PART 4

COMPETENT PERSONS REPORT

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Dear Sirs

COMPETENT PERSON'S REPORT ON A PORTFOLIO OF MINERAL PROPERTIES IN WESTERN TURKEY

At the request of Stratex International plc, A C A Howe International Limited has prepared the attached report on a portfolio of mineral properties in Western Turkey for incorporation in an Admission Document to be issued by Stratex International plc for raising up to £1.87 million and for admission of that company's share capital to trading on AIM.

A C A Howe International Limited is a company that provides specialist consultancy services to the mining industry including geology, exploration, resource estimation, and corporate services including competent persons' reports. The company, which is based in the UK, has prepared competent persons' reports on a wide variety of mineral commodities worldwide.

The author of the report is Dr D Patrick, who has over 31 years' experience in gold exploration and has been involved in exploration projects for epithermal gold and porphyry deposits in Eastern Europe, South America, the Philippines, Vietnam, Australia and Papua New Guinea. Dr Patrick is a Fellow of the Australasian Institute of Mining and Metallurgy, a Fellow of the Institution of Mining and Metallurgy and a Chartered Engineer and has the relevant qualifications, experience and competence to qualify as a competent person.

A C A Howe International Limited has no direct or indirect material interest in Stratex or its affiliated companies, nor any association with parties involved in the proposed transaction.

Yours faithfully,

Dr C W Armstrong, Managing Director

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EXECUTIVE SUMMARY

Stratex International plc (Stratex) has assembled a substantial portfolio of mineral exploration properties in Western Turkey.

The **Konya Project** comprises 19 exploration licences covering 26,444.41 hectares in the Konya district, 245 km south of Ankara. It includes the **Inlice epithermal system,** which is the most advanced project on the property, and a further nineteen target areas with similar geological signature and mineralisation within the surrounding 2,000 km^2 volcanic belt. The Konya Volcanics include andesitic to dacitic pyroclastic rocks, lava flows and domes related to northward subduction of the African Plate beneath Anatolia.

Inlice Project

Alteration and gold mineralisation was discovered at Inlice by Stratex's General Manager in Turkey, Mr Bahri Yildiz, in 2003 and the licence over the property was acquired in 2005. There are no records of previous mining or exploration for metallic minerals either in Inlice or the surrounding Konya Volcanics. The mineralised system was traced over a strike length of more than 3,500m across a zone width of 1,000m.

The gold mineralisation occurs in steeply-dipping silicified units termed 'ledges', with argillically altered wall rocks. The silicification consists of vuggy silica, massive silica including opal and chalcedony and granular quartz. The style of mineralisation is typical of high sulphidation epithermal gold-silver deposits.

The silica ledges are discontinuous, northwest-striking, steeply dipping tabular units varying in width from less than 1m to 50m, and the strike length varies from a few metres to 930m. Pipe-like hydrothermal breccia ledges also occur. Five distinct zones are recognised; the Main Zone, Main Zone Extension, and Central, West and North Zones.

The northwestern half of the Main Zone averages 2.12 g/t Au at surface over an area 400m long by 10 to 30m wide; at its northwestern end the zone returned gold grades of 6.15 g/t Au over 2.5m, 4.54 g/t Au over 7.0m in two contiguous samples on the same section, and 4.1 g/t Au over a single composite section of 13m. Gold grades diminish to the southeast, though the nature of the silicification indicates that the upper part of the system is progressively exposed in this direction, with potential for increasing grades at depth. The Main Zone Extension and North Zone are similar to the lower grade end of Main Zone. The Central Zone has different style of alteration and consists of a stockwork of numerous short ledges of varying orientation in a large area of pervasive advanced argillic and argillic alteration.

Howe's check sampling confirmed the presence of significant gold and silver mineralisation in the Main Zone and discovery outcrop.

Howe concludes that there is potential for the development of significant tonnages of low-grade gold-silver mineralisation in the Main Zone and Main Zone Extension, with additional potential for higher gold grades developing at depth in the stratigraphic replacement silica ledges. There is also potential for structurally controlled, high grade mineralisation deeper in the system; porphyry-style mineralisation may also be present at greater depth.

Konya Regional Project

Stratex has identified twenty alteration zones up to several square kilometres in area in the Konya Volcanics lying along two principal linear belts that extend 50 km northwest-southeast over a 15 to 20 km width. All zones exhibit extensive argillic alteration with silica ledges of opal, often with fine pyrite, quartz and vuggy silica. Hydrothermal breccias also occur. Kaolinite is accompanied by alunite, and hematite and sulphur occur with the silica ledges and in the cores of systems. The prospective zones resemble the upper parts of the Inlice system.

Although only limited sampling has been conducted to date by Stratex, most alteration zones tested have returned trace element signatures characteristic of the upper levels of high sulphidation epithermal systems, confirmed by a Howe sample, with potential for the identification of high sulphidation epithermal gold-silver deposits. The volcanic and structural regime would also suggest potential for porphyry-style mineralisation, though the alteration examined to date indicates that erosion is insufficiently deep for porphyry alteration to be exposed.

Detailed sampling and mapping has commenced at Doganbey and will be extended to other areas. Howe considers that a drill hole should be considered close to the core of the Doganbey epithermal system, where anomalous gold has been returned from sampling.

Muratdagi-Karaagac

Subsequent to its incorporation in August 2004, Stratex held discussions with Teck Cominco that led to signing of an agreement in October 2004 committing Stratex to evaluating Teck Cominco's Muratdagi licence block in western Turkey. A 100% interest in Muratdagi could be earned by successive expenditures of US$100,000 (already expended by the time of this report) and a further $400,000 before October 2006. A priority target, termed the Karaagac project was identified by Stratex in the licence block. This project area was visited by Howe in the current study.

The Muratdagi area contains numerous small, old mine workings for mercury and antimony, interpreted as hot spring deposits. Stratex identified Karaagac as the principal area of interest based on the presence of old antimony and mercury workings and the presence of highly significant stream sediment and rock chip samples with anomalous gold, base metal and arsenic and antimony values.

The geology of the Karaagac area comprises serpentinite thrust over Jurassic limestones and calcareous schists. Both limestone and serpentinite have been hydrothermally altered and silicified for several metres on either side of the thrusts. The altered serpentine is termed listwaenite. Stratex has conducted detailed and rock chip sampling in the Karaagac area with anomalous gold grades in reconnaissance samples from silicified limestone and serpentinite adjacent to the thrust. The mineralised portion of the thrust zone outcrops at low angle, with shallow cover, over a sinuous strike length of at least 7.0 km; the exposed mineralisation is at least 2 to 5m wide in the silicified listwaenite and limestone at the contact, contains gold values commonly in the range 0.5 to 2.0 g/t Au and appears to extend to several tens of metres depth in the limestone below the thrust. Higher-grade gold mineralisation, ranging up to 9.7 g/t over 3 m, is associated with steep west-northwest fractures beneath the thrust. Potential also exists for the development of replacement mineralisation in reactive rocks such as limestone adjacent to primary feeders.

A hydrothermal breccia pipe at Karaagac is interpreted to represent a vent above the gold deposition zone, where volatiles have deposited of mercury and low temperature chalcedonic and opaline silica. It is considered that there is potential for gold mineralisation associated with silicification or banded quartz veins at some depth below the breccia pipe.

Howe sample results confirm the presence of widespread gold and silver anomalism in the thrust plane, high grade gold in the steep fractures and elevated gold in the breccia pipe.

Because of the low angle of the thrusts down dip of the mineralised outcrop, and shallow relief, and assuming that the grades continue to depth down the thrusts, a significant tonnage of low-grade gold mineralisation could be present.

Stratex sampling in ophiolites in the Muratdagi area indicates limited nickel laterite potential.

The Karaagac area represents only a small part of the overall package held under option by Stratex. A limited review of the Teck Cominco data indicated additional areas of interest that warrant investigation.

Dikmen

The Dikmen project covers 1,394.13 hectares and is located on the Biga Peninsula in northwest Turkey, 480 km west of Ankara. The area was explored in detail for metallic minerals by agencies of the Government of Japan in the period 1988 to 1991. Porphyry molybdenum-copper mineralisation was discovered, associated with the intrusion of the Dikmen Granite and porphyry. Both disseminated and quartz vein-hosted molybdenite and pyrite mineralisation were identified in the eastern part of the granodiorite. The geochemical sampling suggested linear zones of copper and/or molybdenum enrichment coincident with the disseminated mineralisation in the mapped porphyry and within the granite, close to its contacts. The Japanese study also concluded that epithermal gold, arsenic and mercury overprints the porphyry mineralisation.

The system has dimensions of at least 3,000m by 500m and the mineralisation reportedly extends for a considerable distance into the country rock. Copper grades from preliminary Stratex sampling are low (up to 0.05%) due at least partly to leaching, but are accompanied by significant grades of gold (up to 0.43 g/t) and molybdenum (0.19%); a leached haematite-jarosite cap was observed by Stratex who propose to conduct detailed mapping and sampling leading to the identification of drill targets. Howe considers that further work is warranted on the deposit.

Muratdere

The Muratdere (Murat Creek) project is located 250 km west of Ankara on the main D200 Bursa to Eskisehir highway. Stratex optioned the property from B. Yildiz and Tekar in 2005.

Porphyry copper-molybdenum-gold mineralisation was discovered by the Turkish Geological Survey (MTA) at Muratdere during a regional stream sediment-sampling programme conducted in 1998. The mineralisation coincides with the outcrop of a porphyry body with dimensions of 1,500m by some 300m. The porphyry is oriented east-west and recent Stratex mapping demonstrates that it actually extends for 4,050m, rather than the previously mapped 1,500m. This was confirmed during the Howe visit. It is exposed over a width of about 500m in the east, swelling to 1,700m in the recently discovered extension, and over an elevation of about 130 m.

A hole drilled by MTA in porphyry near the base of the enrichment zone intersected 194 metres of 0.2% copper and 0.02% molybdenum, with the top 10 metres reportedly grading 0.5% copper. Surface sampling in this area by Stratex returned up to 0.65% copper, although most results were less than 0.1%, with up to 0.16 g/t gold and 0.04% molybdenum.

Howe collected two check samples from a road cut and stream valley outcrop which confirmed the presence of significant copper values accompanied by elevated molybdenum.

The earlier MTA work returned elevated gold values from the surrounding marble, accompanied by arsenic and antimony, indicating potential for epithermal gold mineralisation in the rocks adjacent to the porphyry.

The previously known mineralisation is essentially underexplored and the recently discovered extension is completely unexplored; Howe concludes that more detailed mapping and sampling is warranted.

PROPOSED STRATEX EXPLORATION

Stratex has planned and budgeted an 18 month exploration programme, commencing in January 2006. The company proposes to focus primarily on drilling of Inlice and Karaagac. At Inlice, an initial programme of 1,000m of diamond drilling will be conducted at Main Zone, following which 3,000m of reverse-circulation (RC) drilling will be conducted for resource delineation and to test other zones. Howe suggests that sampling of the talus at Main Zone should also be conducted.

Concurrent with the drilling at Inlice, 850m of diamond drilling will be conducted at Karaagac. The drilling will test the down-dip extensions of the thrust-related mineralisation to determine the dimensions and geometry of the deposit. 4,000m of RC drilling will subsequently be conducted, directed towards the early delineation of the deposit for resource estimation. Data analysis and field assessment of the Muratdagi licences will continue during this period.

Field assessment will continue on the regional Konya project, with more detailed mapping and sampling, supplemented by petrographic and XRD studies of the alteration.

At Dikmen, previous work on the area will be assessed in detail and check mapping and additional sampling will be completed, permitting the identification of drill targets. An initial 850m of drilling is planned. Contingent on the success of the early drilling, further holes may be planned.

Muratdere will be mapped in detail and sampled, though no drilling is planned to date. Howe notes that there is no allowance for geophysics, though considers that IP should be considered at both Dikmen and Muratdere.

The cost of all geological work including drilling, assays, desk and field studies amounts to £631,950. Howe established local costs during the visit and is satisfied that the budget for the proposed work programme reflects local costs. The planned programme is logical and justified, though Howe would suggest the incorporation of the few minor amendments noted above.

1. INTRODUCTION

Stratex Exploration Ltd (Stratex) has established a wholly owned subsidiary in Turkey, Stratex Madencilik Sanayi ve Ticaret Ltd. Sti (Stratex Madencilik), to acquire and explore various mineral properties in Turkey. At the request of Dr R P Foster, CEO of Stratex, Dr D Patrick of ACA Howe International Ltd (Howe) has prepared the following independent technical report on the four principal properties in which Stratex has interests to date.

The project areas reported on include Inlice and the surrounding Konya area, Karaagac/ Muratdagi, Dikmen and Muratdere, all in West and Central Anatolia. **(Figure 1)**

FIGURE 1: STRATEX PROPERTIES IN WESTERN TURKEY

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The three most advanced properties were visited during the period 25-29th October 2005 in the company of Bahri Yildiz, General Manager of Stratex Madencilik. Mr Yildiz is an economic geologist with more than 20 years' wide-ranging experience in Turkey and is currently directing exploration on the properties.

Howe conducted limited check sampling on the properties visited; the samples were sent to Izmir for sample preparation by ALS Chemex, then the prepared pulps were shipped to the Chemex laboratory in Vancouver for analysis.

This report is based on the findings of the Howe visit, in depth discussions with Mr Yildiz and detailed review of recent reports on the projects by Dr S Redwood, an independent expert on porphyry and epithermal mineralisation. Dr Redwood has been employed on a consultancy basis by Stratex to map and sample the known mineral occurrences, identify further targets and conduct reconnaissance exploration on the properties; his reports provide a comprehensive source of information at both regional and detailed scales. An Aster satellite imagery interpretation completed by Fitzpatrick and Murphy of Cork, Ireland in February 2005 has also been reviewed. Monthly progress reports and more general reports on the geology and mineralisation of Turkey have been provided by Yildiz.

2. TURKEY BACKGROUND

The modern secular republic of Turkey was established on 29th October 1923 by nationalist leader Kemal Ataturk. Turkey covers an area of 779,452 sq km (300,948 sq miles) and straddles the continents of Europe and Asia, where its strategic location has given it major influence in the region and control over the entrance to the Black Sea.

After years of increasing problems that brought the country close to economic collapse, a stringent recovery programme was agreed with the IMF in 2002. Since then, Turkey has seen impressive progress, with economic growth averaging over 5% and a dramatic fall in inflation. The monetary unit is the New Turkish lira, (YTL) which in October 2005 was equivalent to £0.420 or US$0.742.

Turkey became an official EU candidate country in 1999 and EU membership talks were formally launched in October 2005. Accession negotiations are expected to take about 10 years.

2.1. MINING LAW

Turkey has a history of mining and recent changes in the mining law in 2004 have facilitated the exploration and mining activities by foreign nationals in Turkey. A foreign company can acquire rights to a mineral property through the establishment a local office. A 2% royalty is payable on all metals production.

Exploration licences are exclusive and cover one of several groups of materials, for example Group IV (c) licences cover metallic minerals while Group IV (d) licences cover precious and semi-precious stones; only those commodities included in the licence may be explored for and subsequently exploited.

Exploration concessions are defined by UTM coordinates and can be of any shape. To acquire a licence, a company must submit a hard copy plan showing the corner coordinates and an application fee of 140 YTL must be paid to the General Directorate for Mining Affairs, Ministry of Energy and Natural Resources. If the ground is open, the property will be granted; priority is granted to the first applicant for rights. An exploration fee of 349 YTL per year and a deposit of 1.050 YTL per hectare must then be paid, the latter being repayable after termination of the exploration subject to completion of a satisfactory work programme.

The licence grants access rights to the licence holder, and reasonable compensation for ground disturbance must be agreed with the landowner; though if there is a dispute, the level of compensation must be determined by a court hearing.

The exploration licence is valid for three years, at the end of which the company must submit a detailed exploration report. Subject to this report, a two year extension can be obtained, so exploration licences essentially have a five year validity. At the end of the five years, if the company decide to proceed to production, then a full, bankable feasibilty study must be submitted to the authorities; this must include an environmental impact study. If approved, mining operations can commence. The duration of the licence is determined by the declared reserves and proposed production rate, but can be modified should circumstances change.

3. KONYA-INLICE AREA

3.1. PROPERTY, LOCATION AND ACCESS

The Konya Project is located in the Erenler Dagi (Erenler Mountains), 245 km south of Ankara and 35 km west-southwest of the city of Konya.**(Figure 1)** It comprises the Inlice epithermal system, which is the most advanced project on the property, and a further nineteen target areas with similar geological signature and mineralisation within the surrounding 2,000 km^2 Konya Volcanic belt.

Stratex Madencilik has acquired a 100% interest in mineral exploration rights to 26,444.41 hectares in 19 licences in the Konya district **(Table 1, Figure 2)**. The Inlice Project is covered by the Inlice IV concession (1,925 ha), which was secured by auction. The remaining 18 concessions were acquired by Stratex Madencilik through normal application procedures. Two third-party claims are under negotiation.

TABLE 1. KONYA EXPLORATION LICENCES.

Licence name	*Licence no.*	*Date awarded*	*Expiry-date*	*Area (ha)*	*Application fee (YTL)*	*Exploration fee (YTL)*	*Deposit (YTL)*	*Total YTL)*
Inlice I	20055356	23.08.2005	25.08.2008	1,975.01	140.00	349.00	2,073.76	2,562.76
Inlice II	20055357	23.08.2005	25.08.2008	1,650.00	140.00	349.00	1,732.50	2,221.50
Inlice III	20055271	18.08.2005	18.08.2008	1,200.00	140.00	349.00	1,260.00	1,749.00
Inlice IV*	20055214	17.08.2005	18.08.2008	1,925.00	140.00	349.00	2,021.25	2,510.25
Inlice V	20055275	18.08.2005	18.08.2008	400.00	140.00	349.00	420.00	909.00
Doganbey	20055988	15.09.2005	15.09.2008	1,116.42	140.00	349.00	1,172.24	1,661.24
Yunuslar	20056646	03.10.2005	03.10.2008	750.00	140.00	349.00	787.50	1,276.50
Saglik	20056650	03.10.2005	03.10.2008	585.92	140.00	349.00	615.22	1,104.22
Yatagan	20056647	03.10.2005	03.10.2008	1,175.00	140.00	349.00	1,233.75	1,722.75
Ilyasbaba Tepe	20056649	03.10.2005	03.10.2008	1,650.00	140.00	349.00	1,732.50	2,221.50
Gokyurt	20056648	03.10.2005	03.10.2008	1,076.96	140.00	349.00	1,130.81	1,619.81
Oðlakçý	20056789	10.10.2005	10.10.2005	1,712.16	140.00	349.00	1,797.77	2,286.77
Dikilitaþ	20056790	10.10.2005	10.10.2008	1,535.40	140.00	349.00	1,612.17	2,101.17
Çukuragýl	20057092	19.10.2005	20.10.2008	1,398.79	140.00	349.00	1,468.73	1,957.73
Gavur Gölü	20057095	19.10.2005	20.10.2008	1,875.00	140.00	349.00	1,968.75	2,457.75
Karacaören	20057090	19.10.2005	20.10.2008	1,812.50	140.00	349.00	1,903.13	2,392.13
Kozlu	20057091	19.10.2005	20.10.2008	1,918.75	140.00	349.00	2,014.69	2,503.69
Mesudiye	20057089	19.10.2005	20.10.2008	1,387.50	140.00	349.00	1,456.88	1,945.88
Orta Karaören	20057094	19.10.2005	20.10.2008	1,300.00	140.00	349.00	1,365.00	1,854.00
TOTAL 1				**26,444.41**	**2,660.00**	**6,631.00**	**27,766.63**	**37,057.63**

NOTE
* : Stratex Madencilik paid 14,110.00 YTL for auction process

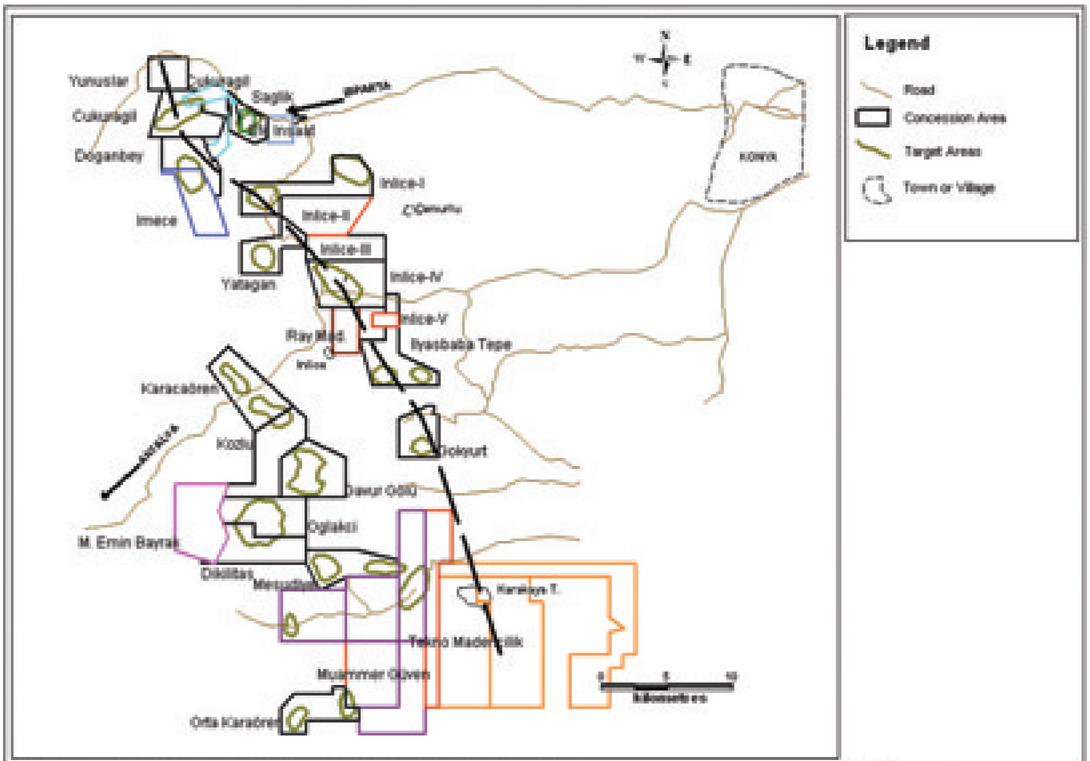

FIGURE 2: LOCATION OF THE STRATEX LICENCES IN WESTERN TURKEY

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Access to the properties is excellent, with three major paved highways traversing the mountain range from east to west, including the D300 Konya to Afyon road, the D330 Konya Isparta highway and the main D696 Ankara to Antalya road. Minor paved and gravel roads traverse the property in a north-south direction and numerous forest roads and village and farm tracks, accessible to four-wheel drive vehicles, provide access to more remote parts of the project area.

3.2. TOPOGRAPHY, VEGETATION, CLIMATE AND INFRASTRUCTURE

The project area lies between 1,000m and 2,200m above sea level. Crops are grown at lower altitude in the valleys, with dwarf oak woodland and open grazing for sheep and goats on the hill slopes. Upland areas are forested, with numerous tracks providing access. The climate is semi-arid with hot, dry summers and cold, wet winters with snow. Snowfall can temporarily block the roads, though access to the various properties should not be a problem and all year operation would be possible. Climate is terrestrial, with hot,dry summers and cold and snowy winters. Maximum temperatures range up to 40° C in July and August; in December and January temperatures may fall to -28° C, though generally average around -4° between December and February. Precipitation ranges from 800–2,000 mm, with an average of 81.5 snowy or rainy days.

Ample water is available from springs and creeks for drilling and future operations and mains power is supplied to all villages by the national grid. Communications are good throughout the area, with a well-established cell-phone network and telephone lines to all villages. There is no history of mining in the immediate area, though labour could be sourced locally. Supplies and equipment can be obtained from the city of Konya.

3.3. REGIONAL GEOLOGICAL SETTING

The Konya Volcanics outcrop in the Erenler Dagi (Mountains) between the cities of Konya and Beysehir. The volcanic rocks outcrop along a 60 km, northwest trending zone which is up to 42 km in width, covering an area of approximately 2,000 km^2. (**Figure 3)**

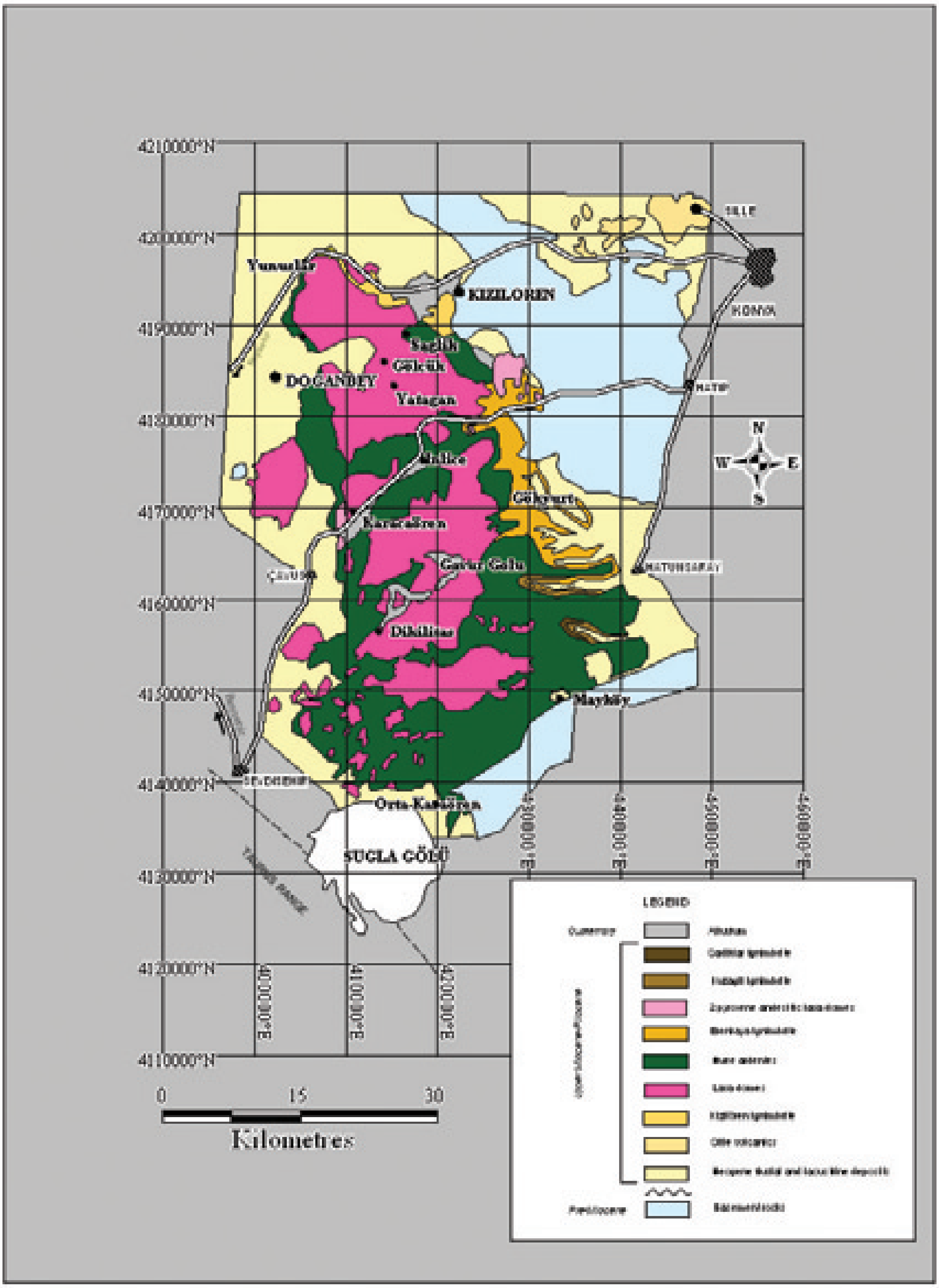

FIGURE 3: THE GEOLOGY OF THE KONYA VOLCANICS

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The volcanics overlie northwest-trending Paleozoic and Mesozoic basement rocks comprising carbonates and metasediments, ophiolite (serpentinite) and ophiolitic melange, which form part of the Taurides orogenic belt of southern Anatolia.

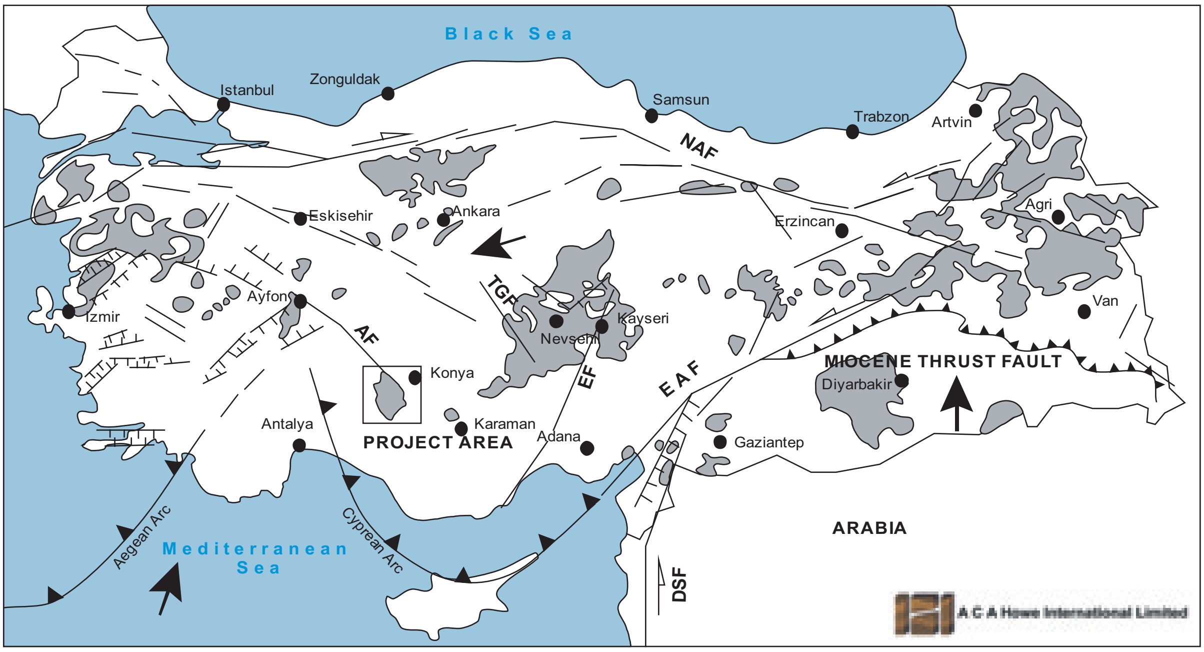


Figure 4: Tectonic map of Turkey showing the Konya Volcanics "Project Area", all Neogene volcanics and present-day tectonics. The Konya Volcanics form part of a volcanic arc related to the northward subduction of the African Plate beneath Anatolia along the Cyprean Arc. (From Temel et al. (1998). DSF: Dead Sea Fault. NAF: North Anatolian Fault. EAF: East Anatolian Fault. AF: Akehir Fault. TGF: Tuzgolu Fault. EF: Ecemis Fault.)

Figure 4 shows that the Konya Volcanics are elongated along the major arc parallel Aksehir Fault.

The Konya Volcanics comprise ignimbrites, debris flows, lava domes and breccias and interbedded fluvial-lacustrine limestone, marl and shales and are Upper Miocene to Pliocene in age, dated at 11.9 to 3.2 Ma. The volcanics are mainly high-K calc-alkaline andesites and dacites and exhibit trace element and isotope geochemistry similar to the young volcanic rocks of the Central Andes that are host to major gold, silver and base metal epithermal deposits.(Redwood, 2005a). The Konya Volcanics are related to northward subduction of the African Plate beneath Anatolia. Subvolcanic dacitic intrusives are exposed in several areas and rhyolitic clasts and boulders, exhibiting flow banding and disseminated pyrite occur in debris flows, though no rhyolitic flows have been identified to date. It is noted that the strata tend to steepen towards the volcanic centres.

3.4. HISTORY OF EXPLORATION

Alteration and gold mineralisation were first observed at Inlice by Bahri Yildiz of Stratex in 2003. There are no records of previous mining or exploration for metallic minerals either in Inlice or the surrounding Konya Volcanics, and no metallic mineral occurrences are recorded. Exploration for kaolinite for the ceramics industry has been conducted in the Konya Volcanics and kaolinite, halloysite, alunite, cristobalite, quartz, illite, montmorillonite and zeolites have been identified at several localities, including Inlice (Karakaya et al., 2001). Two localities have been drilled for kaolinite. Building stone, road stone and aggregate are produced from the volcanic rocks.

During recent exploration by Stratex, an ancient smelting site was discovered close to the main Inlice mineralisation. The site lies within an historic fortification on a low rounded hill south of the highway and comprises at least two ovens with fired and fused mud bricks, broken pottery and fired vuggy silica blocks. There are also abundant blocks of vuggy silica material ranging up to 0.5m in size that appear to have been transported from the principal mineralised zone, some 300m away. Yildiz considers it probable that gold was smelted from the vuggy silica. While the site is of archaeological interest it is not in an area that might be affected by possible mining in the future (Redwood, 2005b)

A small mine working, possibly a collapsed adit, with a small waste dump also occurs at the east end of the main mineralised zone, and several sites where historic surface working may have occurred were noted at the northern and central parts of the same zone during the current Howe visit.

3.5. EXPLORATION BY STRATEX

3.5.1.INLICE PROJECT

The Inlice Project is situated in the centre of the regional Konya Project area, 5 km north of the village of Inlice, at an altitude ranging between 1,450 and 1,950m. It is located within the 1925 hectare Inlice IV licence.

Alteration and gold mineralisation at Inlice was initially discovered in a road cut by Bahri Yildiz in 2003. Subsequently, Stratex collected 18 rock chip/grab samples from the area in July 2005 with maximum gold values of 6.15 g/t Au over 2.5m, 4.54 g/t Au over 7.0m in two contiguous samples on the same section, and 4.1 g/t Au over a single composite section of 13m. Redwood (2005a) identified the mineralisation style as high sulphidation epithermal and traced the system over a strike length of more than 3,000m. Stratex secured the mineral rights in August and Redwood conducted geological mapping and systematic rock sampling n September 2005. The descriptions below are taken from Redwood (2005b), modified where necessary by Howe's field observations, though the latter are generally in agreement with those of Dr. Redwood.

3.5.2.LOCAL GEOLOGY AND MINERALISATION

Gold mineralisation at Inlice occurs in steeply-dipping silicified units, with advanced argillic and argillic altered wall rocks. Although resembling steep veins, the zones are demonstrably formed by replacement of permeable stratigraphic units in the volcanic pile and hence are termed 'ledges'. To date, the ledges have been traced some 3,500m in a northwest direction, across a zone width of 1,000m. The host rocks are andesitic volcanic rocks. The southeast and northwest limits of the system are covered by alluvium and talus respectively and the system may be more extensive than currently mapped. Redwood has subdivided the project area as follows:

- the Main Zone;
- the Main Zone Extension which is the continuation of the Main Zone to the northwest and is followed along strike by;
- the Central Zone;
- the North Zone, and
- the West Zone, which lies west of the Main Zone and Main Zone Extension and converges northwards with the Central Zone.

The Main Zone and Main Zone Extension ledges are interpreted as steeply dipping bedded tuff sequences. In the east part of the Main Zone andesite breccia forms the immediate hanging wall and footwall, with andesite lavas above and below. Elsewhere the host rocks are andesite and andesite breccia.

Howe visited and sampled the original discovery zone, which occurs in a road cut at the southeastern end of the West Zone. The full length of the Main Zone and peripheral ledges was traversed and sampled, and the Main Zone Extension, and the West, Central and North Zones were observed. The various host rock styles were examined in outcrop.

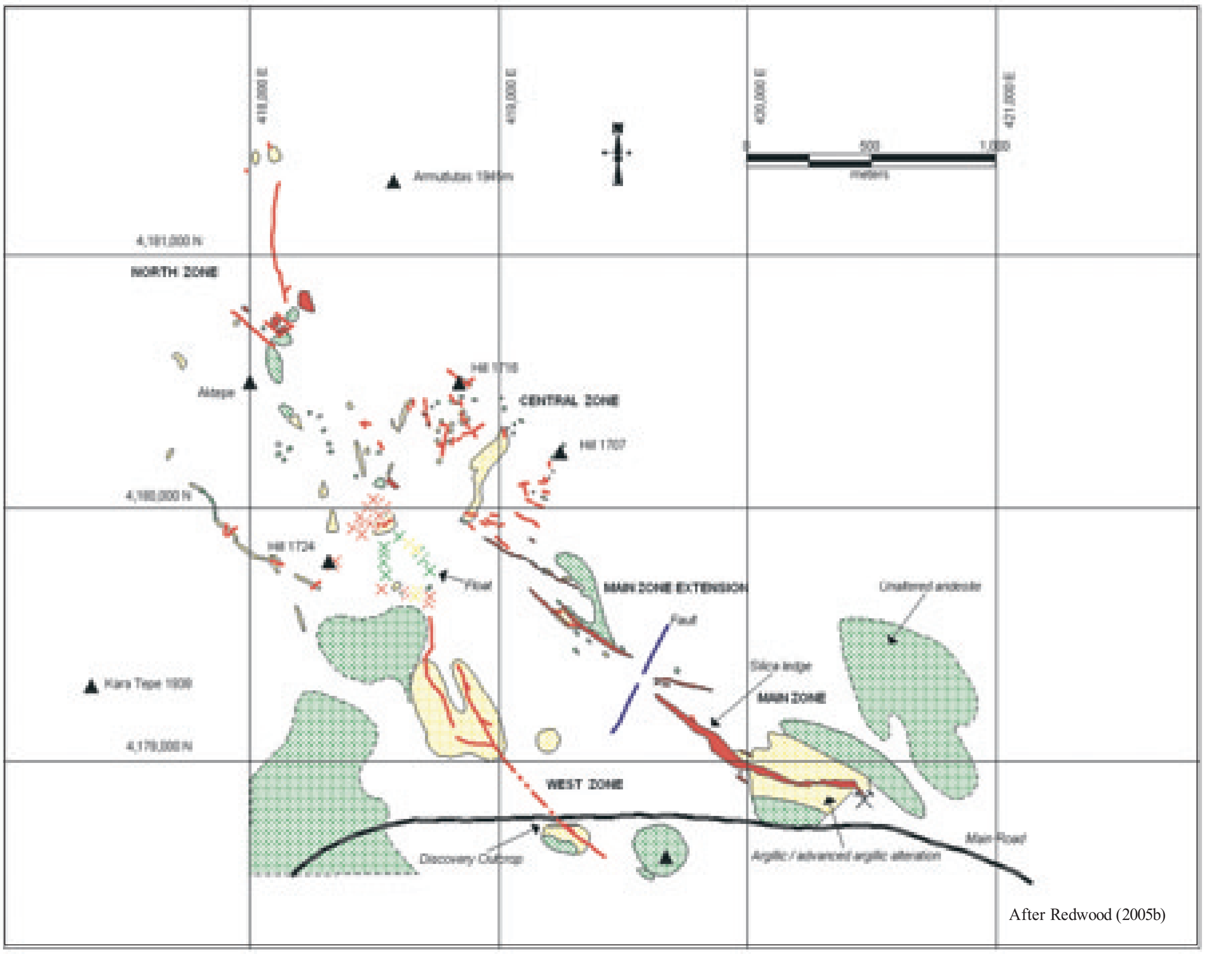


FIGURE 5: DISTRIBUTION OF THE MINERALISED ZONES AT INLICE A C A Howe International Limited

Redwood describes four mappable geological units in the Inlice project area:

- **Andesite tuff.** The silica ledges of the Main Zone and Main Zone Extension are interpreted to be replacement of bedded andesite crystal tuff. The silica ledges have a strong jointing parallel to the strike with a dip of 60° to 70° to the south or southwest, which is interpreted to be bedding. Howe observes that a prominent joint set is also developed at around 26° which may be followed by silica replacement and that the units may be offset along strike parallel to the latter trend, suggesting late fracturing.

- **Andesite breccia**. This is a lapilli lithic andesite tuff breccia. In the southeast part of the Main Zone, andesite breccias with advanced argillic and argillic alteration form the foot-wall and hanging-wall of the zone with a dip of 60° to 70° to south or southwest, and a thickness of 65 to 150m, and 65 to 113m respectively.

- **Altered andesite**. Andesite has been mapped above and below the andesite breccia in the east part of the Main Zone, where the rocks appear to be conformable with the tuffs and breccias. Elsewhere within the mineralised zone, andesite hosts the silica ledges. Away from the silica ledges the andesites have weak argillic alteration.

- **Andesites.** These form prominent rocky outcrops in low-lying ground close to the alteration zones, and high craggy hill tops to the north and west of the Inlice system. They are interpreted to be flow-domes. The andesites are fresh though they may outcrop close to altered andesites with no clear contacts or lithological differences, indicating that they are the same rocks with no alteration.

The mineralised sequence is capped unconformably with unaltered andesitic flows forming a prominent feature along the ridge to the northeast of Inlice. These are clearly post-mineralisation.

Flat-lying ignimbrites, crystal tuffs and lithic lapilli tuffs with basal bedded tuffs are exposed in the valley east of the Inlice alteration zone. The tuff sequence appears to be a younger sequence which onlaps the side of the andesite domes of Inlice.

3.5.3.STRUCTURE

The silica ledges are generally discontinuous, vertical to steeply dipping tabular units with irregular edges, often offset by late structures. Their width varies from less than 1m to 50m, and the strike length from a few metres to 930m. The general strike is northwest. The principal ledges appear to be stratiform units conformable with the stratigraphy, though some structural control on the mineralising fluids is evidenced by splays at the edges of, and between ledges. The smaller ledges are structurally controlled, forming vein like bodies.

Pipe-like hydrothermal breccia ledges also occur, the largest being some 70m in diameter in the North Zone, while a second breccia is extensively developed in the Central Zone. The breccias vary from clast to matrix supported, and are cemented by opal, massive silica, granular quartz, alunite or jarosite-hematite.

Fault planes were mapped by Redwood in two localities in the ledges, namely a strike parallel fault with steep slickensides in the east end of the main ledge in the Main Zone, and the other trending northeast with low angle slickensides in the North Zone.

The cause of the steep dip of the tuffs, breccias and andesite in the Main Zone and Extension has not been established to date. It is possible that regional-scale strike parallel faulting has occurred; the known zones of silicification and alteration elsewhere in the Konya project area form linear, northwest-trending patterns across the outcrop of the Konya volcanics.

3.5.4.ALTERATION

Redwood reports that the known gold mineralisation occurs in zones of silica replacement of the host rock or as residual silica rather than as vein filling, and hence has termed the zones ledges rather than veins. The main types of silica recognised by Redwood are as follows:

- **Opal**. This is generally white but can be colourless to black, brown or red. It replaces phenocrysts and may contain disseminated pyrite and veinlets of quartz or quartz with pyrite. Opal and vuggy silica can occur within the same ledge and exhibit crude banding, or may occur as pods of either type, hosted by either type, giving a brecciated appearance.

- **Vuggy silica**. This is a residual texture with vugs after leached phenocrysts and lithic clasts, and fine granular quartz units. It is generally white and may be stained by jarosite or hematite. The vugs usually have overgrowths of fine quartz, and may also be lined or filled with kaolinite, alunite, botryoidal hematite, sulphur or earthy jarosite or hematite.

- **Granular-porous quartz**. This comprises highly porous coarse-grained granular quartz. It infills vugs and may be the matrix to brecciated vuggy silica.

- **Fine grained granular-porous quartz**. This occurs at the west end of the Main Zone and comprises fine to medium grained granular quartz and jarosite or hematite staining.

- **Massive silica**. Generally colourless to white quartz.

The different silica textures are considered to reflect the precursor lithology and texture, except for pervasive opal, which is deposited at shallow levels in the epithermal system.

Minerals observed by Redwood include pyrite, which is often disseminated within opaline silica. Sulphur is observed infilling vugs in the West Zone and in parts of the Main Zone Extension, and may also replace phenocrysts in opaline silica. Crystalline alunite occasionally infills vugss and hydrothermal breccia in the silica ledges in certain areas. Jarosite and hematite commonly occur as earthy fill, coating or staining of silica ledges.

The silica ledges usually have a well-developed argillic alteration halo, but the inner advanced argillic zone is usually poorly defined and is generally not mappable. The width of the halo varies from narrow or absent to some 50m. Advanced argillic alteration minerals observed are possible dickite with kaolinite and crystalline alunite:

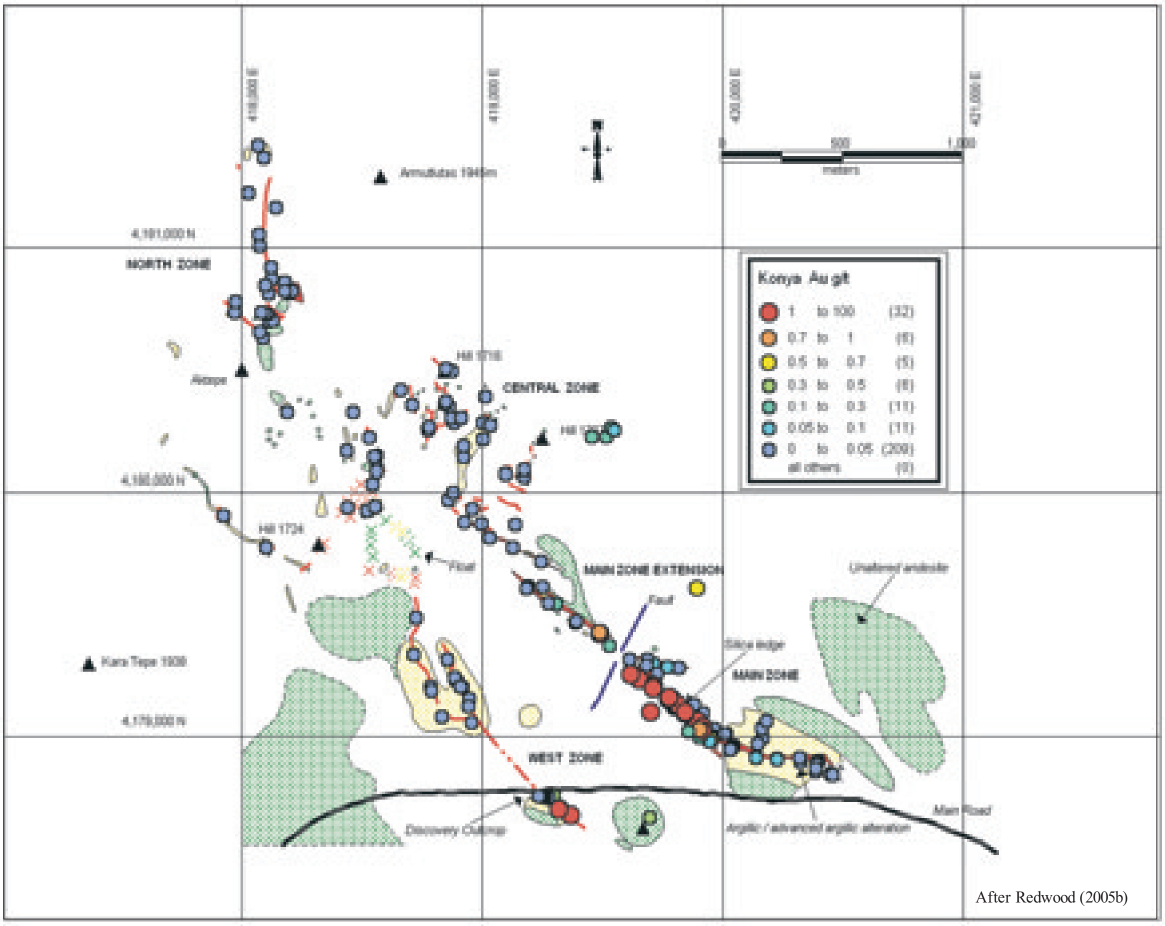
- **Argillic Alteration**. Argillic alteration decreases in intensity away from the ledges. The principal clay mineral is kaolinite, which is accompanied by quartz and usually carries 1 to 3% disseminated pyrite, weathered at surface to jarosite. The argillic zone varies in width from less than 5m to up to 160m. In the Central Zone, argillic alteration is pervasive over a large area, where the hypogene alteration carries 2 to 3% disseminated pyrite in fresh rock. In the discovery road cut, argillic alteration was also observed by Howe to extend along a splay or cross fracture beyond the argillic envelope of a silica ledge.

- **Propylitic Alteration**. There is no well-defined zone of propylitic alteration. Pale green clays are observed in andesites outside the Central Zone.

- **Oxidation.** The silica ledges contain jarosite and hematite. Pyrite occurs only as relics in opaline silica, and disseminated pyrite is exposed in actively eroding scarps in the argillic zone. Given the high porosity and permeability of the vuggy and granular-porous silica the depth of oxidation in the principal silica ledges is likely to be in the order of tens of metres.

3.5.5.DESCRIPTION OF THE INDIVIDUAL ZONES AND STRATEX SAMPLING RESULTS

The following comprehensive description of the individual zones is taken from Redwood (2005b), modified where appropriate based on Howe's observations on the Discovery and Main Zones. Systematic rock chip sampling was carried out at Inlice by Redwood, assisted by two Stratex national geologists, concurrently with the mapping. Rock chip samples were taken at 50m intervals across the main ledge of the Main Zone and at intervals of approximately 100m across the other zones, depending on outcrop. A few chip and grab samples were also taken of the adjacent alteration zones. Howe has reviewed the current QA/QC controls on sample preparation and analysis, which follow protocols recommended by Redwood (2005c), and concludes that procedures currently adopted are adequate and acceptable for the style of mineralisation. The Stratex sampling results are shown schematically on **Figure 6 (Au)** .



After Redwood (2005b)

FIGURE 6: INLICE GEOLOGY & GOLD GEOCHEMISTRY

A C A Howe International Limited

MAIN ZONE

- The Main Zone occurs on a hill that forms a northwest-trending, elongated ridge, capped by a near vertical silica ledge. The ridge gradually loses height to the northwest and southeast, where the limits of exposure of the silica ledges are some 50-80m lower than the centre of the ridge. Extensive talus on the southwest of the hill may mask the true width of the zone, particularly towards its northwest and central areas. Howe observed ancient workings in the southeast, and possibly northwest and central parts of the zone.

- The main silica ledge is 930m long and varies in width from 10m to 30m. In places zones of silicification in the hanging wall give a total width of up to 55m. It dips to the southwest at around 70º. Parallel ledges and structural splays occur in the hanging wall and footwall. The ledge trends northwest in the west and the strike swings to a more easterly trend in the southeast, though some structural offsetting may also be present. In some areas the hanging wall side has been partially eroded, (or has been worked historically), resulting in development of a stepped shoulder adjacent to the main silica rib.

- The ledge is formed of vuggy silica, massive silica, granular porous quartz, and fine grained granular quartz. Minor opal is present in the west part, but becomes more dominant in the east. Jarosite and hematite are abundant. Sulphur, alunite and pyrite may occur rarely. Zones of brecciation are common on the footwall side of the zone. In the northwestern part of the zone, Howe also noted stockworks of silica veinlets in altered andesite.

- Chip sampling has returned gold grades greater then 1 g/t in the northwestern part of the zone along a strike length of about 400m. The maximum gold grade is 11.65 g/t over 3.9m. The average length-weighted grade from 30 samples in this region is 2.12 g/t Au, though Howe notes that the nature of the exposure precludes continuous channel sampling across strike and the recorded sample intervals represent systematic chips, where possible, within that interval. The sampled material is frequently weathered. Gold grades increase gradually from southeast to northwest along the ledge. This appears to correlate to some extent with an increase in the opal content in the east end, with lesser vuggy and granular silica.

Table 2 shows the gold and silver sampling results from Stratex sampling across the Main Zone from northwest to southeast. The locations of the samples are shown on Figure 7

TABLE 2. AVERAGE GRADES OF COMPOSITE CHIP SAMPLES ACROSS MAIN LEDGE.

Composite No.	*Width m*	*Au g/t*	*Ag g/t*
1	4.40	8.27	<0.2
2	8.20	7.58	0.20
3	13.80	4.34	0.40
4	27.60	1.75	0.50
including	21.40	2.17	0.61
5	31.80	1.74	0.25
6	23.50	1.72	0.24
7 (not continuous)	11.60	1.24	0.33
8	24.70	0.76	0.73
9	26.90	0.29	0.75
10	33.10	0.07	1.72
11	16.60	0.10	5.10
12	17.00	0.04	2.61
13	19.00	0.03	6.20
14	34.70	0.01	4.54
15	18.50	0.003	0.49

Composites are length-weighted. Redwood has replaced values below detection by 0.5 times the lower detection limits of 0.005 g/t Au, 0.2 g/t Ag so composite values may be marginally lower or higher than those shown.

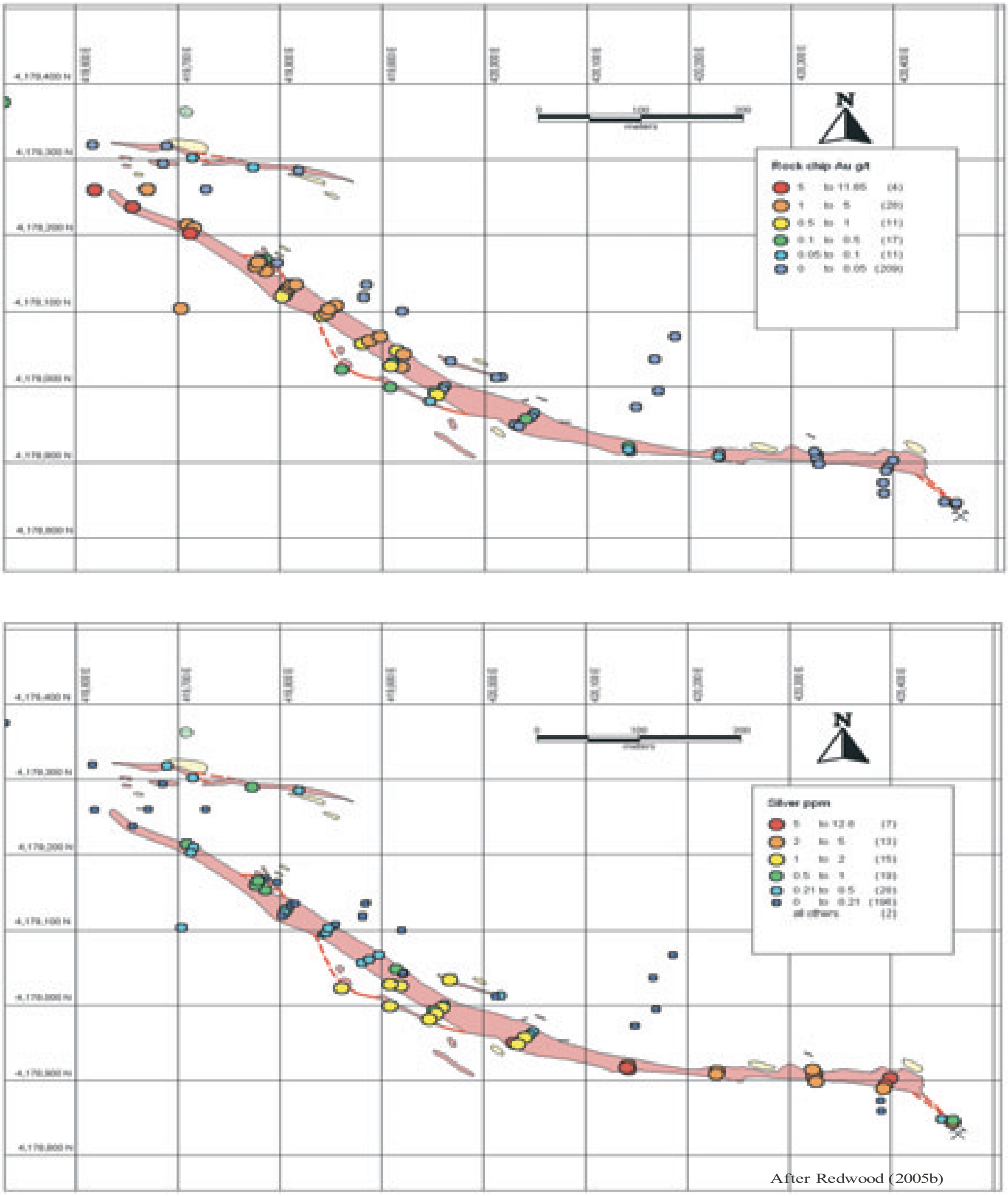


FIGURE 7: SAMPLING RESULTS AT INLICE MAIN ZONE: GOLD AND SILVER

A C A Howe International Limited

- Silver values tend to increase to the east as gold decreases. The Au/Ag ratio appears to increase from southeast to northwest, approaching parity in the centre of the zone.
- Trace element results are shown in **Table 3** below. Arsenic, barium, bismuth, antimony, iron, sulphur, copper, lead, and zinc are generally enhanced though mercury and molybdenum show no anomalism. Bismuth, lead, antimony and sulphur appear to correlate with silver.
- A silica ledge on the north side at the west end of the Main Zone is 240m long and 5 to 10m wide, with silica ledges in the hanging wall at the west end giving a total width of 30m including argillic zones. It is 60m to 140m north of the main ledge, converging to the west and appears to pinch out at the ends. The ledge comprises vuggy silica, massive silica and opal with abundant alunite and jarosite.
- Gold grades of the north ledge range between 0.094 to 0.007 g/t and silver ranges from 12 to 0.3 ppm.

MAIN ZONE EXTENSION

- This is the probable northwest continuation of the Main Zone. It comprises three silica ledges over a total length of 840m. The individual ledge lengths are 200 m, 350m and 510m, with widths up to 20m. The ledges trend northwest and dip at 60° to 65° southwest. East-west trending splays may link some of the ledges or ledge segments.

- The ledges have similar characteristics to those of the Main Zone. They are hosted by narrow package of andesite breccia and tuffs, which outcrop in the hanging wall and footwall, and are enclosed by unaltered andesites. Argillic alteration is restricted to the breccia.

- There appears to be a northeast-trending fault in the valley between the two zones, which offsets the principal ledge dextrally about 60m. Assuming normal movement, this would indicate a downthrow to the north of around 120 to 170m, based on the dips of the ledges each side of the valley, suggesting that a much higher part of the system is exposed in Main Zone Extension than in Main Zone adjacent to the fault. However, the possibility also remains that the fault could be a primary feeder for gold mineralisation as grades appear to decrease to its north and south.

- Gold grades range from 1.31 g/t to less than detection (<0.005 g/t) but tend to decrease uphill from southeast to northwest. Silver values vary between 0.9 g/t to <0.2 g/t, with a large proportion below detection. (16 samples) The trace elements exhibit similar patterns of enhancement to the Main Zone, but with lower levels. **(Table 3)**

CENTRAL ZONE

- The Central Zone is approximately 1000m in diameter and occurs on a series of hills around the head of a northwest-trending valley, which is parallel to, and west of the Main Zone and Main Zone Extension. Extensive talus with debris of silica ledges and minor outcrops of silica ledges indicate multiple ledges buried below the talus.

- The host rock is andesite and andesite breccia.

- Alteration comprises numerous short silica ledges with an outcrop length of between 10m and 100m, with widths between 1m to a maximum of 15m. The strike directions include northwest, northeast and north-south, and the dips are steep.

- The silica ledges exhibit vuggy silica, granular quartz, sandy quartz, massive silica and opal with alunite. Hydrothermal breccias occur. Pervasive argillic and advanced argillic alteration with 1-3% disseminated pyrite is well exposed in several valleys. The zone is capped with late unaltered andesitic flows and there is evidence to suggest that it could continue to the northeast beneath the barren caprocks.(B Yildiz, pers comm)

- The maximum Au grade in sampling to date is 0.042 g/t, and for silver is 0.3 g/t with though most silver levels were below detection (<0.2 g/t, 32 samples). Arsenic, barium, bismuth, copper, iron, molybdenum, lead, sulphur, antimony and zinc exhibit slight enhancement. (Table 3)

NORTH ZONE

- This is the continuation to the northwest of the Central Zone. The outcropping zone is 300m wide and 800m long. To the southeast talus with no exposure extends for 500m to the Central Zone, and to the northwest the zone is open, so the North Zone may be more extensive.

- The host rock is andesite breccia.

- There are four main silica ledges, including, from west to east:

    - The West Ledge is 230m long with a northwest trend and is 2.8 to 6.3m wide. There is a poddy silica ledge 12.4m wide on its east side.

    - A broad silica ledge 50m wide and 80m long with a northwest trend.

    - The East Ledge can be traced for 480m with an approximate north-south strike and is 2.5 to 5.0m wide. It is located again 180m farther north with pervasive argillic alteration of the matrix of andesite breccias.

- Further east a silicified breccia ledge or pipe 70m across and 100m, elongated in a northwest direction outcrops.

- The silica ledges comprise opal, vuggy silica, massive silica and quartz veinlets with hydrothermal breccias. The breccia pipe exhibits massive white silica replacement of andesite and andesite breccia and is clast supported with a matrix of black opal veinlets, or open space matrix with hematite coatings.

- Wall rock alteration is argillic with disseminated pyrite.

- The zone is open to the north under talus. The East Ledge can be traced intermittently for a further 180m and includes an area of argillic-jarositic alterated breccia float in talus.

- The maximum value for gold is 0.012 g/t and for silver is 3.2 g/t (21 samples).

- Maximum values for other elements are shown in **Table 3**.

WEST ZONE

- The West Zone extends for 1000m in a northwest direction from the discovery outcrop. It lies 400 to 600m southwest of the Main Zone and Extension. At its northwestern end, silica float in talus indicates that the zone trends towards the Central Zone.

- The West Zone includes the two parallel silica ledges exposed in the Discovery Outcrop. These are 1.2 and 0.8m wide and 4.0m apart. The base of the eastern unit comprises fragmental breccia. The zone is covered by alluvium for some 400m, beyond strikes to the northwest for a further 340 m, with widths up to 10 m, and with minor splays. In this area, a second parallel ledge 100m to the west, connected by splay structure, has widths of 0.7m to 2.5 m. This ledge continues for 500m to the northwest, with offsets.

- The ledges comprise opal, vuggy silica, granular quartz and massive silica, with minor pyrite and sulphur.

- There is a narrow zone of advanced argillic and argillic wall rock alteration in the discovery outcrop. A minor zone of argillic alteration was noted by Howe in a splay fracture in the footwall of the eastern ledge. In the northern part of the zone a broad area of weak argillic alteration occurs.

- The gold grade varies from less than 0.005 to 1.87 g/t Au. Three samples returned values greater 1.0 g/t Au and 7 returned less than the detection limit of 0.1 g/t. Silver values range between 57.7 g/t to less than the 0.2 g/t detection limit. This suggests, by comparison with Main Zone that a higher, silver rich portion of the system is exposed.

- The trace element maxima are shown in **Table 3 below**.

TABLE 3. MAXIMUM TRACE ELEMENT VALUES IN THE INLICE ZONES (ALL VALUES IN PPM UNLESS STATED)

ZONE	*As*	*Ba*	*Bi*	*Cu*	*Fe %*	*Pb*	*S%*	*Sb*	*Zn*	*Hg*	*Mo*
Main	280	2940	2110	186	10.6	949	1.52	173	68	<1-2	<1-2
Extension	78	390	5	74	4.2	213	0.64	8	42	-	-
Central	147	1380	14	92	9.53	168	0.97	5	56	-	11
North	69	1750	17	87	3.69	54	0.78	12	118	-	13
West	175	1520	65	108	4.71	3280	0.92	58	133	-	-

3.5.6.HOWE SAMPLING

Howe collected chip samples at the Discovery Outcrop and along the Main Zone. Sample locations and results are shown in **Table 4**.

TABLE 4. HOWE SAMPLING OF MAIN ZONE

Sample	*Description*	*Width (m)*	*Au (ppm)*	*Ag (ppm)*
DP001	Chips across the NE ledge of Discovery Zone	1.5	2.26	12.4
DP002	Chips across NW end of FW of Main Zone	2.0	1.86	0.3
DP003	Chips across Main Zone	5.0	9.26	0.3
DP004	Chips across central part of Main Zone and SW rib	7.0	3.02	0.7
DP005	Chips across Main Zone 30m SE of DP004		2.29	0.6
DP006	Chips across SE end of Main Zone	8.0	0.064	3.6
DP007	Chips across parallel ledges 6m apart in centre of Main Zone	8.0	0.553	0.7

The results essentially confirm the Stratex sampling, including the high-grade gold at the northwest end of Main Zone and increasing silver grades to the southeast. Arsenic, barium, copper, phosphorus, and lead are generally elevated in all samples and four samples returned elevated antimony values up to 20 ppm in DP007. Bismuth is slightly elevated. DP001 returned 2,890 ppm lead and 1.3% sulphur, suggesting the presence of galena.

3.6. KONYA REGIONAL PROJECT

3.6.1.PROPERTY, LOCATION AND ACCESS

Figure 2 above shows the distribution of the Stratex licences, which cover 24,519.4 hectares, excluding the Inlice project area (Inlice IV), within the 2000 km^2 Konya Volcanic outcrop. **Table 1** above gives details of the licences, which are distributed along two principal northwest trending linear features 20 km to the north and 30 km to the south of Inlice. The northeastern linear contains twelve of the known targets, while the remainder lie along one, or possibly two closely spaced, parallel linears. It is probable that the linear features represent arc-parallel, crustal fracture zones that have controlled intrusion and volcanism in this area. There is some suggestion of secondary northeast-trending transverse features, particularly towards the southern end of the volcanic belt, and a few target alteration zones such as Cukuragil and Saglik appear to be elongated along this trend.

Five royalty agreements have been obtained from, or are under negotiation with third parties who held prior interest unrelated to gold:

- Konya Seramik hold a licence over an area of kaolinisation in the north of the volcanic belt,
- Altun Mad hold a licence, supposedly covering a small quarry worked for coloured chalcedony (though their licence fails to cover the quarry itself, which is on the Stratex Inlice IV licence,
- Imece have signed a 1.5% royalty agreement covering the southern half of the Doganbey target area
- Muammer Guven and the related Tekno Mad hold licences in the south of the volcanic belt and have agreed in principle to a 1% royalty agreement with Stratex.

The geological setting of the Konya Volcanics is described above in Section 3.3.

Access to all properties is excellent via major highways, village roads and four-wheel drive forestry tracks.

3.6.2.STRATEX RECONNAISSANCE

Following the discovery of the Inlice gold mineralisation, Stratex commenced a regional exploration programme to identify other areas of alteration in the Konya Volcanics. The methods used were visual observation and field checking of colour anomalies, examination of previously reported kaolinite occurrences, and Landsat TM processed for clay and hydroxides by Telluris Consulting Ltd. Fourteen new alteration zones were discovered in the Konya Volcanics. These occur over a length of 50 km in a northwest-trending belt with Inlice located near the middle. Subsequently a further five target areas were identified during reconnaissance surveys.

Five of the anomalies were identified directly from Aster satellite images, while the remainder were identified by Stratex personnel during reconnaissance surveys. All the target areas were checked in the field and prioritised, though only limited sampling was conducted. Licence applications were made over the targets, the majority of which were in unclaimed land, enabling Stratex to establish a major land position in what could be a significant new gold province.

3.6.3.DESCRIPTION OF TARGETS

The following descriptions are based on field observations by S Redwood (2005b), Bahri Yildiz (September 2005 and pers comm.) and D Patrick during Howe's October 2005 field visit. Patrick and Yildiz spent a day traversing the area and conducted limited check sampling. All but the southernmost properties were visited.

Stratex has conducted no petrographic or X-ray Diffraction (XRD) studies on the alteration mineralogy, and field identification terms are utilised in the descriptions below. However, the comprehensive study of kaolin deposits in the area by Karakaya at al (op cit) utilised XRD, scanning electron microscopy and other techniques to examine the mineralogy of a number of the alteration zones on Stratex ground and concluded that the kaolin deposits 'are excellent examples of the acid-sulphate *(high sulphidation epithermal)* type of hydrothermal alteration'. The study estimated an alteration temperature of around 100º C based on the cristobalite-quartz relationship, in the range of high level epithermal systems. Zonation in the deposits described is well developed, from an inner silicic core, succeeded outwards by alunite, then kaolinite with halloysite and dickite. The field observations below by Stratex, Redwood and Howe are thus supported independently.

Yildiz has recently prioritised the targets into three categories based on the nature and extent of the alteration and the presence of detectable gold or the presence of other significant elements in the sparse reconnaissance sampling. Howe considers that all targets are valid exploration targets, though for practical purposes, prioritisation is necessary for forward exploration planning.

The properties are described below according to Yildiz's priority ratings, which are largely supported by Howe's field inspections. The properties are located on **Figure 2.**

HIGH PRIORITY

Two areas (Doganbey and Oglakci-Dikilitas) exhibit significant high sulphidation epithermal mineralisation indicators. The magnitude of the altered zones in these areas is greater than other regional target areas identified by Stratex to date and anomalous gold values have been returned from preliminary sampling within the areas.

Doganbey lies 16 km northwest of Inlice and 7 km northeast of Doganbey town. The target area is located on hills on the north side of a valley in recently planted forest with good four-wheel drive access along forestry tracks, in Stratex and a 3rd party claim. A 1.5% royalty agreement has been negotiated with the latter. Argillic alteration comprising a kaolinised and locally silicified porphyritic andesitic dome and lavas carrying disseminated pyrite and limonitic alteration covers an area of at least 2.5 km north-south by 2.0 km east-west. Numerous silica ledges of opal and chalcedony, fine-grained quartz and vuggy quartz, and hydrothermal breccias occur. Pyrite is present in the opal and fractures are filled with vuggy silica and fine pyrite. Hematite, alunite and native sulphur also occur in the vuggy silica. The ledges vary from 1m up 50m wide and trend northwest to north-south. Alteration is exposed over a vertical extent of over 200 m.

Grab samples collected by Redwood from Doganbey returned maximum values of 27 ppb gold, 0.2 ppm silver, 247 ppm arsenic, 320 ppm barium, 17 ppm bismuth, 20 ppm copper, 1 ppm mercury, 10 ppm molybdenum, 82 ppm lead, 8 ppm antimony, and 103 ppm zinc. Stratex has since collected 45 reconnaissance samples from the area, 29 of which returned detectable gold values. The maximum gold grade obtained was 0.241 g/t Au and molybdenum anomalies up to 327 ppm and lead anomalies up to 894 ppm were also returned. Howe collected a check sample (DP008) at the locality that returned the maximum gold value in Stratex sampling, which returned 0.256 g/t gold, 0.3 ppm silver, 310ppm barium, 32 ppm molybdenum and 154 ppm lead. Interestingly, 40 ppm lanthanum was returned together with 1010 ppm phosphorus and 22 ppm antimony. This tends to confirm the earlier sampling results.

Late andesitic lavas overlie the altered volcanics and Pliocene sedimentary units are exposed to the south and southwest of the area. Some 2.5 km south of the main alteration zone, an area of argillic alteration in andesite is exposed in a window in the younger strata. This alteration extends a further 1.5 km up a southeast-trending valley on the north flank of unaltered lava domes and may be related to the main alteration zone.

Oglakci-Dikilitas is located 4 km northeast of Oglakcý village on a track accessible to four-wheel drive vehicles. The target area comprises two contiguous licences where weak to moderately kaolinised and silicified andesitic lava is exposed on the edge of an andesitic dome. Chalcedonic and opaline alteration with a vuggy texture and limonite and hematite are also observed in the volcanics. The size of the alteration area is 4 km by 3 km. Late unaltered lavas overlie the altered volcanics.

A foot traverse across the area revealed zoned alteration exposed in a narrow, steep valley, with a central silica-alunite and kaolinite core where the original rock texture is completely obscured. Very fine pyrite was observed in late vuggy silica veinlets. The core is contained within silicified and kaolinised tuff with northwest-trending silica ledges and an outer haematitic-argillic zone that disappears beneath the younger unaltered lavas in the northeast. Chalcedonic veinlets and stockworks were observed in the kaolinised tuffs. The target area lies on the southwest edge of a major caldera with numerous domes and appears to represent the upper part of a high sulphidation epithermal system.

Stratex has collected ten samples from the area to date, two of which returned 0.054 g/t gold and 0.007 g/t gold respectively, and one sample yielded 290 ppm copper, 89 ppm arsenic and 12 ppm molybdenum, suggestive of a porphyry signature. Barium, phosphorus and iron tend to be enhanced in several samples, though other elements are close to background. At the time of the Howe visit, two Stratex geologists, who have worked on the Inlice prospect, were mapping and sampling the property.

MEDIUM PRIORITY

Included in this category are the Gavur Golu, Cukuragýl, Karacaören, Yaylacýk, Golcuk, Camurlu, Inlice East, and Ilyasbaba Tepe licence areas **(Figure 2)**. All exhibit silicification and argillic alteration.

Gavur Golu: Weakly kaolinised and locally silicified andesitic lava and debris flows are exposed in the target area and replacement silica with vuggy texture is also observed. The size of the altered zone is about 3 km by 3 km. Three rock samples were collected by Stratex, but returned only minor enhancements of barium and arsenic, with one returning detectable gold. This property lies on the northeast, opposite side of the major caldera from Oglakci at an elevation of some 1800m. Access to the area is via a four-wheel drive track that passes through the lower priority Kozlu alteration zone, described below.

Cukuragýl: Weakly kaolinitic and locally silicified tuff is exposed 5 km southeast of Cukuragýl village. Replacement silica with vuggy texture is locally developed in the tuff beside the access track. The size of the altered area is 3 km by 2 km. Stratex collected three rock samples from this altered zone but results were generally low, with minor enhancements in iron and barium.

Karacaoren: This area is located 1.5 km north of Karacaoren village on the side of an access track. Weak to moderately kaolinised and silicified tuff and lavas are exposed, with minor silica ledges and local replacement silica. The size of the altered area is about 3 km by 1km. The altered zone strikes northwest-southeast. Stratex has collected two reconnaissance rock samples from the altered zone but no significant results were returned.

Camurlu: This target area lies 9 km north of Inlice, and 5 km northwest of Camurlu village, where at least 2 km^2 of kaolinite alteration of andesite and coarse lithic andesite tuff or breccia are exposed. Pervasive alteration occurs with veinlets of kaolinite, ledges of opal with brecciation and hematite gossan, and silica with 5 to 30% disseminated pyrite. The area has been drilled for kaolinite by five short holes (30-36 m) and there is a grid of drill pads and access roads, though no results are available. The alteration zone lies on the south side of a northwest-trending graben fault that separates the Konya Volcanics from Jurassic limestones. A grab sample collected by Stratex returned elevated trace element values (<5 ppb gold, 0.3 ppm silver, 39 ppm arsenic, 450 ppm barium, 8 ppm molybdenum, 24 ppm lead, 26 ppm zinc).

Yaylacik: This area is located within a north northwest-trending valley, possibly structurally-controlled, 23 km south-southeast of Inlice and 4 km northeast of Yaylacik village, where bleaching and iron oxide staining reportedly occurs over several square kilometres on the valley sides. The property is currently held by Muammer Guven, who have agreed verbally to a 1% royalty deal. Kaolinite-altered quartz-eye crystal tuffs and lithic-crystal tuffs dipping 50° west are exposed in roadside cuttings, with white to clear opal replacement of some beds. Incipient vuggy silica alteration and probable alunite are present also. To the east and above the altered zone is sequence of bedded sediments, tuffs and ignimbrites. To the west is a flow-banded dome. Three Stratex grab samples gave strong trace element anomalies up to 353 ppm arsenic, 1,060 barium, 995 ppm lead, 56 ppm antimony, though gold and silver were below detection limits (Redwood, 2005 b).

Golcuk: This zone lies some 9 km northwest of Inlice, on the west side of Gocuk village. A 320º striking silicified zone up to 5m wide with white granular quartz, vuggy silica and rare chalcedony veinlets is hosted by a weak to moderately kaolinised and silicified porphyritic andesite lava, surrounded by unaltered lava domes forming craggy hills. A Stratex grab sample gave weakly anomalous values (<5 ppb gold, 0.3 ppm silver, 15 ppm arsenic, 150 ppm barium).

Inlice V is the extension of the alteration exposed in the Inlice property. A red colour anomaly occurs 3 km east of the Inlice discovery outcrop on the south side of the main road. It is caused by coarse lithic andesite tuff with kaolinite-alunite alteration, hematite staining and several silica ledges of red, brown and white opal (jasperoid), some with brecciation which trend north-northeast to northeast. The east side of the alteration zone is in steep contact with unaltered, white ash flows which are part of a sequence of bedded sediments and tuffs which outcrop in the valley to the east. The contact may either be a fault or onlap by younger volcanic ashes. A Stratex grab sample returned <5 ppb gold, <0.2 ppm silver, 128 ppm arsenic, 240 ppm barium, 16 ppm copper, 5 ppm molybdenum, and 21 ppm zinc. A small trench working has extracted the coloured chalcedony for jewellery.

Ilyasbaba Tepe: This property is located 4 km east of Inlice village. Argillic alteration occurs within and between two lava domes. Two samples were collected by Stratex from the silicified and kaolinitic andesitic lava and one sample was collected from clayey lithic tuff with limonitic staining. No significant values were obtained.

LOW PRIORITY

This category includes Yatagan, Saglýk, Yunuslar, Karakaya, Kozlu and Ketenli, Gökyurt, Orta Karaoren and Mesudiye **(Figure 2)**.

Yatagan: This property lies 7 km west-northwest of Inlice. It comprises two large areas of kaolinite alteration on either side of a north-south trending valley in coarse lithic lapilli andesite tuff or breccia. One area lies 2 km southwest of Yatagan and the other is 2 km east of the village. Replacement and fracture-controlled silicification reportedly forms 130°-trending silica ledges of opal with pyrite. Brittle fracturing and brecciation is common with jarosite and hematite fracture fill. Two Stratex grab samples from the exposure southwest of the village gave anomalous trace element values (<5 ppb gold, 0.2 ppm silver, 119 ppm arsenic, 280 ppm barium, 7 ppm bismuth, 21 ppm copper, 9 ppm molybdenum, and 102 ppm lead).

Yatagan East: This lies 2 km east of Yatagan village. The zone occurs 2.15 km northwest of the last exposed ledge of the main Inlice system and may represent its continuation. Ledges of brecciated red and white jasperoid opal with fine quartz cement and abundant float occur on a west-facing slope comprising a debris flow or a coarse breccia with abundant large blocks of andesite. The ledges trend 080° and appear to represent very late stage mineralisation.

Saglik: Occurs 5 km northwest of Saglik town and comprises several square kilometres of kaolinite alteration of bedded ash to lapilli lithic dacitic tuffs with low dip of around 20° to west. Beds of white opal to chalcedony replacement occur. The altered zone lies on the east side of an unaltered rhyodacite to rhyolite dome with large quartz eyes, which is flanked by andesitic lava and lithic tuffs with blocks of flow-banded rhyolite with disseminated pyrite. The rhyolite flows have not been seen in outcrop. The main alteration zone is currently under licence to Konya Seramic; Stratex is holding negotiations with the group.

Yunuslar: This property is 5 km northwest of Saglic just east of Yunuslar village. It comprises kaolinite-quartz alteration of a flow-banded rhyolite dome, with a brecciated margin, possibly a vent, and a bedded tuff apron on its south side. Rhyolite and opal clasts in the altered tuff with sparse disseminated pyrite indicate that hydrothermal activity was both contemporaneous with and post-dated the volcanic activity.

Karakaya: lies 4 km north of Yesiltekke village. Alteration occurs in coarse lithic andesite tuffs, and debris flows which dip west off the west flank of an unaltered lava dome which forms the prominent hill of Karakaya Tepe. Alteration is strong kaolinite with some silicification (fine quartz) with pyrite, and strong hematite-jarosite. Similar colour anomalies visible on south and east flanks of the dome were not visited. One of two grab samples returned moderate to strongly anomalous trace elements with up to 164 ppm arsenic, 1,700 ppm barium, 5 ppm bismuth, and 1,405 ppm lead, though gold and silver were below detection.

Kozlu: Argillic alteration of andesitic debris flow, and andesitic lava with some jarosite staining of tuffs occurs around the village of Kozlu on the road to the major caldera at Gavur Golu.

Ketenli:. An area of argillic alteration occurs in a road cut and valley sides on the west side of Ketenli village, 10 km west of the Yaylacik alteration zone. Alteration consists of kaolinite, jarosite and possible dickite in a lithic crystal lapilli andesite tuff between flow banded domes on both the east and west sides. Alteration extends for at least 2 km and has an apparent trend of 150°.

Gokyurt: 6 km southwest of Gokyurt village, extensive kaolinite alteration with white opal in lithic tuffs and debris flows occurs on south side of a prominent 2 km diameter lava dome.

Orta Karaoren: This comprises two zones of weakly argillic alteration of debris flow, lithic tuff and andesitic lava flow. The eastern part of the zone is partly situated on ground held be Muammer Guven, who have verbally agreed to a 1% royalty.

Mesudiye: This alteration zone is located to the west and east of Mesudiye village. Weak to moderately argillically altered lithic tuff and debris flow are reportedly exposed in the area overlain by later andesites. One Stratex grab sample from the altered debris flow returned detectable silver and elevated iron, barium, phosphorus, lanthanum and strontium.

3.6.4.DISCUSSION

High sulphidation epithermal gold deposits are the major producers in the Andes of South America. In the southwest Pacific, some high sulphidation systems have been significant Cu-Au producers, while others are noted for high gold grades. Most occur in volcanic host rocks and demonstrate associations with subvolcanic intrusions, particularly flow dome complexes and are commonly localised by similar major structural corridors to those which host porphyry Cu-Au deposits, where more deeply eroded (Corbett, 2004). Most high sulphidation systems have been targeted from the recognition of outcropping alteration, commonly as Landsat colour anomalies or formerly evaluated for industrial purposes.

At the core of high sulphidation ore systems hot acidic fluids leach many components from the host rocks leaving mainly silica, and so the altered rocks are termed residual silica or vuggy silica, from the texture produced by the pseudomorphous removal of porphyritic feldspars and rock fragments. In many breccias finely comminuted rock material is replaced by massive fine-grained silica, while porphyritic intrusion fragments display the characteristic vuggy texture. Vuggy silica provides important secondary permeability for later mineralisation.

Zonation is characterised progressively outwards by mineral assemblages dominated by: alunite, pyrophyllite, kaolinite, illite, and smectite clays. Mineralogies dominated by lower temperature (opaline) pervasive silicification or alunite-kaolinite assemblages dominate in higher level settings. Thin alteration zones may suggest that fluid conditions have changed rapidly, possibly in a quenched higher level system or distal to the fluid upflow conduits, while wide zonation characterise slower changing fluid conditions more typical of deeper levels (or more proximal to the fluid upflow conduits).

Most ore systems display elements of permeability controls, classed as structural, breccia, or lithological (Corbett, 2004). In many instances structural controls predominate in the deeper portions and pass upwards to a lithological control. Dilatant subsidiary structures with angular relationships to major structural corridors host ore and facilitate rock reaction, while permeable host rock lithologies may control fluid flow. Many high sulphidation deposits are associated with felsic dome margins; the domes provide an important link to underlying magmatic source rocks. Diatreme/flow dome complexes exhibit the most important breccia control, particularly at contacts between the diatreme and brecciated host rocks. The intersection of dilatant structures and diatreme margins or permeable horizons represent ideal ore settings. In volcanic edifices, caldera ring and radial fractures, fracture sets in resurgent domes and flow-dome complexes, hydrothermal breccia pipes and diatremes may be important controls, together with faults and breccias in and around intrusive centres. The deposits occur over considerable depths.

Sulphide mineralisation is generally introduced after alteration into the central portion of the zonation by feeder structures or breccia pipes, and is characterised by sulphide assemblages dominated by pyrite and enargite, and lesser covellite (typically at deeper levels) and local, generally peripheral, tennantite-tetrahedrite. Ore textures are characterised by filling of open space in the existing vuggy silica, fissure veins within subsidiary dilatant structures, or form the matrix to breccias. Barite and alunite gangue are commonly deposited with sulphides. Weathered rocks may contain abundant limonite (jarosite-goethite-hematite), generally in a groundmass of kaolinite and quartz. Fine-grained supergene alunite veins and nodules are common.

The above textural and alteration characteristics are exhibited strongly by the Inlice system. The outcropping mineralisation is strongly oxidised and sulphides are generally weathered to limonite, with rare preservation of pyrite. The mapped features tend to suggest that the centre of the system could be proximal to the wide zone of alteration in the Central Zone.

High sulphidation deposits are typically derived from fluids enriched in magmatic volatiles, which have migrated from intrusion source rocks at depth to surface, with only limited dilution by groundwaters or interaction with host rocks. The typical geochemical signature of these deposits includes dominant gold, copper, and arsenic with silver, zinc, lead, antimony, molybdenum, bismuth, tin, tellurium, tungsten, boron and mercury. Barium is also commonly strongly elevated. **Table 3** demonstrates that, with the exception of mercury and molybdenum, a suite of elements typical of high sulphidation epithermal systems are enhanced to varying degrees in the Inlice system.

While most high sulphidation systems are characterised by gold grades in the 1-3.5 g/t range, some display remarkably higher gold grades (Panteleyev, A. 1996). At Inlice Main Zone, gold values are significantly elevated towards the northern end of the Main Zone, reaching 11.69 g/t Au over 3.9m, but decrease towards the southwest, while in the Main Zone Extension, gold grades decrease to the northwest. Redwood suggests that the increased values at the lowest topographic levels indicate that a deeper part of the system is exposed in this area. This is supported to some extent by the presence of increasing vuggy silica, the lower topography in the northwest part of Main Zone and southeast of the extension, and possible downthrow to the north of a postulated fault between the two zones, though Howe also suggests the possibility of late gold mineralisation exploiting the permeable alteration via a fracture between the two zones.

The numerous altered zones identified by the Stratex reconnaissance throughout the general Konya project area also exhibit many of the characteristics described above, though most appear to be exposed at a higher level in the systems than the Inlice zone. They lie on extensive, major structural, arc parallel corridors and appear to be controlled by late fracturing. Although the Inlice prospect is the only zone to date to return strongly significant gold values, Howe notes that systematic sampling has not been conducted elsewhere and that many of the reconnaissance samples collected to date exhibit anomalous gold and trace element levels, with signatures indicative of high sulphidation systems.

There is therefore potential for both epithermal gold and associated, deeper porphyry systems in the Konya area. As mineralisation has not previously been recognised in the Konya volcanics, this could represent a significant discovery in an extensive area in which Stratex has established a dominant land position.

3.7. CONCLUSIONS AND RECOMMENDATIONS

3.7.1. INLICE

- At Inlice, Stratex has discovered outcropping gold-silver mineralisation that has the characteristics of a high sulphidation epithermal system.
- The mineralisation is hosted by a series of steeply-dipping, sub-parallel, silicified tuff horizons and structurally controlled units termed ledges, exposed along a strike length of 3.5 km within an volcanic pile associated with a complex of andesitic domes in a major northwest-trending structural corridor.
- The outcrop of the principal Main Zone forms an elongated hill some 930m long with some 90 metre relief; the zone varies in width from 10m to 55 m.
- Grades in the northwestern 400 m of Main Zone average above 1 g/t Au, but a deeper part of the system appears to be exposed at the northwest end of the zone where gold values of 8.27 g/t Au over 4.4m, 7.58 g/t Au over 8.2m and 4.34 g/t over 13.8 m have been returned from systematic chip sampling.
- Howe's check sampling results essentially confirm the Stratex sampling results, including the high-grade gold at the northwest end of Main Zone and increasing silver grades to the southeast.
- Similar mineralisation also occurs in the Main Zone Extension, West, Central and North Zones, though gold and silver grades to date are anomalous, but low. However the alteration mineralogy of these zones suggests that they are exposed higher in the epithermal system than the high-grade part of the Main Zone, and their grades might be expected to increase at depth.
- There is potential for the development of significant tonnages of low-grade gold-silver mineralisation in the Main Zone and Main Zone Extension, with additional potential for higher gold grades developing at depth in the stratigraphic replacement silica ledges.
- There is also potential for structurally controlled, high grade mineralisation deeper in the system; porphyry-style mineralisation may also be present at greater depth.
- Main Zone should be drilled at an early stage. The relief of the area means that the system could be tested at depth by reasonably short holes drilling from the flanks of the hill. Holes should be drilled at the northwestern, central and southeastern part of the outcrop to determine whether grades do, in fact increase as deeper parts of the system are accessed.
- The Main Zone Extension should also be drilled close to the postulated fault to determine whether the interpreted down throw is real and grades increase with depth. Drilling will also help to elucidate the geometry of the system.

- The topography of the Main Zone is ideally suited for the development of an initial small open pit operation should grades prove continuous at depth as the southwest face of the hill is sub-parallel to the dip of the silica ledge and cover is minimal.

- The talus on the slope eroded from the northwest half of Main Zone should be sampled as it could provide a significant tonnage of readily accessible material.

- If the initial drilling proves successful, the campaign should be extended to the other zones and systematic drilling should continue in the Main Zone area.

3.7.2.KONYA REGIONAL

- Stratex has identified 20 significant alteration zones in the Konya Volcanics, excluding the Inlice high sulphidation epithermal gold system near the centre of the volcanic outcrop.

- The zones lie along two principal linear belts that extend 50 km northwest-southeast over a 15 to 20 km width.

- The host rocks are high-potassium calc-alkaline volcanic rocks of Late Miocene to Pliocene age related to subduction.

- The linear belts are arc-parallel but on a local scale, andesitic domes, alteration and mineralisation may also be controlled by northeast, east and north-south trends.

- All zones exhibit similar alteration features comprising extensive argillic (principally kaolinite) alteration with silica ledges of opal, often with fine pyrite, quartz and vuggy silica. Hydrothermal breccias also occur. Alunite, hematite and sulphur occur with the silica ledges and in the cores of systems.

- Although only limited sampling has been conducted to date, most alteration zones tested have returned trace element signatures characteristic of high sulphidation epithermal systems. Anomalous precious and/or base element values have been identified in several areas.

- The alteration zones all appear to be exposed at high levels of the mineralised systems indicating the limited erosion that has occurred, due possibly to the capping of unaltered andesites in the area.

- The zones have been prioritised by Stratex and detailed mapping and sampling has commenced on the highest priority Doganbey alteration system. Howe's check sample confirmed the highest gold grade returned to date from this area.

- Porphyry-style alteration has not been seen, though the volcanic and structural regime would suggest potential for this style of mineralisation. The alteration identified to date indicates that erosion is insufficiently deep for porphyry alteration to be exposed.

- Detailed sampling and mapping has commenced at Doganbey and will be extended to other areas. Howe considers that a drill hole should be considered close to the core of the Doganbey epithermal system, where anomalous gold has been returned from limited sampling, to determine whether significant gold mineralisation occurs deeper in the system.

4. KARAAGAC

Subsequent to its incorporation in August 2004, Stratex held discussions with Teck Cominco that led to signing of an agreement in October 2004 committing Stratex to establishing a wholly owned subsidiary in Turkey and evaluating Teck Cominco's Muratdagi licence block in western Turkey. A 100% interest in Muratdagi could be earned by successive expenditures of US$100,000 (already expended by the time of this report) and a further $400,000 before October 2006.

In December 2004 RAB Capital Special Situations agreed to invest £500,000 in Stratex for 44 % of the share capital. With finalization of the Shareholders Agreement in March 2005, RAB owned 44 % of the share capital, Teck Cominco 17.5 %, and the directors and financial advisers Ruegg held the balance.

A priority target, termed the Karaagac project was identified at an early stage by Stratex in Teck Cominco's optioned Muratdagi licence block using a combination of Landsat-based studies (Fitzpatrick and Murphy, 2005), evaluation of a geological and geochemical database compiled by Teck Cominco, and reconnaissance mapping by Stratex. This project area was visited by Howe in the current study and is reported on below. It represents only a small part of the overall package held under option by Stratex.

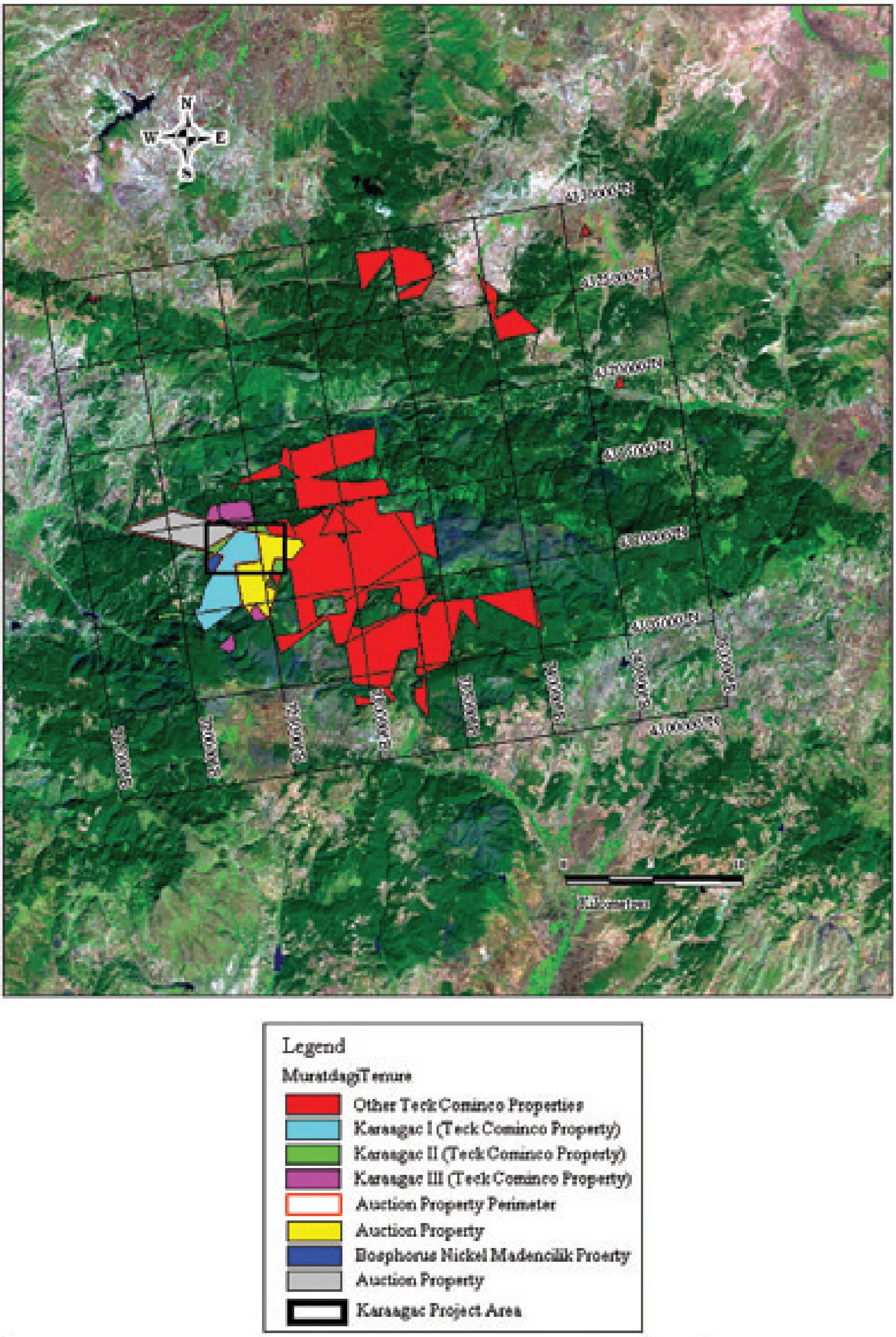


FIGURE 8: LOCATION OF THE TECK COMINCO LICENCES IN THE MURATDAGI AREA

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4.1. PROPERTY, LOCATION AND ACCESS

The Karaagac project is located within the three Teck Cominco licences highlighted in Table below and shown on **Figure 8**. The property is situated in the Muratdagi (Murat Mountains) region, 300 km southwest of Ankara and 32 km northeast of the city of Usak on the Ankara to Izmir highway. The project area lies in mountainous pine forest at altitudes from 1200 to 1700 m, with good access afforded by forest roads.

The area has a history of mining and a small-scale stibnite mine is currently active close to the project area.

TABLE 5. LICENCES IN THE TECK COMINCO-STRATEX AGREEMENT IN THE MURATDAGI AREA.

Project	*Licence No*	*Acquisition date*	*Expiry Date*	*Hectares*	*Province*	*District*	*Village*
Muratdagi	AR-82337	15/07/2002	15/07/2007	882.26	USAK	BANAZ	GÜRLEK
Muratdagi	AR-82421	03/07/2002	03/07/2007	1,253.02	USAK	BANAZ	KÜÇÜKLER
Muratdagi	AR-84291	19/11/2002	19/11/2007	180.06	KÜTAHYA	GEDIZ	ÇUKURÖREN
Muratdagi	AR-87310	29/05/2003	29/05/2008	2,956.09	USAK	BANAZ	KARACAHISAR
Muratdagi	AR-87316	29/05/2003	29/05/2008	61.55	USAK	BANAZ	KARACAHISAR
Muratdagi	AR-87317	29/05/2003	29/05/2008	1,009.21	KÜTAHYA	GEDIZ	KARAAGAC I
Muratdagi	AR-87634	02/06/2003	02/06/2008	259.84	USAK	BANAZ	KARAAGAC II
Muratdagi	AR-87635	30/05/2003	30/05/2008	1,095.37	USAK	BANAZ	BALTALI
Muratdagi	AR-87650	02/06/2003	02/06/2008	1,399.09	USAK	BANAZ	KARACAHISAR
Muratdagi	AR-92139	01/04/2004	01/10/2007	439.29	USAK	BANAZ	
Muratdagi	AR-92321	12/04/2004	12/10/2007	193.22	KÜTAHYA	GEDIZ	ÇUKUÖREN
Muratdagi	AR-92977	12/05/2004	12/11/2007	438.78	KÜTAHYA	GEDIZ-GÖKLER	KARAAGAC III
Muratdagi	AR-93128	14/05/2004	14/11/2007	390.98	KÜTAHYA	ALTINTAS	
Muratdagi	AR-93756	15/06/2004	17/12/2007	1,572.23	KÜTAHYA	GEDIZ	ÇUKURÖREN
			TOTAL (hectares)	**12,130.99**			

4.2. HISTORY

The Muratdagi area contains numerous small, old mine workings for mercury and antimony. Exploration work has been carried out over the past decade by the Turkish Government organisation MTA (Maden Tetkik Arama, the General Directorate of Mining, Research & Exploration), Newmont and Teck Cominco. The work completed during these studies includes stream silt sampling, rock sampling, district-scale mapping (MTA), and drilling of 8 holes in the Karaagac area by MTA in about 1997 though no data on the drilling and no reports on previous work are currently available. Various files showing regional geology, geochemical sampling, including rock and silt sampling results and silica-limonite alteration have been provided to Stratex and Howe has reviewed plots of these.

The Teck Cominco files include geochemical data for 332 silt samples and 183 rock samples with assays and UTM locations. The silt samples were taken in 1996 and 1997 and were analysed for Au plus 14 other elements. The 1997 samples utilised a gold detection limit of 5 ppb, though the 1996 samples were assayed to a detection limit of 1 ppb. The average sample density is around one sample per square kilometre.

The Karaagac area contains two strongly anomalous stream sediment samples that returned 69 and 108 ppb gold. The samples were also highly anomalous in arsenic, manganese, iron and silver and carried elevated copper, lead, zinc and antimony. Mercury was not assayed. Strong stream sediment gold anomalism is also seen in and around the AR-82421, 82337 and 87650 licences which occur some 10 km southeast of Karaagac, indicating additional potential that has yet to be appraised.

Some 150 of the rock samples were taken in 1996 to 1998 and analysed for gold (5 ppm detection limit) plus 13 other elements and 33 were collected in 2003 and analysed for gold (5 ppb detection limit) plus 28 elements.

In the Karaagac area, a strong grouping of samples with gold values ranging from 11 to 233 ppb Au, accompanied by highly anomalous As (up to 2303 ppm) and Sb (up to 147 ppm) defines the target area. Those samples analysed for Cr carried elevated values, indicative of the hosting ultramafic rocks.

A second area, in AR-84291, about 5 km east of Karaagac, as yet to be investigated in detail by Stratex, contains rock chip samples with gold values up to 84 ppb Au, highly elevated silver and copper values and elevated lead, arsenic and zinc. This area was subject to detailed stream sediment and rock chip sampling by Teck Cominco and any reports on the area should be obtained and appraised by Stratex.

The Teck Cominco alteration plots show numerous discrete zones in a variety of rock types including siliceous schist, rhyolite, dolomitic limestone and metasediments and do not generally appear to reflect the more precise, higher resolution patterns identified by Fitzpatrick and Murphy (2005) described below.

4.3. WORK BY STRATEX

Stratex examined the Teck Cominco geochemical data and identified Karaagac as the principal area of interest based on the presence of old antimony and mercury workings around the periphery of a thrust zone and the presence of highly significant stream sediment and rock chip samples with anomalous gold, base metal and arsenic and antimony values.

The company also commissioned a structural and spectral interpretation of Landsat and Aster imagery (Fitzpatrick and Murphy, 2005). In addition to significant structural features, the study identified numerous colour anomalies, often coincident with one another, attributed to haematite, jarosite and clay alteration, some associated with faults, though many appear related to the underlying geology. One significant grouping coincides with a west-northwest-trending linear feature on the northern flank of Muratdagi. Stratex subsequently conducted 1:5,000 scale geological mapping of the Karaagac target area, detailed rock chip sampling in the Karaagac area, and reconnaissance rock sampling of other areas of interest.

S. Redwood (2005a) visited the area with B. Yildiz for several days and produced a comprehensive report on the alteration and mineralisation. D. Patrick made a two-day visit to the area, and was able to confirm the majority of Redwood's field observations. The following descriptions draw on Redwood's observations, modified as necessary by Howe.

4.4. GEOLOGY AND MINERALISATION

The geology of the Karaagac area comprises Upper Cretaceous hartzburgite, serpentinite and serpentinite melange with large unaltered limestone blocks thrust over Jurassic limestones and calcareous schists. The serpentinites are interpreted to be ophiolites from the Tethyan Ocean and the thrusting is related to the Izmir-Ankara suture zone to the north (Fitzpatrick and Murphy, 2005). The age of collision is between Late Cretaceous and Middle Eocene.

The overthrust limestone forms craggy peaks in the Karaagac area. The limestone beneath the thrust has been recrystallised to a white marble and silicified in places and is underlain conformably by calcareous schist.

In at least two areas, late quartz-feldspar-porphyry bodies with associated chalcedonic veining intrude both the ophiolites and the limestones and a late dyke-like body is observed immediately below the thrust contact in limestone which becomes altered and heavily sheared towards the dyke.

There is widespread lateritisation of the overthrust serpentinite with a silcrete cap up to 20m thick. The age of lateritisation in Anatolia is well established as Miocene or Eocene and Howe noted that the silcrete is tilted parallel to the dip of the ophiolites, suggesting that the lateritisation is pre-thrusting. Garnierite was observed in the laterite in several areas and the area clearly has potential for nickel laterites.

North northeast-trending extensional faults form horst and grabens and half-grabens in the area, best developed to the north and south of Muratdagi. These control young sedimentary basins. The Landsat images also indicate a series of prominent, though discontinuous, north-northeast features extending into the Karaagac area. A major west-northwest fault zone occurs immediately south of Muratdagi, probably representing a reactivated crustal structure. It has controlled the formation of a rhomb shaped pull-apart basin to the southeast of Muratdagi. Domal features and circular features related to inflections on west-northwest -trending faults or fault intersections and correlate with mapped rhyodacite or rhyolite domes. The thrust zones are expressed as highly sinuous surface traces on the basal contact of the ophiolites (Fitzpatrick and Murphy, 2005).

The recent Stratex mapping at Karaagac indicates a strong, underlying west-northwest structural element with fracturing in this trend in the limestones underlying the thrust, with a narrow zone of overthrust ophiolites traversing the centre of the area along this trend, possibly reflecting an upfaulted region of the limestone where the overthrust ophiolites have been preserved. **Figure 9a** shows the geology and **Figure 9b** shows the sampling results to date.

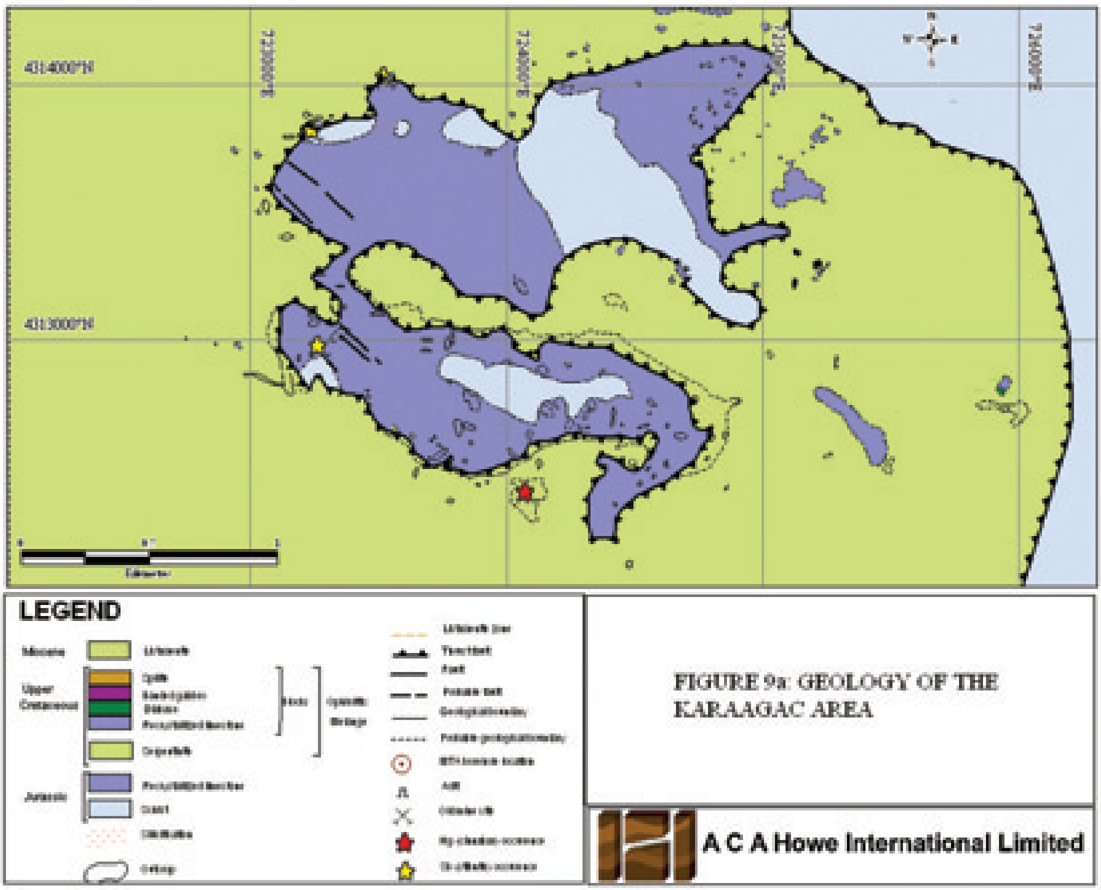

FIGURE 9a: GEOLOGY OF THE KARAAGAC AREA

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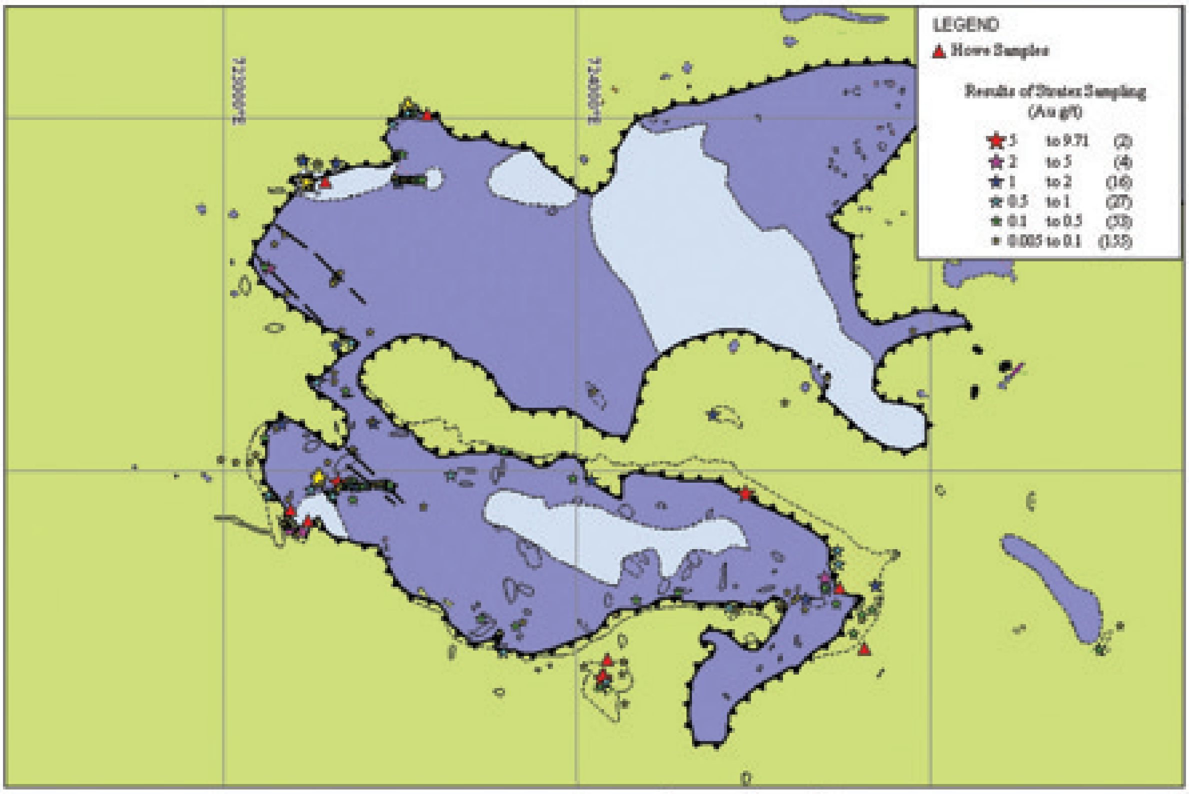

FIGURE 9b: ROCK CHIP SAMPLING IN THE KARAAGAC AREA

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4.4.1. NICKEL MINERALISATION

Stratex has conducted mapping and sampling in the Muratdagi area to identify laterite zones. A total of eight rock samples were collected from laterite zones in the Karaagac area and two samples were collected from laterite exposed elsewhere in the Teck Cominco licences. The maximum nickel value of 0.896% Ni was obtained from a saprolite zone exposed in the Karaagac area. Laterite profiles were not well developed elsewhere and only limited potential for significant nickel laterite is indicated.

4.4.2. GOLD MINERALISATION

Both limestone and serpentinite have been altered and silicified on either side of the thrusts; the mineralisation and alteration appear to extend to some tens of metres vertically below the thrusts in limestone and some 2 to 5 m in listwaenite (altered serpentinite) above the contacts. The alteration post-dates the thrusting movement and the thrusts clearly acted as permeable fluid pathways. The angle of the silicified thrust zones varies from flat to 55°. More than 7 km of strike length of thrusts are exposed in the Karaagac area.

The silicified limestone is completely replaced and comprises granular grey to white quartz, with quartz veinlets and crustiform banding, often containing large angular cavities with crystalline quartz and stibnite crystals up to 2 cm long. The stibnite has been mined in small pits particularly in the northwestern thrust contact area. The listwaenite comprises finer grained, more massive granular grey quartz with fine pyrite, contains stibnite in vugs, and an unidentified green mineral, (possibly fuchsite) occurs in small cavities and disseminated in the matrix.

Significant gold grades in reconnaissance samples collected by Stratex from silicified limestone and serpentinite are shown below. 11 out of 49 reconnaissance samples returned gold values greater than 1 g/t Au **(Table 6)**, and 30 of the 49 gave values in excess of 0.1 g/t Au:

TABLE 6. ANOMALOUS GOLD IN THRUSTS AT MURATDAGI.

Sample	*Width (m)*	*Au (ppm)*	*Ag (ppm)*	*As (ppm)*	*Hg (ppm)*	*Sb (ppm)*
RS-45	3.0	9.710	12.9	1250	4	290
RS-3	1.0	6.920	79.9	3140	5	795
RS-35	1.0	4.680	25.0	2520	14	663
RS-46	2.5	4.340	3.3	>10000	1	217
RS-47	5.0	2.620	1.7	8830	<1	98
RS-9	5.0	1.495	29.5	3740	3	752
RS-48	Grab	1.465	1.5	3420	<1	1045
RS-33	3.0	1.265	7.1	4510	23	184
RS-49	1.5	1.205	1.2	7710	1	1190
RS-12	Panel 1.5 x 2.0	1.185	<0.2	1255	52	146
RS-39	1.0	1.085	4.9	1690	10	728

Gold is associated with strong anomalies of silver, arsenic, mercury, antimony, plus a grouping of chromium, iorn, magnesium and nickel. Barium, cobalt, manganese, lead and zinc are also moderately enhanced. The gold, silver, arsenic, barium, lead, antimony and zinc appear to have a hydrothermal source, possible related to an unexposed intrusive, while the cobalt, chromium, iron, magnesium and nickel are considered to have been hydrothermally remobilised from the ophiolites as they occur in both the silicified limestone and listwaenite.

Stratex has collected a further 176 samples in the course of detailed mapping; significant results are shown schematically on **Figure 9b**. High gold values (for example sample RS-45 in Table 6) are associated with a series of north-northwest trending, steep fracture zones marked by strongly replaced, vuggy and crustiform limestone.

Howe collected a suite of six check samples of altered limestone and listwaenite from the thrust area; results area shown below:

TABLE 7. RESULTS OF HOWE SAMPLING AT KARAAGAC

Sample	*Description*	*Width (m)*	*Au (ppm)*	*Ag (ppm)*	*As (ppm)*	*Hg (ppm)*	*Sb (ppm)*
DP011	Pyritic, silicified listwaenite from thrust	3.0	11.290	12.8	2300	15	85
DP012	Silicified limestone from beneath thrust	1.0x1.0 panel	0.118	0.30	90	1	24
DP013	Random chips of limestone in steep fault, equivalent to RS-45	3.0	10.900	16.0	2090	2	203
DP014	Listwaenite equivalent to RS-46	2.5	5.94	4.9	>10,000	1	379
DP015	Chips along limestone above schist contact, equivalent to RS-48	5.0	1.680	2.2	4400	1	1835
DP016	Chips from old stibnite in replacement limestone working close to thrust	Composite grab	1.215	3.2	4940	1	3070

The results tend to confirm the Stratex sampling and provide further evidence of high grade gold mineralisation in the steep structures in the limestone.

4.4.3.BRECCIA PIPE-HOSTED MERCURY MINERALISATION

Silicified hydrothermal breccias occur in the Karaagac area and on surrounding licences, and have been mined for mercury in open pits and adits. The breccias are roughly circular up to 160m in diameter and form craggy outcrops up to 40m high. The matrix is grey to black chalcedony and opal with cinnabar. The breccias are matrix supported and clasts may exhibit a jigsaw texture. The clasts are poorly sorted, angular to rounded and comprise silicified limestone or serpentinite. Open spaces and later open fracturing have vuggy quartz or black, botryoidal manganese oxides. Argillic alteration occurs around the margins of the breccia bodies.

A single breccia pipe was visited at Karaagac. It occurs down the slope of the thrust but structurally above silicified thrust-hosted gold mineralisation in listwaenite and has been worked from a small adit and open pit. Siliceous sinter was observed close to the top of the pipe. Pods and disseminations of cinnabar occur within the breccia pipe and in spoil form the adit. Previous Stratex reconnaissance sampling (RS-43 and RS-288 to 290) had returned 0.8 g/t gold from the breccia. Howe collected two samples (DP009, DP010) from the breccia which confirm the earlier Stratex sample results:

TABLE 8. STRATEX AND HOWE SAMPLING AT KARAAGAC BRECCIA PIPE

Sample	*Description*	*Width (m)*	*Au (ppm)*	*Ag (ppm)*	*As (ppm)*	*Hg (ppm)*	*Sb (ppm)*
RS-43	Silicified breccia with cinnabar	3.0	0.298	<0.2	24	816	20
RS-288	Silicified breccia with cinnabar	3.0	0.062	<0.2	20	140	21
RS-289	Silicified breccia with cinnabar	2.5	0.882	0.2	22	1040	22
RS-290	Silicified breccia with cinnabar	2.5	0.881	0.3	18	535	20
DP009	Breccia pipe	2.0	0.098	0.2	17	153	22
DP010	Breccia pipe east side	3.0	0.359	0.2	36	531	31

In the Gurlek area 12.6 km to the southeast of Karaagac three silicified breccias reportedly occur at the east end of a flat, silcrete-capped laterite ridge in serpentinite, similar to that at Karaagac. At Baltali, 12.0 km southwest of Karaagac, silicified breccias occur over a vertical interval of 100 metres in the centre of a small volcanic pipe in association with felsic lavas. (Redwood 2005a) Both of these lie outside of the licence area and are held by Eti Holding, a government company.

The breccia at Karaagac appears to represent a hot spring deposit associated with the upper level of a low sulphidation epithermal system, where mercury has been transported to surface in a gaseous phase and has been deposited in the breccias and associated sinters. It may represent local venting of a gaseous phase above the thrust contact, which was one of the principal fluid conduits for the main mineralising event.

4.5. MINERALISATION STYLE AT KARAAGAC

The mineralisation at Karaagac appears to be related to a low sulphidation epithermal system, with a distal source. The thrusts, which clearly pre-date the mineralisation, have acted as permeable, low angle fluid conduits. The wallrocks of the thrusts have reacted with the fluids resulting in the silicification and mineralisation of the serpentinites and limestones. Gold mineralisation occurs in the silicified wallrocks.

There appears to be a strong west-northwest structural element traversing the Karaagac area, indicated by steep fracturing in the limestones and narrow zones of overthrust ophiolite with similar trend. Reactivation of crustal fractures with this trend has controlled the structural development of the area. There is also the possibility of north-northeast-trending fractures extending across the property; intersection of these two trends could provide foci for intrusives and associated mineralisation and several circular features are interpreted by Fitzpatrick and Murphy (2005) in the vicinity of the intersection of these trends in the Karaagac area. Higher grade gold mineralisation appears to be associated with the steeper west-northwest fractures beneath the thrust, which may have acted as primary conduits for fluids, with leakage upwards and outwards from the fracture zones along the thrusts. Potential also exists for the development of replacement mineralisation in reactive rocks such as limestone adjacent to the primary feeders particularly close to the intersection of steeper fractures and the thrust plane beneath the less reactive ophiolites.

The hydrothermal breccia pipe at Karaagac is interpreted to represent a high level of the epithermal system above the gold deposition zone with deposition of very high Hg and much lower levels of other elements, associated with low temperature chalcedonic and opaline silica. The pipe lies on the extrapolation of a prominent zone of west northwest fracturing exposed in the limestones some 500m to the northwest, and isolated patches of listwaenite lie along this trend. Gold mineralisation associated with silicification or banded quartz veins may be expected at some depth below the breccia pipe.

The mineralisation is probably related indirectly to the Miocene felsic igneous activity known in the area, which could be both the ultimate source of the hydrothermal fluids and the heat source driving their circulation in extensive, steep fracture systems and low angle thrusts, where mixing could occur with meteoric water. The mercury mineralisation associated with the breccias could represent venting of gaseous volatiles above the main conduits at a higher level in the epithermal system.

4.5.1. CONCLUSIONS AND RECOMMENDATIONS

- Limited nickel laterite potential is indicated by Stratex sampling in the Muratdagi area.
- Significant gold mineralisation is hosted by a thrust zone that transports ophiolite over limestone and calcareous schist in the Karaagac area.
- The mineralised portion of the thrust zone outcrops at low angle, with shallow cover, over a sinuous strike length of at least 7.0 km.
- Mineralisation within the exposed thrust zone comprises 2-5 m of silicified listwaenite, and mineralisation and alteration appear to extend for some tens of metres vertically beneath the thrust into the underlying limestone. Gold values are commonly in the range 0.5-2.0 g/t Au.
- The results from Howe’s samples collected from the thrust-related mineralisation essentially confirm those from the Stratex sampling.
- Gold is also present in steep fractures that traverse the area, appear to be capped by the thrust and carry higher grades up to 9.7 g/t Au. A Howe check sample returned 10.9 g/t Au from this area.
- The breccias appear to be vents above the thrust plane, though they could represent degassing vents that penetrate the thrust planes from deeper vein systems.
- Because of the low angle of the thrusts down dip of the mineralised outcrop, and shallow relief, the prospect could be readily tested by trenching and shallow pattern drilling. Systematic testing of the thrust could also enable the identification of the primary conduits where the highest grades might be expected.
- Assuming that the grades continue to depth down the thrusts, a significant tonnage of low-grade gold mineralisation that could be worked from surface could be developed rapidly.
- The steeper mineralised fractures could carry higher grades and should be tested by drilling.

- A drill hole should also be considered beneath the vent breccia.
- The Teck Cominco data should be fully reviewed and additional areas should be examined in detail, particularly the area of high rock-chip gold to the east of Karaagac.

5. DIKMEN

5.1. PROPERTY

Howe did not visit this property due to time constraints. The following account is based on a report by the Japan International Cooperation Agency and the Metal Mining Agency of Japan, who conducted detailed surveys in the area in 1991 and a summary by Redwood of more recent work.

The Dikmen project covers 1,394.13 hectares and is located on the Biga Peninsula in northwest Turkey, 480 km west of Ankara, 65 km east of Canakkale, 12 km northeast of Can and 13 km southwest of Biga. It is 2 km east of the village of Dikmen and 2 km west of Katranci. The D210 Canakkale-Can-Biga highway runs northwest across the property, which is accessed from minor roads and tracks.

Stratex have informed Howe that the property is covered by the following licences currently optioned by Stratex from Teck Cominco:

TABLE 9. LICENCES UNDER OPTION TO STRATEX IN THE DIKMEN AREA

Project	*Licence No*	*Acquisition date*	*Expiry Date*	*Hectares*	*Province*	*District*	*Village*
Dikmen	AR-84444	20/11/2002	20/11/2007	908.60	Canakkale	Biga	Dikmen
Dikmen	AR-84162	30/09/2002	01/10/2007	190.30	Canakkale	Biga	Katrancikoyu
Dikmen	AR-82475	29/07/2002	29/07/2007	295.23	Canakkale	Biga	Merkez
			TOTAL (ha):1,394.13				

Howe has viewed the licences, but is not qualified to comment on their validity.

5.2. CLIMATE AND VEGETATION

The annual precipitation of the survey area averages 600mm with most falling in November and December. The annual average temperature is warm at 14º C but the areas at higher elevation are cool in the summer and cold in the winter, with some snowfall. At Canakkale, the temperature rises above 200C during the four months from July to September and during June to November the average monthly temperature drops from 20º C in September to 8º C in November.

The terrain is farmland with densely wooded valleys at altitudes between 55 and 486 metres. Higher areas are largely covered by pine forest, with some deciduous trees. The flatter areas in the valleys are cultivated, but other areas are used for grazing.

5.3. REGIONAL GEOLOGY

5.3.1.STRATIGRAPHY

The Dikmen area is underlain by meta sediments, sedimentary formations and volcanics, intruded by serpentinite, granite and porphyry.

The Triassic **Emese Formation** forms the basement in the area and comprises green schist derived from basic volcanic rock, metagabbro, black pelitic schist, meta-sediments derived from sandstone, conglomerate and crystalline limestone (marble). Fine-grained metamorphosed sandstones are characteristic of this formation. Silicification and limonitization are observed in the rocks, which are also cut by dense quartz veinlets. The formation has been weakly metamorphosed.

The Eocene **Karanlik Formation** (Kizilcik Member) is pale grey and consists of poorly consolidated porous polymict conglomerate with pebbles of 5-6cm size. The bedding and sorting of the conglomerate are poor. The pebbles comprise green schist, meta-volcanics, marble and meta-sediments in a matrix of predominantly quartz and mica.

The Pliocene **Akkayrak Volcanics** comprise dacite lava with flow banding, and dacitic pyroclastic rocks and are generally weathered to clay.

5.3.2.INTRUSIVE ROCKS

Serpentinite has intruded the Emese Formation mainly along the Dikmen Fault. It is approximately 500m wide and over 3,000m long. Serpentinite also occurs in small scale in the northeastern part of Dikmen Village and to the west the metamorphic rocks are overlain by serpentinite melange.

The Dikmen Granite is over 500m wide and 3,000m long, and lies parallel to the Dikmen Fault. The granite is coarse-grained with plagioclase, alkali feldspar and biotite. The plagioclase is locally clay altered. The rocks are usually cut by quartz veinlets up to 50cm wide. The number of quartz veins and veinlets together with pyrite and molybdenite increase from north to south. Molybdenite-bearing quartz veins occur and aplite dykes bearing pyrite, chalcopyrite and molybdenite are found. The intrusion is dated end-Cretaceous to Miocene.

Quartz Porphyries with local argillic alteration and silicification, with stockworks of quartz veins whose thicknesses range from a few mm to 30cm and which bear pyrite, molybdenite and rarely azurite-malachite are mapped at several localities. The direction of intrusion is northeast-southwest east of the Dikmen Fault. The porphyries exhibits little outcrop other than in road cuts, and the size and shape of the system are currently poorly defined. The Japanese surveys described below indicate that system extends for at least 4,000m in a northeast direction, with porphyry for at least 1,500m and altered granite with porphyry dikes extending further to the northeast. Mineralisation was seen over an elevation of 200m up to 258m altitude.

5.3.3.STRUCTURE

The Dikmen Fault trends northeast-southwest across the area. The Emese Formation is folded around a north-south fold axis in the eastern part of the property and the Karanlik Formation is gently folded to the west of the Dikmen Fault which appears to control the intrusion of serpentinites, Dikmen Granite and porphyries.

5.3.4.MINERALISATION AND ALTERATION

Molybdenite and pyrite occur within the granodiorite as disseminations and coatings in fractures. The porphyries, aplites and granodiorite are also cut by quartz veinlets bearing pyrite, molybdenite and chalcopyrite as disseminations and/or veinlets. Malachite, azurite, limonite and hematite occur as fracture fillings in silicified zones of the Emese Formation.

Alteration occurs in the porphyry intrusion and dykes, and in the granite, schist and limestone host rocks. Alteration is potassic with quartz-sulphide veinlets in a dense stockwork with up to 50 veinlets per metre, and phyllic with quartz-sericite-pyrite or granular quartz veining in the wall-rock up to 30 cm thick. These veins contain abundant molybdenite, some pyrite, and one occurrence of possible tennantite. Supergene weathering has given a widespread argillic alteration overprint of the potassic alteration. The sulphides are leached, with some fresh pyrite relics, and the leached cap is mainly hematite and jarosite. Hematite indicates possible oxidation of supergene chalcocite.

5.4. HISTORY

The area was explored in detail for metallic minerals by agencies of the Government of Japan in the period 1988 to 1991 at the request of the Turkish Government. Four principal project areas were targeted for semi-detailed and detailed exploration, including the Dikmen area.

Porphyry molybdenum-copper mineralisation was discovered in the Dikment area, associated with the intrusion of the Dikmen Granite and porphyry. During mapping and rock sampling, both disseminated and quartz vein-hosted molybdenite and pyrite mineralisation were identified in the eastern part of the granodiorite. The geochemical sampling suggested linear zones of copper and/or molybdenum enrichment coincident with the disseminated mineralisation in the mapped porphyry, and within the granite, close to its contacts. Gold was slightly enriched, averaging 5.9 ppb, though with a maximum value of 10 g/t Au. Copper, molybdenum, mercury, fluorine and barium were strongly enriched, with arsenic and zinc showing slight enhancement, typical of a porphyry system. The Japanese study also concluded that epithermal gold, arsenic and mercury overprints the porphyry mineralisation.

Geophysical methods, including spectral and frequency domain Induced Polarisation (SIP and IP) surveys were utilised to trace outcropping mineralisation to depth, though the line spacing of 1000m was too great for exact correlation. Although the IP anomalies appeared to extend along the granite and porphyry contacts, in both intrusives and host rocks, with source depths varying between 60 and 300m, the geochemical sampling suggested that the most highly prospective areas occurred in the central and northeastern parts of the IP anomalous zones.

Subsequently, a single, vertical diamond hole was drilled to 150m depth in the mineralized zone, intersecting silicified and argillically altered zones with in excess of 100 ppm molybdenum and elevated copper, zinc, antimony and mercury. The study concluded that disseminated molybdenum mineralisation was present in both the Dikmen Granite and porphyry and is also developed in the host rocks, which included limestone.

The property was subsequently acquired by Teck Cominco, who inherited it from Normandy and Cominco. Little additional work appears to have been conducted.

Figure 10 is the compilation map provided to Stratex by Teck Cominco. It essentially shows the results of the Japanese study, with little additional information.

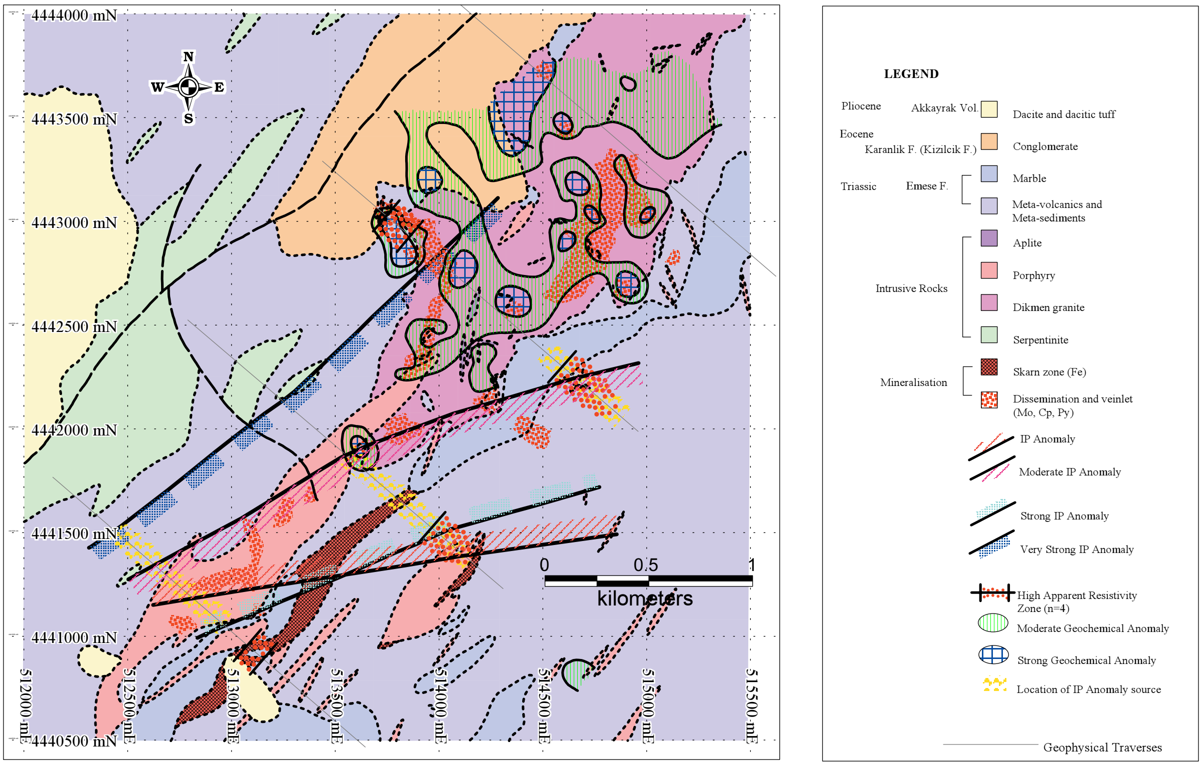

FIGURE 10: COMPILATION MAP OF THE DIKMEN PROPERTY
SHOWING THE GEOLGY AND ANOMALOUS GEOCHEMICAL AND GEOPHYSICAL ZONES

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5.5. *WORK BY STRATEX*

Stratex visited the deposit and collected seven check grab rock samples in 2005 (Redwood, 2005a):

TABLE 10. STRATEX SAMPLING AT DIKMEN

Sample #	*Description*	*Au(ppm)*	*Ag (ppm)*	*Cu(ppm)*	*Mo (ppm)*
BY-D1	Sample from quartz vein containing FeOx (5%) and local malachite staining. The width of the vein is about 10cm	0.430	1.1	338	51
BY-D2	Sample from grey quartz veinlets containing trace of FeOx. They cut quartz veins with FeOx and malachite staining	0.008	3.2	316	65
BY-D3	Sample from white quartz vein containing trace of disseminated Mo. The width of the vein is 10cm.	0.011	<0.5	30	1875
BY-D4	Sample from quartz veins and veinlets in the quartz feldspar porphyry. The width of the exposure is about 30m.	0.051	0.6	176	535
BY-D5	Sample from quartz-FeOx stockwork	0.005	<0.5	118	216
BY-D6	Clayey Feldspar Porphyry float with thin quartz-FeOx stockwork	<0.005	<0.5	103	191
BY-D7	White quartz veins and veinlet float containing disseminated Mo and trace of FeOx and disseminated pyrite.	0.024	1	479	761

Other anomalous elements are arsenic (10 to 114 ppm), mercury (0.14 to 16.05 ppm), lead (8 to 510 ppm), antimony(<5 to 186 ppm) and zinc (11 to 1580 ppm).

The brief visit confirmed the presence of stockwork, vein and disseminated mineralisation and identified a leached haematite-jarosite cap.

5.6. *CONCLUSIONS AND RECOMMENDATIONS*

- Porphyry copper-gold-molybdenum mineralisation is reported on the property, with potassic and phyllic alteration, and a high vein density in places, possibly as linear zones.
- The system has dimensions of at least 3,000m by 500m and the mineralisation reportedly extends for a considerable distance into the country rock.
- There is a supergene argillic alteration overprint.
- Copper grades from preliminary Stratex sampling are low (up to 0.05%) due at least partly to leaching, but are accompanied by significant grades of gold (up to 0.43 g/t) and molybdenum (0.19%). A leached haematite-jarosite cap was observed by Stratex.
- The Japanese considered that the elemental associations were strongly suggestive of an epithermal overprinting of the original porphyry system.
- Because of the poor exposure, the system is imprecisely known and further work is warranted to determine the extent and grade of the mineralisation.
- Following a detailed review of the Japanese work and subsequent work by Teck Cominco, mapping and sampling should be conducted. This should include additional stream sediment and soil sampling, possibly utilising the MMI (mobile metal ion) or the ALS Chemex partial leach method. Further IP surveys could prove effective in tracing the zones of maximum mineralisation.

6. MURATDERE

6.1. PROPERTY, LOCATION AND ACCESS

The Muratdere (Murat Creek) project is located 250 km west of Ankara and 12 km west of Bozuyuk on the main D200 Bursa to Eskisehir highway. The project is in open pine forest at altitudes of 855 to 983 m a few hundred metres south of main road with good access by forest roads. Figure 11 shows the licences and Table 11 shows the tenure:

TABLE 11. MURATDERE PROPERTY TENURE

Project	*Licence No*	*Acquisition date*	*Expiry Date*	*Hectares*	*Province*	*District*	*Village*
Muratdere	AR-87468	05/05/2003	05/05/2008	153.08	Bilecik	Bozuyuk	Muratdere
Muratdere	8244*	09/02/2005	09/02/2015	1,923.27	Bilecik	Bozuyuk	Muratdere
			TOTAL (ha) :	**2,076.35**			

*operating licence in the name of TEKAR.

The pine forest is logged for timber for furniture and small areas close to the highway are used for grazing and charcoal production.

6.2. HISTORY

Porphyry copper-molybdenum-gold mineralisation was discovered by MTA at Muratdere during a regional stream sediment-sampling programme conducted in 1998. The mineralisation coincides with the outcrop of a porphyry body with dimensions of 1,500m by some 300m. MTA subsequently carried out mapping, soil and rock sampling in 1999 and 2001 and drilled two diamond drill holes at the east end of the project area in 2001 to 2002, though this drilling was poorly directed and one hole failed to test the mineralised zone. Detailed logs and assay results are currently unavailable for the drilling, though a report is imminent and has been promised to Stratex. The data are summarised in a report translated by Yildiz (2003). MTA collected 142 soil and 23 rock samples from six traverses across the zone. These were analysed for copper, lead and zinc, and partially for molybdenum, gold, silver, arsenic and antimony.

The soil sampling revealed copper anomalies up to 1700 ppm Cu, accompanied by elevated lead and zinc values and molybdenum values up to 120 ppm, distributed in discrete zones along the porphyry outcrop. Gold values up to 1100 ppb also occurred, generally correlating with the elevated copper values, though in a few areas, gold occurs in zones distinct from the copper, suggesting the possibility of epithermal mineralisation.

The rock samples were highly elevated in copper, up to 2200 ppm, with one sample above the upper limit of 10,000 ppm close to the porphyry contact. Molybdenum, zinc and lead exhibit a broad correlation with copper, but arsenic, antimony and gold correlate more closely, suggesting an epithermal overprint. The highest gold value of 1200 ppb was collected from the wall rock mica schist; a second with 240 ppb Au was collected from ultramafic and a third sample containing 150 ppb was returned from a porphyry sample. Samples with elevated arsenic and/or antimony were collected from marble outcropping south of the porphyry contact.

Stratex optioned the property from B. Yildiz and Tekar in 2005.

6.3. GEOLOGY

The project area is located along the south side of the east-southeast-trending Eskisehir fault, which marks the suture zone between the Pontides and the Anatolids and is part of the Izmir-Ankara zone. Closure was in the Paleocene to Eocene.

The stratigraphy of the Muratdere area is as follows:

- The basal **Alinca metabasic** unit comprises schist and metabasites and metadiabase, exposed to the north of the Muratdere area.
- This is succeeded by the **Tasarasi marble,** seen to the north of the Muratdere area.
- The overlying **Arifler melange** includes diabase, gabbro, serpentinite, marble, schist, claystone and limestone blocks and is exposed in the south of the property. The contact between Arifler melange and the Muratdere porphyry is a fault.

- **Ultramafics** comprising peridotite, serpentinite and dyke-like gabbro-microgabbro occur in the north, west and east of the property. The contact between ultramafics and porphyry is obscured by thick soil.

- The **Muratdere porphyry** is strongly altered. It is overlain by Pliocene rocks to the north. The size of the porphyry body is approximately 500m in width by 4,000m in strike length.

- The **Cokkoy Formation** comprises conglomerate, sandstone, marl and clayey limestone.

The Muratdere porphyry intrudes the pre-Late Cretaceous marbles and metabasites, which are tectonically overlain by Upper Cretaceous serpentinite and the ophiolite melange.

The porphyry is oriented east-west and recent Stratex mapping demonstrates that it extends for 4,050 m, rather than the previously mapped 1,500m. This was confirmed during the Howe visit. It is exposed over a width of about 500m in the east, swelling to 1,700m in the recently discovered extension, and over an elevation of about 130 m. It is bounded to the north by Pliocene Cokkoy conglomerates, with a near vertical northerly dip, and the contact is probably a fault; hole MDS-1, drilled immediately north of outcropping porphyry, cut 85 metres of conglomerate before being terminated. Porphyry dykes associated with the main body are observed in road cuttings in serpentinite

Figure 11 shows the geology of the deposit as modified by Yildiz; MTA and Stratex sample locations are also shown.

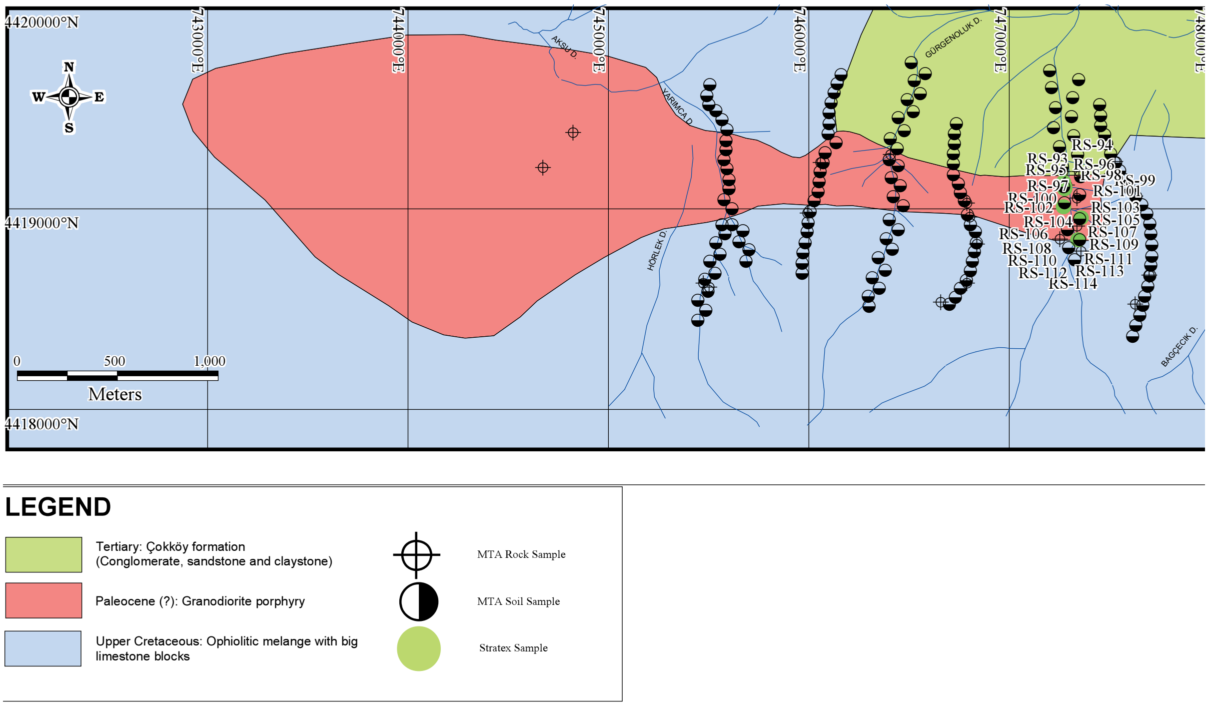

FIGURE 11: GEOLOGY OF THE MURATDERE PORPHYRY SHOWING SAMPLE SITES

6.4. *ALTERATION & MINERALISATION*

The Muratdere deposit is part of a belt of porphyry and epithermal deposits which include Saricayiryayla to the west, near Domanic (120.3 Mt at 0.168% Cu, using a cut-off of 0.05% Cu, or 5.4 Mt at 1.204% Cu above a cut-off of 0.5% Cu, Anatolian Minerals); Tufekcikonagi, 10 km west of Muratdere (Anatolian Minerals); and Kaymaz with 1 Mt at 6.25 g/t Au (Eldorado) located on the Eskisehir fault 115 km to the east, hosted by listwaenite at a granodiorite contact.

The porphyry has been heavily altered though a relict primary porphyrytic texture can be recognised in the outcrops visited. Both potassic and phyllic alteration occur, with the former resulting in the development of potassium feldspar with magnetite and abundant quartz-sulphide veinlets. The phyllic alteration comprises silicification and sericite alteration with quartz veinlets. Several percent of disseminated sulphide can be observed at outcrop, with minor molybdenite in quartz veins. Pyrite alteration also occurs in the adjacent schist. Limonite and hematite commonly occur as weathering products of the sulphides.

The deposit has a jarositic, leached cap with a supergene argillic (kaolinite) alteration overprint. The base of the supergene zone is exposed in the stream and adjacent to the road in the vicinity of holes MDS-1 and 2 where relict pyrite and chalcopyrite occur with partial replacement by chalcocite/covellite. Malachite staining is strongly developed at outcrop on the road. There are also minor malachite coatings on stream gravel and colluvium.

Hole MDS-2 reportedly intersected altered porphyry throughout its entire 248.05m, with the 'ore zone' extending from 0.00 to 194.50m. The average grade of this interval was 0.2% copper and 0.02% molybdenum, though grades ranged up to 0.065% copper over 2m and 0.07% molybdenum. Redwood (2005a) also reports that 10 m of presumed enrichment occurred close to surface with 0.5% copper.

The MTA work also indicates peripheral epithermal mineralisation on a small hill at the southeastern end of the porphyry where six soil samples, 50 m apart returned up to 1.2 g/t gold, accompanied with elevated arsenic and antimony in mica schist, marble and ultramafic rocks (Yildiz, 2003).

6.5. WORK BY STRATEX

Stratex carried out rock chip sampling from river and road cuts across the east end of the deposit in the area of the drill holes in July 2005. Twenty-two samples were collected; of these, twelve samples graded greater than 500 ppm copper with highs of 6,520 and 4,560 ppm in samples with visible copper oxides (possibly exotic). Yildiz considers that the copper grades are relatively low due to leaching and high pyrite to chalcopyrite-bornite ratios in this area. Gold was anomalous but relatively low for a porphyry system with a maximum of 0.162 g/t, followed by 0.060, 0.032 and 0.031 g/t. Molybdenum was anomalous with seven samples returning greater than 50 ppm, up to a maximum of 419 ppm. Sixteen samples returned silver values above the 0.2 ppm detection, with a maximum value of 3 ppm. Overall values were weakly anomalous for arsenic (maximum 54 ppm), antimony (maximum 27 ppm), lead (maximum 485 ppm) and zinc (maximum 353 ppm). Mercury levels were below the detection limit of 1 ppm.

During the visit with Yildiz, Howe collected two samples from a road cut and stream valley outcrop close to the MTA drill sites, which are marked by substantial concrete plinths. Sample DP017 was a 2.5m chip/channel collected from an outcrop of weathered porphyry with malachite staining, adjacent to a channel sample collected by Stratex that returned 0.6% copper. The Howe sample returned 4,630 ppm copper (0.46%) and 23 ppm molybdenum. Sample DP018 was a composite chip sample from an outcrop adjacent to MDS-2 where altered porphyry contains disseminated pyrite with minor molybdenite, chalcopyrite and minor pyrite veinlets. It returned 562 ppm copper and 63 ppm molybdenum, confirming the presence of elevated values of these metals in the system..

6.6. CONCLUSIONS AND RECOMMENDATIONS

- Muratdere is a large porphyry copper-molybdenum system with potassic and phyllic alteration, a limonitic leached cap and possible supergene enrichment zone

- Recent work by Stratex has essentially doubled the known size of the porphyry to at least 4,000 m long by 500 m wide.

- The MTA work has demonstrated that the porphyry is mineralised along the eastern half, though only limited, poorly directed drilling has been completed, with one hole missing the porphyry entirely.

- The hole collared in porphyry near the base of the enrichment zone intersected 194 metres of 0.2% copper and 0.02% molybdenum, with the top 10 metres reportedly grading 0.5% copper.

- Surface sampling in this area by Stratex returned up to 0.65% copper, although most results were less than 0.1%, with up to 0.16 g/t gold and 0.04% molybdenum.

- Howe samples confirmed the presence of significant copper values, accompanied by elevated molybdenum.

- The MTA work also demonstrates the potential for epithermal gold mineralisation in the rocks adjacent to the porphyry.

- The previously known mineralisation is essentially underexplored; more detailed alteration mapping should be conducted to determine whether zonation can be recognised and targets defined, particularly zones of enrichment beneath the leached cap.

- The recently discovered extension is completely unexplored and warrants detailed mapping and sampling.
- Infill soil sampling and rock chip sampling should be conducted over the known porphyry and the newly identified extension.
- A trial IP survey should be conducted over the known mineralisation and if it successfully identifies zones of strong dissemination, should be extended over the remainder of the deposit.

7. PROPOSED PROGRAMME AND BUDGET

Following a period of data evaluation and logistical planning during January to March 2006, when diamond drilling is not possible due to adverse conditions and unavailability of cold weather rigs, Stratex propose to focus primarily on drilling of Inlice and Karaagac in the first 18 months.

Drill targets have already been identified at Inlice, where an initial programme of 1,000m of diamond drilling will be conducted at Main Zone, commencing with rig mobilisation in March 2006 and drilling in April. Contingent on success, additional drilling may be conducted, though currently it is planned to demobilise the rig in July at the end of the initial period. Following a detailed assessment of the diamond drilling results, a reverse-circulation (RC) rig will be moved onto site in January 2007 and 3,000m will be drilled for resource delineation and to test other zones. Howe suggests that sampling of the talus at Main Zone should be conducted.

Field assessment will continue on the regional Konya project, with more detailed mapping and sampling, supplemented by petrographic and XRD studies of the alteration. This will initially follow the target prioritisation determined by Yildiz, though will be results-driven and flexible. Licence applications will be made over any new alteration zones identified in open ground.

Concurrent with the drilling at Inlice, a rig will be mobilised to Karaagac, where 850m of diamond drilling is planned in a series of sections of shallow holes. The drilling will test the down-dip area of the thrust-related mineralisation to determine the dimensions and geometry of the deposit. This work may also permit the identification of geochemical vectors that will enable primary feeders to be identified. At least one hole will be drilled to test the steep, high gtrade structures at depth and Howe would suggest at least one hole to test the vent breccia at depth. An RC rig will be moved onto site in June 2006 and Stratex plan to drill some 4,000m. This will be directed towards the early delineation of the deposit for resource estimation.

Data analysis and field assessment of the Muratdagi licences will continue during this period.

At Dikmen, previous work on the area by both the Japanese aid programme and by Teck Cominco will be assessed in detail and field studies at Dikmen, including check mapping and additional sampling will be completed by July 2006, permitting the identification of drill targets. The diamond drill rig will then be mobilised to site, where 850m of drilling is planned. Contingent on the success of the early drilling, further holes may be planned.

Muratdere will be mapped in detail and sampled during April to July, though no drilling is planned to date. Howe notes that there is no allowance for geophysics and considers that IP should be considered at both Dikmen and Muratdere. Discussions with Stratex indicate that the Company is in agreement with this observation and intends to undertake such surveys subject to the outcome of ongoing field studies.

Including various capital and administration costs in both Turkey and UK and additional UK expenses, the planned 18 month programme is budgeted to cost £1,321,688. The cost of all direct geological work including drilling, assays, desk and field studies amounts to £631,950, and a significant element of local and UK admin costs also relates directly to the exploration expenditure, including salaries of senior management and support staff. Howe established local costs during the visit and is satisfied that the budget for the proposed work programme reflects local costs. Howe considers that the planned programme is logical and justified, though would suggest the incorporation of the few minor amendments noted above.

8. OVERALL CONCLUSIONS

- Stratex has assembled a strong portfolio of mineral properties in western Turkey.
- At **Inlice**, the company has discovered outcropping gold mineralisation in an extensive high sulphidation epithermal system, with potential for substantial, near surface low grade gold replacement deposits in silicified andesitic tuffs in a volcanic pile; gold grades appear to increase with depth in the system. There is also potential for underlying higher-grade vein deposits and possibly porphyry style mineralisation at depth in the system. The Howe sampling confirms the original Stratex sampling.

- The **Konya** regional project contains at least 21 areas of alteration (including Inlice) with characteristics of high sulphidation epithermal mineralising systems. These are focused in linear arc-parallel structural zones along a 50 km strike length, where a number of large calderas and volcanic centres and andesitic/dacitic dome complexes have been identified.

- Only limited erosion has occurred in the area, resulting in exposure of the highest levels of the epithermal systems. Limited regional sampling to date by Stratex has identified both precious and base metal anomalism, confirmed by a single Howe sample at a previous Stratex sample site.

- Potential exists for the location of epithermal gold silver deposits in silicified replacement bodies, in deeper structural conduits and in underlying porphyry systems.

- Stratex has established a dominant land position in the Konya region, which could represent an important new mineralised province in Turkey.

- Stratex has also optioned a considerable land package in the **Muratdagi** area from Teck Cominco; preliminary work by the Stratex has identified a strong target in the Karaagac area, where outcropping gold mineralisation has been identified in a silicified thrust zone and underlying altered limestone. Several small antimony and mercury deposits have been worked in the area, usually in silicified breccias; these appear to represent hot spring deposits above an extensive low sulphidation epithermal system.

- The thrust zone at **Karaagac** appears to have acted as a conduit for fluid circulation; low grade gold mineralisation has been identified by Stratex along some 7 km of sinuous outcrop and appears to extend some tens of metres vertically beneath the thrust zone. Potential exists for the development of a substantial, near-surface deposit.

- Steep fractures have been identified within the limestone beneath the thrust, parallel to the dominant west-northwest structural trend in the area. Limited sampling of these structures by Stratex has returned high grades of gold. Volcanism and related felsic intrusives appear to be controlled by the west-northwest structures.

- The mineralisation is post thrusting and appears to be related to a series of late felsic intrusives in the area. The steep, west-northwest fractures may have been the conduit for fluids circulating in the major structures, which ultimately flowed along the shallow dipping thrust plane, causing the alteration and mineralisation. Potential may therefore exist for high-grade gold deposits in the steeper conduits and for replacement deposits in the reactive limestones adjacent to the conduits, particularly beneath the thrust.

- The mercury and antimony mineralisation in the breccias may represent venting of a more volatile phase above the thrust plane.

- The **Dikmen** deposit is a substantial, but largely under-explored porphyry copper-molybdenum system with associated epithermal gold mineralisation. Previous work indicates zones of stockwork and disseminated copper-molybdenum mineralisation both within a porphyry body and related granite and in the wall rocks.

- The system identified to date is large and appears to be continuous, though poor exposure means that the mineralisation is not well defined. Additional work is warranted to resolve the geometry and grade of the mineralisation.

- The **Muratdere** porphyry deposit is a large copper-molybdenum bearing system with indications of a leached cap and underlying enriched zone. Stratex has demonstrated that the host porphyry is double the size originally reported. Howe's check samples confirmed the presence of signaificant copper grades accompanied by elevated Mo.

- The eastern portion of the porphyry has been partially explored by the Turkish Geological Survey, but additional work is required to determine the size and depth potential of the deposit. The mineralisation potential of the newly discovered western extension has yet to investigated and an aggressive exploration programme is justified.

- Stratex has planned a logical and aggressive exploration programme that could lead, within 18 months, to the delineation of resources at both Inlice and Karaagac, to the detailed assessment of the mineralisation potential at Dikmen and the identification of drill targets at Muratdere and possibly within the Konya regional project.

- Howe considers that the programme is justified and that the budget for the work programme is realistic and reflects local costs.

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GLOSSARY

Adit:	A horizontal tunnel excavated to access a mineral deposit
Alluvium:	Sediments deposited by a river
Alteration:	Changes in the chemical composition of a rock effected by external causes such as hydrothermal fluids or weathering
Alunite:	Hydrous potassium aluminium sulphate, typically formed by hydrothermal alteration associated with epithermal systems
Andesite:	A fine-grained intermediate volcanic rock
Argillic alteration:	Alteration of a rock to clay minerals
Barite:	A barium sulphate mineral
Botryoidal:	A term applied to minerals that occur as aggregates with rounded surfaces
Breccia:	A rock composed of angular broken rock fragments, often held together by a cement comprising fine grained minerals
Caldera:	A basin-shaped volcanic depression typically formed by the subsidence of volcanoes.
Chalcedony:	A cryptocrystalline form of silica
Chalcopyrite:	A copper mineral with the chemical composition $CuFeS_2$
Cinnabar:	A mercury-bearing mineral with the chemical composition HgS
Colluvium:	Weathered material transported by gravity
Covellite:	A copper mineral with the chemical composition CuS
Cristobalite:	A cubic form of silica with the chemical composition SiO_2
Crystal tuff:	A volcanic rock formed of pyroclastic material, predominantly crystal fragments
Dacite:	Coarse-grained silica-rich volcanic rock
Debris flow:	A mixture of water-saturated rock debris that flows downslope under the force of gravity (also called lahar or mudflow)
Diabase:	Medium-grained basic igneous rock
Diatreme:	A breccia-filled volcanic pipe formed by a gaseous explosion
Enargite:	A copper mineral with the chemical composition Cu_3AsS_4
Epithermal:	A mineral deposit formed at shallow depth in the earth's crust
Fault:	A discrete surface between two rock masses that have slid past each other
Gabbro:	A coarse-grained basic (quartz-deficient) igneous rock
Garnierite:	A hydrous nickel magnesium silicate, one of the main sources of nickel
Granite:	A coarse grained Acid (quartz-rich) igneous rock
Granodiorite:	A coarse-grained acid (quartz-rich) igneous rock containing slightly less quartz than a granite
Halloysite:	A clay mineral
Hartzburgite:	An ultrabasic rock composed of the magnesium- and iron-rich silicate minerals pyroxene and olivine
High-sulphidation:	An epithermal mineral deposit formed from high-temperature magmatic fluids
Hot spring:	An escape of hot aqueous fluid through a vent or other opening in the ground
Hydrothermal breccia:	A breccia formed through the forceful flow of hydrothermal fluids through a rock, causing breakage characterised by jigsaw-shaped fragments
Hydrothermal fluid:	A hot aqueous fluid circulating through the Earth's crust

Igneous: Description for a rock or mineral solidified from magma

Ignimbrite: The rock formed by the widespread deposition and consolidation of ash flows

Illite: A potassium-rich clay mineral

Induced Polarisation: A geophysical technique involving the introduction of electrical currents into the ground and measurement of their decay

Jarosite: Generic term for the weathering oxidation of iron sulphides and related minerals to limonite

JORC: Joint Ore Reporting Code

Kaolinite: A clay mineral formed by the breakdown of feldspar usually by hydrothermal alteration

Lapilli lithic tuff: Fragmented rock material composed of rock fragments that were molten (lapilli) and solid rock fragments (lithic) formed by a volcanic explosion or ejection from a volcanic vent

Lava dome: Mass of lava, created by many individual flows, that has built a dome-shaped pile of lava

Listwaenite: Hydrothermally altered and silicified serpentinite

Low-sulphidation: An epithermal mineral deposit formed by mixed magmatic fluids and meteoric water

Magma: Naturally occurring molten rock material

Melange: A large scale mixture of fragments of different rock types in a single unit, usually formed during thrusting

Mesozoic: An era ranging from 230 to 70 million years before present that includes the Triassic, Jurassic and Cretaceous Systems

Metamorphism: The process of large-scale changes to rock composition caused by regional scale pressure or, on a smaller scale, by thermal affects at igneous contacts

Metasediments: Metamorphosed sedimentary rocks

Mineralising fluids: Circulating aqueous fluids from which minerals may be deposited

Miocene: An epoch of the Tertiary period from 24.6 to 5.1 million years before present

Molybdenite: A mineral with the chemical composition MoS^2

Montmorillonite: A clay mineral

Nickel laterite: Residual oxide deposit formed under tropical weathering of nickel-rich rocks such as serpentinites

Opal: A hydrated, amorphous form of silica, characteristic of very high level epithermal systems and hot spring deposits

Ophiolites: An assemblage of mafic and ultramafic igneous rocks widely believed to represent oceanic crust.

Orogenic belt: A linear region that has been subjected to folding, and other deformation during a mountain-building episode

Paleozoic: The era ranging from 600 to 230 million years before present

Phenocrysts: Relatively large crystals in a finer-grained groundmass in an igneous rock

Pliocene: An epoch of the Tertiary period from 5.1 to 2 million years before present

Porphyry deposits: Low-grade large-tonnage deposits, principally mined for copper, molybdenum and gold or tin, normally intimately associated with intermediate to acid igneous rocks and characterised by intense and extensive hydrothermal alteration of the host rocks

Propylitic alteration: An assemblage of the one or all of the minerals chlorite, pyrite, calcite and epidote, being a product of hydrothermal alteration, and commonly forming the outer zone of alteration associated with porphyry mineral deposits

Pyrite: An iron-bearing mineral with the chemical composition FeS^2

Pyroclastic: Fragmented rock material formed by a volcanic explosion or ejection from a volcanic vent.

Quartz: A mineral with the chemical composition SiO^2

Rhyolite: Fine-grained to glassy acid volcanic rock

Saprolite: Rock weathered in a tropical environment to clay, though retaining the original rock texture

Schist: A regionally metamorphosed rock characterized by a parallel arrangement of its constituent minerals

Serpentinite: Rock formed by the alteration of ultrabasic rocks such as hartzburgite

Silcrete: A siliceous hardpan formed under tropical weathering

Silt sampling: Also termed sediment sampling, a geochemical exploration technique involving the collection of the silt-sized fraction of drainage channels

Slickensides: Polished, grooved surfaces generated by movement on a fault plane

Stibnite: The principal ore of antimony, Sb^2S^3

Stockworks: A network of fractures filled with mineral material, commonly quartz

Subduction: The process whereby one tectonic plate slides beneath another

Suture zone: A zone generated by the collision of tectonic plates

Talus: Rock fragments derived from and lying at the base of a cliff or steep rocky slope

Tectonic plate: An areally extensive section of the Earth's crust that behaves as rigid coherent block

Tennantite-tetrahedrite: A complex group of copper-iron sulphide minerals, also containing antimony and arsenic

Ultramafic: Ultrabasic (silica-deficient) rocks chiefly containing magnesium- and iron-rich minerals

Volcanic arc: A generally curved linear belt of volcanoes above a subduction zone, and the volcanic and plutonic rocks formed there

Volcanic pile: An accumulation of lava flows and associated pyroclastic rocks

Vug: A cavity in a rock, usually lined by crystalline material, also a cavity in a mineral vein

Vuggy silica: The texture produced by the dissolving of minerals and rock fragments, and the replacement of the remaining matrix of the rock by silica minerals - usually quartz. This texture is common in high-sulphidation epithermal systems

XRD: X-ray Diffraction, a technique used to identify minerals using X-rays

Zeolites: A group of silicates, often occurring in vugs in lava flows