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Warrior South Palaeochannel Uranium Exploration, EL 3284

Southern Gold has accelerated its uranium exploration program by commissioning a detailed airborne electromagnetic survey over the Warrior South Project, EL 3284, in the Gawler Craton.

The survey will explore through the extensive blanketing by aeolian dune sands for southern extensions to the Warrior and Kingoonya palaeochannels. The Warrior Uranium deposit is located in the Warrior palaeochannel 20 km to the north of EL 3284.

Although there has been only very limited previous exploration over the licence area, an earlier drill intersection of lignitic clays in the palaeochannel confirms the presence ideal trap lithologies to form sandstone-hosted Beverly style 'roll front' mineralisation.

The airborne EM survey will define the deeper and more prospective portions of the Warrior palaeochannel.

The Warrior South Project provides two strong palaeochannel targets (refer to map) at the junction of the mineralised Warrior Paleochannel and the extensive Kingoonya Paleochannel. The junction of two paleochannels is an ideal mixing zone for groundwaters and for the concentration of uranium minerals triggered by contrasting chemistry.

Southern Gold will also explore the licence area for near-surface uranium in calcrete-filled palaeovalleys similar to Yeelirrie and Lake Maitland in Western Australia. Mafic and ultramafic rocks of the Harris Greenstone Belt form the basement beneath the younger drainage at Warrior South (refer to map). In the Western Australian examples, these rocks are important vanadium sources and act as deposit traps.

Yours faithfully



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The information in this report has been compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as an employee of Southern Gold and who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. He has a minimum of 5 years experience in the types of activities being reported.

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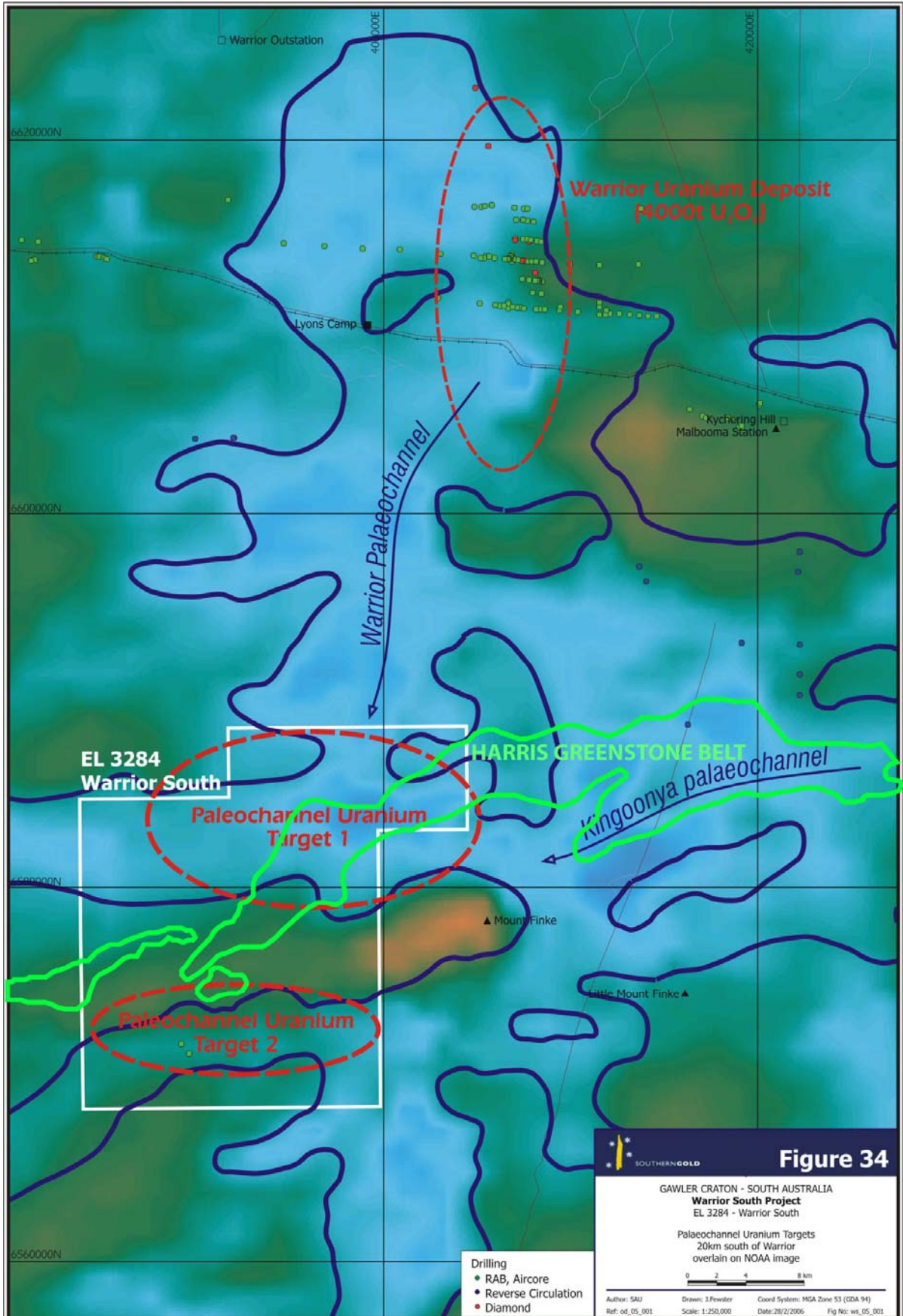


Figure 34

GAWLER CRATON - SOUTH AUSTRALIA
Warrior South Project
EL 3284 - Warrior South

Paleochannel Uranium Targets
20km south of Warrior
overlain on NOAA image

0 2 4 8 km

Author: SAU Drawn: J.Fewster Coord System: MGA Zone 53 (GDA 94)
Ref: od_05_001 Scale: 1:250,000 Date:28/2/2006 Fig No: ws_05_001

