GOLD AND SULFIDE TARGETING USING ADROKS ADR (Atomic Dielectric Resonance) TECHNIQUE

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- **Overview** of Charters Towers geology and mineralisation

- Some of the **problems** with finding gold in Charters Towers

- **ADR RESULTS**
  - Survey locations and overview of results
  - Specific results
    - a) WARRIOR AREA
    - b) CENTRAL AREA

- Some thoughts and **conclusions**

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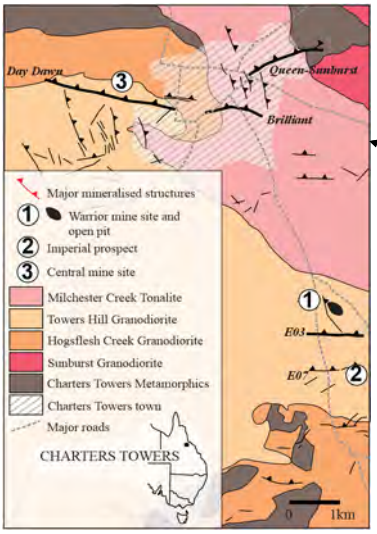
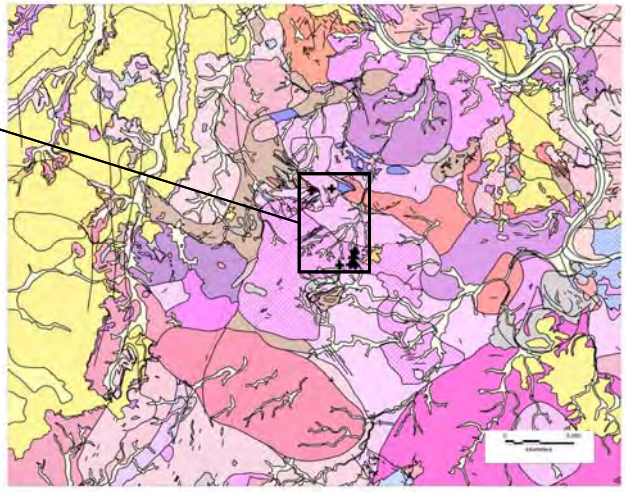
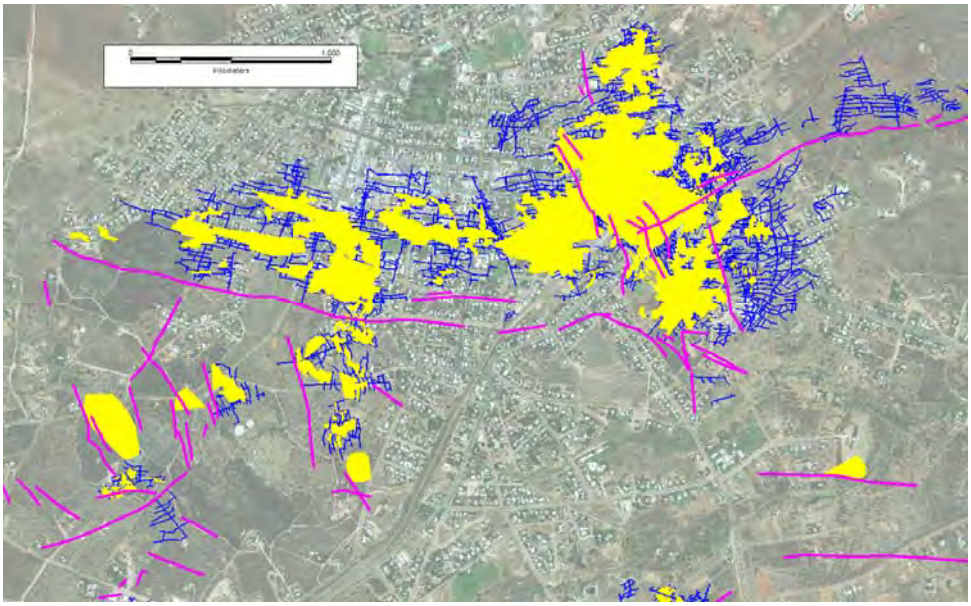
Granite-dominated geology of the Charters Towers area

- Over 6.6 million ounces of Gold from the Charters Towers field
- Mineralisation is narrow-vein style with sulfides in fractures within granitic host rocks





"PODDY" style mineralisation hosted by N-dipping and NE-dipping fractures

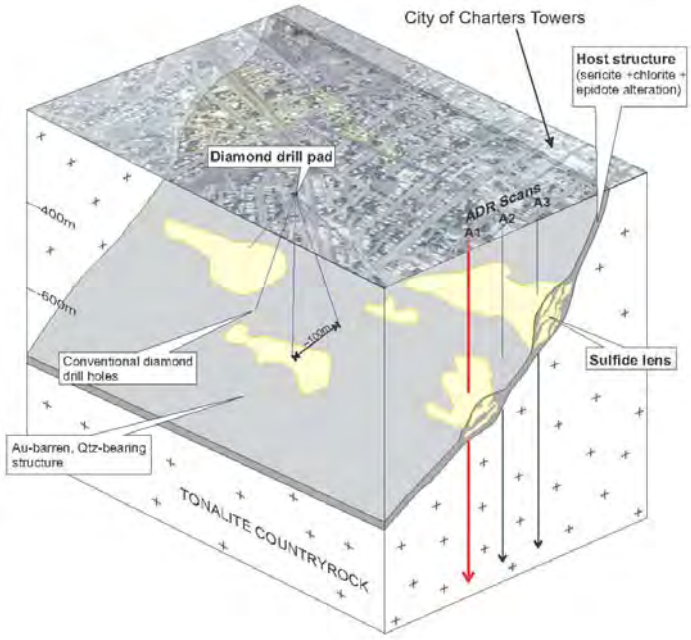


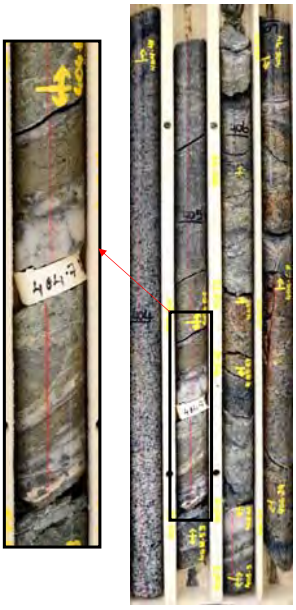
Surface expression of fractures

Historical development (drives, underlies etc)

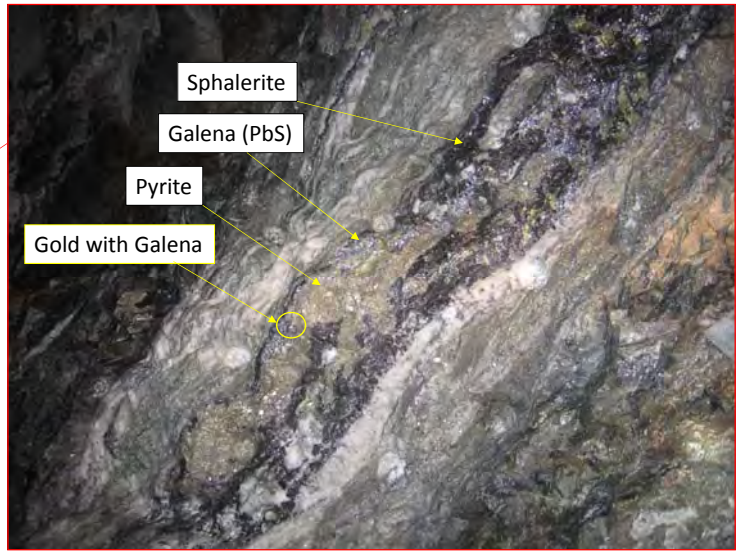
Stopes (not all high grade)

Tonalite host rocks

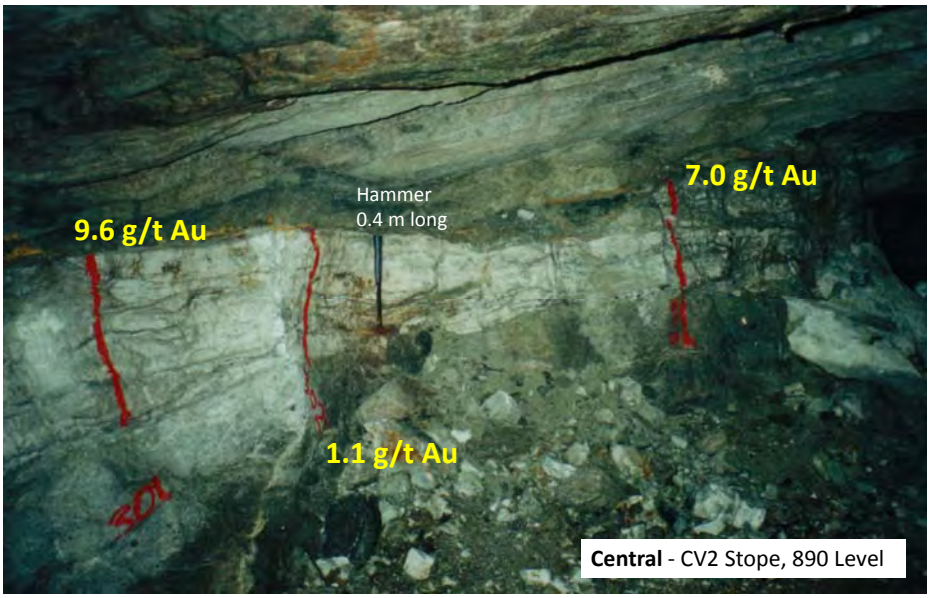


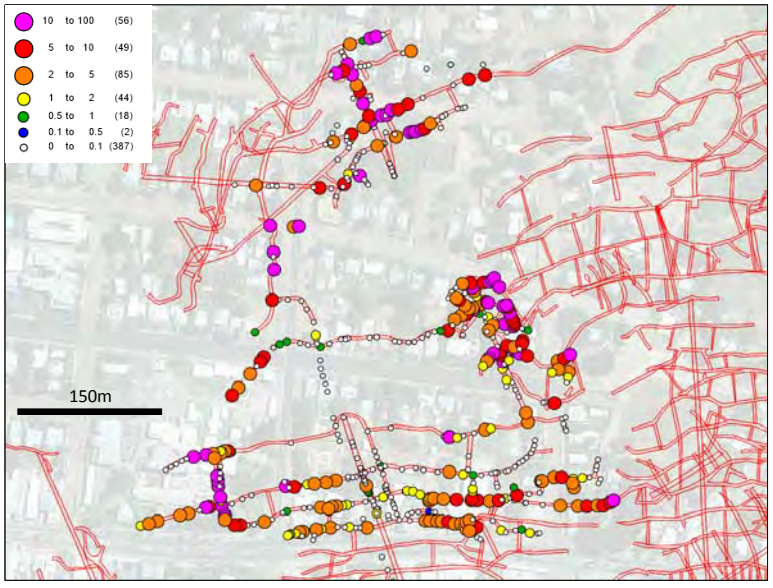


Underground



The issue with drilling – is it a waste of time?





THE PROBLEM WITH GRADE DISTRIBUTION

- Extremely irregular distribution of gold grades

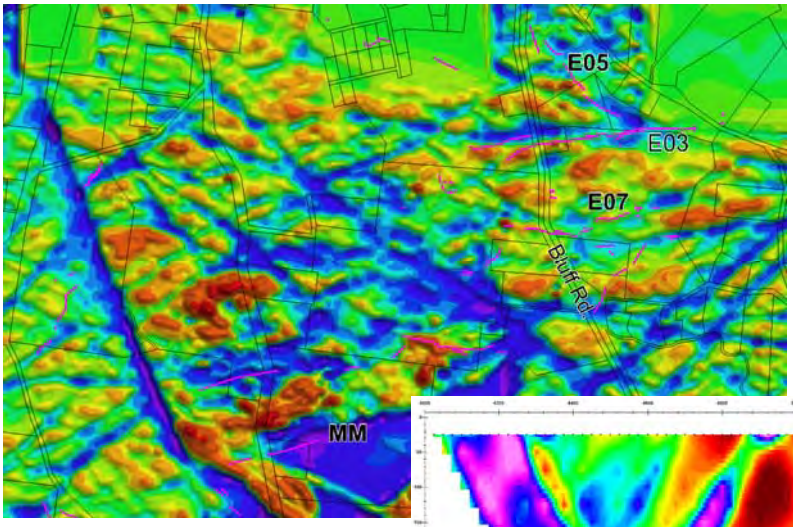
- High grade "pods" are typically <100m in longest dimension.

- Grade variable on the meter-scale

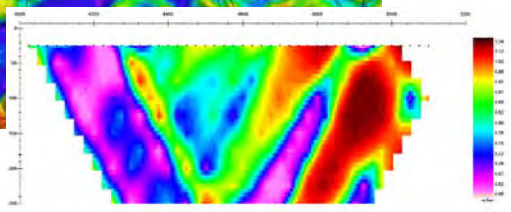
- Overall grade of the Charters Towers gold field is ~27g/t Au (average from drilling) to 32.3 g/t Au (average from historical production).

Even at 25m spacing, DRILLING IS UNRELIABLE, EXPENSIVE, INACCURATE and TIME CONSUMING.

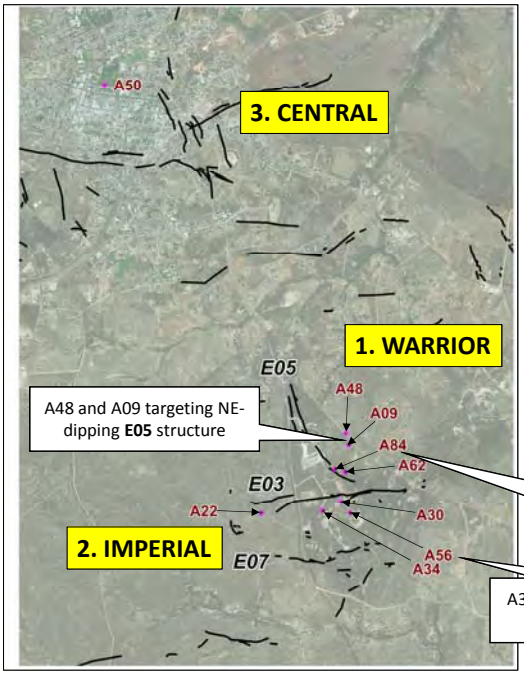
Pinpointing host fractures in the Charters Towers area



Aeromag (RTP) used to aid in the definition of possible host structures.
- No use in built up areas
- Variable results
- Other techniques have been tried but also unsuccessful – mainly due to the style of mineralisation.



DCIP Result: IP Data for C/S to a depth of -250m with a range of ~0.5 (purple) to 1.35 (red) mSec.



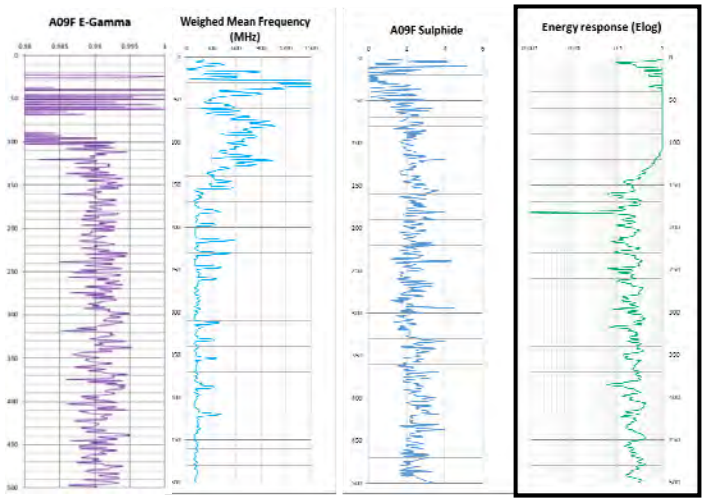
A48 and A09 targeting NE-dipping **E05** structure

A84 and A62 targeting N-dipping **E03** structure

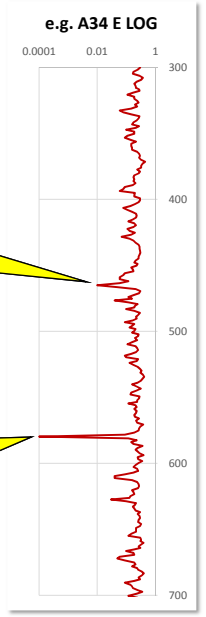
A30, A56, A34 and A22 targeting NE-dipping **E07** structure

ADR SCAN LOCATION SELECTION

ADR RESULTS – how the results are presented and *interpreted*

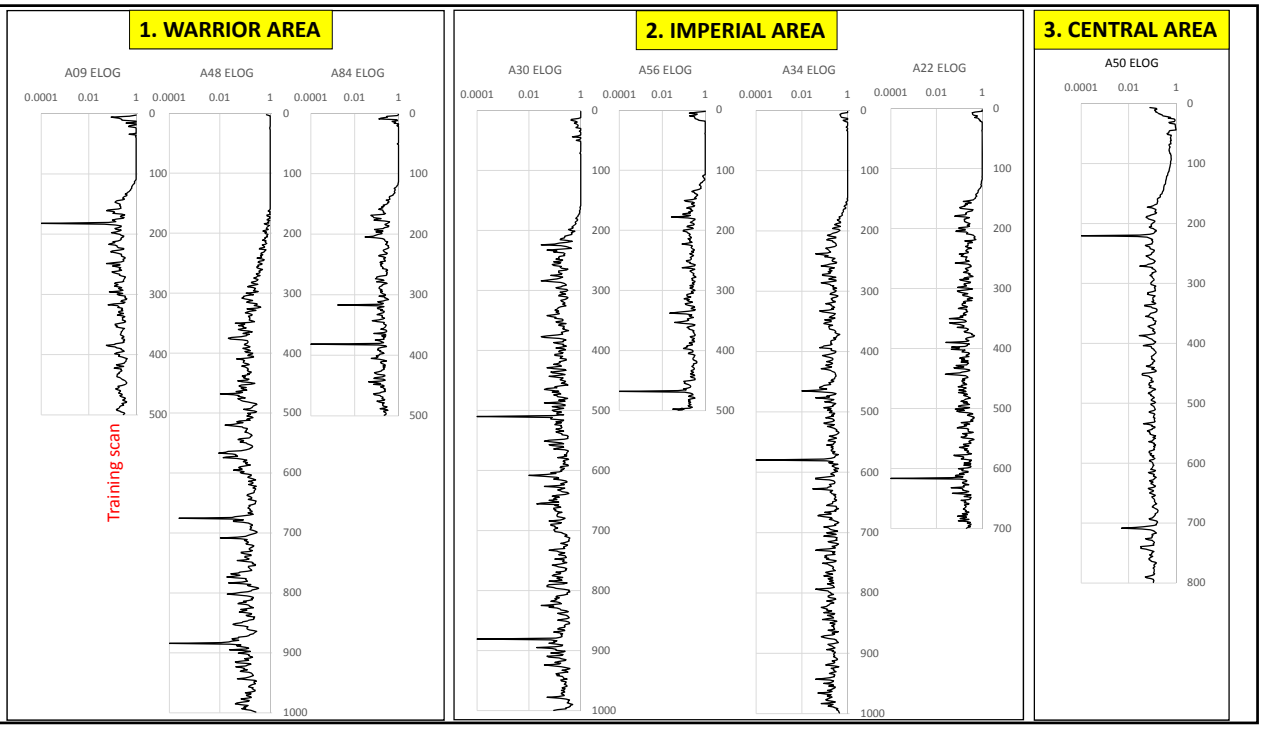


Lowest value assigned a value of 0.001 resulting in artificial exaggeration of apparent anomaly when plotted



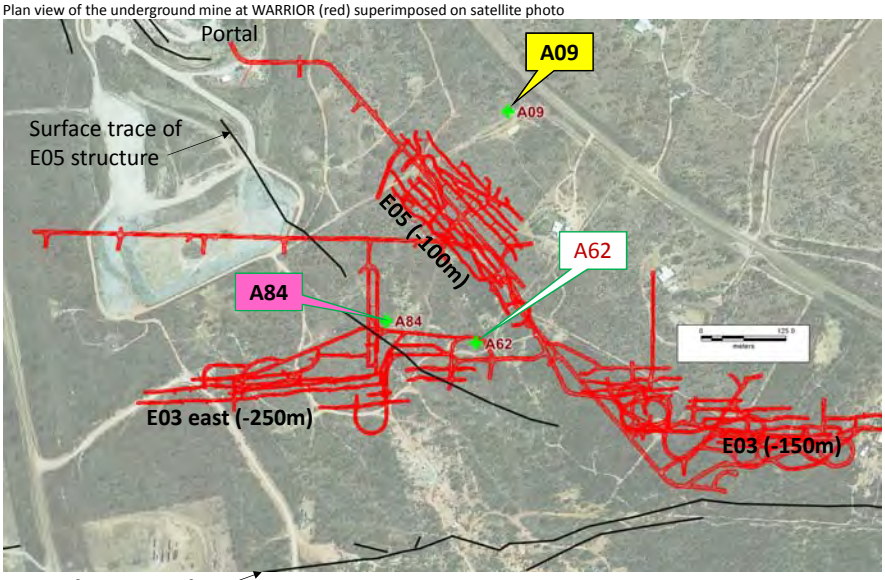
0.01 considered "anomalous and significant"

Lowest value(s) considered major anomalies



1. ADR scans competed in the "WARRIOR" area

Plan view of the underground mine at WARRIOR (red) superimposed on satellite photo



- Extensive drilling around mine.
- Sulfides remaining in pillars and unstopped areas of the mine – exact location known.

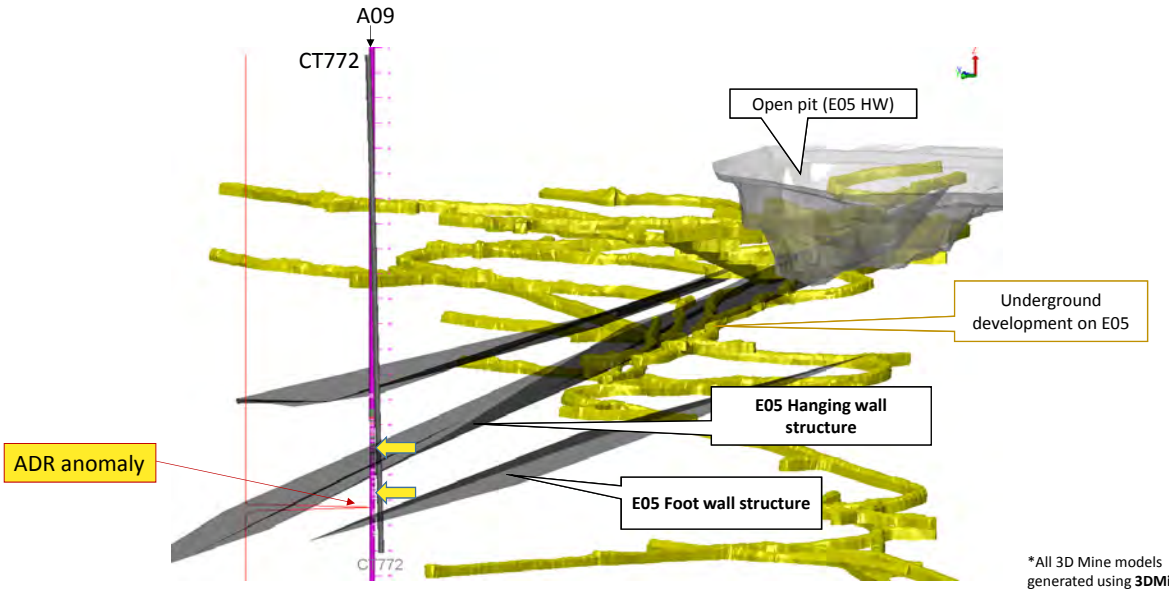
A09 – test/training scan targeting E05.

A84 and A62 – Scan targeting areas of known sulfides (A84) and inferred sulfides (A62) on the N-dipping E03 structure.

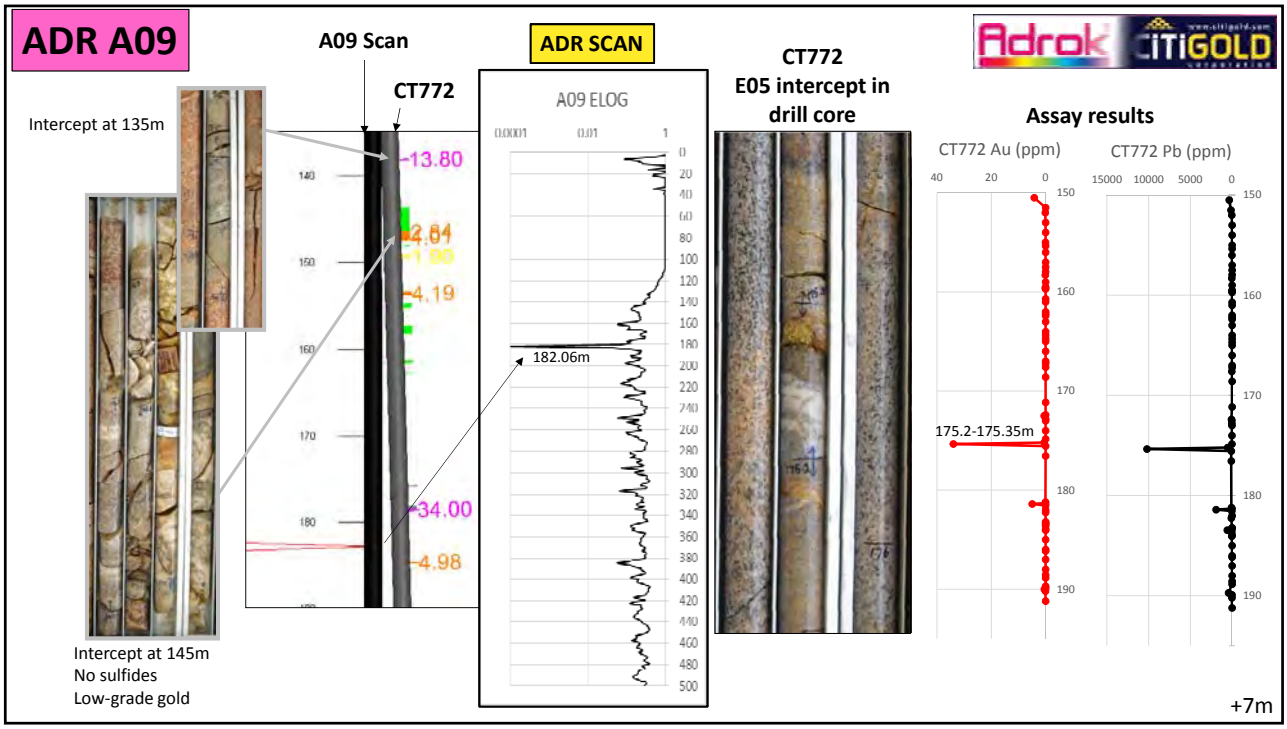
ADR A09

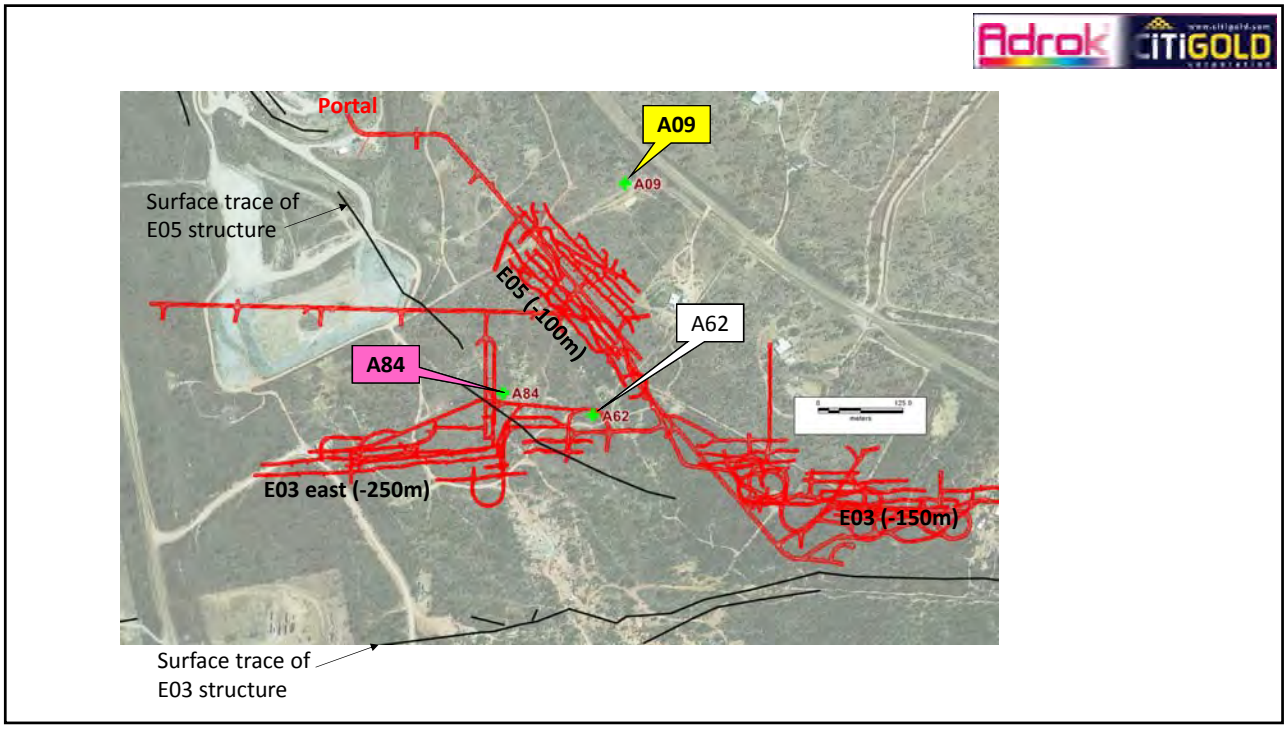
Oblique cross sectional view of the Warrior pit and underground mine

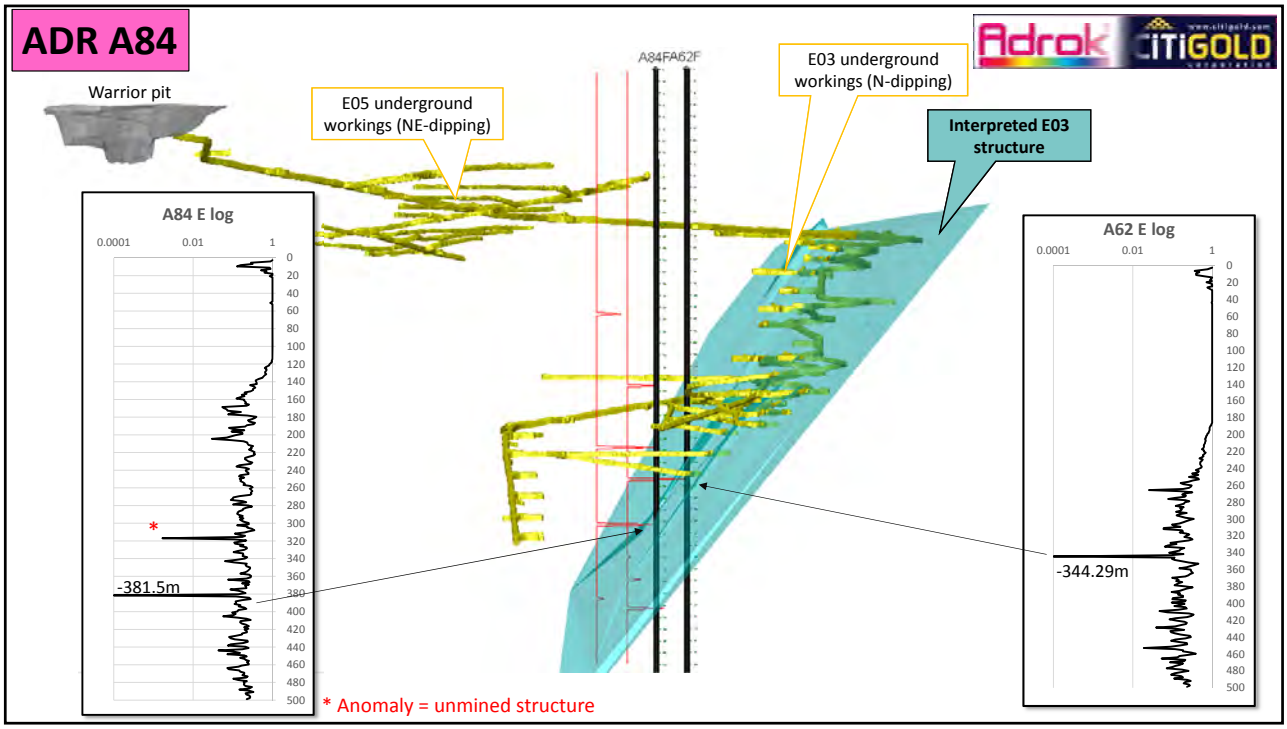
View looking to the SE*

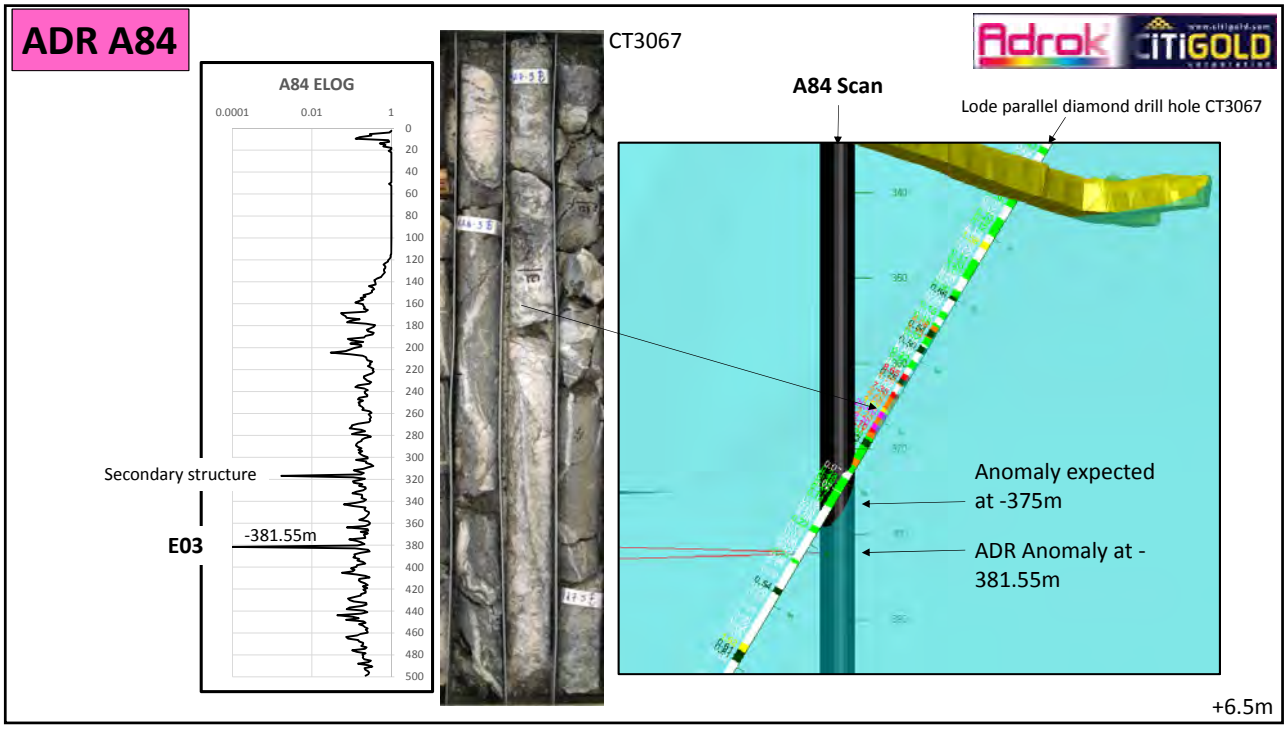


*All 3D Mine models generated using **3DMine** and SURPAC software.

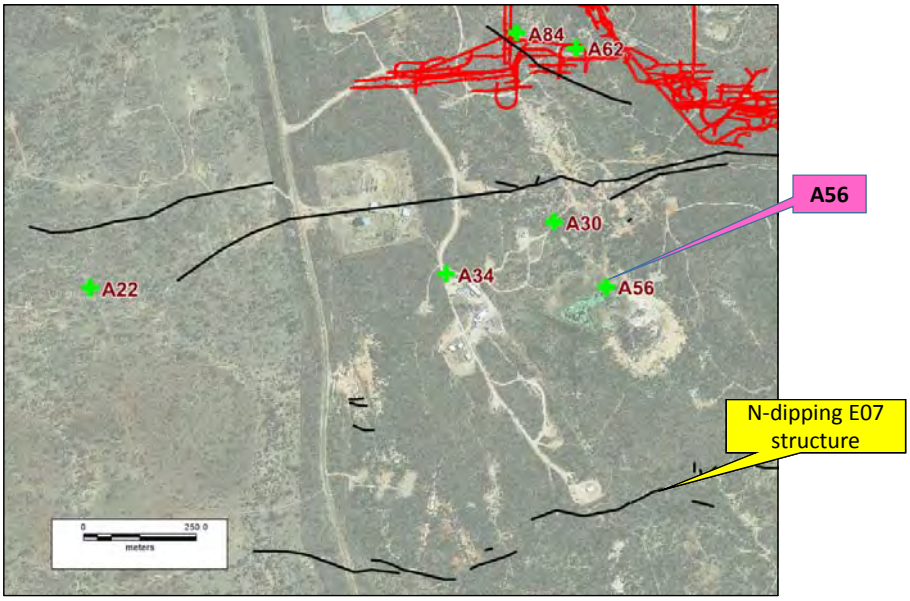

ADR A09
A09 Scan
CT772
ADR SCAN
A09 ELOG
CT772
E05 intercept in
drill core
Assay results
CT772 Au (ppm)
CT772 Pb (ppm)
Intercept at 135m
-13.80
-4.19
-34.00
-4.98
182.06m
175.2-175.35m
Intercept at 145m
No sulfides
Low-grade gold
+7m


Portal
A09
A09
Surface trace of
E05 structure
E05 (-100m)
A62
A84
A84
A62
E03 east (-250m)
E03 (-150m)
Surface trace of
E03 structure

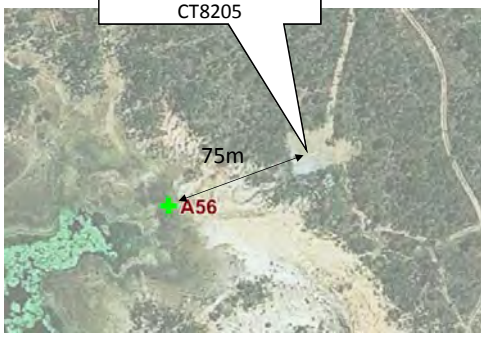

ADR A84
Warrior pit
E05 underground workings (NE-dipping)
A84FA62F
E03 underground workings (N-dipping)
Interpreted E03 structure
A84 E log
0.0001
0.01
1
-381.5m
A62 E log
-344.29m
* Anomaly = unmined structure


ADR A84
A84 ELOG
CT3067
A84 Scan
Lode parallel diamond drill hole CT3067
Secondary structure
E03
-381.55m
Anomaly expected at -375m
ADR Anomaly at -381.55m
+6.5m

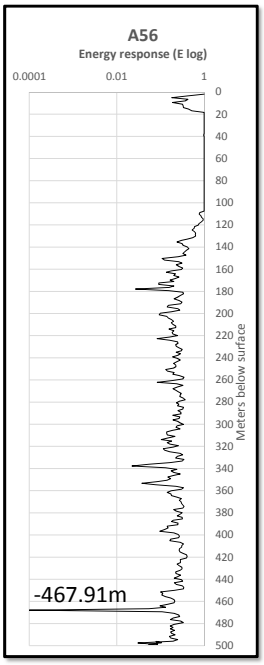
2. ADR scans completed in the "IMPERIAL" area



ADR A56



- Scan completed prior to drilling CT8205
- Single target identified at -467.91m
- Drilling confirmed target at -463m down hole

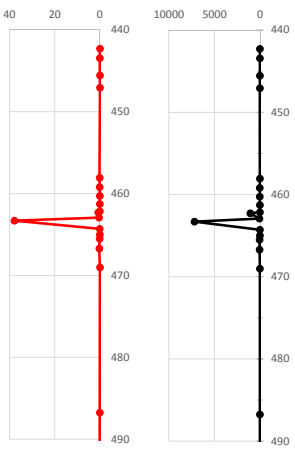


+5m

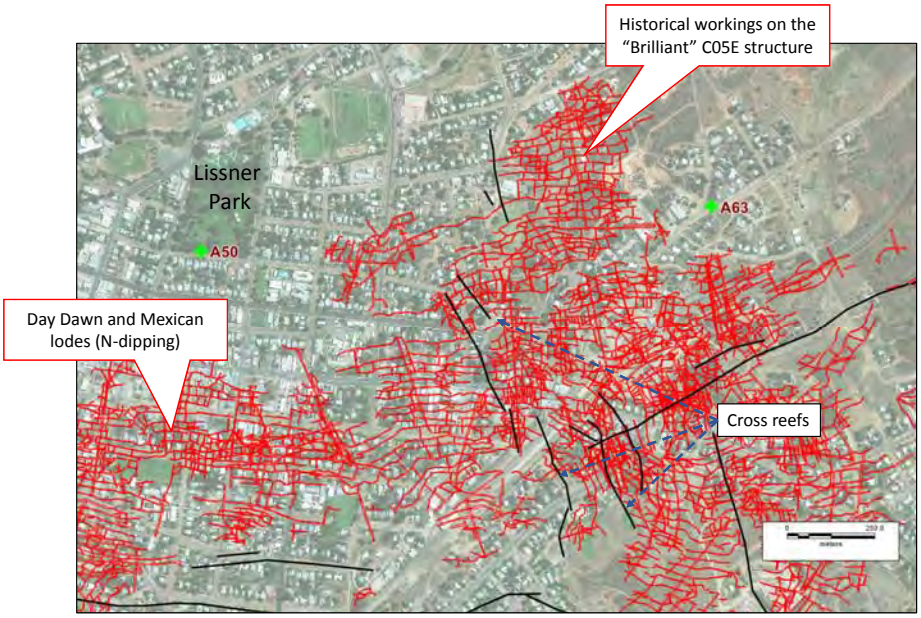
~40cm thick intercept at -463m

CT8205 assay results

37.9 g/t Au 7200ppm Pb

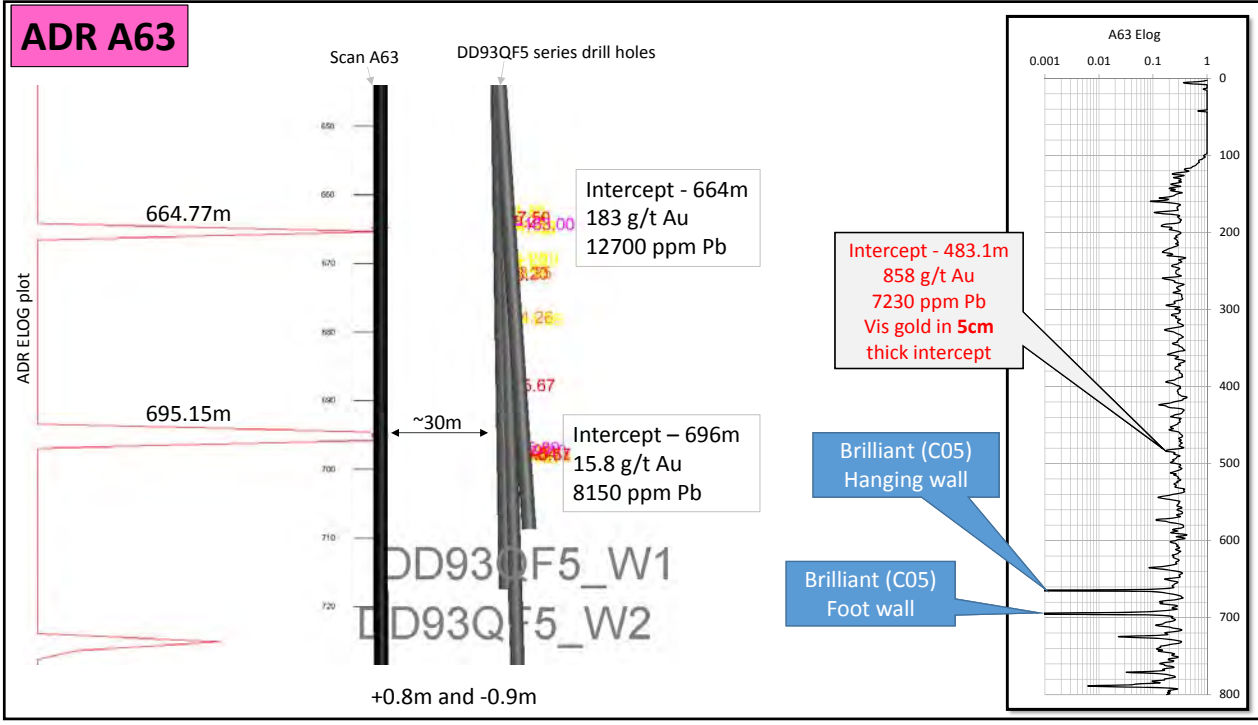


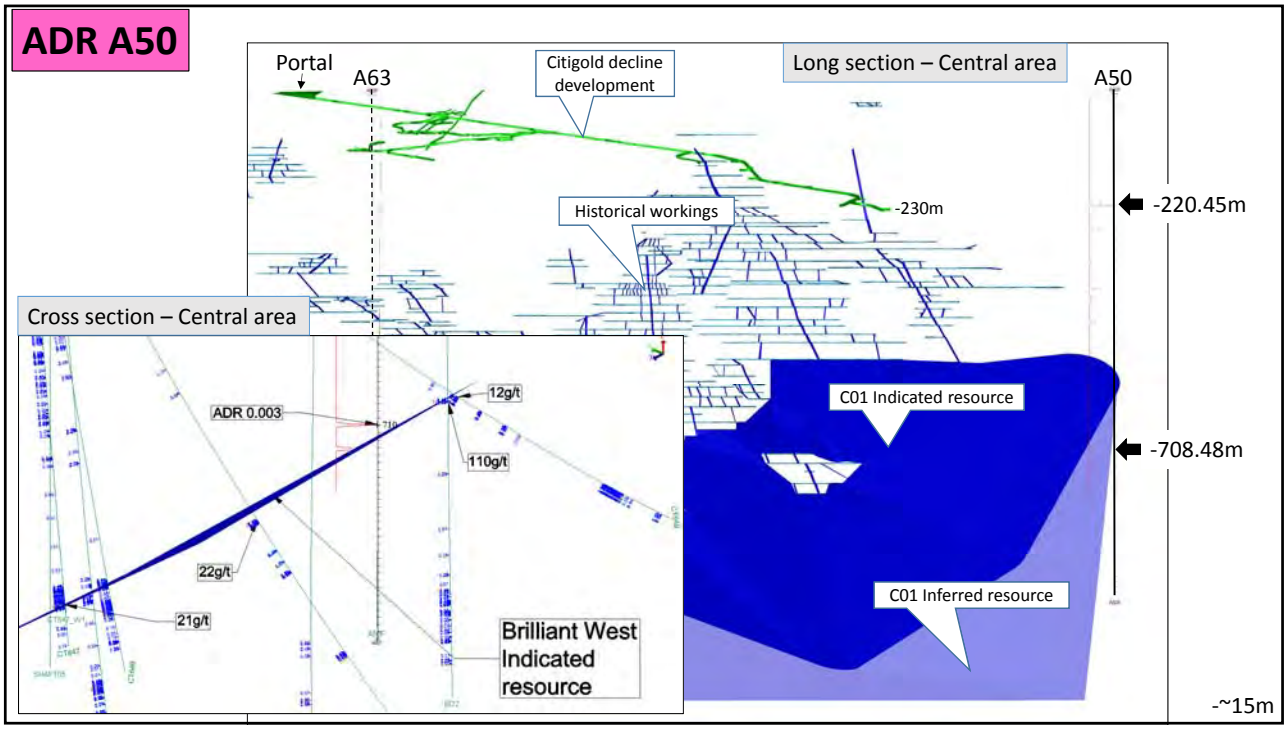
3. ADR scans completed in the "CENTRAL" area

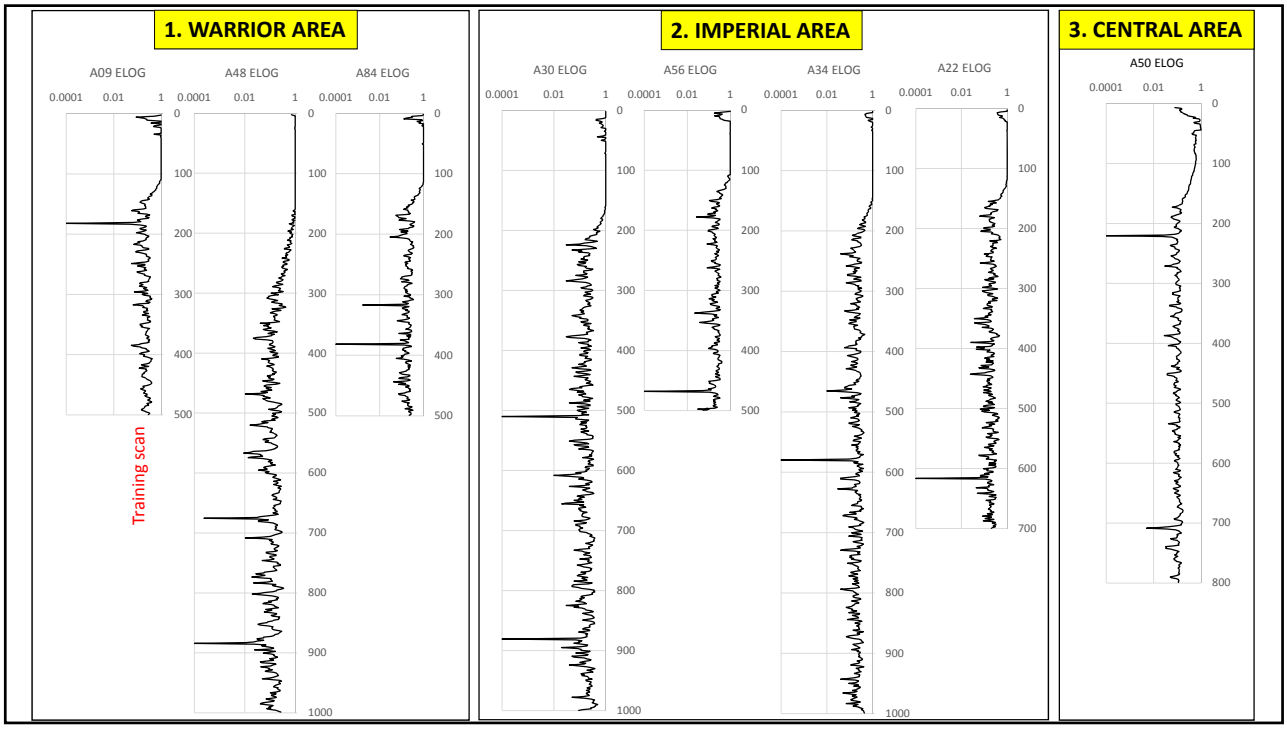


2 scans presented
- **A63** (C05E)
- **A50** (C01)

ADR A63




ADR A50
Portal
A63
Citigold decline development
Long section – Central area
A50
Historical workings
-230m
-220.45m
Cross section – Central area
ADR 0.003
12g/t
110g/t
22g/t
21g/t
Brilliant West Indicated resource
C01 Indicated resource
-708.48m
C01 Inferred resource
-~15m


1. WARRIOR AREA
A09 ELOG
A48 ELOG
A84 ELOG
Training scan
2. IMPERIAL AREA
A30 ELOG
A56 ELOG
A34 ELOG
A22 ELOG
3. CENTRAL AREA
A50 ELOG

Conclusions

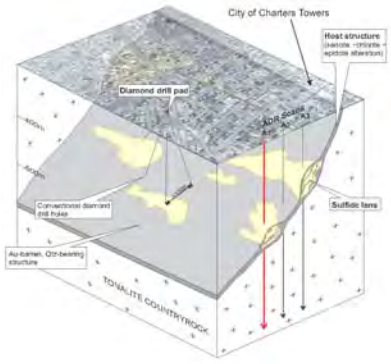
Charters Towers type narrow vein gold is a relatively unique style of mineralisation – Diamond drilling will not provide an adequate information for reserve definition purposes.

Traditional geophysical techniques are not suitable and have been unsuccessful due to:
1) the small size of gold-bearing lenses (meters to tens of meters scale),
2) the presence of a town over the primary target area,
3) the depth of mineralisation (>400m),
4) other masking factors including dykes, altered faults.

The ADR technique appears to have successfully imaged target structures in three separate locations.

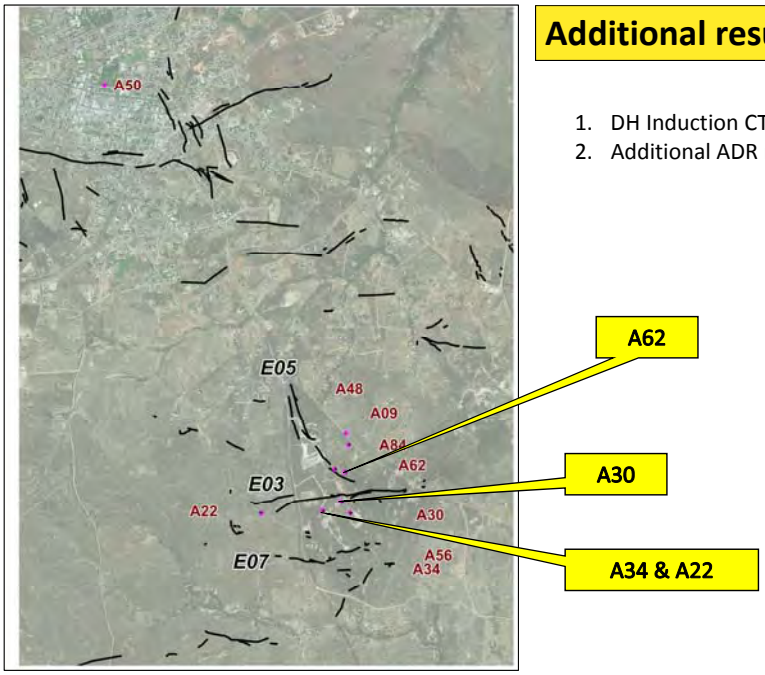
Drilling has confirmed the presence of gold and sulfides indicated by ADR.

Simple geology and markedly different dielectric properties between the host granite and Galena (Pb)-bearing sulfides may be key to the success.



Additional results

1. DH Induction CT8205 – A56 @ Imperial E07
2. Additional ADR results

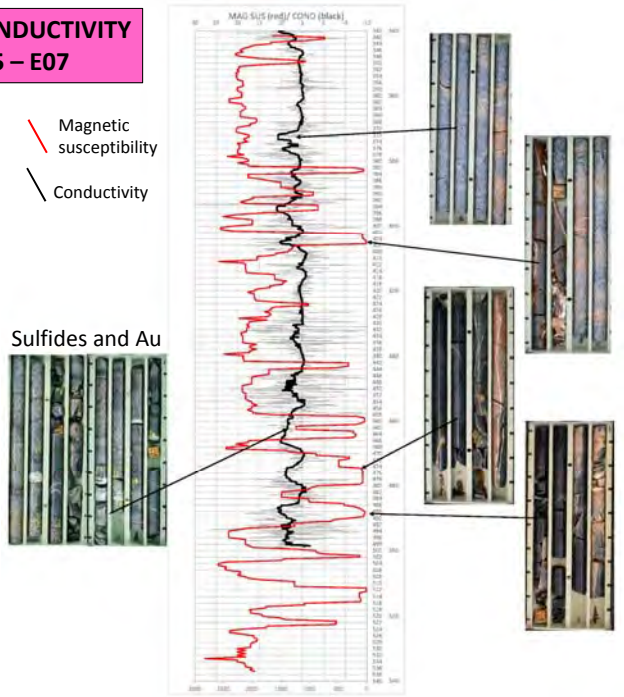


DH CONDUCTIVITY CT8205 – E07

Magnetic susceptibility

Conductivity

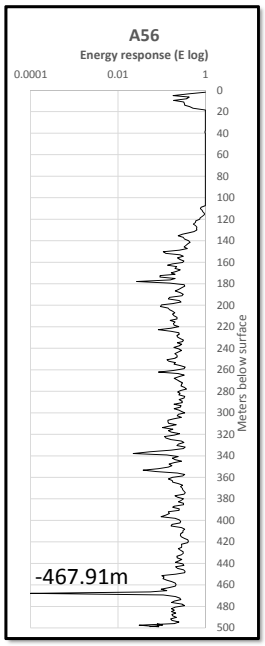
Sulfides and Au



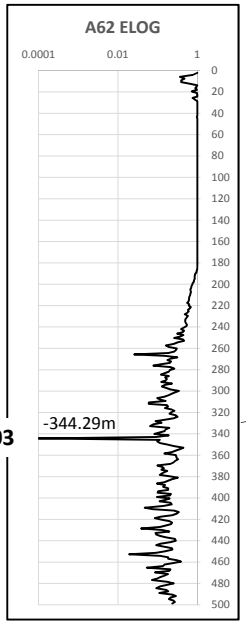
CT8205 DH Conductivity and Magnetic susceptibility

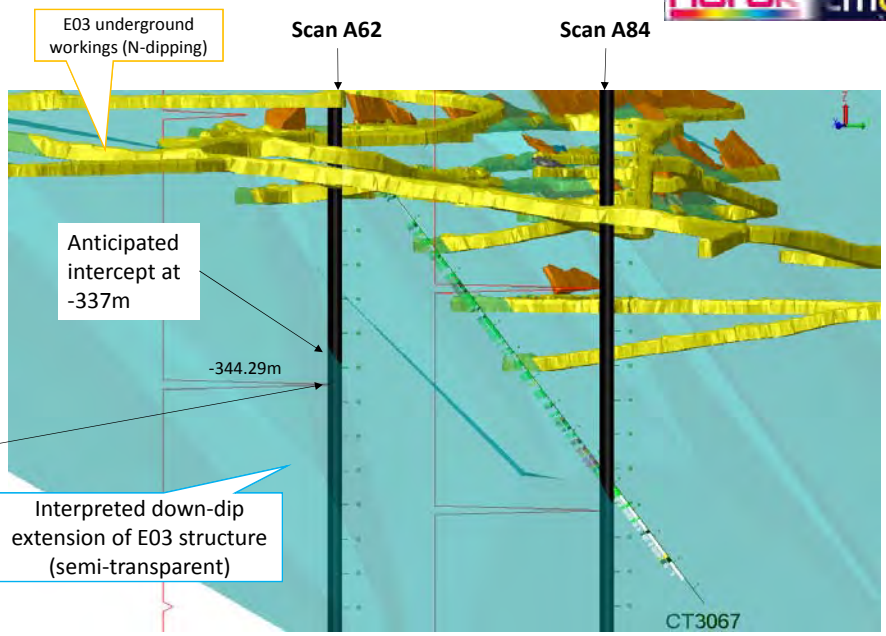
Data collected using a Mount Sopris 2PIA-100/2PIA-1000 and Matrix winch. Scanned twice at .

Mag lows and conductivity anomalies identify variations in rocktype, in particular mafic dykes.



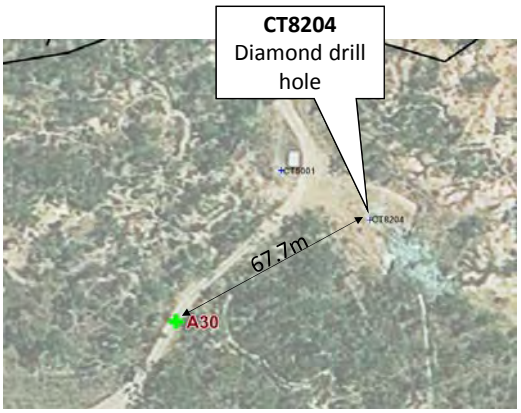
ADR A62 – E03





+7m

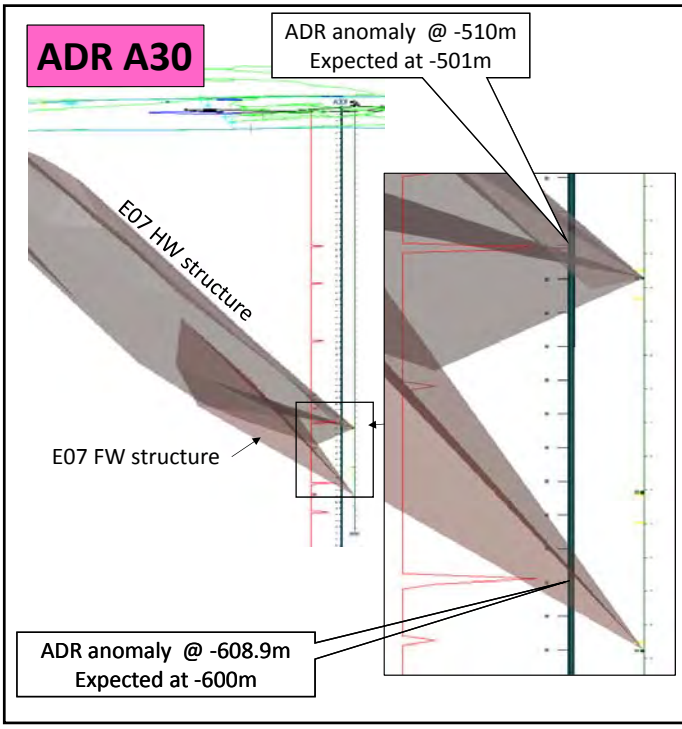
ADR A30 – E07

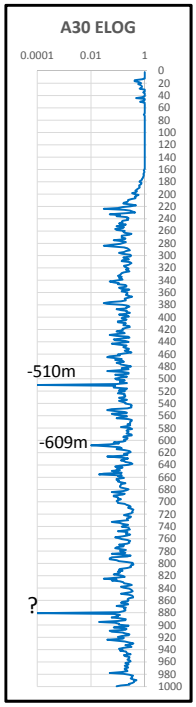


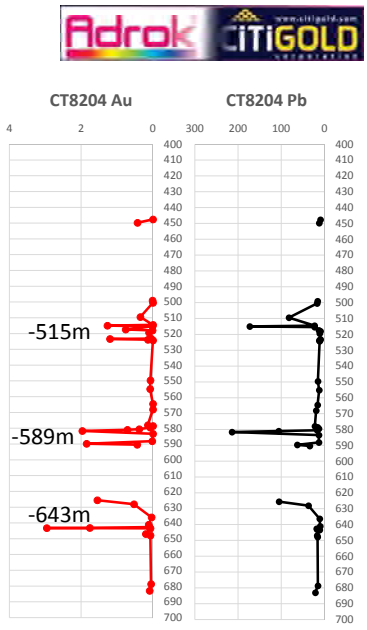
Diamond drilling intercepted two structures:
- E07 Hanging wall (-514.27m)
- New E07 Footwall (-589.5m)

- Both structures were very low grade in both gold and lead.
- Both structures were <10cm in thickness.
- No significant structures were intercepted in this hole.

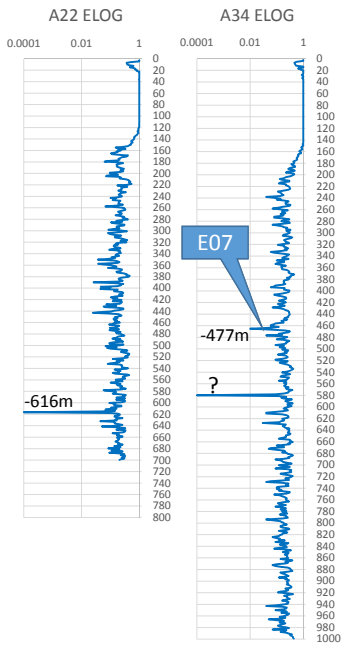
ADR A30

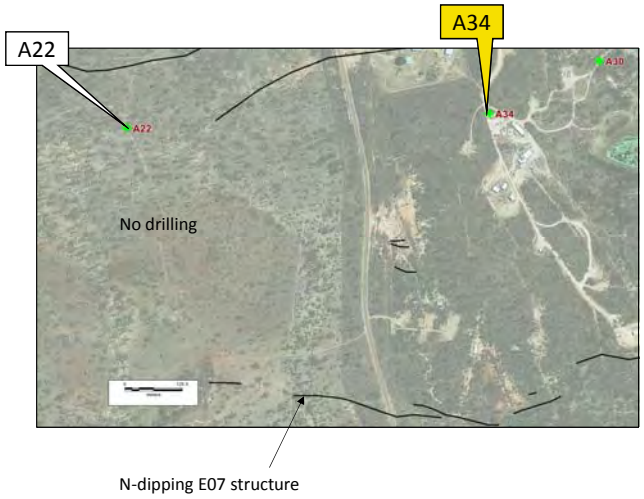




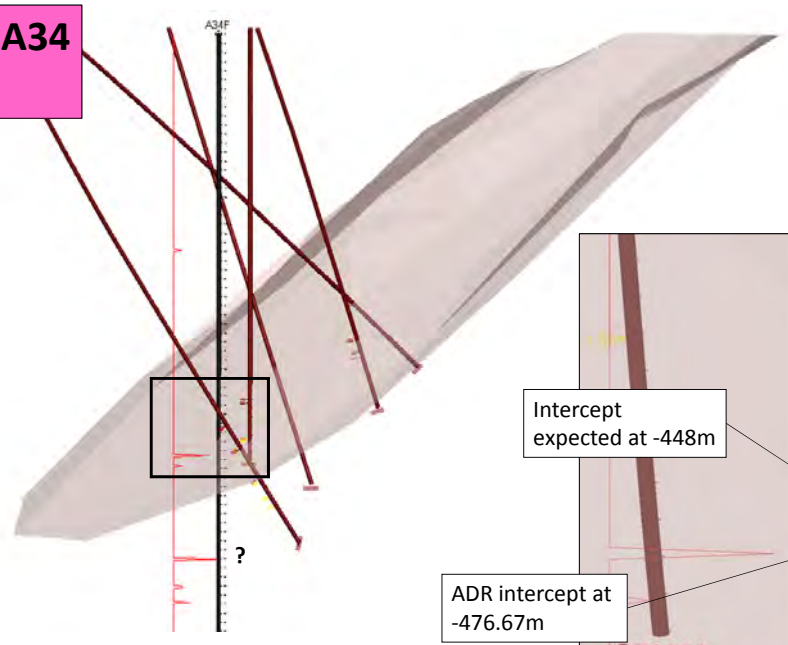


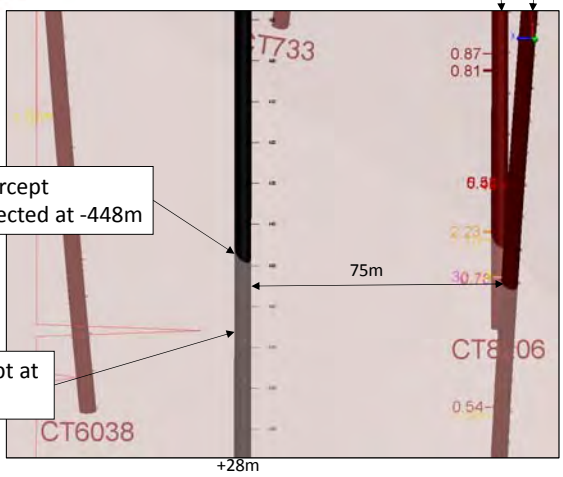
ADR A34
ADR A22
E07





ADR A34
E07





ADR A34
ADR A22
E07