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Announcements
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PROGRESS REPORT ON ACTIVITIES - WOOLGAR PROJECT, QLD

The Company is pleased to announce the following results from the recent field program of rock chip and soil sampling at Woolgar.

Highlights:

- High grade surface rock chip samples grading up to 71.2g/t gold and 26.8g/t silver have been received from a newly discovered suboutcropping epithermal vein swarm 2 kilometres west of the Explorer "Bonanza Zone".
- The soil sampling program over the Explorer "Bonanza Zone" Prospect resulted in 23% of samples showing significant gold values.
- There are strong gold in soil assays coincident with the Explorer epithermal vein structure, outlining a 700 metre target zone.
- There are strong gold in soil assays outlining a new 500 metre long target zone 100 metres north of the Explorer vein.
- A comprehensive R.C. drilling program is being contracted to start at Woolgar on or before the end of May.

1. Rock Chip Sample Results - Federal Prospect

During the recent field program, geological investigations were carried out 2 kilometres west of the Explorer Prospect, in an area now known as the Federal Prospect. The purpose of the work was to investigate the source of a number of high stream sediment gold assays recorded from previous work.

The investigations revealed a large number of suboutcropping epithermal veins over a 500 metres long strike zone. Vein widths of less than one metre to stockwork type vein swarms over tens of metres width are typical for the area.

Twenty-one rock chip samples were taken. Five of the twenty-one samples returned gold grades of between 1.95g/t and 4.85g/t, with one spectacular assay of 71.2g/t gold and 26.8g/t silver being recorded. All samples were anomalous in gold.

These assay results show that a highly prospective significant new epithermal target zone has been discovered at Woolgar.

Immediate follow up work at the Federal Prospect, including drilling, is planned for the area.

2. Soil Sampling Program - Explorer Prospect Area

The sampled area is 700 metres x 300 metres wide, with samples taken at 20 x 40 metre spacings. A total of 250 samples were taken and assayed for gold, silver and base metals.

2.1 The soil assays successfully outlined the Explorer vein trend over a 700 metre strike. The gold in soil values are closely related to the mapped epithermal vein outcrops and extensions. The strongest anomalism lies on the meta-sediment - dolerite contact areas. This is consistent with the previous drill results where the highest grade values are located at this position, for example E/RC 34: 6metres at 34.4g/t Au and 26.6g/t Ag from 34 metre depth.

2.2 The soil assays successfully defined an additional and parallel new gold target over some 100 metres to 150 metres North of the main Explorer vein trend. This new 500 metres strike zone, with identifiable epithermal quartz veining in suboutcrops, shows more widespread and higher tenor gold anomalies in soils than that recorded for the drilled Explorer areas.

2.3 Low order anomalous multi-element assays are coincident with both the gold anomalous areas, confirming the mineralised trends.

In summary, the Explorer soil assay results provide clear evidence of widespread gold mineralisation over the epithermal vein outcrops and extension. The results provide a clear drill target focus for the upcoming drill program.

3. Drilling

R.C. drilling contracts are being finalised with contractor, Major Pontil Pty Ltd of Townsville, with the drilling expected to start at around the end of May 2002.

Yours sincerely,

W.A.C. Martin
Managing Director

Note: The information in this report has been compiled by Mr Barry Fehlberg 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