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Exploration Data Centre



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CONFIDENTIAL

EPM 5187 "MANUMBAR"

EXPLORATION REPORT FOR THE PERIOD

25/1/95 TO 24/1/96

By

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SUMMARY

EPM 5187 was granted to CRAE on 25/1/88. It currently covers 11 sub-blocks. Cornwall Resource Corporation NL is now responsible for exploration of this tenement under an agreement with CRAE.

At the time of granting there were no known mineral occurrences within the EPM, however, it was considered to be prospective for gold mineralisation.

The EPM is located 30 km SSW of Kilkivan in SE Queensland.

A 21 hole drilling program was undertaken on the West Lode to test between 40 and 60 metres below surface. This program confirmed that economically minable widths and grades of gold mineralisation existed to at least 60 metres depth in some sections of the lode and that the lode plunges steeply to the east. The lode pinches and swells as did the Eastern Lode which was recently mined.

A resource estimate, using the polygonal method, to a depth of 60 metres below surface indicated 127,000 tonnes at a diluted grade of 7.2 g/t Au (high grades cut to a maximum of 20 g/t Au).

The lode is open to the west, down dip and down plunge to the east.

A rock chip sample and soil geochemical samples on line 4500E, north of the West Lode, indicated a probable extension to the lode intersected in the costean on 4400E reported in the previous Annual Report.

1.0 INTRODUCTION

EPM 5187, D'Aguilar 2, (now Manumbar) was granted to CRA Exploration Pty. Limited (CRAE) on 25/1/88 in respect of 43 sub-blocks. Of these sub-blocks 32 have since been relinquished leaving 11 for the eighth year of tenure. Figure 1 shows the location of the tenement.

At the time of granting there were no known mineral occurrences within the tenement. However, the area was considered prospective for porphyry-related, shear hosted or vein stockwork style gold mineralisation in basement rocks. In addition, the Triassic volcanics were considered prospective for hydrothermal/epithermal precious metal mineralisation.

During 1994 an agreement was reached between CRAE, Waraluck Limited and Cornwall Resource Corporation NL (Cornwall) under which Cornwall would be responsible for the exploration of EPM 5187.

This report was prepared by Cornwall on behalf of CRAE. It gives details of the exploration carried out during the period 25/1/95 and 24/1/96 and is presented in fulfilment of the statutory conditions attached to the Exploration Permit.

2.0 TITLE

EPM 5187 was granted to CRAE on 25/1/88 in respect of 43 sub-blocks. Twentyfive sub-blocks were relinquished after the first year of tenure and a further seven after the third year of tenure. Eleven sub-blocks remain under title for the eighth year of tenure. As a result of successful exploration one mining lease ML 50059 was granted in December 1993 and following further success a second mining lease ML 50099 was granted in August 1995.

3.0 LOCATION AND ACCESS

EPM 5187 is located 30 km SSW of the town of Kilkivan in SE Queensland. Kilkivan is about 230 km north of Brisbane by road. The major part of the EPM is within State Forest 639.

Access to the EPM is by moderate standard bitumen and gravel roads. Within the EPM access is quite good with a network of Forestry tracks, however, a 4WD vehicle is required on some sections of these tracks especially during wet weather.

4.0 EXPLORATION DURING THE PERIOD 25/1/95 TO 24/1/96

Exploration during the period was undertaken by Cornwall under the agreement with CRAE and Waraluck. The work involved BLEG stream sediment geochemistry, soil geochemistry, rock chip sampling, costeaning and drilling.

4.1 GEOCHEMISTRY

Geochemical techniques employed include BLEG stream sediment sampling, soil sampling and rock chip sampling. Orientation surveys conducted during the previous 12 month period confirmed that the sampling techniques used by Cornwall were effective in identifying areas of gold mineralisation.

4.1.1. BLEG STREAM SEDIMENT GEOCHEMISTRY

Many of the creeks in the EPM do not have an active sediment load, therefore the material sampled, where possible, was silt/clay from the channel or from the top of the bank where there was a large active creek with an alluvial flat. This procedure was adopted so that a uniform medium was sampled and it appears to have given consistent results. In the steeper parts of the EPM where there was only active stream sediment a minus 3mm sample was taken. Caution needs to be exercised when comparing the results from different sample mediums.

Seven BLEG stream sediment samples were taken during the period. These were infill and check samples in areas not considered to be adequately tested or that had marginally anomalous results. The results had not been received at the time of writing this report.

4.1.2 SOIL GEOCHEMISTRY

Some soil sampling was undertaken to test for extensions to known lodes. The samples, where possible, were B horizon clay. Where there was no B horizon the sample was taken as close as possible to the A-C horizon interface. The samples were not screened unless there were a significant number of rock fragments. The samples were analysed by ALS Pty.Ltd. using their method PM 204 which has a detection limit of 1ppb Au although some results had not been received at the time of writing this report. All locations are Manumbar Mine Grid coordinates.

Six samples were taken on line 4300E between 5080N and 5130N to test for the western extension of the West Lode. Results not yet received.

On line 4500E soil samples were taken at 10 metre intervals between 5190N and 5320N to test over a small calcite bearing outcrop and any parallel lodes to the north. The sample immediately downslope from the calcite bearing outcrop contains 244 ppb Au which is the same order of magnitude as samples associated with known economic mineralisation. It is planned to test this zone by costeaning in the near future.

On line 4600E soil sampling was extended from 5230N to 5340N, gold values were generally low to bordering on anomalous (20ppb Au is considered to be weakly anomalous) in the vicinity of the strike projection of the strong anomaly associated with the calcite outcrop near line 4500E. This probably indicates that this lode is only weakly mineralised near the surface in this vicinity.

4.1.3 ROCK CHIP SAMPLING

Two rock chip samples were taken from the EPM during this period. See Figure 3 for locations.

Sample MRM 12 was taken from approximately 5225N 4504E on the Cornwall grid. It consisted of calcite in a rhyolitic host and contained 0.44 g/t Au which is comparable with the calcite outcrop associated with the discovery of the West Lode which contained 0.58 g/t Au.

Sample MRM 13 was float taken from about 5110N 4260E which is on the strike extension of the West Lode. It consisted of a mixture of red jasper with fine white quartz veining and brecciated trachyandesite with quartz lined cavities which once probably contained calcite. The composite sample contained 0.23g/t Au.

4.2 COSTEANING

Six costeans were dug along the West Lode to infill between the original costeans which were at 40 metre spacings. This costeaning provided data at 20 metre spacings which coincided with the drill sections. One costean was also dug on line 4540E to test the soil geochemical anomaly about 30 metres north of the West Lode.

The infill costeans on the West Lode confirmed the general tenor of the mineralisation. Figures 5 to 7 show details of the geology and the results of the sampling. The costean dug to test the soil geochemical anomaly north of the West Lode on 4540E intersected a weak zone of alteration with traces of quartz and calcite but the grades were very low, see Figure 8. The presence of this alteration zone should be kept in mind when testing for mineralisation on lines 4500E and 4450E and at depth on the north side of the West Lode.

4.3 DRILLING

A 21 hole drilling program was undertaken to test the Manumbar West Lode. The drill rig used was a reverse circulation down hole hammer rig with a face sampling 5.5 inch hammer. The aim of the program was to test the lode between about 40 metres and 60 metres below surface and to infill gaps in the first program which had been caused by drilling and access problems.

The holes were mostly drilled at 60. Lode intersections varied with up to 8 metres of strongly calcite bearing material and because the lode dips at between 70 S and 85 N the best intersection is equivalent to about 6 metres horizontal lode width. Most holes satisfactorily intersected the lode although some holes became damp or intersected moderate water, generally in the vicinity of the lode.

The best intersections, uncut assays, are MW31 10M @ 10.7 g/tAu, MW36 4m @ 20.8 g/tAu, MW39 8m @ 29.7 g/tAu, MW41 4m @ 41.8 g/tAu, MW42 6m @ 24.1 g/tAu and MW46 4m @ 52.3 g/tAu. See Table 2 for a summary of the drill intersections. The drill holes are shown in cross section on Figures 9 to 22 and Figure 23 is a longitudinal section.

A preliminary resource estimate by the polygonal method indicates a resource of 127,000 tonnes at a diluted grade of 7.2 g/t Au (high grades cut to a maximum of 20 g/t Au) and includes 1.0 m horizontal width dilution and a minimum horizontal width of 2.0 m with a minimum grade of 2.0 g/tAu. This estimate is to a depth of 60 m below surface.

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TABLE 2 - SUMMARY OF MANUMBAR WEST LODGE DRILL INTERSECTIONS

HOLE No.	INTERSECTION	DOWN HOLE START DEPTH
MW 26	None >1g/t Au	
MW 27	2.0 m x 4.8 g/t Au	54 m
"	2.0 m x 4.8 g/t Au	64 m
MW 28	None >1g/t Au	
MW 29	None >1g/t Au	
MW 30	None >1g/t Au	
MW 31	10.0m x 10.7 g/t Au	64 m
MW 32	Did not reach lode (see MW 46)	
MW 33	4.0 m x 5.0 g/t Au	68 m
MW 34	10.0 m x 3.9 g/t Au	12 m
MW 35	2.0 m x 12.5 g/t Au	28 m
"	4.0 m x 1.2 g/t Au	32 m
MW 36	4.0 m x 20.8 g/t Au	50 m
MW 37	2.0 m x 14.1 g/t Au	64 m
MW 38	None >1g/t Au	
MW 39	8.0 m x 29.7 g/t Au	30 m
MW 40	None >1g/t Au	
MW 41	4.0 m x 41.8 g/t Au	48 m
MW 42	6.0 m x 24.1 g/t Au	58 m
MW 43	2.0 m x 3.4 g/t Au	28 m
MW 44	6.0 m x 1.9 g/t Au	36 m
MW 45	10.0 m x 3.3 g/t Au	20 m
MW 46	4.0 m x 52.3 g/t Au	60 m

Drill Logs are in Appendix 5.

5.0 CONCLUSIONS AND RECOMMENDATIONS

The 21 hole drill program on the Manumbar West Lode, combined with the previously reported costeaning and drilling program, was successful in delineating a resource estimated at 127,000 tonnes at a diluted grade of 7.2 g/t Au (high grades cut to a maximum of 20 g/t Au) between the surface and 60 metres depth.

Soil geochemistry on line 4500E, north of the West Lode, indicated potential for an eastern extension of the gold mineralisation intersected in the costean on 4400E reported in the previous Annual Report.

Reconnaissance soil geochemistry should be undertaken to identify additional gold anomalous areas indicated by BLEG stream sediment geochemistry.

Detailed grid based soil geochemistry should be undertaken to extend known gold anomalous zones and those identified from the reconnaissance work and wide spaced soil geochemistry by CRAE.

Costeaning is recommended for initial testing of soil geochemical anomalies as it identifies the exact location of the lode which then permits more accurate collaring of drill holes to test for gold mineralisation at depth.











































