**EXPLORATION LICENCE 14724**
**WEST GEORGETOWN PROJECT**
**QUEENSLAND**

# ANNUAL REPORT
# FOR THE PERIOD ENDED
# 16th JUNE 2008

***Data presented in***
***GDA94 Datum***

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## SUMMARY

The West Georgetown Project comprises of 2 exploration licences (EPM14724 and EPM14722) for 1,971 square km and is situated 370km west of Townsville in the Georgetown Province. WML Georgetown Pty Ltd is exploring for Broken Hill type Ag-Pb-Zn sulphide deposits within the Bernecker Creek Formation and Daniel Creek Formations of the Einasleigh Metamorphics. This annual report documents the work completed on northern tenement EPM14724 during the period 17th June 2007 to 16th June 2008.

**TABLE OF CONTENTS**



**List of Figures**



**List of Tables**

## APPENDICES

| | |
|---|---|
| APPENDIX 1 | Collar file – EPM14724_collar_160608.pdf |
| APPENDIX 2 | Assay file – EPM14724_assay_160608.pdf |

# 1 INTRODUCTION

The following report describes work completed on the northern tenement "Gregory Range 14" EPM14724 of the West Georgetown project during the period 17th June 2007 to 16th June 2008. This tenement is located about 370km west of Townsville, Queensland. Access is gained via the Flinders Highway, with a northern turnoff on to minor roads at Richmond. Tenure is shown together with major cadastral data and pastoral; stations in Figure 1.

The tenement EPM14724 was granted on the 17th June 2005 to BHP Billiton. On the 23rd February 2007 BHP entered into a joint venture with Western Metals Ltd covering the 2 tenements of the West Georgetown Project. The title of the tenement EPM14724 is now held 100% by a wholly owned subsidiary of Western Metals Limited – WML Georgetown Pty Ltd.

The exploration target at the West Georgetown project is Broken Hill Type (BHt) Ag-Pb-Zn sulphide deposits. Owing to the likely presence of conductive pyrrhotite with the target mineralisation, electromagnetics is deemed an appropriate technique to detect for prospective targets. Wide spaced AEM lines were flown during 2005 to determine whether the bedrock sequence was amenable to the detection of conductive source, which were then followed up in March 2007 by an airborne Falcon Gravity survey to detect for density masses that may represent massive sulphide bodies. These provided 4 priority targets that are to be tested by diamond drilling in 2008. As 50-200m of Jurassic Cover generally overlies the Proterozoic bedrock, surface sampling was deemed to provide little value.

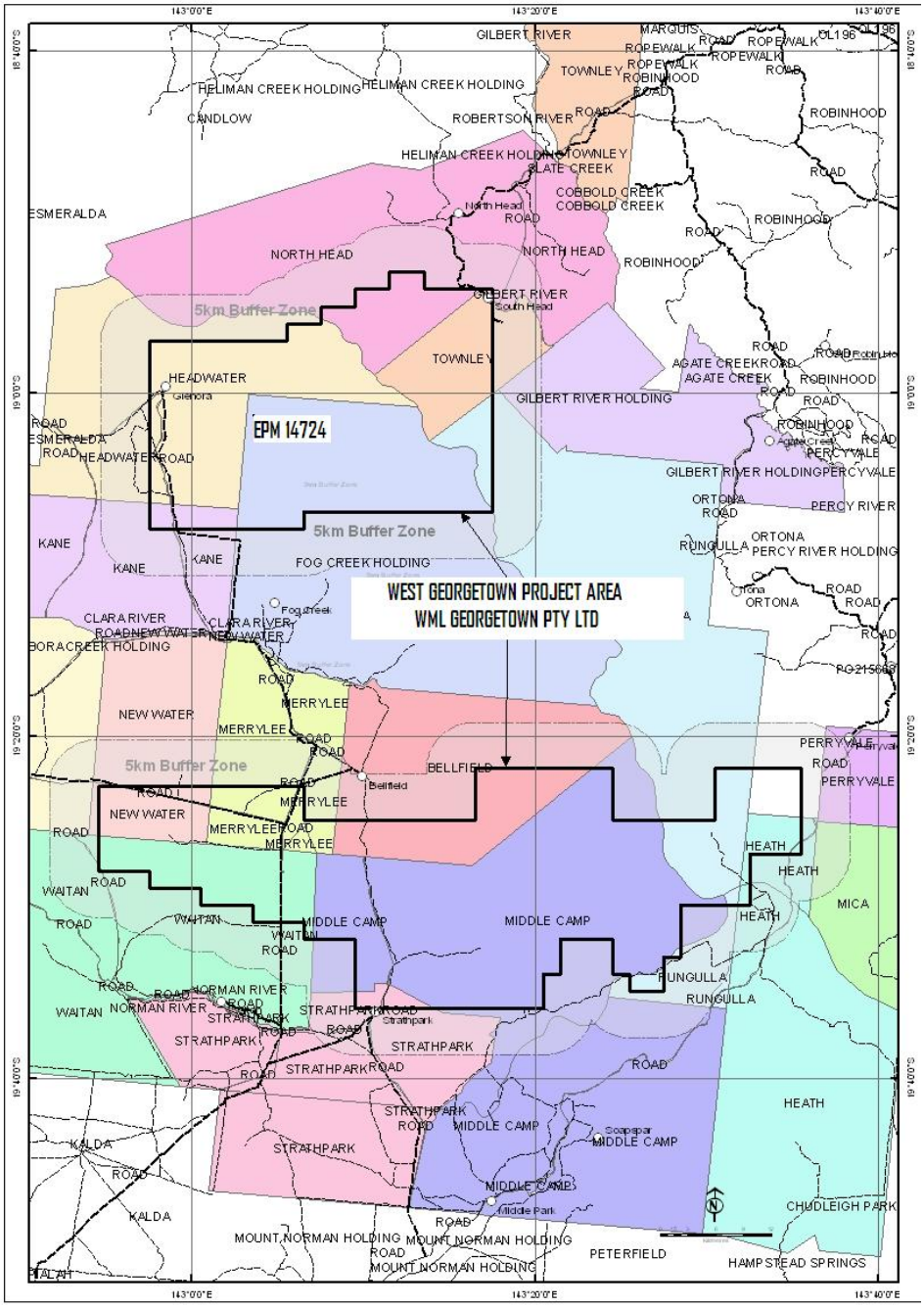

Figure 1: West Georgetown Project on Cadastral and Pastoral Data

## 1.1 Tenure

Table  lists the tenements of the West Georgetown Project, with the Gregory Range 14 tenement highlighted.  EPM14722 has only recently been granted in mid 2008.

WML Georgetown Pty Ltd is the registered holder of EPM14724, which was granted on 17th June 2005. The tenement was originally granted to BHP Billiton but was subsequently transferred and assigned to WML Georgetown Pty Ltd (WML) under the terms of a joint venture agreement entered into 23rd February 2007. The transfer of title took place in August 2007.  WML Georgetown Pty Ltd is a wholly owned subsidiary of Western Metals Limited.

A request for variation of conditions for Relinquishment of EPM14724 was applied for by WML Georgetown Pty Ltd in May 2008 and was subsequently accepted by the department on the 7th July 2008.

**Table 1:** Tenement Listing

| EPM | Name | Blocks | Application Date | Grant Date | Expiry Date |
|---|---|---|---|---|---|
| 14722 | Gregory Range 13 | 352 | 20/7/2004 | N/A | N/A |
| ***14724*** | ***Gregory Range 14*** | ***241*** | ***20/7/2004*** | ***17/5/2005*** | ***16/5/2010*** |

**Table 2: Tenement Details Original Tenement.**

| EPM | Tenement Block | Sub-Block |
|---|---|---|
| ***14724*** | 2510 | Z |
| | 2511 | R,S,V,W,X,Y,Z |
| | 2512 | V,W |
| | 2580 | N,O,P,S,T,U,X,Y,Z |
| | 2581 | L,M,N,O,P,Q,R,S,T,U,V,W,X,Y,Z |
| | 2582 | C,D,E,F,G,H,I,J,K,L,M,N,O,P,Q,R,S,T,U,V,W,X,Y,Z |
| | 2583 | A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P,Q,R,S,T,U,V,W,X,Y,Z |
| | 2584 | A,B,F,G,L,M,Q,R,V,W |
| | 2652 | C,D,E,H,J,K,N,O,P,S,T,U,X,Y,Z |
| | 2653 | A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P,Q,R,S,T,U,V,W,X,Y,Z |
| | 2654 | A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P,Q,R,S,T,U,V,W,X,Y,Z |
| | 2655 | A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P,Q,R,S,T,U,V,W,X,Y,Z |
| | 2656 | A,B,F,G,L,M,Q,R,V,W |
| | 2724 | C,D,E,H,I,J,N,O,P |
| | 2725 | A,B,C,D,E,F,G,H,I,J,K,L,M,N,O,P |
| | 2726 | A,B,C,D,E,F,G,H,I,J,K,L |
| | 2727 | A,B,C,D,E,F,G,H,I,J,K |
| | 2728 | A,B,F,G |

The original tenement comprised 241 sub-blocks, a total of 45 sub-blocks have been relinquished leaving a total of 196 sub-blocks. Current status of ELP14724 showing original and relinquished sub-blocks is shown in Figure 2.

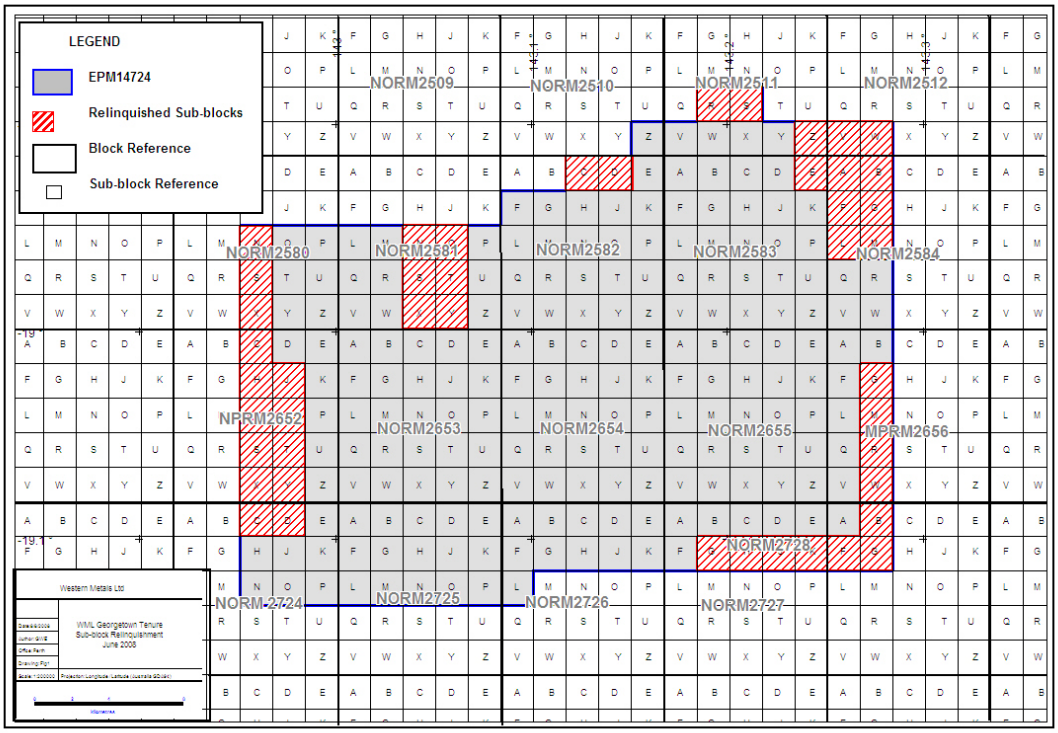


Figure 2: EPM 14724 Tenement Status 30th June 2008

## 1.2 Geology

The Einasleigh Metamorphics form the lower-most part of the Etheridge Group which were deposited within an intracratonic rift (Withnall et. al. 1996). The primary age of the Etheridge Group has recently been determined as late Palaeoproterozoic, deposited between 1710-1650 Ma based on SHRIMP U-Pb ages on zircons (Black et al 1998).

Table 3 contains the litho-stratigraphy of the Etheridge Group. Both detrital and igneous U-Pb SHRIMP zircon ages are also shown. The litho-stratigraphic and temporal similarities between the three terranes is striking and has been previously documented by Laing (1996) and Black et. al (1998) who both suggest that the three terranes were likely to have once joined in a continuous or at least adjacent set of rift-related volcano-sedimentary basins.

The Georgetown West project area is targeting the Robertson River Subgroup which is interpreted as the lower metamorphic grade equivalents of the Einasleigh Metamorphics (Bain et. Al. 1985 and Withnall et. al. 1996). In particular, lithological and spatial comparisons with the Einasleigh Metamorphics indicate that the Bernecker Creek Formation and Daniel Creek Formations are highly likely to be the lower metamorphic grade equivalents of the calc-silicate (Pe1) and biotite gneiss units (Pe3) respectively.

The main host to Pb-Zn-Ag mineralisation within the Robertson River Subgroup is the Daniel Creek Formation. The main prospects are Iona and Gum Flats where low grade Pb-Zn mineralisation is hosted within graphitic and weakly sulphidic metasiltstones/phyllites and to a lesser extent schists. Low grade Zn-Pb mineralisation is also hosted within remanently magnetised and pyrrhotite-bearing metasiltstones and slates of the Lane Creek Formation and within the basal Townley Formation.

**Table 3:** Georgetown Province Litho-Stratigraphy

| | Stratigraphic Unit | Unit description | Interpreted Environment |
|---|---|---|---|
| Upper Etheridge Subgroup | Landgon River Mudstone | Laminated, variably carbonaceous and pyritic mudstones, at least 800-1400m thick (this is a minimum estimate because the top of this unit has been eroded and is now an angular unconformity). | Deep Subtidal |
| | Candlow Formation | Mudstone and siltstone commonly carbonaceous and pyritic, mudclast sandstone layers become more abundant towards the top, also contains stramatolites and gypsym molds (upward coarsening), 1000-3500m thick. | Intertidal-subtidal |
| | Heliman Formation | Alternating beds of siltstone and sandstone , becomes more carbonaceous and contains more interbedded mudstones towards the top (upward fining), 800-2500m thick. | Subtidal |
| | Townley Formation | Mudstone, siltstone and fine quartzose sandstone, locally carbonaceous. Sandstone becomes more abundant towards the top (upward coarsening), 400-1500m thick. | Subtidal |
| Robertson River Subgroup | Lane Creek Formation | Mudstone and siltstone, locally carbonaceous and locally calcareous; interbedded fine-grained sandstone becomes more abundant towards the top (upward coarsening), 1000-2000m thick. | Deep Subtidal |
| | Corbett Formation | Mudstone, changes from thinly laminated and slightly carbonaceous to green and sparsely laminated at the top (upward fining), ca.1000m thick. | Deep Subtidal |
| | Dead Horse Metabasalt | Aphyric metabasalt, up to 1000m thick. | Submarine basalt |
| | Daniel Creek Formation | Mudstone, siltstone and fine subfeldspathic sandstone, locally calcareous and/or dolomitic, sanstone content increases towards the top (upward coarsening), 1000-2000m thick. | Sandy Delta to Wave-dominated shoreline |
| | Bernecker Creek Formation | Mudstone, siltstone and fine subfeldspathic sandstone, commonly calcareous and/or dolomitic, at least 2000m thick (this is a minimum estimate because the base of this unit is not exposed). sanstone content increases towards the top (upward coarsening). | Sandy Delta to Wave-dominated shoreline |

## 1.3 Previous Exploration

All previous exploration covering the Western Georgetown tenements and their surrounds has been assessed. Significant surface work has been carried out on the Jurassic cover sequence in the area since the 1960's, mainly in the search for alluvial gold, tin and surficial uranium, however, only two companies have explored the Robertson River Subgroup beneath the Jurassic cover; Mt Isa Mines and Queensland Metal Corp. Both companies utilised magnetics, ground and regional gravity and EM to locate targets. Drilling of these targets invariably intersected graphitic and sulphidic metasediments. Interpretation of the drilling results suggests that the units intersected were limited to the Deadhorse Metabasalt, Corbett Formation and Lane Creek Formation. In total only 13 drill holes have penetrated basement in the entire 1971 km2 of both tenements. Twelve of these holes were these were drilled in the NE portion of EPM 14724, mainly by QMC in the unsuccessful search for tin mineralisation.

None of the historic drill holes tested the Broken Hill-type or IOCG gravity targets generated in this current programme, and the overall assessment of previous exploration is that it in no way downgrades the prospectivity of the target stratigraphy for Broken Hill-type or IOCG systems on the tenement holdings.

## 2 EXPLORATION COMPLETED

### 2.1 Geophysics

No geophysical surveys were conducted during the year. The following discuses the results of recent surveys conducted from 2005 to 2007, and which provide the background to the proposed 2008 drill program.

#### *2.1.1 Airborne EM Dataset*

In 2005 Fugro Geophysics were contracted by BHP Billiton to fly a series of reconnaissance airborne GeoTEM electromagnetic survey lines over the both tenements of the West Georgetown Project.

A total of 252 line km was completed, with 15 x 5 km-spaced lines over EPM14722 (total 210 line km) and 2 x 15 km-spaced lines over EPM14724 (total 42 line km). The surveying was undertaken to ascertain the conductivity of host rocks, test the thickness of cover, and test the overall effectiveness of exploring for base-metals in this terrain with EM techniques. Survey specifications and program logistics are outlined in Table 4 below.

**Table 4:** Airborne EM Survey Equipment Specifications

| System Parameters | | GEOTEM$_{DEEP}$® Specifications |
|---|---|---|
| Navigation | | Real time Differential GPS |
| Nominal aircraft speed (m/s) | | 65 |
| **Geometry** | Transmitter height Above ground level (m agl) (Nominal terrain clearance) | 120 |
| | Receiver Bird Height (agl, m) | 70 |
| | Tx-Rx horizontal separation (m) | 132 |
| | Tx-Rx vertical separation (m) | 41 |
| **Transmitter** | Coil Axis | Vertical |
| | Signal | Half sine wave current pulse |
| | Base frequency (Hz) | 25 |
| | Repetition rate (pulses per second) | 50 |
| | Pulse width (microseconds) | 4108 |
| | Loop area (square metres) | 231 |
| | Number of turns | 6 |
| | Peak Current (amps) | 450 |
| | Tx loop dipole moment ($Am^2$) | $6.237 \times 10^6$ |
| **Receiver** | Coil Axes | X, Y and Z |
| | Sample Interval (seconds) | 0.25 |
| | Channel times | see Table 2 |

Figure 3 shows 3D perspectives of the conductivity images for EPM14724. Results were as follows:

1. Taking into account the limitations associated with only two widely-spaced survey lines, the tenement shows a relatively consistent resistivity pattern from west to east.

2. EPM14724 shows conductivity profiles consistent with a three-layered Earth:
   i. 100-200m thick veneer of very conductive cover over 75% of the survey area (based on the two lines only)
   ii. 75-100m thick zone of 10-100 ohm.m material underlying and conformable to the above
   iii. Resistive basement that underlies cover and appears to be near surface for the top north eastern quarter of the survey area

The airborne EM reconnaissance survey has indicated some areas of the tenement would amenable to more extensive EM survey, however, the bulk of EPM14724 will be problematic for identification of basement conductors due to very thick conductive cover. It is for this reason that a comprehensive airborne gravity gradiometer survey was chosen as a key anomaly definition tool rather than airborne EM.

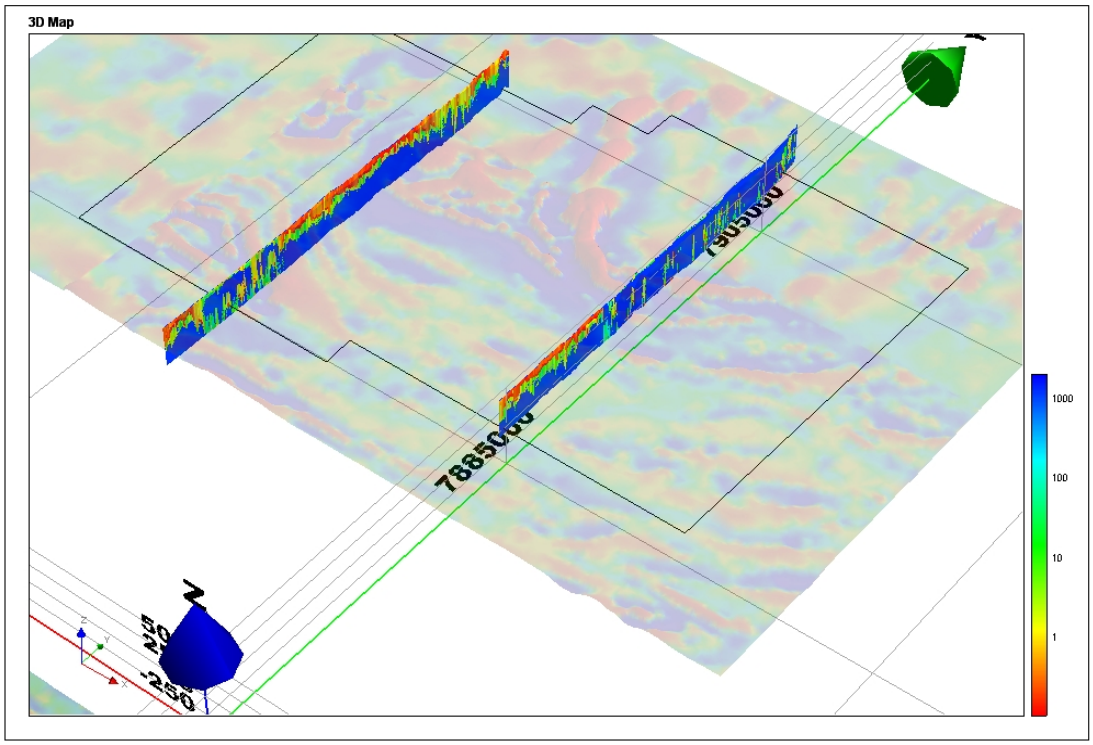


**Figure 3:** Conductivity depth images for EPM14724. CDIs shown as resistivity with (colour scale on right) over airborne magnetics image. Grey rectangles show 20km divisions.

### *2.1.2 Results and Interpretation of Falcon Gravity Survey*

In March 2007, a Falcon® Airborne Gravity Gradiometer (AGG) survey was flown over the EPM14724. The survey specifications are presented in Table 5 below.

The Falcon® AGG was considered an ideal technology for the terrane given the expected significant density contrast between sulphide-rich BHT deposits, magnetite or hematite-rich IOCG deposits and the typical host stratigraphy. The surface terrane of the West Georgetown is also extremely rugged (particularly the Gregory Range) and heavily vegetated, severely limiting the use of ground gravity methods without extensive track cutting and vegetation clearance. Being a gravity method, Falcon® also has the advantage over airborne EM methods of being unaffected by the conductive cover sequences demonstrated to be present, and other false positives such as graphitic basement units.

**Table 5:** Falcon Gravity Survey Specifications

| | | | | |
|---|---|---|---|---|
| **AGG System** | ***Galileo*** | | | |
| **Contractor** | ***Fugro Airborne Surveys*** | | | |
| **Dimensions of Survey** | **Approx. 35 km x 27 km** | | | |
| **Line Spacing**<br>**Control line Spacing** | **300m**<br>**3000m** | | | |
| **Number of Lines** | **119 survey lines, 9 control lines** | | | |
| **Total Line km** | **2,938 km (delivered)** | | | |
| **Survey Line Direction** | **000° / 180°** | | | |
| **Clearance (Laser)** | **Nominal** | **Min** | **Max** | **Mean** |
| **Altitude-DEM** | **80m** | **55.7m** | **167.5m** | **88.2m** |
| **Data Collected** | **Gravity Gradient, Magnetics, Radiometrics, Laser Scanner.** | | | |
| **Turbulence (Range)** | **2.4 mg to 262.2** | | | |
| **Estimated RMS noise** | **G_NE(Eötvös)** | | **G_UV(Eötvös)** | |
| **(After Tie Levelling)** | ***3.76*** | | ***3.57*** | |
| **Number of Flights** | **24** | | | |
| **Flight Numbers** | **GW001 to GW012** | | | |
| **Date of Survey** | **5th to 23rd March, 2007** | | | |

In addition to gravity gradiometer data, the following data sets were collected at 300m spacing:

1. Differential Phase Smoothed GPS (DGPS) Data,
2. LASER Scanner Data
3. Magnetometer Data
4. Radiometric Data

Processing of the raw Falcon® data was performed by the BHP Billiton Orion Operations team. The transformation into $G_{DD}$ and $g_D$ was accomplished using two methods; Fourier domain transformation, and using the Method of Equivalent Sources. The Fourier $G_{DD}$ and $g_D$ were computed along the smoothed flight surface drape and a cut-off wavelength of 600m was applied to the data. The Equivalent Source $G_{DD}$ and $g_D$ were computed on a terrain drape i.e. parallel to the digital elevation model. The topography is very flat in the area so the difference between these two drapes is insignificant. All models were generated with 100m x 100m square cells with the depth extent starting at 25m and increasing with depth. The total depth extent of the models is a minimum of 2 km below surface. The gravity gradient data inversion utilised the automatically calculated error levels scaled up by a factor of 1.2 to minimise the fitting of correlated noise, especially in the near surface. The magnetic data were inverted with an absolute error level of 5nT plus 1% of the signal amplitude. In both cases, the inversions were run on tiles of 7 km x 7 km in area with a minimum of 1.5 km overlap. These tiles were then stitched back together using a smooth function in the overlapping areas to avoid edge effects. Slices were taken from the focussed density and susceptibility models at 200m, 500m and 1000m below ground. These slices were supplied as ERMapper grids and GeoTiffs in an ArcMap project.

The resultant density model slices are shown in Figure 4 below and delineation of geophysical targets has been performed using the criteria outlined in Table 6 below.

**Table 6:** Expected physical properties and related geophysical signatures of key units.

| Formation/ Lithology | Description | Expected Density/Gravity Signature | Expected Susceptibility/Magnetic Signature |
|---|---|---|---|
| BHT system (target) | | High density, confined or elongate feature of the order of kms in dimension. | No direct magnetic signature expected. |
| IOCG system (target) | | High density, confined or elongate feature of the order of 100's of m or kms in dimension. | Magnetic feature due to magnetite gangue. |
| Lane Creek Formation | Mudstone & siltstone, locally carbonaceous and calcareous; interbedded fine grained sandstone. 1000-2000m thick. | Background | Contains remanently magnetised meta-siltstones and slates. |
| Corbett Formation | Mudstone, thinly laminated and slightly carbonaceous to green and sparsely laminated at the top. Approx 1000m thick. | Background | Very weak variations. |
| Dead Horse Metabasalt | Metabasalt up to 1000m thick. | Moderate-high density/gravity signature | Strong coherent signal, though somewhat muted in South West. |
| Daniel Creek | Mudstone, siltstone and fine subfeldspathic sandstone, locally calcareous and/or dolomitic, sandstone content increases towards top. 1000-2000m thick. | Relatively low gravity signature in North East (anticline) | None. |
| Cobbold Metadolerite | | High density, strong gravity signature. | Generally strong but variable signature (texture). Deviates from interpreted geology (geology can be improved) |
| EW Dykes | | Background | Clear signatures in 1VD of RTP data and also discernable in RTP. Some age relationships can be gained. |
| Altered Metabasalt | Late plugs. | Background to low gravity signature (mod-low density) | Strong, discrete remanently magnetised features (negative modelled susceptibilities) |

The primary method of interpretation employed in the search for BHT targets has been via the $G_{DD}$ gridded data and density models. BHT systems are expected to have high density but no directly-related magnetic signature and the cluster models were not found to be useful in identifying such features. Targets were selected only if encouraging signal in both the $G_{DD}$ and density model slices were observed. Consideration was also given to proximity to structures and the location of each feature with respect to the basin margins and the target host lithology. A summary of the four main targets is presented in Table 7 and the location of these targets is shown in Figures 3 and 4.

**Table 7:** Details of targets generated on EPM14724.

| Name | Easting | Northing | Dimensions | Depth Slice | Signature | Description |
|---|---|---|---|---|---|---|
| **WGN_F001** | 732614 | 7906076 | 3000x1500m | 500 & 1000m | GDD high (deep) | On NNE structure. Clear BHT target in Daniel Creek Fm(most prospective) |
| **WGN_F002** | 735990 | 7888211 | 1600x900m | 500m | GDD high, mod amplitude & depth. | Clear BHT target in Lane Creek Fm. |
| **WGN_F003** | 710352 | 7900974 | 2100x1600m | 500 & 1000m | GDD high (deep), small associated magnetic high & U anomaly | Close to basin margin. In Lane Creek Fm. In close proximity to granite contact & remnantly magnetized seds. U & mag signatures suggest possibility could be characterized as an IOCG target. |
| **WGN_F004** | 709303 | 7897404 | 1300x1000m | 1000m | GDD high (deep), associated U anomaly | Close to basin margin. In Lane Creek Fm in close proximity to granite contact and remnantly magnetized seds (mineralised?). Otherwise, U signature suggests possibility this could be characterized as an IOCG target. |

As mentioned previously, low grade mineralisation (Pb-Zn) is known from the pyrrhotite-bearing meta-siltstone and slates of the Lane Creek Formation. Strongly remanent, sedimentary features are observed on the South East side of WGN_F003 and WGN_F004. These features are interpreted as these meta-siltstones and slates and add weight to these two anomalies.

Numerous strongly and remnantly magnetised features are present in the survey area (outlined in yellow in Figure 5). One historical drill hole into the easternmost of these features confirms it to be altered metabasalt with abundant magnetite. The other, similar features are therefore interpreted to be the same and of no further interest as a BHT target. The acquired data were run through the SolidEarth$^{TM}$ process and the resulting density model was used to identify new targets in the survey block.

A total of four targets were selected with variable characteristics. Each of the targets are sound $G_{DD}$ and density anomalies. WGN_F001 has a clear association with a major NNE structure and sits within the most prospective unit (Daniel Creek Formation). WGN_F002 is a discrete, isolated feature towards the deeper part of the basin in the Lane Creek formation. WGN_F003 and WGN_F004 both have interesting and supporting radiometric anomalies (Figure 6) and remanent magnetic signatures (Figure 5) associated with them. Whilst these two could also be considered potential IOCG targets, they also have the potential for Broken Hill type systems. WGN_F003 also has an isolated magnetic high sitting on its eastern edge.

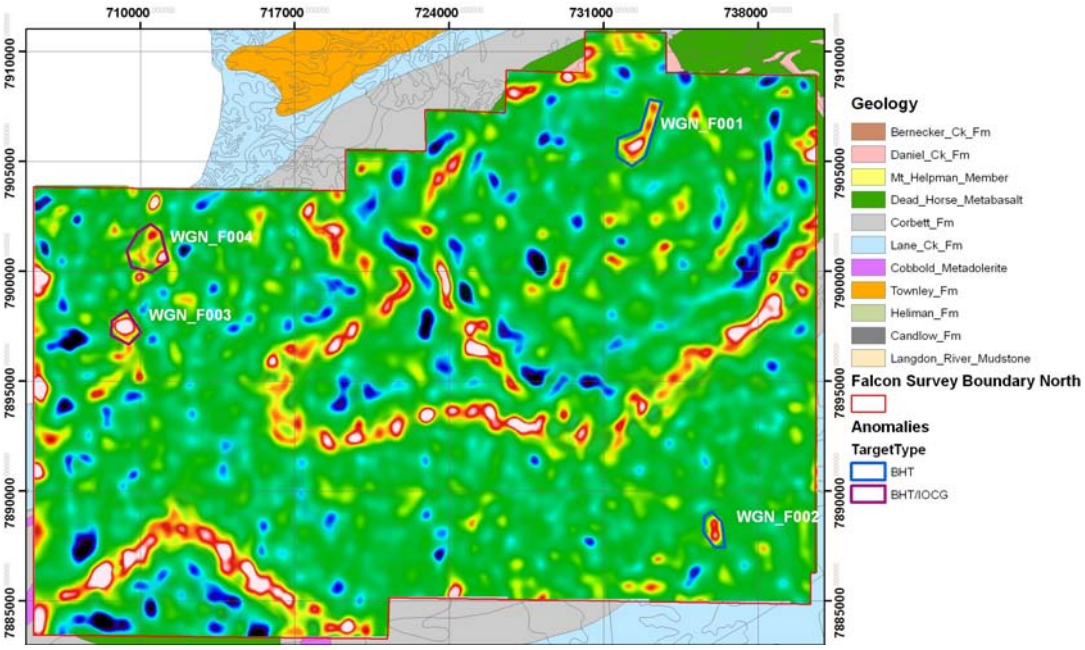


**Figure 4:** Density model slices (top = 500m depth slice, bottom = 1000m depth slice) of EPM14724 based on Falcon survey data with BHT and IOCG targets marked. Details of targets are given in Table 7.

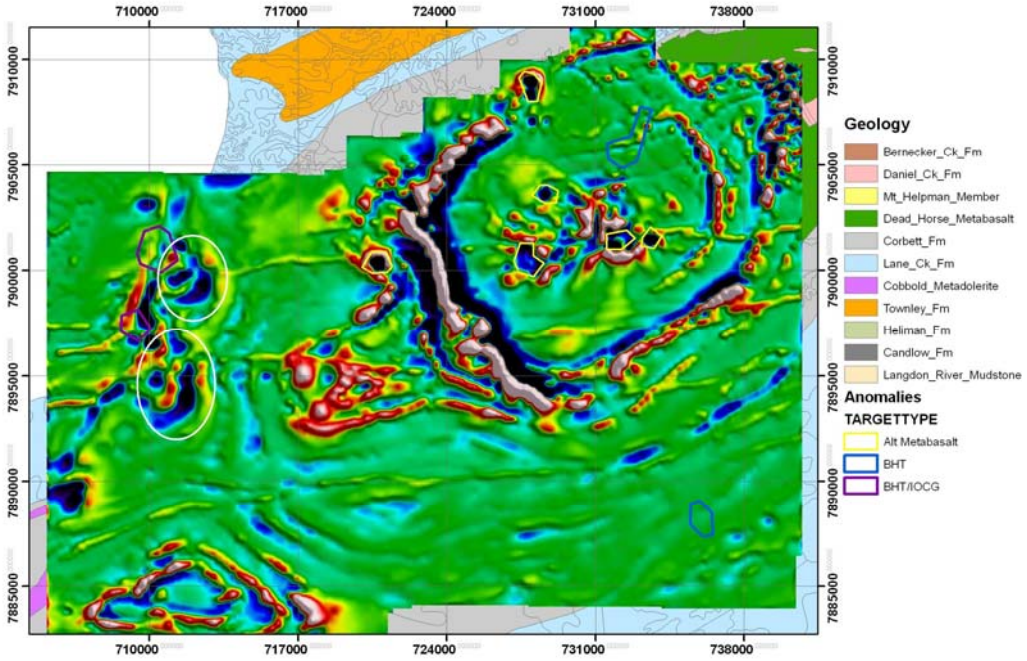


**Figure 5:** The EPM14724 targets on first vertical derivate of reduced-to-pole magnetics from the Falcon survey. Interpreted metabasalt plugs are outlined in yellow, and interpreted remanently magnetised metasediments are circled in white.

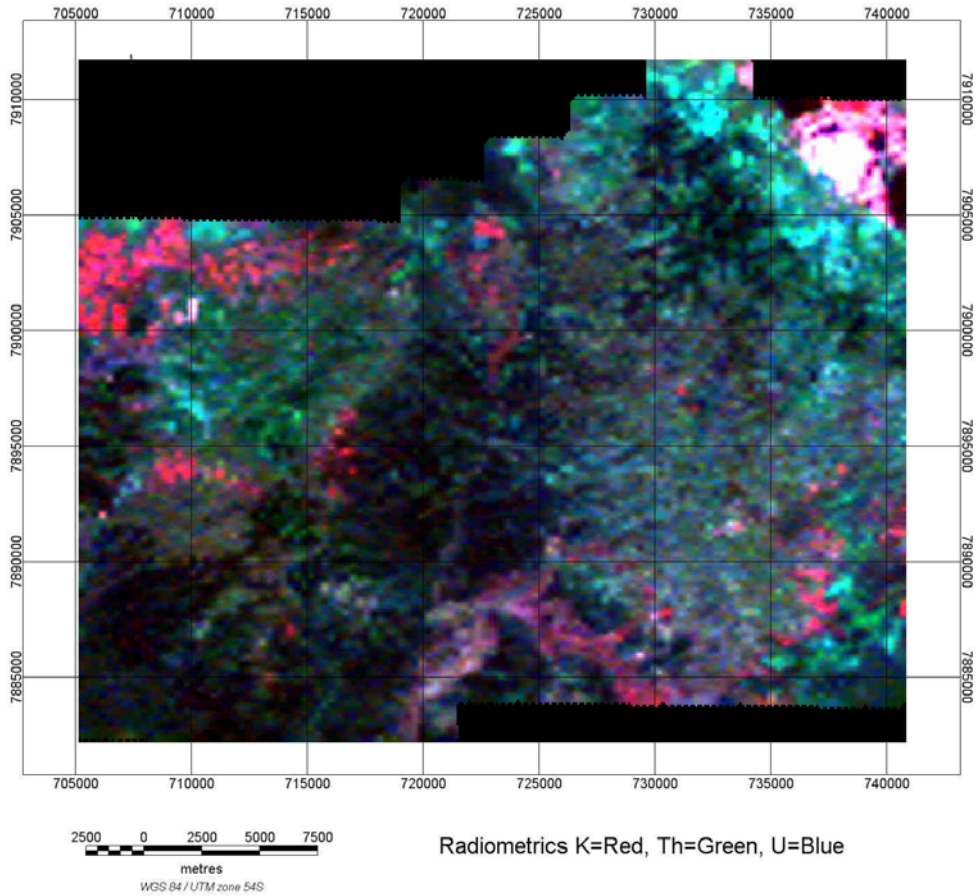


**Figure 6:** Ternary image of the surface radiometric data collected in the Falcon survey (K=Red, Th=Green and U=Blue).

## 2.2 Drilling

The four priority targets as defined by the Falcon gravity survey mentioned above were scheduled to be drilled during the first half of 2008, with 2 holes drilled at each target. However, due to difficulties encountered in establishing access and modifications/delays to the drilling schedule, none these targets were drilled during the current reporting period.

Other targets included in the 2008 program involved copper mineralisation intersected in drill hole QGR22 (drilled by Queensland Metals Corporation during the mid 1980's), and conceptual Au targets based on a geological and structural interpretation of airborne magnetic data covering the area combined with very limited surface mapping..

Dilling commenced on the 9th June 2008 by Drill North; by the 16th June total of 6 holes were drilled by reverse circulation for 497m (see Table 8 below). Initially only a single hole was to twin QGR22 and test the presence of the observed native copper. QGR22 was logged as intersecting dolerite with quartz+/-carbonate+/-hematite veining with visible fine to medium grained native copper from 79m to the end of hole depth of 95m. However, the collar position wasn't able to be located at the recorded coordinates and 4 holes were drilled within close proximity to allow for any inaccuracies with these coordinates. For the conceptual Au structural targets only 2 of a planned total of 9 were drilled, but in each case they had to be abandoned short of target depth due to difficulties with keeping the hole open and the drill rig reaching the required depths. As higher priority holes for the Falcon targets became available at this time the other 7 planned holes were not drilled, and the rig moved to WGN_F003.

**Table 8:** Dill holes completed to 16th June 2008.

| Hole_id | Target | Easting GDA94 | Northing GDA94 | Easting AMG84 | Northing AMG84 | Total Depth | Meters RC |
|---|---|---|---|---|---|---|---|
| **WRC001** | QGR22 Cu | 725,506 | 7,899,974 | 725,386 | 7,899,801 | 108 | 108 |
| **WRC002** | QGR22 Cu | 725,520 | 7,900,072 | 725,400 | 7,899,899 | 91 | 91 |
| **WRC003** | QGR22 Cu | 725,500 | 7,899,843 | 725,380 | 7,899,670 | 95 | 95 |
| **WRC004** | Conceptual Au | 725,855 | 7,896,738 | 725,735 | 7,896,565 | 73 | 73 |
| **WRC005** | Conceptual Au | 725,060 | 7,897,426 | 724,940 | 7,897,253 | 21 | 21 |
| **WRC006** | QGR22 Cu | 725,615 | 7,899,933 | 725,495 | 7,899,760 | 109 | 109 |

### *2.2.1 Sampling and Analysis*

Samples were taken in 4m composite intervals using a spear method. These samples where submitted to ALS Chemex in Townsville for multi-element analysis by AES (Four acid ME-ICP61s method), and for gold by aqua regia with an AAS finish (Au-TL43). A total of 127 samples have been submitted including blanks and standards.

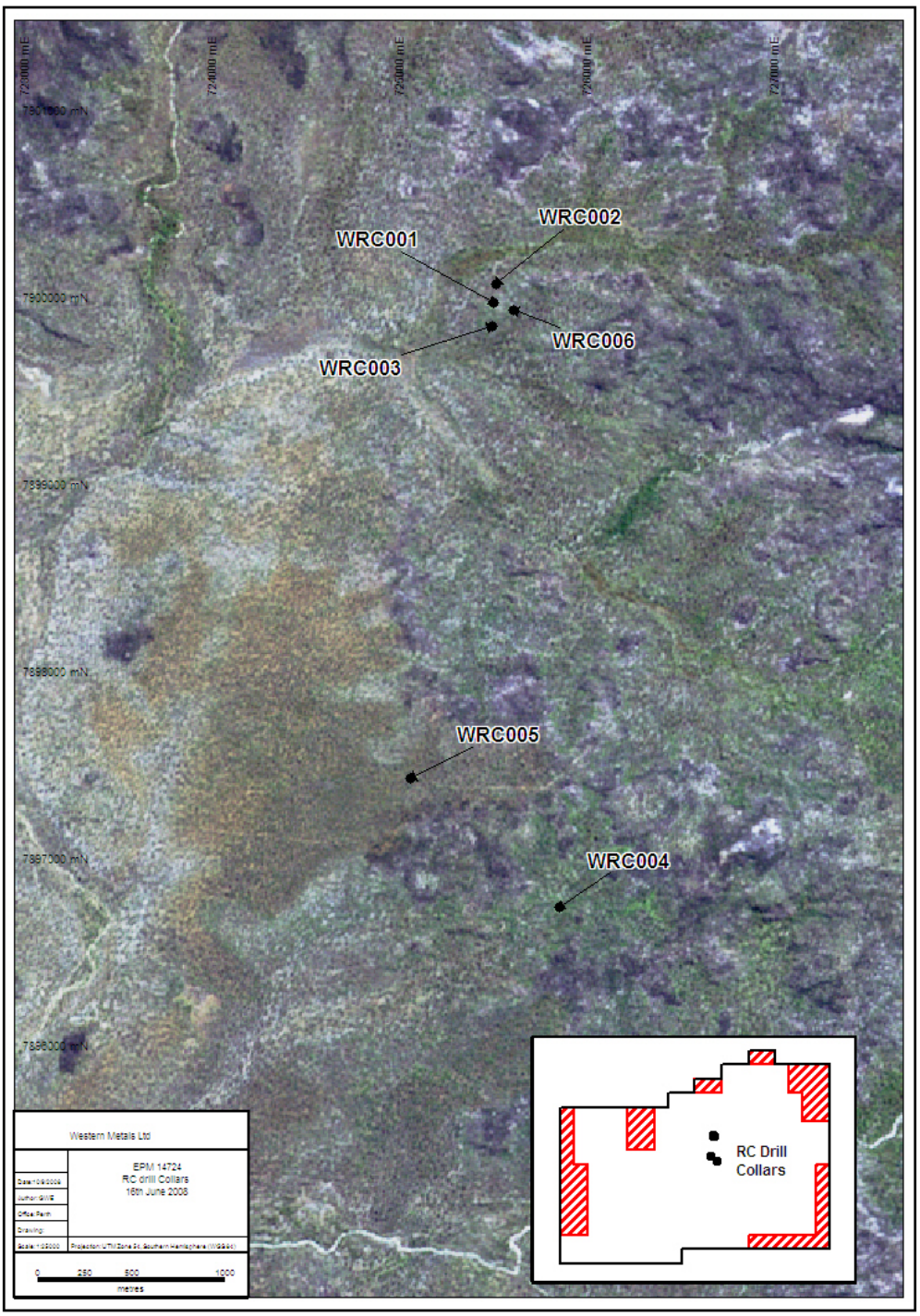


**Figure 7:** Collar Positions of RC Drillholes.

### *2.2.2 Results*

All of the holes have been logged by Western Metals geological staff. No significant mineralisation, alteration or veining was observed in any of the holes, which is reflected by the assay results returned from the composite samples.

Each of the 4 holes targeting the native copper logged in QGR22 reached depths past the Mesozoic basin and into the underlying Proterozoic basement (between 70 and 80m depth). None however intersected the dolerite unit that hosts the native copper mineralization and it can only be assumed that the coordinates provided for this hole are not accurate or that there was error made in the original logs. The other two holes (WRC004 and WRC005) drilled didn't reach depths beyond the Mesozoic sedimentary cover.

## 3 REFERENCES

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