

## **COMET VALE DRILLING RESULTS**

The Company informs the market that it has successfully completed a program of diamond core (DDH) drilling and reverse circulation (RC) percussion drilling for further resource definition at the Comet Vale project.

The program included 3165 metres of RC drilling in 28 RC drill holes and diamond drill pre-collars and 1540 metres of diamond drill tails in 11 holes, including re-entering and deepening of some old holes. Drilling was completed at the Sand Queen mine, the Sand George prospect and the Sand Prince West prospect.

### **Sand George prospect**

A geological re-interpretation of the structure and position of the gold mineralized lodes at the Sand George prospect has resulted in identification of five lode positions which are now labeled as SG 1 to SG 5.

Infill and deep diamond drilling has confirmed continuity of the narrow vein, high grade gold mineralization in the main Sand George lode, now referred to as the **SG 1 Lode**, over a strike length of about 225m from 13250N to 13025N. The drilling has added a further 50 metres of strike length to the SG 1 Lode and the lode position remains open to the south and at depth. The deepest intersection of the SG 1 Lode is about 300 metres below surface which is about 50 metres below the equivalent depth of No.6 Level at the Sand Queen mine.

The diamond drilling program has confirmed a second lode, referred to as the **SG 2 Breccia Lode**, in the footwall of the SG 1 Lode. This lode has a strike length of about 100m from 13175N to 13075N with intersections over a vertical depth of about 200 metres.

Drilling on line 13025N (50 metres south of previous deep diamond drilling) also intersected two new high grade lode positions, referred to as the **SG 4 Lode** and **SG 5 Lode**. Intersections of the SG 4 Lode include **1m @ 40.9 g/t Au** in RD10 and the SG 5 Lode include **0.6m @ 104.9 g/t Au** in RD17. The deeper intersections of these lodes are in excess of 350 metres vertically below surface which is over 100 metres below the equivalent depth of No.6 Level at the Sand Queen mine and over 100 metres below the previous deepest intersection at Sand George.

The positions of the latest DDH intersections of the Sand George lodes are shown on the accompanying longitudinal section. Individual lodes are not identified on the long section.

Significant results (gold assays in excess of 1 g/t Au) from the latest drilling and deepening of previous drill holes at the Sand George prospect are listed below (drill holes with an RD prefix are diamond drill holes and a DRC prefix are RC drill holes):

Hole ID	Collar Northing <sup>(1)</sup>	Collar Easting <sup>(1)</sup>	From m	To m	Intersection m	Grade <sup>(2)</sup> g/t Au	Lode
DRC160	13175	7676	194	195	1.0	1.83	SG 1
RD006b <sup>(3)</sup>	13075	7705	181.92	181.32	0.4	3.59	SG 1
RD010	13025	7662	312.0	313.0	1.0	2.34	SG 1
RD014	13025	7698	221.5	222.2	0.7	8.64	SG 1
RD006b <sup>(3)</sup>	13075	7705	208.2	210.4	2.4	4.58	SG 2
RD011 <sup>(4)</sup>	13082	7705	136.5	137.8	1.3	7.10	SG 2
RD012	13125	7670	286.0	287.2	1.2	7.63	SG 2
RD014	13025	7698	256.3	257.26	0.96	8.30	SG 2
RD015	13075	7674	280.25	284.1	3.85	3.49	SG 2
RD016	13175	7676	202.6	204.35	1.75	17.12	SG 2
RD017	13028	7607	373.1	374	0.9	1.55	SG 2
RD013	13127	7620	435.7	436.7	1.0	9.96	SG 3
RD013			438.7	439.7	1.0	4.89	SG 3
RD010	13025	7662	399.4	401.4	2.0	8.75	SG 4
RD017	13028	7607	387.5	389.95	2.45	28.55	SG 4
		including	387.5	388.1	0.6	104.89	

RD010	13025	7662	418.0	421.0	3.0	14.14	SG 5
		Including	419.0	419.0	1.0	40.86	
RD014	13025	7698	294.75	295.7	0.95	1.60	SG 5
RD017	13025	7607	405.85	406.55	0.7	1.48	SG 5

1. Collar coordinates are for a local grid. All holes collared with a dip of 70° to the east.
2. All samples analysed by Genalysis laboratories Pty Ltd using a 50g fire assay charge with an AAS finish (FA50/AAS) and calculated as a weighted average, where applicable.
3. DDH RD006 was extended during this drilling program and the intersection from 208.2 m is additional to the previously reported 0.4 metres intersection from 181.9 metres.
4. DDH RD011 is an extension on the end of RC drill hole DRC033

### Sand Queen Mine

Deep drilling at the southern end of the Sand Queen mine has located a new high grade lode (**1m @ 15.4 g/t Au** in DDH RD 9) and indications of a second new lode. Both intersections are below the No.6 Level of the old Sand Queen mine.

The Sand Queen 'new lodes' are in the same stratigraphic position as the start of the SG 1 and SG 2 Lodes at the Sand George prospect located about 225m to the south.

Infill RC drilling of the Sand Queen South Extension (SQSE), along strike from the southern edge of the Sand Queen workings, was undertaken too test the potential for shallow, open pittable mineralisation. Drill intersections tended to be narrow and of low grade with best intersections of **3m @ 6.6 g/t Au** and **2.5m @ 6.98 g/t Au** in DRC143 and **1m @ 9.66 g/t Au** in DRC149.

Although the shallow infill drilling at SQSE has downgraded the open pit potential, it has not affected the deeper, high grade mineralisation identified between the No.1 and No.3 Levels of the Sand Queen mine as indicated in previous drilling which included 3 metres @ 46.5 g/t Au (DRC136) and 5 metres @ 92.4 g/t Au (DRC138).

Significant results (gold assays in excess of 1 g/t) from the latest drilling at the Sand Queen mine are summarised below (drill holes with an RD prefix are diamond drill holes and a DRC prefix are RC drill holes):

Hole No.	Collar Northing <sup>(1)</sup>	Collar Easting <sup>(1)</sup>	From m	To m	Intersection m	Grade <sup>(2)</sup> g/t Au	Lode
RD009	13499	7585	299.0	300.0	1.0	15.45	New Lode 1
RD009	13500	7585	337.0	338.0	1.0	1.77	New Lode 2
DRC141	13500	7767	28.0	28.5	0.5	2.58	SQSE
DRC143	13487.5	7741	59.5	62.5	3.0	6.60	SQSE
DRC143			68.5	69	0.5	1.26	SQSE
DRC143			71.5	73.0	1.5	1.10	SQSE
DRC143			74.0	76.5	2.5	6.98	SQSE
DRC143			79.5	80	0.5	1.36	SQSE
DRC146	13437.5	7781	15.0	16.0	1.0	2.07	SQSE
DRC147	13437.5	7774	30.5	31	0.5	1.30	SQSE
DRC148	13437.5	7764	44.5	45.0	0.5	3.23	SQSE
DRC149	13437.5	7755	57.0	58.0	1.0	9.66	SQSE

1. Collar coordinates are for a local grid. All holes collared with a dip of 60° to the east.
2. All samples analysed by Genalysis laboratories Pty Ltd using a 50g fire assay charge with an AAS finish (FA50/AAS) and calculated as a weighted average, where applicable.
3. DDH RD009 is a diamond tail on RC drill hole DRC151.

### Sand Prince West Prospect

Further RC drilling at the Sand Prince West prospect has established an extensive flat-lying to gently west-dipping thrust zone with large pods of massive quartz up to 5 metres thick. The gold mineralised quartz lode is situated about 150-200 metres west of Sand George and

appears to be a northern extension of a quartz lode worked in a number of shallow pits at the old Sand Prince West mine.

The lode has been intersected over a distance of about 200 metres north from the Sand Prince West workings and is at least 50 metres wide. Mineralization outlined to date is from surface to a depth of about 30 metres with the thrust zone apparently continuing to the north and to the west.

Drill hole intersections to date warrant continuing assessment of the open pit potential of the Sand Prince West lode as previous intersections include 5m @ 5.47 g/t Au in DRC 17, 4m @ 2.66 g/t Au in RD 8, 5m @ 4.15g/t Au in GRC 17 and 2m @ 6.93g/t Au in RD 4.

Significant results (gold assays in excess of 1 g/t) from the current phase of RC drilling at the Sand Prince West lode are summarised below (drill holes with a DRC prefix are RC drill holes):

Hole ID	Collar Northing <sup>(1)</sup>	Collar Easting <sup>(1)</sup>	From m	To m	Intersection m	Grade <sup>(2)</sup> g/t Au	Lode
DRC153	13025	7698	2.0	4.0	2.0	2.26	SPW
DRC154	13025	7662	7.0	10.0	3.0	1.62	SPW
DRC154			21.0	22.0	1.0	1.39	
DRC156	13027	7612	40.0	41.0	1.0	3.93	SPW
DRC157	13075	7674	14.0	16.0	2.0	2.71	SPW
DRC159	13075	7595	46.0	50.0	4.0	1.27	SPW
DRC160	13175	7676	24.0	25.0	1.0	1.84	SPW
DRC163	13150	7679	23.0	27.0	4.0	2.91	SPW
DRC167	13222	7674	29.0	31.0	2.0	2.07	SPW
DRC168	13222	7659	29.0	35.0	6.0	1.88	SPW

1. Collar coordinates are for a local grid. All holes collared with a dip of 70° to the east.

2. All samples analysed by Genalysis laboratories Pty Ltd using a 50g fire assay charge with an AAS finish (FA50/AAS) and calculated as a weighted average, where applicable.

### Work in progress

Geological re-interpretation of the stratigraphic sequence in the host basaltic rocks and the structural positions of the lodes at Sand Queen, Sand George and Sand Prince West is underway.

Work is currently progressing towards calculation of resources for the Sand George SG 1 and SG 2 Lodes, for the Sand Queen South Extension (between No.1 and No.3 Levels of the Sand Queen mine), and, if warranted, for the Sand Prince West prospect.

Samples from the Sand George lodes have been submitted for specific gravity test work, and submission of samples for metallurgical test work and mineralogy examination is planned.

Upgrading of the Company's database to industry standards is nearing completion.

Christopher John Reed  
**EXECUTIVE DIRECTOR**

Technical aspects of this report have been compiled by Dr PLF Collins (BSc(Hons), PhD, MAIG), an employee of Curtin Consultancy Services Ltd. Dr Collins has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which is being reported on to qualify as a Competent Person as defined in the Code for Reporting of Mineral Resources and Ore Reserves. Dr Collins consents to the inclusion in the report of the matters in the form and context in which it appears.

