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Announcements
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PROGRESS REPORT ON ACTIVITIES WOOLGAR GOLD PROJECT

FURTHER HIGH GRADE ASSAYS RECEIVED FROM LATEST WOOLGAR DRILLING

Assays have now been received for holes EXRC 87 to EXRC 96 recently completed at the EXPLORER deposit. The latest step out drilling has intercepted further high grade gold values, confirming strong continuity of the EXPLORER vein along strike and down dip to the east.

Significant new results include:

EXRC 89	69-72m	3m @ 19.9 g/t Au
EXRC 90	81-83m 86-89m	2m @ 52.2 g/t Au 3m @ 9.8 g/t Au
EXRC 92	93-98m	5m @ 16.7 g/t Au
EXRC 95	24-36m	12m @ 8.0 g/t Au
EXRC 96	107-132m	25m @ 2.5 g/t Au

All 10 drill holes intersected significant mineralization, with EXRC 96 being the last and most easterly drill hole. The new high grade results above, together with the EXRC 96 result (which finished in mineralization) indicate that the EXPLORER vein appears to be strengthening in grade and width down dip and along strike to the south east.

The information from the drilling completed at EXPLORER to date has been summarized and presented on the attached Plan. It is now evident that the vein has a high grade core zone with a shallow plunge to the south east.

The drilling has now established that the EXPLORER vein structure extends over 400 meters along strike. “Bonanza” grades now extend continuously over the recent 200 meters drilled and are still open along strike to the south east and at depth. All intersections are within open cut possibilities.

Geological mapping indicates that one of the controls over the distribution of high grade gold values is the intersection of the steeply dipping EXPLORER vein with a shallow south dipping dolerite body as shown on the plan. This contact position remains to be tested over a further 300 meters of strike to the south east

Drill intersections recorded from the 10 latest holes are presented below:

EXPLORER DRILLING ASSAY RESULTS - MAIN LODE STRUCTURES

HOLE ID	FROM	TO	WIDTH	GRADE
	(m)	(m)	(m)	Au (g/t)
EXRC 87	44	49	5	1.6
EXRC 88	43	44	1	10.7
EXRC 89	68	69	1	1.3
	69	72	3	19.9
	72	87	15	1.6
EXRC 90	81	83	2	52.2
	86	89	3	9.8
EXRC 91	78	80	2	6.0
	91	95	4	2.0
EXRC 92	93	98	5	16.7
	100	103	3	5.2
	115	118	3	3.2
EXRC 93	95	102	7	2.6
EXRC 94	60	61	1	1.6
EXRC 95	19	20	1	1.9
	24	36	12	8.0
*EXRC 96	107	132	25	2.5
Includes	107	109	2	7.1

* Note: Hole 96 finished in mineralisation.

EVALUATION OF RESULTS TO DATE

Evaluation of the drilling results completed to date at EXPLORER is now underway. This work will include the integration of past drilling results from programs conducted at EXPLORER by the Billeton / Strategic joint venture in the period 1986 to 1990, together with the 100% managed Strategic Minerals drill programs initiated in late 2001.

The attached plan presented with this report shows the projection of the high grade zones delineated within the EXPLORER vein.

The plan identifies the location of all high grade drill holes at EXPLORER, which are summarized below.

EXPLORER PROSPECT
SUMMARY OF HIGH GRADE INTERSECTIONS

(For all intersections greater than 50 meter grams)

Hole ID	From	To	Width	Grade
	(m)	(m)	(m)	Au(g/t)
EXRC 34	36	42	6	34.48
EXRC 42	55	61	6	28.80
EXRC 56	13	18	5	18.28
EXRC 65	35	44	9	7.66
EXRC 69	18	25	7	39.40
EXRC 70	52	54	2	23.60
EXRC 71	79	83	4	15.00
EXRC 72	65	70	5	10.20
EXRC 74	39	42	3	20.10
EXRC 82	47	53	6	13.00
EXRC 83	34	45	11	6.20
EXRC 84	80	86	6	9.00
EXRC 89	69	72	3	19.90
EXRC 90	81	83	2	52.20
EXRC 92	93	98	5	16.70
EXRC 95	24	36	12	8.00
<i>Average:</i>			5.75	17.14

Sixteen separate drill holes have returned intersections better than 50 meter grams (Note: this calculation is a product of multiplying the width of the intersection by the average grade of the intersection).

The average result for these 16 holes is 5.75 metres width grading 17.14 g/t gold.

As can be seen from the plan, the high grade results show an increasing trend as drilling has progressed to the south east. This highly prospective trend, which has over 300 metres of strike to further test, will form the focus for the next phase of drill testing.

FINN PROSPECT

FINN SOUTH is one of three epithermal vein swarms in the FINN PROSPECT area where surface sampling returned a number of high grade gold assays. Five holes totaling 180 meters were completed to provide an initial test on the FINN SOUTH epithermal vein, with the FINN CENTRAL and FINN NORTH veins yet to be drill tested. At FINN SOUTH, good values were obtained from hole Finn 2 as outlined below.

FINN PROSPECT DRILLING ASSAY RESULTS

Finn Prospect

Hole ID	From	To	Width	Grade
	(m)	(m)	(m)	Au(g/t)
FINN 2	8	10	2	4.8

Holes FINN 1, 3 4, and 5 gave no significant intersections.

An early interpretation of these results is that, while carrying good gold values at surface, the veins are above the prospective dolerite contact where high grade gold concentrations are known to exist elsewhere within the Woolgar project. Additional drilling is required to test the system for EXPLORER style contact positions.

CONTINUING WORK

Check assaying, geological interpretation and survey control work is now being integrated into the EXPLORER data base prior to conducting initial resource calculations.

In addition, a comprehensive digital data base of all past exploration work at Woolgar is now being assembled to assist with all aspects of geological modeling and generation of new drill targets. This process involves the integration of some 15 years of exploration data into the data base, including data from over 40,000 metres of previous drilling activity.

The digital data base will be extremely valuable in assisting with the planning of future exploration activities on the project.

With the new geological models being developed, as a result of the success at the EXPLORER Prospect, the company anticipates being able to identify a number of additional new highly prospective target zones within the Woolgar project area.

Yours Sincerely,

WALLY MARTIN
Managing Director

Note: The information in this report has been compiled by Mr Barry Fehlberg of Fehlberg and Associates, who is a member of the Australian Institute of Mining and Metallurgy and has a minimum of five years experience in the field of activity being reported on. This report accurately reflects the information compiled by that person.