left: .....

Hole No: **AR7 (CHECK)**  
 DPO No: 6: .....

| Depth    |        | Core    |           | Graphic Log | Core Description   | Sample No. | From (m) | To (m) | Rec (m) | Assay Values (Analysed by ..... |              |                         |                            |       |  |      |     |      |       |       |     |
|----------|--------|---------|-----------|-------------|--|------------|----------|--------|---------|---------------------------------|--------------|-------------------------|----------------------------|-------|--|------|-----|------|-------|-------|-----|
| From (m) | To (m) | Rec (m) | Core Size |             |  |            |          |        |         | Mostly Buff                     | Mostly White | % Cryptocryst Magnesite | Minerals in Sparry patches |       |  | MgO  | CaO | SiO2 | Al2O3 | Fe2O3 | MnO |
|          |        |         |           |             |  |            |          |        |         |                                 |              |                         |                            |       |  |      |     |      |       |       |     |
| 150      | 151.6  | 80%     | HQ        |             | broken frags of creamy brown hard magnes   |            |          |        |         |                                 |              |                         |                            | 43.13 |  | 5.97 |     |      |       |       |     |
| 151.6    | 153    | 100%    |           |             | Hard creamy/brown patchy magnesite   |            |          |        |         |                                 |              |                         |                            | 44.82 |  | 5.45 |     |      |       |       |     |
| 153      | 154.8  | 100%    |           |             | at 153.5 small cavity  |            |          |        |         |                                 |              |                         |                            | 43.06 |  | 5.24 |     |      |       |       |     |
| 154.8    | 156    | 100%    |           |             | broken hard cream white/brown mag. 154.8-155.3 soft brown clay                                 |            |          |        |         |                                 |              |                         |                            | 45.41 |  | 5.19 |     |      |       |       |     |
| 156      | 157.5  | 50%     |           |             | brown magnesite frags with both quartz (?)   |            |          |        |         |                                 |              |                         |                            | 39.14 |  | 8.20 |     |      |       |       |     |
| 157.5    | 159    | 10%     |           |             | broken frags of magnesite and dolomitic breccia  |            |          |        |         |                                 |              |                         |                            |       |  |      |     |      |       |       |     |
| 159      | 162    | 0%      |           |             | CAVITY   |            |          |        |         |                                 |              |                         |                            |       |  |      |     |      |       |       |     |
| 162      | 165    | 33%     |           |             | broken yellow creamy grey magnesite 162-164 CAVITY 164.8-165 clayey                            |            |          |        |         |                                 |              |                         |                            | 42.28 |  | 8.08 |     |      |       |       |     |
| 165      | 167.3  | 75%     |           |             | yellow clay 165-165.7 CAVITY 165.7-166.4 clay 166.4-166.9 Hard buff magnesite 166.9-167.3 clay |            |          |        |         |                                 |              |                         |                            | 42.03 |  | 7.86 |     |      |       |       |     |
| 167.3    | 168    | 120%    |           |             | 50cm soft clay 50cm broken buff magnesite  |            |          |        |         |                                 |              |                         |                            | 41.43 |  | 9.74 |     |      |       |       |     |

571045

7





Co-ordinates: ..... Azimuth: .....  
 RL Collar: ..... Inclination: .....

Drillers: DD Teramania  
 Drill Types: Large core 38

Commenced: 9/7/97  
 Completed: 18/7/97

Plan-Map Reference: .....  
 Depth: 222.0 Hole No: AR 7 (CHECK)  
 Casing Left: W/L DPO No's: .....

| Depth    |        | Core    | Graphic Log | Core Description   | Sample No. | From (m) | To (m) | Rec (m)     | Assay Values (Analysed by ..... |             |              |                         |                            |  |  |     |     |      |       |
|----------|--------|---------|-------------|--|------------|----------|--------|-------------|---------------------------------|-------------|--------------|-------------------------|----------------------------|--|--|-----|-----|------|-------|
| From (m) | To (m) | Rec (m) |             |  |            |          |        |             | Core Size                       | Mostly Buff | Mostly White | % Cryptocryst Magnesite | Minerals in Sparry patches |  |  | MgO | CaO | SiO2 | Al2O3 |
|          |        |         |             |  |            |          |        | sil Dol Mag |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 207.6    | 204    | 100%    |             | greyish magnesite? last 40cms very broken                          |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 204      | 205.6  | 60%     |             | broken yellow/buff magnesite                                       |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 205.6    | 207    | 100%    |             | Yellow buff fairly massive magnesite                               |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 207      | 208.6  | 100%    |             | Yellow buff slightly decomp magnesite 1/2 and broken               |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 208.6    | 210    | 50%     |             | " clayey patches and clay filled small cavities                    |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 210      | 211.75 | 65%     |             | Grey broken vuggy dolomite very jointed                            |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 211.75   | 213    | 60%     |             | "  |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 213      | 214.6  | 60%     |             | "  |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 214.6    | 216.0  | 25%     |             | Yell-brown clay + grey dolomite 1.3m cavity                        |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 216.0    | 219.0  | 75%     |             | Grey to Grey brown dolomite - cavity                               |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| 219.0    | 222.0  | 65%     |             | Yell-brown clay + thin grey dolomite                               |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |
| EOH      |        |         |             | Circulation lost drill underpowered and decided against casing off |            |          |        |             |                                 |             |              |                         |                            |  |  |     |     |      |       |

571043

10