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ANNUAL MINERAL EXPLORATION REPORT

MT DIMER MINING LEASE (M77/515)

For The Period

28 May 1997 To 27 May 1998

CONFIDENTIAL

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PREPARED AND SUBMITTED BY: -

GOLD WINNER

BOX 10026

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ANNUAL MINERAL EXPLORATION REPORT

MT DIMER MINING LEASE (M77/515)

For The Period

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RECEIVED
28 MAY 1998

1998

PREPARED AND SUBMITTED BY: -

1998

GOLD WINNERS PTY LTD

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GOLD WINNERS PTY LTD

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1. LEASE OVERVIEW

During the course of the year in review, the Lease was held by the Receivers for Yilgarn Independent Mineral Processors Pty Ltd, Ashton Read.

On the 27th of January 1998, Gold Winners Pty Ltd's offer for the Lease was accepted by the Receiver. The final payment due under this offer was made to the Receiver on 28 April 1998. Currently, the transfer of the Lease and Performance Bond are with the Department for processing.

During this period, Gold Winners Pty Ltd were authorised by Ashton Read to enter the Lease to sample and research the existing ore stockpiled by Taipan Resources N.L. on the ROM pad. The result of this program is outlined elsewhere in this report.

2. SUMMARY OF MINERAL EXPLORATION ACTIVITIES

No mineral exploration activities were conducted on the lease during the course of the period under review.

3. DETAILS OF OTHER ACTIVITIES ON LEASE

As stated in Section One, Gold Winners Pty Ltd was authorised by the Receiver to perform a due diligence in regard to existing stockpile of ore stacked on the ROM Pad ready for processing at the CIP Plant.

A review of existing data in regard the lease was undertaken by Lone Hand and Associates, which recommended detailed testing of ore on the ROM Pad. Based on this report samples were taken of the stockpile and submitted to Mineral Engineering Technical Services Pty Ltd for metallurgical analysis.

The ore was assayed and column tests undertaken over the next three months and the results advised in the METS report of 23 April 1998. This report advised that this ore could be Heap Leached, without crushing, to recover 1.19 Au grams per tonne from a head grade of 1.79 Au grams per tonne.

Based on this information the Company is proceeding to utilise the current infrastructure on the lease to construct a heap leach and stripping plant to process this ore.

4. CONSULTANTS REPORTS

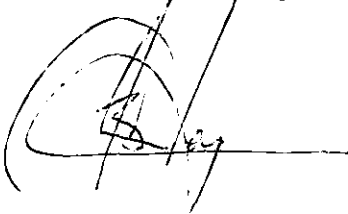
The following reports were completed during the year under review: -

1. Review of Mt Dimer Lease by Lone Hand and Associates.
2. Metallurgical Report by METS, 17/2/98.
3. Metallurgical Report by METS, 25/2/98.
4. Metallurgical Report by METS, 9/3/98.
5. Metallurgical Report by METS, 17/3/98.
6. Metallurgical Report by METS, 14/4/98.
7. Metallurgical Report by METS, 23/4/98.

Copies of these reports are enclosed for your perusal.

Please contact the undersigned if any further is required.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'B. Vague', with a large circular flourish to the left.

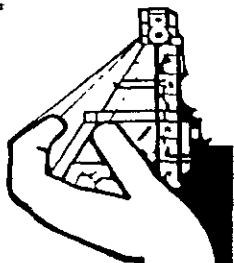
Bruce L. Vague
Managing Director

ENCLOSURES

CONSULTANTS REPORTS

For The Period

28 May 1997 To 27 May 1998



**LONE HAND & ASSOCIATES
PTY. LTD. (ACN 056 639 993)**

Mining Consultants

28 Musgrove Crescent
Boya WA 6056
Phone : (08) 9 299 7770
Fax : (08) 9 299 8202
Mobile : 015 387 223
Email : lonchand@bigpond.com

INTRODUCTION

In March 1998 Battery Sands Pty Ltd engaged Lone Hand and Associates Pty Ltd to provide technical advice on their proposed heap leach project, located upon M77/515 at Mt Dimer.

The philosophy behind the project is to examine the feasibility of heap leaching stockpiles left by previous mining operations and any other easily accessible ore.

A brief site visit with Mr. Bruce Vague of Battery Sands was made on the 7 of March 1998. A review of the technical database available to the 11 of March 1998 was utilised in the compilation of this report.

SCOPE

The purpose of this report is three fold;

- A) To comment upon the potential of the project, based upon the data available, as a justification for further work.
- B) To recommend and budget a sampling program, to aid in assessing the feasibility of heap leaching the stockpiles of ore remaining on site.
- C) To examine the potential for the definition of additional sources of easily won ore, as a supplement to the proposed heap leach.

HISTORY AND DATA BASE

Based upon exploration by Placer Pacific and Taipan Resources NL, mining operations commenced upon M77/515 in October 1994. To the cessation of operations in 1995, a total of 84,159 tonnes at 4.61 g/t Au were milled for the recovery of 5933.3 ounces of gold (Australian Gold Annual 1996). This was processed through a 12 tonne per hour mill on site. A stockpile of 21339 tonnes at 1.29 g/t Au and an unknown quantity of high grade ore remained.

The above milling records if correct, indicate an alarming recovery of only 48%. Further research is required to determine the validity and reasons for this apparent poor recovery, as this obviously has important implications with regard any proposed heap leach.

In January 1996 Yilgarn Independent Mineral Processors purchased M77/515 and the mill. Yilgarn sought to increase the mill throughput to 18 tonnes per hour, process the remaining stockpiled ore and recommence open pit mining operations.

Yilgarn however went into receivership before achieving these goals, only processing approximately 8000 tonnes at 3g/t for the recovery of 800 ounces of gold.

In January 1998 Battery Sands purchased M77/515, a review of the database currently held by Battery Sands, indicates that most of the information collected since February 1991 is missing. The only data found post February 1991, are summaries prepared by Global Mining Consultants in 1996. Data pertaining to Taipan's mining activities especially site surveys, pit grade control, stockpile records, and milling records, would be most useful to the current study and should be sought with urgency.

SOURCES OF IMMEDIATE ORE

Site inspection on the 7th of March 1998 revealed 4 potential sources of stockpiled ore. These are summarised in table 1 and figure 1.

The low grade and ROM stockpiles indicate that the gold mineralisation is largely confined to a talc chlorite carbonate schist showing varying degrees of weathering and bleaching. The mineralisation appears to be of a ductile style and as such contains only minimal quartz veining. This has important metallurgical implications, as the gold may tend to be located on shear planes and as such relatively accessible to cyanide solutions.

The largest possible ore source is a low grade stockpile, reported to contain 12000 tonnes. This stockpile has been partially mined along its western face (100m in length). The face shows that the dump has a pronounced layering consistent with it being compiled through the course of mining operations. Selective vertical channel samples at regular intervals along this face will provide an excellent medium to gain samples of the various ore types that may be present.

The review compiled by Global Mining Consultants, reveals potential laterite gold mineralisation, immediately north of the existing open pit. As this mineralisation appears to outcrop it may represent an excellent opportunity to add to the proposed project, see figure 2.

HEAP LEACH TESTWORK TO DATE

Battery Sands have provided METS Pty Ltd with bulk sample of the stockpiled ore for metallurgical testwork aimed at assessing suitability to heap leaching.

On sub-samples from the above, METS have carried out bottle roll leaches, at screen sizes varying between -25.4mm to -3.5mm and are at present conducting a column leach test.

Provisional results from this work (see appendix 1) are quite encouraging, with the bottle rolls yielding an average recovery of 1.43 g/t Au. It is dangerous at this early stage to apply these recoveries to a heap leach, as it is not known if the sample provided is representative and the bottle roll technique does not necessarily replicate what may occur in a heap leach. They none the less indicate that the project at least conceptually is possible.

PROPOSED SAMPLING PROGRAMME

A modest drilling, grab and channel sampling program as outlined in table 1 is proposed. The primary aims of this will be to:

- A) To provide a suitable basis upon which to determine the tonnage's and grade of the stockpiles.
- B) Provide representative samples of different ore types for metallurgical testwork.

Samples collected from the low grade stockpile should provide representative samples most useful to on going metallurgical testwork. The remaining samples will primarily be used to define the potential resource.

This program will require approximately 3 field days to complete for a cost of \$3500. Assaying and metallurgical testwork costs have not been included, as liaison with METS is required.

In conjunction with the above program, consideration should be given to expanding the drilling to evaluate laterite gold potential, in particular to the north of the existing pit where data collected by Global Mining Consultants indicates significant potential. An estimated 50 drill holes to 6m depth will confirm the validity of this target (estimated \$4000 , inclusive of assay costs).

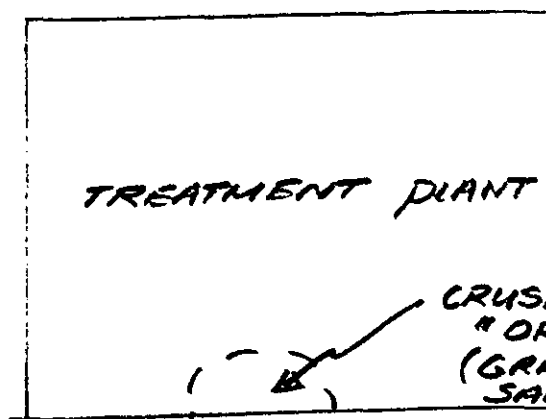
CONCLUSION AND RECOMMENDATIONS

- A) Results of preliminary testwork undertaken by Battery Sands Pty Ltd to date are encouraging and certainly justify further work.
- B) A sampling program as outlined in this report is recommended to determine the quantities and grade of ore available for heap leaching.
- C) Use the above samples for ongoing metallurgical testwork.

D) Potential to expand the resource with the addition of possible laterite gold mineralisation located to the north of the existing pit is significant. This potential could be assessed as part of the sampling program described in (B).

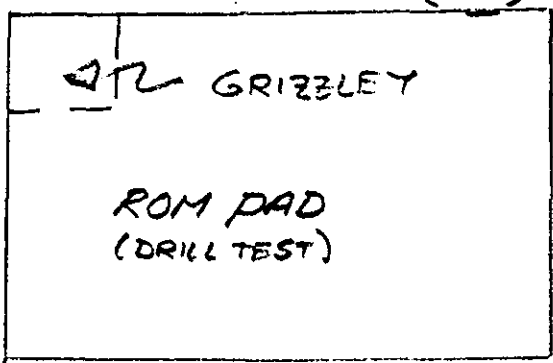
E) Exploration and mining data, post February 1991 has not at present not been located and should be sought with some urgency.

F) The apparent poor mill recoveries as described in the historical section of this report need addressing .



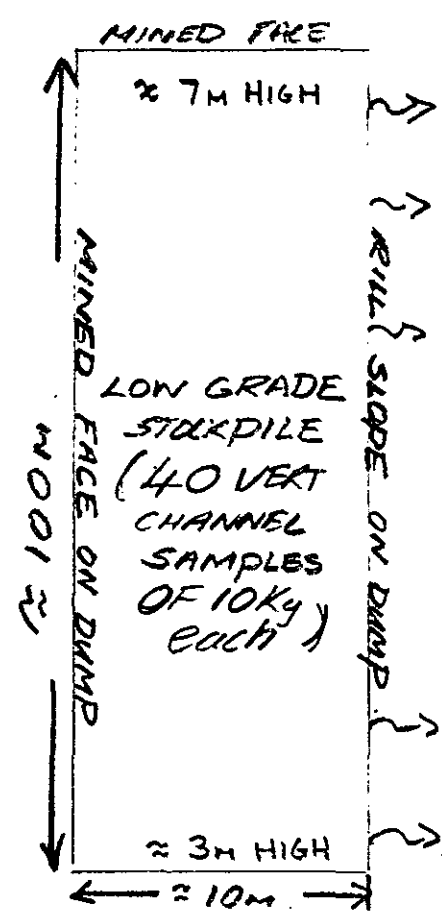
N

CRUSHED
"ORE"
(GRAB
SAMPLE)



GRIZZLEY

ROM PAD
(DRILL TEST)



MINED FACE

≈ 7m HIGH

MINED FACE ON DUMP

LOW GRADE
STOCKPILE
(40 VERT
CHANNEL
SAMPLES
OF 10kg
each)

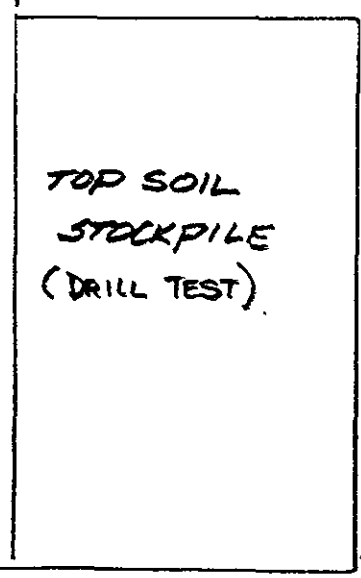
≈ 3m HIGH

≈ 10m

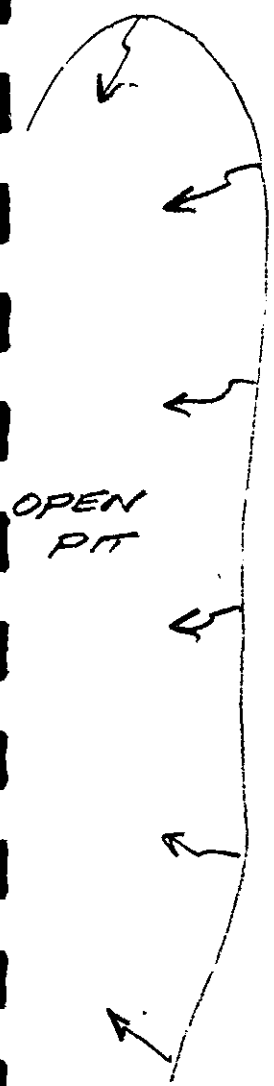
RAIL SLOPE ON DUMP

SHEET PILING
(DRILL TEST)

"ORE"

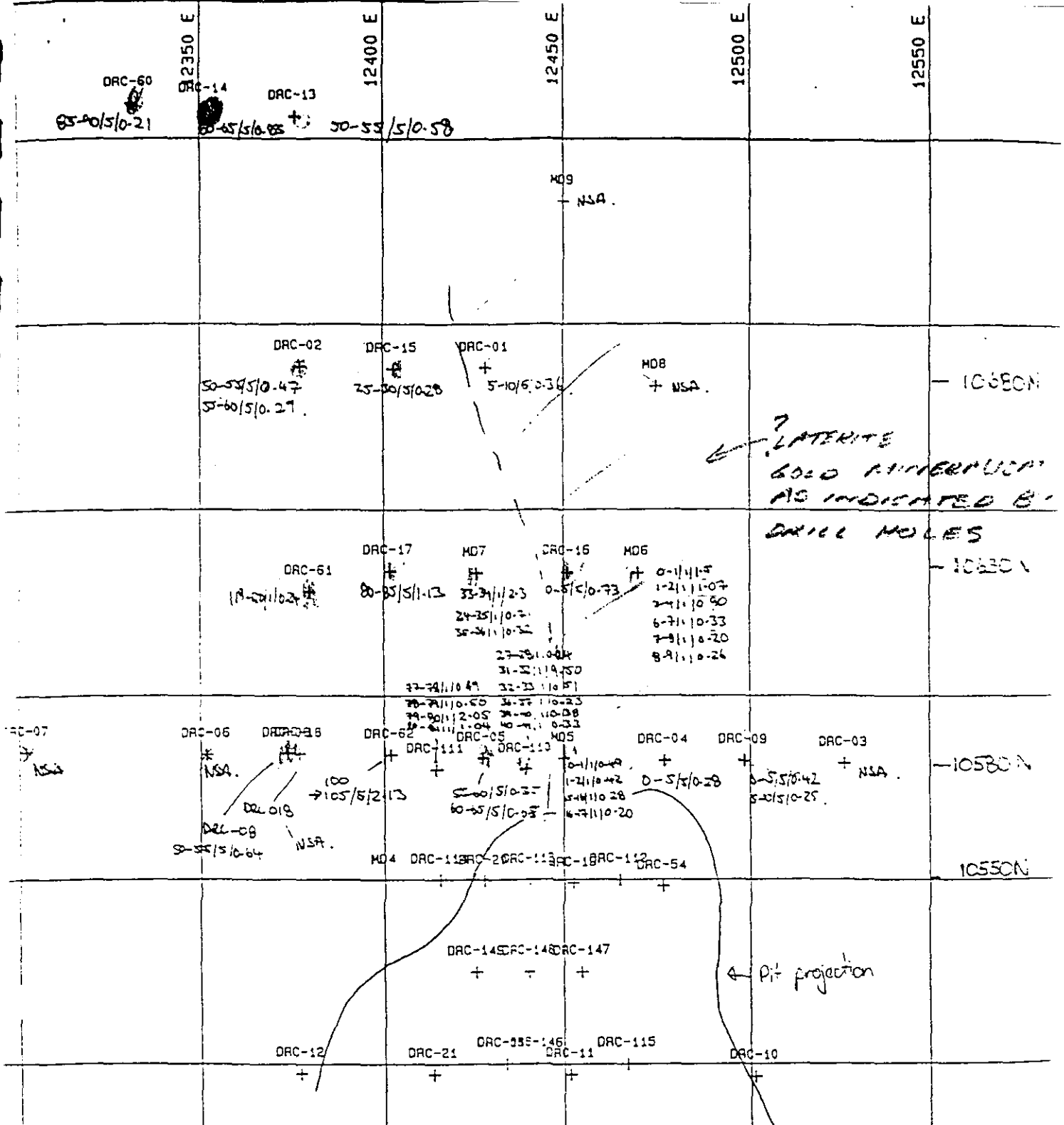


TOP SOIL
STOCKPILE
(DRILL TEST)



OPEN
PIT

SKETCH PLAN
MT DINER
M77 / S15.
NOT TO SCALE.
M. WILSON MARCH 98
FIGURE 1



Plan 2

- Grade Map for sections
north of 10550N.

FIGURE 2.

Scale 1:1500

50m.

00011

**BATTERY SANDS PTY LTD
PROPOSED MT DIMER HEAP LEACH
SUGGESTED SAMPLING PROGRAM**

TABLE1

ORE SOURCE	DESCRIPTION	SAMPLING METHOD	ESTIMATED # SAMPLES
LOW GRADE STOCKPILE	Estimated 12000t in stockpile from previous mining operations	Vertical channel samples on the western face of the dump at 20m points. Samples will selectively target each ore type as shown in the layering in this dump.	40 samples of 10kg each
CRUSHED ORE	Stockpile of crushed ore adjacent to existing mill. This ore will provide useful metallurgical information as it represents a possible best case scenario.	Grab samples around the dump profile	4samples of 20kg each
ROM PAD	Pad surrounding grizzly, showing evidence of compacted run off mine ore. The pad may also have been constructed of low grade ore.	Shallow drill holes on a 10m by 5m grid.	15 holes with approximate 30 samples.
TOP SOIL STOCKPILE	Stockpile containing soil and more importantly laterite from the open pit area. The laterite may contain significant gold mineralisation.	Shallow drill holes on a 20m by 10m grid.	15 holes with approximate 30 samples.
ORE PAD	Refers to all of the intervening area between the low grade, ROM pad and top soil stockpiles.	Shallow drill holes on a 20m by 10m grid.	15 holes with approximate 30 samples

NOTES:

- 1) It is not possible to accurately estimate the size of the various stockpiles. This will be achieved as part of the above sampling program.
- 2) Bulk samples will be collected from the Low Grade and Crushed Ore stockpiles which may be used in ongoing metallurgical testwork.
- 3) Estimated cost is \$3500 inclusive of drilling, labour, geological, vehicle and consumables.

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APPENDIX 1

METALLURGICAL TESTWORK BY METS PTY LTD

FACSIMILE TRANSMISSION

FAX NO: (08) 93303371

DATE: 17/02/98

TO : BRUCE VAGUE

AT: CASH RESOURCES LTD.

FROM: DAMIAN CONNELLY

AT: METS - PTY LTD

SUBJECT: MT DIMER STOCKPILE ORE.

NO OF PAGES (INCLUDING COVER SHEET): 10.

Dear Bruce,

Please find enclosed bottle roll leaches at a range of sizes indicating that; there is gold in the ore and it can be recovered at a coarse size. The ore does not appear to be crush size sensitive. We do not have the leach residues to date but this is encouraging. The percolation results will be available shortly and should not be a problem.

Gold Recovered g/tonne

T1	2.01
T2	1.69
T3	1.43
T4	1.28
T5	1.16
T6	1.25
T7	1.35
T8	1.26

Thank you for your business.

Yours sincerely


DAMIAN CONNELLY
DIRECTOR, PRINCIPAL METALLURGIST

— CONSULTING METALLURGISTS —



00014

MT DIMER STOCKPILE ORE

BOTTLE ROLL TESTING TO DETERMINE COLUMN LEACH AMENABILITY VERSUS SIZE

J464

BULK ORE SAMPLE
AS SUPPLIED

JAW CRUSH SAMPLE
100% < 25 mm

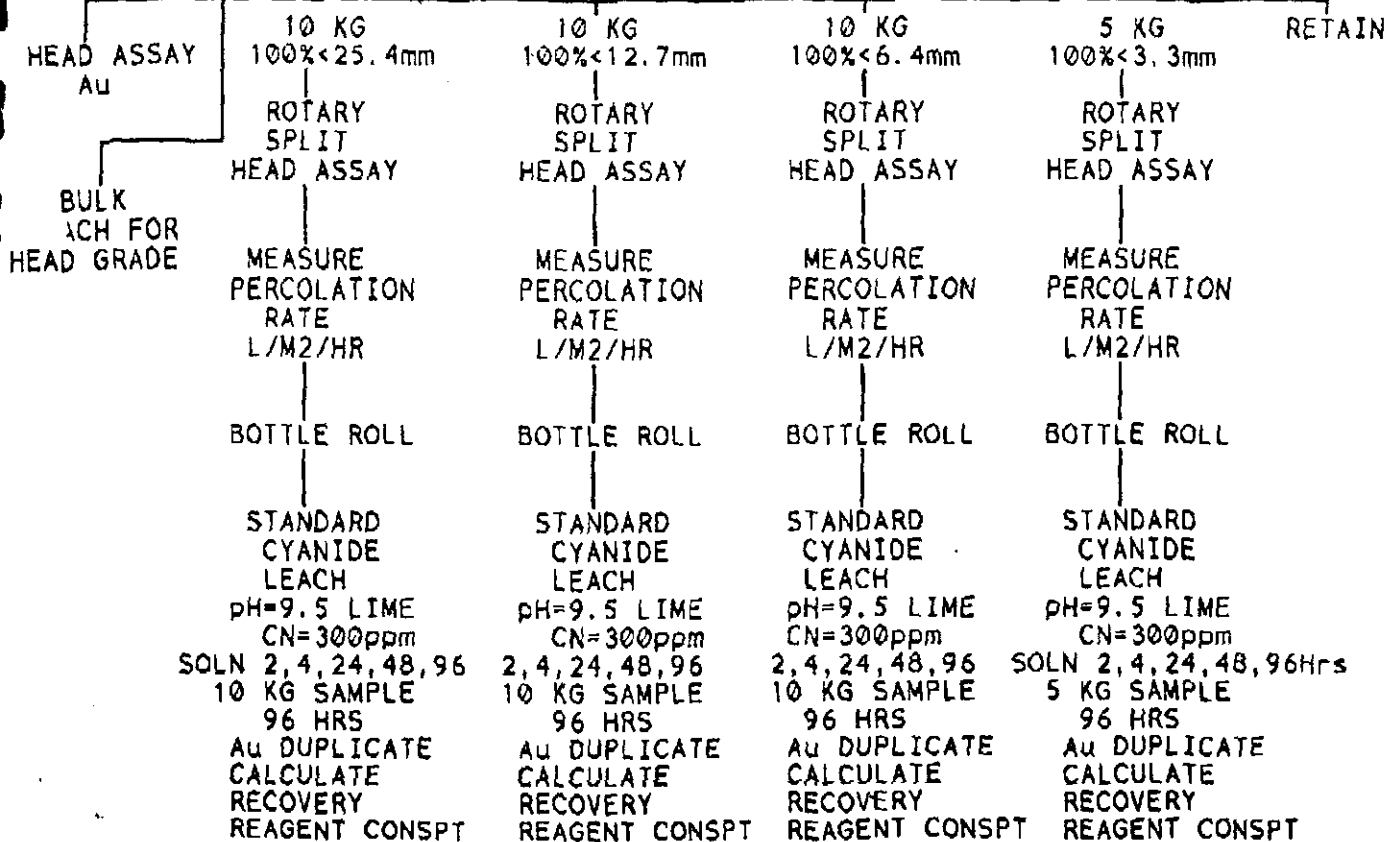
SCREEN AT 25, 12.7, 6.4, 3.3 mm

OVERSIZE

UNDERSIZE
5 TIMES

CRUSH 5 TIMES

ROTARY SPLIT
6 TIMES



00015

BOTTLE ROLL LEACH

DATE: 2/12/98
 CLIENT: Mt DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 25.4mm
 Cyanide leach
 40% solid W/W, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.81	10.44	5.88	0.00	0.00	0.00
2	670			10.09	10.09	6.30	0.37	2.78	27.61
4	640	1.20		9.91	10.02	5.89	0.51	3.83	38.06
24	530	1.28		9.51	9.67	5.87	1.07	8.03	79.85
48	620			9.60	9.60	5.90	1.16	8.70	86.57
96	240			9.34	9.34	5.72	1.34	10.05	100.00

Reagents

Total gram	9.98	0.02
Added kg/t	2.00	0.00
Used kg/t	1.64	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0	0	1.34	10.05	100	2.01	

BOTTLE ROLL LEACH

DATE: 2/12/98
 CLIENT: Mt DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 25.4mm
 Cyanide leach
 40% solid W/W, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.86	10.42	5.62	0.00	0.00	0.00
2	690			10.13	10.13	6.41	0.22	1.65	20.75
4	650	1.13		10.00	10.07	5.95	0.38	2.85	35.85
24	600	0.75		9.63	9.73	5.72	0.86	6.45	81.13
48	625			9.70	9.70	5.90	0.91	6.83	86.85
96	260			9.43	9.43	6.41	1.06	7.95	100.00

Reagents

Total gram	9.38	0.02
Added kg/t	1.88	0.00
Used kg/t	1.49	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0	0	1.06	7.95	100	1.59	

BOTTLE ROLL LEACH

DATE: 2/12/98
 CLIENT: Mr DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 12.5mm
 Cyanide leach
 40% solid W/W, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.74	10.30	5.69	0.00	0.00	0.00
2	630			9.89	9.89	6.47	0.14	1.05	14.74
4	560	1.80		9.66	9.75	5.99	0.21	1.58	22.11
24	410	2.18	1.46	9.23	9.72	5.15	0.55	4.13	57.89
48	680			9.40	9.40	5.50	0.69	5.18	72.63
96	200			9.25	9.25	5.42	0.95	7.13	100.00

Reagents

Total gram	11.48	1.48
Added kg/t	2.30	0.30
Used kg/t	2.00	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0	0	0.95	7.125	100	1.43	

BOTTLE ROLL LEACH

DATE: 2/12/98
 CLIENT: Mt DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 12.5mm
 Cyanide leach
 40% solid W/W, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time [hrs]	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.64	10.32	5.89	0.00	0.00	0.00
2	640			9.94	9.94	6.52	0.13	0.98	15.29
4	590	1.58		9.73	9.80	5.95	0.20	1.50	23.53
24	440	1.95		9.27	9.68	5.32	0.60	4.50	70.59
48	620			9.40	9.40	5.50	0.71	5.33	83.53
96	210			9.22	9.22	5.81	0.85	6.38	100.00

Reagents

Total gram	11.03	0.02
Added kg/t	2.21	0.00
Used kg/t	1.89	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0	0	0.85	6.375	100	1.28	

T5

BOTTLE ROLL LEACH

DATE: 2/12/98
 CLIENT: MI DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 6.4mm
 Cyanide leach
 40% solid W/W, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.51	10.29	5.71	0.00	0.00	0.00
2	610			9.73	9.73	6.12	0.11	0.83	14.29
4	510	2.18		9.50	9.67	5.17	0.21	1.58	27.27
24	360	2.55	3.98	9.02	9.71	5.42	0.63	4.73	81.82
48	640			9.40	9.40	6.01	0.66	4.95	85.71
96	210			9.22	9.22	6.16	0.77	5.78	100.00

Reagents

Total gram	12.23	4.00
Added kg/t	2.45	0.80
Used kg/t	2.13	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0	0	0.77	5.776	100	1.16	

T6

BOTTLE ROLL LEACH

DATE: 2/12/98
 CLIENT: Mt DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 6.4mm
 Cyanide leach
 40% solid W/W, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.56	10.29	5.96	0.00	0.00	0.00
2	640			9.84	9.84	6.32	0.11	0.83	13.25
4	510	2.18		9.62	9.72	5.41	0.22	1.65	26.51
24	420	2.10	2.34	9.13	9.73	5.49	0.64	4.80	77.11
48	630			9.50	9.50	6.04	0.70	5.25	84.34
96	210			9.25	9.25	6.16	0.83	6.23	100.00

Reagents

Total gram	11.78	2.36
Added kg/t	2.36	0.47
Used kg/t	2.04	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0	0	0.83	6.225	100	1.25	

8

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		3.75	0.02	7.69	9.95	5.92	0.00	0.00	0.00
2	530			9.61	9.61	6.24	0.20	0.75	22.22
4	430	1.39		9.47	9.66	5.34	0.33	1.24	36.67
24	400	1.13	1.55	9.18	9.91	5.09	0.77	2.89	85.56
48	690			9.59	9.59	6.10	0.82	3.08	91.11
96	240			9.35	9.35	5.82	0.90	3.38	100.00

Reagents

Total gram	6.27	1.57
Added kg/t	2.51	0.63
Used kg/t	2.16	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
2500	3750	0	0	0.90	3.375	100	1.35	

9
10

BOTTLE ROLL LEACH

DATE: 2/12/98
 CLIENT: Mt DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 3.35mm
 Cyanide leach
 40% solid W/W, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		3.75	0.02	7.71	10.09	5.84	0.00	0.00	0.00
2	560			9.68	9.68	5.51	0.18	0.60	19.05
4	470	1.24		9.51	9.67	5.37	0.27	1.01	32.14
24	440	0.98	1.00	9.21	9.82	5.11	0.74	2.78	88.10
48	640			9.54	9.54	6.20	0.76	2.85	90.48
96	230			9.33	9.33	5.62	0.84	3.15	100.00

Reagents

Total gram	5.97	1.02
Added kg/t	2.39	0.41
Used kg/t	2.04	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
2500	3750	0	0	0.84	3.15	100	1.26	

FACSIMILE TRANSMISSION

FAX NO: (08) 93303371

DATE: 25/02/98

TO : BRUCE VAGUE

AT: BATTERY SANDS LTD.

FROM: DAMIAN CONNELLY

AT: METS PTY LTD

SUBJECT: MT DIMER STOCKPILE ORE.

NO OF PAGES (INCLUDING COVER SHEET):

12.

Dear Bruce,

Please find enclosed bottle roll leaches at a range of sizes. As suggested you could dump leach and recover gold from this ore.

	Head Grade	Gold Recovery %
T1	2.53	79.45
T2	2.04	77.94
T3	1.93	74.03
T4	1.80	71.03
T5	1.61	71.96
T6	2.13	58.59
T7	1.86	72.58
T8	1.98	63.64

The percolation rate is excellent (agglomeration not required) and crushing would not be necessary for the small tonnage you envisage. Cyanide consumption is on the high side and over time a higher recovery than the 96 hours could be expected.

We are setting up a column for you at the moment.

Thank you for your business.

Yours sincerely



DAMIAN CONNELLY

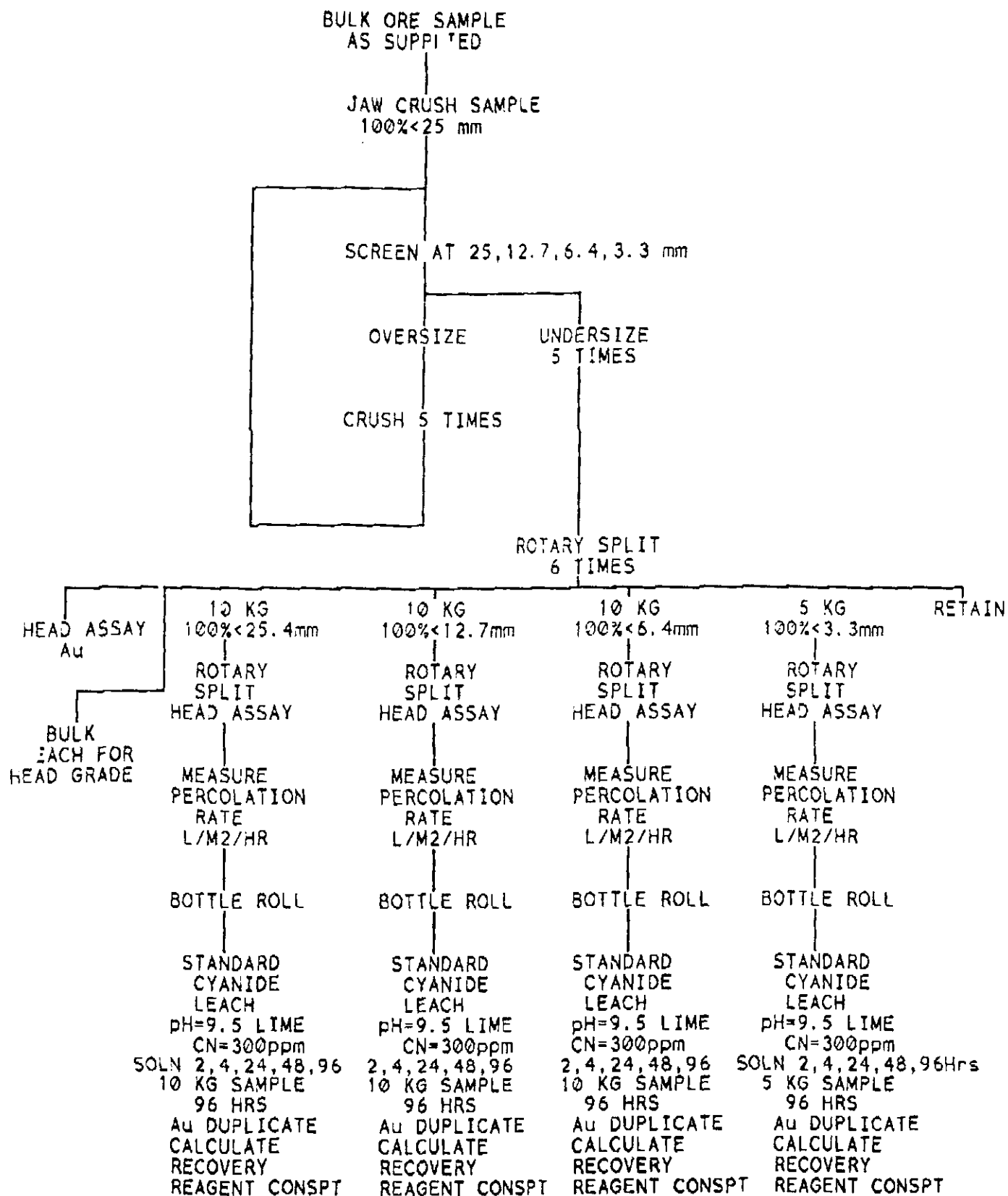
DIRECTOR, PRINCIPAL METALLURGIST



— CONSULTING METALLURGISTS —

MT DIMER STOCKPILE ORE J464

BOTTLE ROLL TESTING TO DETERMINE COLUMN LEACH AMENABILITY VERSUS SIZE



00025

PERCOL

PERCOLATION RATE

DATE: 12/2/98
CLIENT: Mt DIMER
SAMPLE ID: STOCKPILE
METS ID: J464

T1: 100% < 25.4mm

	Time Interval (hours)	Volume Drain (mL)	Percolation rate (L/M2/Hr)	Average
DAY 1	0.4	2610	1108.8	809.1
	0.8	2430	509.3	
DAY 2	0.9	2570	439.1	437.9
	0.90	2500	436.8	
DAY 3	1.0	2470	388.3	359.2
	1.0	2100	330.1	
DAY 4	1.0	2450	385.1	379.5
	1.0	2380	374.1	
DAY 5	1.0	2310	363.1	362.3
	1.0	2300	361.5	

T2: 100% < 12.7mm

	Time Interval (hours)	Volume Drain mL	Percolation rate L/M2/Hr	Average
DAY 1	1.0	870	136.9	134.4
	1.0	840	132.0	
DAY 2	1.0	1000	157.2	172.9
	1.0	1200	188.6	
DAY 3	1.0	880	154.0	149.7
	1.0	825	145.4	
DAY 4	1.0	720	113.2	110.8
	1.0	890	128.5	
DAY 5	1.0	680	108.9	104.5
	1.0	650	102.2	

T3: 100% < 8.4mm

	Time Interval (hours)	Volume Drain mL	Percolation rate L/M2/Hr	Average
DAY 1	1.0	850	102.2	86.1
	1.0	445	69.9	
DAY 2	1.0	455	71.5	70.3
	1.0	440	69.2	
DAY 3	1.0	410	84.4	63.7
	1.0	400	62.9	
DAY 4	1.0	290	45.6	44.0
	1.0	270	42.4	
DAY 5	1.0	280	44.0	42.4
	1.0	260	40.9	

T4: 100% < 3.35mm

	Time Interval (hours)	Volume Drain mL	Percolation rate L/M2/Hr	Average
DAY 1	1.0	430	87.8	65.2
	1.0	400	82.9	
DAY 2	1.0	250	39.3	38.1
	1.0	235	36.9	
DAY 3	1.0	190	29.9	28.3
	1.0	170	28.7	
DAY 4	1.0	150	23.8	25.2
	1.0	170	26.7	
DAY 5	1.0	180	25.2	24.8
	1.0	155	24.4	

**BULK LEACH
BOTTLE ROLL LEACH**

DATE 2/12/89
 CLIENT MT DIMER
 SAMPLE ID STOCKFILE ORE
 METS ID J484
 CONDITIONS HEAD GRADE DETERMIN
 Cyanide leach
 40% solid W/W, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 18 hrs leaching time
 30g Leachwell

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		3.00	1.60	8.15	9.61	5.62	0.00	0.00	0.00
18	120			8.19	8.13	5.91	1.39	4.17	87.06

Reagents

Total gram	3.00	1.60
Added kg/t	1.50	0.80
Used kg/t	1.32	

24 HR LEACH

Leach mass (g)	Leach volume (ml)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc head (ppm)	Assay head (ppm)
2000	3000	0.31	0.62	1.39	4.17	87.06	2.40	2.40

Reagents

Total gram	9.98	0.02
Added kg/t	2.00	0.00
Used kg/t	1.64	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0.52	2.6	1.34	10.05	79.45	2.53	2.40

BOTTLE ROLL LEACH

DATE: 12/2/98
 CLIENT: MI DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 25.4mm
 Cyanide leach
 40% solid W/VV, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.32	7.88	10.42	5.92	0.00	0.00	0.00
2	890			10.13	10.13	6.41	0.22	1.65	16.18
4	850	1.13		10.00	10.07	5.95	0.38	2.05	27.94
24	800	0.75		9.63	9.73	5.72	0.88	6.45	63.24
48	825			9.70	9.70	5.90	0.91	6.83	66.91
96	280			9.43	9.43	6.41	1.06	7.95	77.94

Reagents

Total gram	9.38	0.02
Added kg/t	1.88	0.30
Used kg/t	1.49	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0.45	2.25	1.08	7.95	77.94	2.04	2.40

BOTTLE ROLL LEACH

DATE: 12/2/98
 CLIENT: Mt DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 12.5mm
 Cyanide leach
 40% solid W/W bottle roll
 pH = 9.5 lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.74	10.30	5.69	0.00	0.00	0.00
2	630			9.89	9.89	6.47	0.14	1.05	10.91
4	580	1.80		9.63	9.75	5.99	0.21	1.58	16.38
24	410	2.18	1.48	9.23	9.72	5.15	0.55	4.13	42.88
48	680			9.40	9.40	5.50	0.69	5.18	53.77
96	200			9.25	9.25	5.42	0.95	7.13	74.03

Reagents

Total gram	11.48	1.48
Added kg/t	2.30	0.30
Used kg/t	2.00	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0.5	2.5	0.95	7.125	74.03	1.93	2.40

BOTTLE ROLL LEACH

DATE: 122/98
 CLIENT: MIDIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 12.5mm
 Cyanide leach
 40% solid W/W bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.64	10.32	5.89	0.00	0.00	0.00
2	640			9.94	9.94	6.52	0.13	0.98	10.86
4	590	1.58		9.73	9.80	5.95	0.20	1.50	16.71
24	440	1.95		9.27	9.38	5.32	0.30	4.50	50.14
48	620			9.40	9.40	5.50	0.71	5.33	59.33
96	210			9.22	9.22	5.81	0.85	6.38	71.03

Reagents

Total gram	11.03	0.02
Added kg/t	2.21	0.00
Used kg/t	1.89	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0.52	2.6	0.85	6.375	71.03	1.80	2.40

BOTTLE ROLL LEACH

DATE: 12/2/98
 CLIENT: MIDIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 8.4mm
 Cyanide leach
 40% solid W/W bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.51	10.29	5.71	0.00	0.00	0.00
2	610			9.73	9.73	6.12	0.11	0.63	10.28
4	510	2.18		9.50	9.67	5.17	0.21	1.58	19.63
24	380	2.55	3.98	9.02	9.71	5.42	0.53	4.73	58.88
48	640			9.40	9.40	6.01	0.66	4.95	61.68
96	210			9.22	9.22	5.16	0.77	5.78	71.98

Reagents

Total gram	12.23	4.00
Added kg/t	2.45	0.80
Used kg/t	2.13	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0.45	2.25	0.77	5.775	71.98	1.61	2.40

BOTTLE ROLL LEACH

DATE: 12/2/98
 CLIENT: Mt DIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 6 mm
 Cyanide leach
 40% solid W/V bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		7.50	0.02	7.58	10.29	5.96	0.00	0.00	0.00
2	640			9.84	9.84	6.32	0.11	0.83	7.76
4	510	2.18		9.82	9.72	5.41	0.22	1.65	15.53
24	420	2.10	2.34	9.13	9.73	5.49	0.64	4.80	45.15
48	630			9.50	9.50	6.04	0.70	5.25	49.41
96	210			9.25	9.25	6.16	0.83	6.23	58.59

Reagents

Total gram	11.78	2.36
Added kg/t	2.36	0.47
Used kg/t	2.04	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
5000	7500	0.88	4.4	0.83	6.225	58.59	2.13	2.40

BOTTLE ROLL LEACH

DATE: 12/2/98
 CLIENT: MIDIMER
 SAMPLE ID: STOCKPILE
 METS ID: J464

CONDITIONS

100% < 3.35mm
 Cyanide leach
 40% solid W/V, bottle roll
 pH = 9.5, lime
 CN = 300 ppm
 96 hrs leaching time

Time (hrs)	CN (ppm)	NaCN (g)	Lime (g)	pH Found	pH Left	Oxygen (ppm)	AAS Au (ppm)	Total Au (mg)	Cum % Rec.
0		3.75	0.02	7.69	9.95	5.92	0.00	0.00	0.00
2	530			9.61	9.61	5.24	0.20	0.75	16.13
4	430	1.39		9.47	9.66	5.34	0.33	1.24	26.61
24	400	1.13	0.55	9.13	9.91	5.09	0.77	2.89	62.10
48	690			9.59	9.59	6.10	0.82	3.08	68.13
96	240			9.35	9.35	5.62	0.90	3.38	72.58

Reagents

Total gram	6.27	0.57
Added kg/t	2.51	0.23
Used kg/t	2.15	

48 HR LEACH

Leach mass (g)	Leach volume (mls)	Assay LR (ppm)	Au in LR (mg)	Assay soln (ppm)	Au in soln (mg)	Au recov. (%)	Calc. head (ppm)	Assay head (ppm)
2500	3750	0.51	1.275	0.90	3.375	72.58	1.86	2.40

METS**"Maximising Your Production"**

ACN 008 357 171

FACSIMILE TRANSMISSION

FAX NO: (08) 93303371

DATE: 09/03/98

TO : BRUCE VAGUE

AT: BATTERY SANDS LTD.

FROM: DAMIAN CONNELLY

AT: METS PTY LTD

SUBJECT: MT DIMER STOCKPILE ORE.

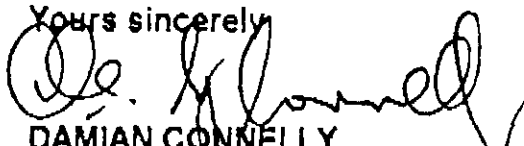
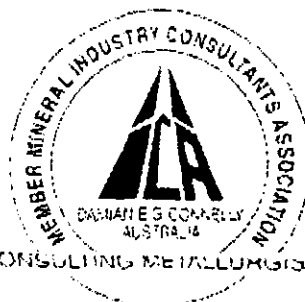
NO OF PAGES (INCLUDING COVER SHEET): 2.

Dear Bruce,

The column leach for Mt Dimer is coming along at a reasonable rate. It is continuing to consume lime and cyanide however the total addition rate to date is reasonable.

Thank you for your business.

Yours sincerely

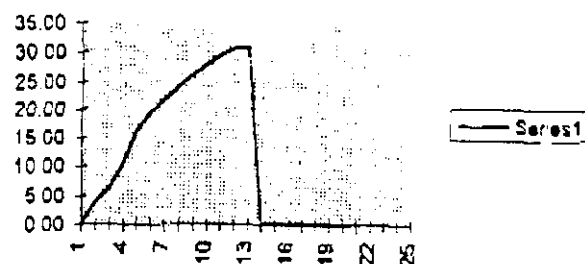

DAMIAN CONNELLY
DIRECTOR, PRINCIPAL METALLURGIST.

00035

COLUMN LEACH TEST

DATE 25/02/98
 CLIENT Mt DIMER STOCKPILE ORE
 SAMPLE ID COLUMN LEACH AMENABILITY
 METS ID J470

Head Assay	2.4	ppm
Calc. Head	2.40	ppm
Assay LR		ppm
Wt Ore (dry)	100000	grams
Volume of leach	100000	mls



Pregnant solution					Extraction			Barren	Reagents			HEIGHT
Day	Volume (mls)	Au (g/l)	pH	CN (ppm)	Au (mg)	Au CLV mg	% Au Recov	Au (g/t)	NaCN (g)	Lime (g)	Perc. rate (L/M2/HR)	SLUMP mm
0							0.00	0.00	30	100		550
1	19300	0.48	9.05	90	9.26	9.26	3.86		15.00	50.00	17.79	
2	5760	0.98	7.60	50	5.64	14.91	6.21				5.31	
3	9220	1.18	8.20	60	10.88	25.79	10.75		20.00	20.00	8.50	600.00
4	20510	0.63	9.00	290	12.92	38.71	16.13				18.91	
5	18780	0.42	9.00	155	7.89	46.60	19.42				17.31	
6	19160	0.33	9.30	210	6.32	52.92	22.05				17.66	
7	13820	0.39	9.5	170	5.39	56.31	24.30				12.74	
8	13940	0.36	9.4	110	5.02	63.33	26.39		12.00		12.85	
9	14320	0.3	9.10	100	4.30	67.62	28.18		15.00		13.20	
10	14020	0.27	9.10	250	3.79	71.41	29.75				12.92	
11	7540	0.34	9.20	140	2.56	73.97	30.82		5.00		6.95	
12	160	0.75	9.10	120	0.12	74.09	30.87				0.15	
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Weight Carbon (g)	Assay (ppm)	Au (mg)	Calc. head (ppm)	Assay head (ppm)
		#####	#####	

Reagents

Total gram	67.00	70.00
Added Kg/t	0.67	0.70
Used kg/t	#####	

Water hold up by the ore = grms
 Slum from start to 30 days = cm

00036

FACSIMILE TRANSMISSION

FAX NO: (08) 93303371

DATE: 17/03/98

TO : BRUCE VAGUE

AT: BATTERY SANDS LTD.

FROM: DAMIAN CONNELLY

AT: METS PTY LTD

SUBJECT: MT DIMER STOCKPILE ORE.

NO OF PAGES (INCLUDING COVER SHEET):

2.

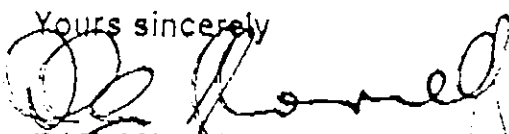
Dear Bruce,

Please find enclosed an update on the column leach for Mt Dimer stockpile ore.

The recovery is increasing and has not flattened off.

Thank you for your business.

Yours sincerely



DAMIAN CONNELLY
DIRECTOR, PRINCIPAL METALLURGIST.



MINERAL ENGINEERING TECHNICAL SERVICES PTY. LTD.

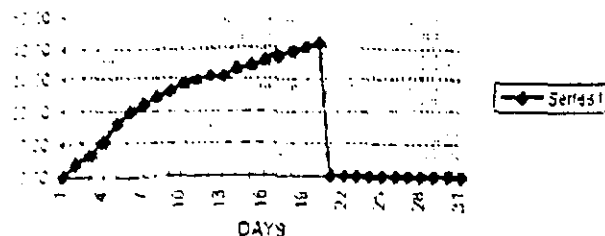
P.O. Box 700, Balcatta 6021, Western Australia. Phone: (09) 240 1300 Fax: (09) 240 1129

00037

DATE 25/02/98
 CLIENT MIMMER STOCKPILE ORE
 SAMPLE ID COLUMN LEACH AMENABILITY
 METS ID J470

GOLD RECOVERY

Head Assay	2.40 ppm
Calc Head	2.40 ppm
Assay LR	ppm
Wt Ore (dry)	100000 grams
Volume of leach	100000 ml



Pregnant solution					Extraction			Barren	Reagents			HEIGHT
Day	Volume (ml)	Au (g)	pH	CN (ppm)	Au (mg)	Au CLM (mg)	% Au Recov	Au (g)	NaCN (g)	Lime (g)	Perc. rate (LM2+R)	SLUMP (mm)
0												550
1	13300	0.48	9.05	90	9.26	9.26	3.58		15.00	50.00	17.79	
2	5760	0.98	7.60	50	5.34	14.31	5.21				5.31	
3	3220	1.13	9.20	80	10.38	25.79	10.15		20.00	20.00	9.50	800.00
4	20510	0.63	9.30	290	12.92	36.71	18.13				18.31	
5	15780	0.42	9.30	155	7.59	46.60	19.42				17.31	
6	13180	0.33	9.30	210	6.32	52.32	22.05				17.66	
7	13820	0.39	9.6	170	5.39	59.31	24.30				12.74	
8	13940	0.38	9.4	110	5.32	63.33	25.39		12.00		12.85	
9	14320	0.3	9.10	100	4.30	67.62	26.19		15.00		13.20	
10	14020	0.27	9.10	250	3.79	71.41	26.75				12.32	
11	7540	0.34	9.20	140	2.58	73.97	30.32		5.00		5.35	
12	130	0.15	9.10	120	0.12	74.09	30.37				0.15	
13	21240	0.28	9.10	90	5.39	73.99	30.33				19.42	
14	9750	0.3	9.00	55	2.33	82.51	34.42				9.23	
15	17980	0.22	9.20	210	3.53	86.54	36.35				15.45	
16	17530	0.19	9.40	250	3.18	89.71	37.33				16.21	
17	19240	0.17	9.30	220	3.27	92.93	38.74				17.74	
18	20060	0.17	9.30	190	3.41	96.33	42.13				15.45	
19	13706	0.13	9.00	100	2.47	98.35	41.13		30.00	20.00	12.63	
20					#VALUE!	#VALUE!	#####				#VALUE!	
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26					#VALUE!	#VALUE!	#####				#VALUE!	
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28					#VALUE!	#VALUE!	#####				#VALUE!	
29					#VALUE!	#VALUE!	#####				#VALUE!	
29					#VALUE!	#VALUE!	#####				#VALUE!	
30					#VALUE!	#VALUE!	#####				#VALUE!	

Weight Carbon (g)	Assay (ppm)	Au (mg)	Calc head (ppm)	Assay head (ppm)
		#####	#####	

Reagents

Total gram	97.00	90.00
Added kg	0.97	0.90
Used kg	#####	

Water hold up by the ore = gms
 Slum from start to 30 days = cm



FACSIMILE TRANSMISSION

FAX NO: (08) 93303371

DATE: 14/04/98

TO : BRUCE VAGUE
: BILL ARUNDEL

AT: BATTERY SANDS LTD.

FROM: DAMIAN CONNELLY

AT: METS PTY LTD

SUBJECT: MT DIMER COLUMN LEACH.

NO OF PAGES (INCLUDING COVER SHEET): 2.

Dear Bruce & Bill,

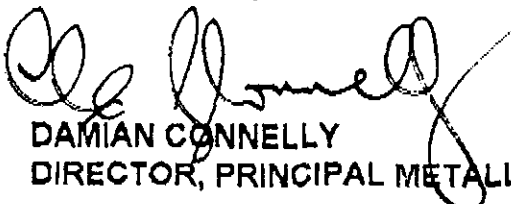
Please find enclosed the provisional results for the column leach. I need to enter the solids residue assay and the gold on carbon to correct this sheet and provide the final figures.

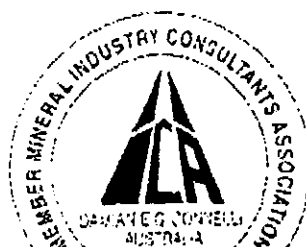
At this stage I would not expect the figures to change to any great extent and the carbon assays and solids residue provide a metal balance check and are the final figures.

The indicated recovery of 63.4% and a cyanide consumption of 1.06kg/tonne and 0.9 kg/tonne of lime argue well for the project if it can be done on a low cost scenario basis.

Thank you for your business.

Yours sincerely


DAMIAN CONNELLY
DIRECTOR, PRINCIPAL METALLURGIST.



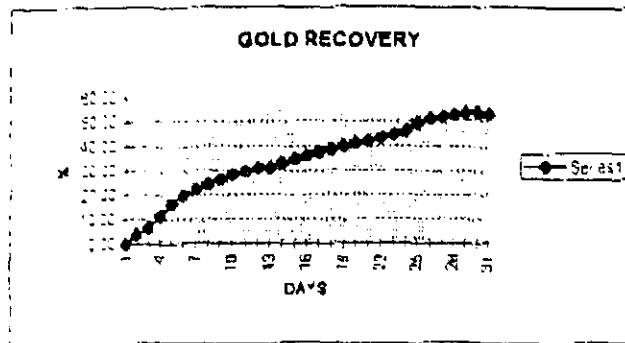
— CONSULTING METALLURGISTS —

00039

COLUMN LEACH TEST

DATE 25/02/98
 CLIENT MI DIMER STOCKPILE ORE
 SAMPLE ID COLUMN LEACH AMENABILITY
 METS ID J470

Head Assay	2.4 ppm
Calc. Head	2.40 ppm
Assay LR	ppm
Wt Ore (dry)	100000 grams
Volume of leach	100000 ml



Pregnant solution					Extraction		Barrer	Reagents				HEIGHT
Day	Volume (mls)	Au (g/l)	pH	CN (ppm)	Au (mg)	Au CLM mg	% Au Recov.	Au (g/l)	NaCN (g)	Lime (g)	Perc rate (L/M2/HR)	SLUMP mm
0							0.00	0.00	30	100		550
1	19300	0.48	9.35	90	9.26	9.26	3.86	0.00	16.00	50.00	17.79	
2	5760	0.98	7.90	50	5.64	14.91	6.21	0.00			5.31	
3	9220	1.18	8.20	50	10.86	25.79	10.75	0.00	20.00	20.00	8.50	600.00
4	20510	0.63	9.30	230	12.92	33.71	16.13	0.00			18.91	
5	18780	0.42	9.00	155	7.89	46.60	19.42	0.00			17.31	
6	19180	0.33	9.30	210	8.32	62.92	22.35	0.00			17.86	
7	13820	0.39	8.5	170	5.39	58.31	24.30	0.00			12.74	
8	13940	0.36	8.4	110	5.02	63.33	26.39	0.00	12.00		12.85	
9	14320	0.3	9.10	100	4.30	67.62	28.18	0.00	15.00		13.20	
10	14320	0.27	9.10	250	3.79	71.41	29.75	0.00			12.92	
11	7540	0.34	9.20	140	2.56	73.97	30.82	0.00	5.00		8.96	
12	180	0.75	9.10	120	0.12	74.09	30.97	0.00			0.15	
13	21040	0.28	9.10	90	6.99	79.98	33.33	0.00	10.00		19.40	
14	8760	0.3	9.30	56	2.63	82.61	34.42	0.00			8.08	
15	17860	0.22	9.20	210	3.30	86.54	36.06	0.00			16.46	
16	17580	0.16	9.40	250	3.16	89.71	37.38	0.00			16.21	
17	19240	0.17	9.30	220	3.27	92.98	38.74	0.00			17.74	
18	20060	0.17	9.30	190	3.41	96.39	40.16	0.00			18.49	
19	13706	0.18	9.30	100	2.47	98.65	41.19	0.00	30.00	20.00	12.63	
20	14020	0.16	9.20	295	2.24	101.10	42.12	0.00			12.92	620
21	22380	0.14	9.20	310	3.13	104.23	43.43	0.00			20.63	
22	24760	0.12	9.20	345	2.97	107.20	44.37	0.00			22.92	
23	26420	0.11	9.30	230	2.91	110.11	45.88	0.00			24.35	
24	56454	0.14	9.30	130	7.90	118.01	49.17	0.00			52.04	
25	26640	0.17	9.30	170	4.53	122.54	61.06	0.00			24.56	
26	6160	0.16	9.30	120	0.92	123.46	51.44	0.00	10.00		5.68	
27	29200	0.09	9.30	140	2.09	125.56	52.31	0.00			21.39	
28	26390	0.06	9.40	130	1.70	127.26	53.02	0.00			26.17	
29	17180	0.03	9.40	120	0.52	127.77	53.24	0.00			15.64	
30	10180	0.03	9.40	120	0.30	128.08	53.36	0.00			9.37	640

Weight Carbon (g)	Assay (ppm)	Au (mg)	Calc. head (ppm)	Assay head (ppm)
2000		#####	#####	

Reagents		
Total gram	117.00	90.00
Added Cat	1.17	0.90
Used kg/l	1.05	

Water hold up by the ore = gms
 Slum from start to 30 days = cm

00040

FACSIMILE TRANSMISSION

FAX NO: (08) 93303371

DATE: 23/04/98

TO : BRUCE VAGUE
: BILL ARUNDEL

AT: BATTERY SANDS LTD.

FROM: DAMIAN CONNELLY

AT: METS PTY LTD

SUBJECT: MT DIMER COLUMN LEACH.

NO OF PAGES (INCLUDING COVER SHEET): 3.

Dear Bruce & Bill,

Gold Recovery:

Please find enclosed the final corrected results for the column leach. This is based on the gold as assayed on the carbon and assays of the leach residue. The results confirm the predicted gold recovery results based on measuring the daily solution and assay from the column and the previously sampled assays of the head.

The gold on carbon confirms the fact that 1.19 Au g/tonne can be recovered from the ore with a head grade of 1.79 Au g/tonne. The lower head grade is more reliable as this is based on 100 kg of ore and therefore has a higher level of confidence.

The results are very encouraging and ensure you are basing a heap leach project on a sound technical footing.

Reagent Consumption:

The cyanide consumption was 1.05Kg/tonne and lime of 1.9 Kg/tonne with cyanide at \$2.0/kg and lime at \$0.25/kg this is a low cost per tonne.



MINERAL ENGINEERING TECHNICAL SERVICES PTY. LTD.

P.O. Box 700, Balcatta 6021, Western Australia. Phone: (08) 9240 1300 Fax: (08) 9240 1129

Email: mets@iinet.net.au Website: <http://www.iinet.net.au/mets>

00041

Percolation:

Percolation is critical to wet the ore and achieve satisfactory recovery and while there was modest slumping the industry accepted percolation rate of 10litres/m2/hr was achieved very easily.

Practical Aspects:

The information package I faxed to you contains detailed information relating to design ,operation etc. From discussions with yourselves and looking at site plans, ponds, piping arrangement, carbon contactors, underdrain detail, liner types etc, plus having John Bridge doing the earthworks and Bill Arundell to supervise the daily operations, I am confident that you have the necessary resources to make a success of the operation. Adding the lime to the ore when stockpiling is one important aspect discussed.

Recommendations:

:The economics need to be well established.

: Further stockpile samples need to be taken to confirm the grade and minimise the risk of grade downside.

: Additional resources need to be identified which will ensure ongoing cashflow and ensure the project is robust even for the worst case scenario.

: A flowmeter before the carbon contactors should be installed to measure the flow so that with assays of the solution and the barren a gold recovered can be estimated on a daily basis.

: The water quality should be laboratory tested for total dissolved salts, pH buffering and scale potential.

Thank you for your business.

Yours sincerely

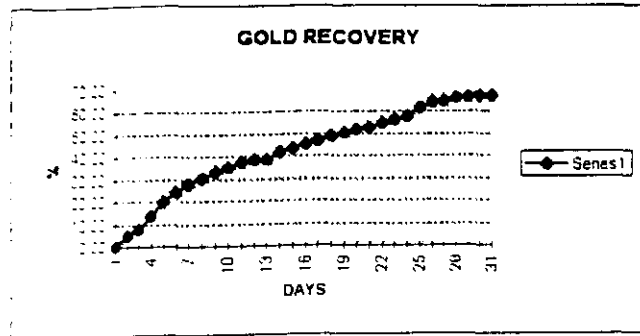


DAMIAN CONNELLY
DIRECTOR, PRINCIPAL METALLURGIST.

COLUMN LEACH TEST

DATE 25/02/98
CLIENT Mt DIMER STOCKPILE ORE
SAMPLE ID COLUMN LEACH AMENABILITY
METS ID J470

Head Assay	2.31ppm
Calc. Head	1.791ppm
Assay LR	0.5861ppm
Wt Ore (dry)	1000001grams
Volume of each	1000001mls



Pregnant solution					Extraction			Barron	Reagents			HEIGHT
Day	Volume (mls)	Au (g/l)	pH	CN (ppm)	Au (mg)	Au CUM mg	% Au Recv	Au (g/l)	NaCN (g)	Lime (g)	Perc. rate (L/M2/HR)	SLUMP mm
0					corrected		0.00	0.00	30	100		550
1	19300	0.48	9.05	90	8.67	8.67	4.36	0.00	15.00	50.00	17.79	
2	5760	0.98	7.60	50	5.29	13.96	7.82	0.00			5.31	
3	9220	1.18	8.20	60	10.19	24.15	13.53	0.00	20.00	20.00	8.50	500.00
4	20510	0.63	9.00	290	12.10	36.24	20.30	0.00			18.91	
5	18780	0.42	9.00	155	7.39	43.63	24.44	0.00			17.31	
6	19160	0.33	9.30	210	5.92	49.55	27.75	0.00			17.66	
7	13820	0.39	9.5	170	5.05	54.59	30.58	0.00			12.74	
8	13940	0.36	9.4	110	4.70	59.29	33.21	0.00	12.00		12.85	
9	14320	0.3	9.10	100	4.02	63.32	35.47	0.00	15.00		13.20	
10	14020	0.27	9.10	250	3.54	66.86	37.45	0.00			12.92	
11	7540	0.34	9.20	140	2.40	69.26	38.30	0.00	5.00		6.95	
12	160	0.75	9.10	120	0.11	69.37	38.38	0.00			0.15	
13	21040	0.28	9.10	90	5.52	74.89	41.95	0.00	10.00		19.40	
14	9760	0.3	9.00	55	2.46	77.35	43.33	0.00			8.08	
15	17860	0.22	9.20	210	3.68	81.03	45.39	0.00			16.46	
16	17580	0.18	9.40	250	2.96	83.99	47.05	0.00			16.21	
17	19240	0.17	9.30	220	3.06	87.05	48.76	0.00			17.74	
18	20060	0.17	9.30	190	3.19	90.25	50.55	0.00			18.49	
19	13706	0.18	9.00	100	2.31	92.56	51.95	0.00	30.00	20.00	12.63	
20	14020	0.16	9.20	295	2.10	94.66	53.02	0.00			12.92	620
21	22380	0.14	9.20	310	2.93	97.59	54.67	0.00			20.63	
22	24760	0.12	9.20	345	2.78	100.37	56.22	0.00			22.82	
23	26420	0.11	9.30	230	2.72	103.09	57.75	0.00			24.35	
24	56454	0.14	9.30	190	7.40	110.49	61.99	0.00			52.04	
25	26640	0.17	9.30	170	4.24	114.73	64.27	0.00			24.56	
26	6160	0.15	9.30	120	0.87	115.60	64.75	0.00	10.00		5.68	
27	23200	0.09	9.30	140	1.95	117.55	65.35	0.00			21.39	
28	28390	0.06	9.40	130	1.59	119.15	66.74	0.00			26.17	
29	17180	0.03	9.40	120	0.48	119.63	67.01	0.00			15.84	
30	10160	0.03	9.40	120	0.29	119.91	67.17	0.00			9.37	640

Weight Carbon (g)	Carbon Assay (ppm)	Contain Au (mg)	Calc. head (ppm)	Assay head (ppm)
2000	59.96	119.92	1.1992	

Reagents

Total gram	117.00	190.00
Added Kg/t	1.17	1.90
Used kg/t	1.05	

Slum from start to 30 days = 90mm