



## **Quarterly Activities Report** **Quarter ended 30th September 2013**

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### **PEAK HILL – WESTERN AUSTRALIA**

The tenements are located immediately west and north-northwest of Peak Hill, Western Australia. Peak Hill is some 130km north-northeast of Meekatharra and 850km north of Perth.

The Peak Hill goldfield is located along the southern margin of the Proterozoic belt and the northern edge of the Yilgarn Craton and lies within the western part of the Palaeoproterozoic Bryah Basin. The area comprises mafic and ultramafic volcanic rocks (Narracoota Formation), and turbiditic metasedimentary rocks, banded iron formation (BIF) and associated clastic rocks (Horseshoe and Ravelstone Formations).

At Peak Hill the gold deposits are hosted by mylonitic schist, metasedimentary and/or metavolcanic rocks of the Peak Hill Schist (Palaeoproterozoic or Archaean), whilst to the north-northwest of Peak Hill gold deposits are hosted in the mafic volcanic rocks of the Narracoota Formation.

The Company's tenements are prospective for mesothermal gold-only style deposits. P52/1166 lies approximately 2km due west of the abandoned Fiveways Pit at Peak Hill, whilst E52/1641 lies approximately 2.5km northeast of the abandoned Horseshoe Pit (previously Horseshoe Lights) gold-copper-silver deposit and immediately north of the Saturn gold prospect.

#### **Work Undertaken and Results**

During the quarter, assay results from the detailed soil sampling undertaken in the March 2013 quarter were received.

The primary objective of the soil sampling program was to identify exploration drilling targets by follow up sampling over anomalous areas defined in previous sampling where some 61 surface soil samples were taken and analysed for 18 different elements on P52/1166 (Christmas Gift Prospect), and over the southern anomaly at E52/1641 where 112 surface samples taken and 26 and 70 ppb gold had previously been recorded at the Saturn Prospect.

#### **Christmas Gift**

The detailed 20 metre by 20 metre soil sampling program was undertaken over the area of previously defined anomalism in the southern portion of the lease. The area targeted had previous results of 10 to 15 ppb gold.

A total of 160 sample points were visited with 11 points not sampled due to slimes contamination and 3 due to outcrop restricting soil development. Four sample points were taken with logged slimes contamination with 3 of these having +20 ppb gold.

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The sampling has confirmed the historical low order Au in soil anomaly and better defined its size and geometry. The results are of a similar magnitude in Au anomalism with a maximum gold value recovered of 31 ppb Au.

The anomaly is modest in size and gold values with the potential for gold contamination due to the presence of tailings from a tailings facility to the east. The anomaly requires further field investigation to determine if additional extensional sampling is required.

Further ongoing exploration on the lease will focus on testing specific targets such as contacts, fault zones or geophysical targets. Work will focus on the extent of the historic Christmas Gift workings near the central part of the lease area and also on conceptual targets along prospective geological contacts and fault zones in the larger southern part of the lease.

### Saturn

A detailed 20 metre by 20 metre soil sampling program was undertaken over the area of previously defined anomalism in the southern portion of the lease. The area targeted had previous results of up to 26ppb gold as sampled by Gleneagle Gold and 71 ppb Au by a previous operator.

A total of 272 sample points were taken over 16 lines with 17 sample points per line. Spacing of sample points were 20 metres with line spacing of 20 metres.

The main anomaly is orientated due north to north west with interpreted spread of gold to the east. This is in general agreement with the mapped geology. The size of the Au in soil anomaly is modest at the 20ppb gold value with a strike extent of approximately 100 metres however the peak gold value of 120 ppb recorded is encouraging. The anomaly and the trend to the North- North West is on the prospective contact between the Narracoota Volcanics and the Thaduna Greywacke as mapped by previous operators.

Further work on this anomaly will be design of an exploration drill program to test the anomaly.

### Future Work Program

The proposed exploration program for both tenements will be to determine if the identified gold in soil geochemical anomalies can be extended by further sampling, assessing appropriate methods to test the anomalies and to identify further areas of anomalism by further geochemical sampling along favourable structural deformation zones as previously identified by structural analysis. To this end, geophysical techniques will reviewed that can be used to determine possible drill targets.

## CUDDINGWARRA – WESTERN AUSTRALIA

During the quarter, the Company acquired four prospective leases in the Cue Mineral Field near the Big Bell and Cuddingwarra mining operations of Harmony Gold from private explorer Plasia Pty Ltd for a cash payment of \$20,000.

The acquisition comprised the following leases:

Lease	Prospect	Area Blocks	Area
EL20/742	Milly Well	30 blocks	96km <sup>2</sup>
ELA20/833	Bahring Creek	5 blocks	16km <sup>2</sup>
PL20/2095	Chester North		154 Ha
PL20/2096	Chester South		131 Ha

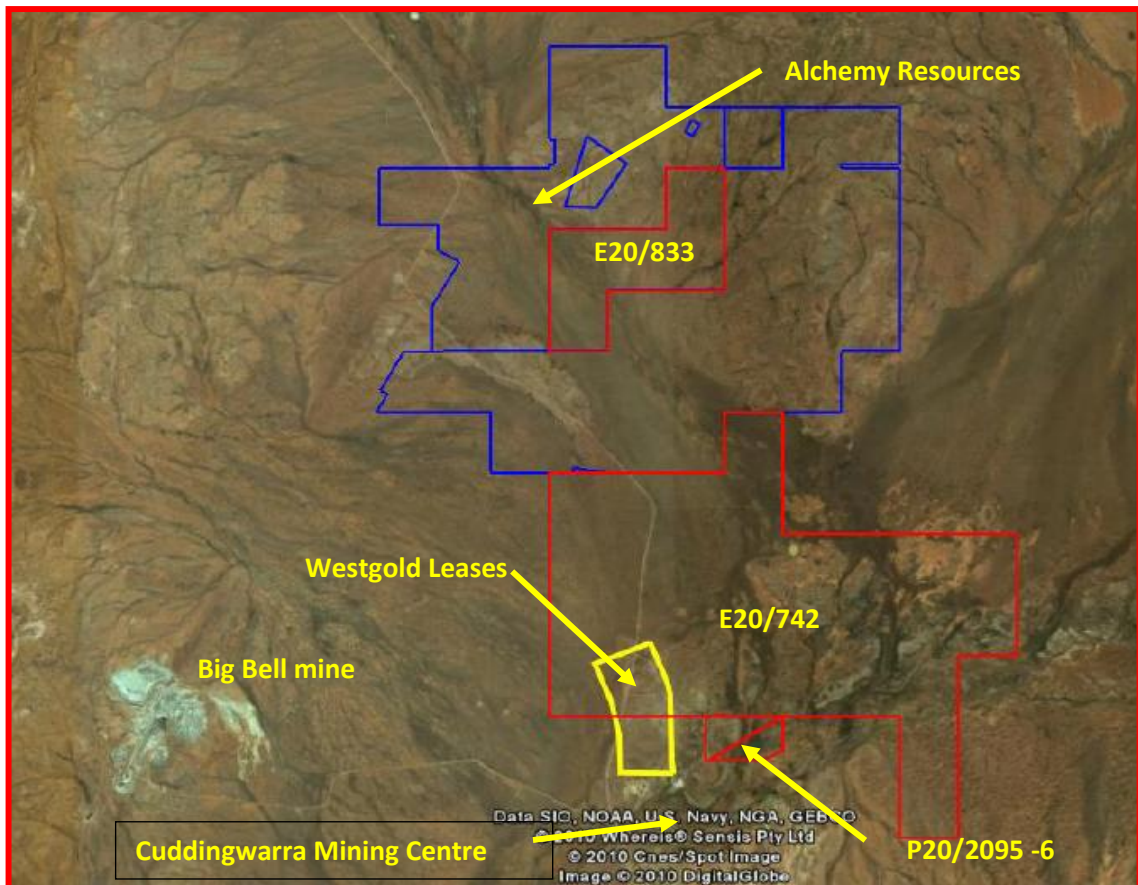


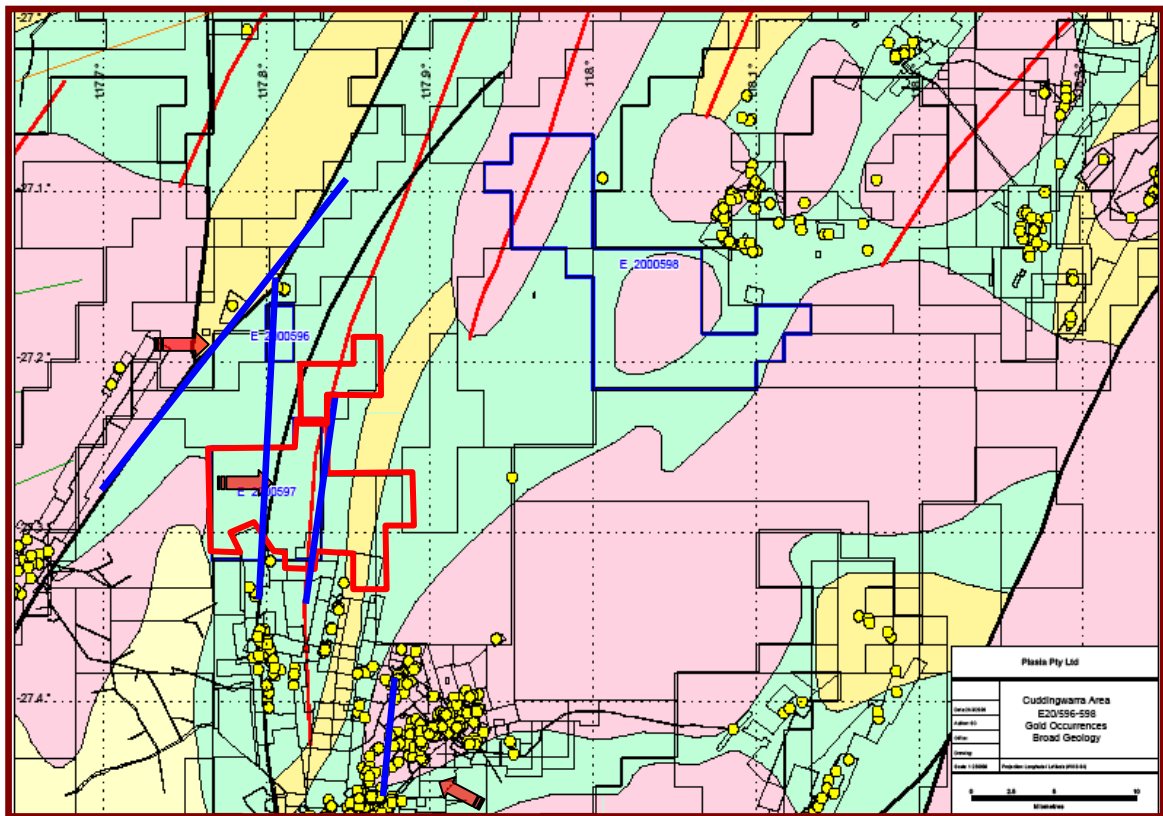
Figure 1: Tenements on Landsat showing surrounding Gold Occurrences



The geology and lithological controls of the gold distribution in the tenements; EL20/742 and ELA20/833 (and adjoining P20/2095-6) in the Cuddingwarra area have been previously examined by Plasia. This study identified the probable control of known mineralisation and produced a model for gold exploration targets in the area. In addition, the effectiveness of Hyperspectral data (Hymap) of the area was investigated and applied to the exploration potential of the tenements providing new targets for immediate assessment.

In terms of past production, the Murchison Province is Western Australia's second most important gold-mining region after the Eastern Goldfields. Major opportunities still exist for further exploration and important new discoveries. Hydrothermal gold mineralization is intimately associated with major faults through the greenstone belts of the area. It is preferentially hosted by banded iron-formation, and ultramafic and mafic rocks, and is represented by Stratabound lode deposits. Many deposits occur adjacent to granitoid contacts, suggesting that the fluid movement is related to the heating of sediment fluids by these hot granite intrusions.

### Local Geology

The tenements are shown in a composite plan (Figure 2) which indicates the regional location and geological setting of the area. The notes accompanying the 1:250,000 Belele Geological Sheet describe the rock lithologies as mafic to ultramafic extrusives with intercalated sediments and felsic and later mafic intrusives. These types of rocks provide favourable lithological/structural traps for gold mineralisation.



**Figure 2: Tenements (Red Outline) superimposed on Geology with Gold Occurrences, projected Heat Flow  and Structures. **

The importance of the granites as a heat source for the alteration and mineralisation can be seen in Figure 2 above as the gold occurrences (yellow dots) are seen to be linear and follow structures and/or contacts.

Gleneagle consider the recent cover that obscures the rocks underneath to be the reason for the lack of discoveries on the lease areas.

### Previous Exploration

Alluvial and bedrock gold have been won from the Cue Mineral Field since the 1890's especially in the Cue area to the east, Cuddingwarra to the South and Big Bell to the west. The previous exploration by prospectors, Asarco, ACM, Big Bell and Harmony involved remote sensing, sampling, drilling and mining. These works produced various models regarding the geology and mineralisation.

The amount of gold won over or in the granites in the Cue area is well documented and can be seen in Figure 2. Intrusive hosted major gold zones are just being recognised in W western Australia with the new deposits at Silver Lake's new Majestic and Imperial zones.

The Copper Gold signature (in the Deightons Copper Mine), along with the "intrusive monzogranites" and mafic-ultramafic belt, make this 15km long trend highly attractive for new techniques to identify major gold ore bodies and the Garden Well "Ultramafic-Sediment" target as well as the Majestic "Tonalite" target types are both here together with the proven mineralization.

## **Target**

The exploration target would be an open cut tonnage of economic grade to enable either Custom Milling for medium to high grade small tonnes, ranging through to full plant construction for large tonnages.

## **Work Program**

1. Immediately to start work on all areas with full data base examination.
2. Re-interpret Hyvista.
3. Undertake systematic exploration on the full tenement package.

*The information in this release that relates to Exploration Results is based on information compiled by Mr Wayne Loxton who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Loxton is a director of Gleneagle Gold Limited. Mr Loxton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the "2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Loxton consents to the inclusion in this report of the matters based on information provided by him and in the form and context in which it appears.*

W Loxton  
Director