



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2001

MINING & EXPLORATION ACTIVITIES

MT WINDSOR JOINT VENTURE

**Highway Project
(Surfboard Limited Group (“Surfboard”) 30%
Thalanga Copper Mines Pty Ltd (“TCM”) 70%)**

The Highway project performed in line with budget during the September quarter. Mining of ore recommenced during the third week of August following the completion of a cut back of the west wall. Good progress is being made with the mining operation and at the end of September mining had been completed to 1140mRL. The Highway pit is now scheduled for completion in the third week of November with the pit floor at 1110mRL.

The Thalanga mill continued to perform at a high level with throughput above budget. Copper recovery was below budget due to the mill feed during July and August being drawn entirely from stockpiles, which had been built up during the first half of the year. Oxidation of the stockpiled ore had an adverse affect on plant performance. The last of the aged stockpiled ore was processed during the first week of September and copper recovery during September showed a marked improvement as fresh ore was delivered to the mill.

During the quarter 219,318 tonnes of ore grading 5.66% copper and 0.98 g/t gold were processed through the Thalanga plant for the production of 41,673 tonnes of copper concentrate containing 27.57% copper and 1.0 g/t gold.

A summary of production statistics for the Highway Project for the September 2001 quarter and project to 30 September 2001 is presented in Table 1.

Sales revenue of \$5.5 million from the sale of 10,200 tonnes of 27% copper concentrate was recorded during the period.

The project generated an operating profit before depreciation and amortisation of \$4.0 million and a net profit of \$2.1 million for the quarter.

TABLE 1
MT WINDSOR JOINT VENTURE
HIGHWAY PROJECT – PRODUCTION STATISTICS FOR COPPER

	Dec 00 Quarter	Mar 01 Quarter	June 01 Quarter	Sept 01 Quarter	Project to 30 Sept 01
COPPER ORE					
Ore Mined (tonnes)	59,193	281,694	268,594	187,391	1,428,773
Ore Milled (tonnes)	44,455	191,980	213,097	219,318	1,289,243
Head grade - Copper %	2.78	5.32	7.37	5.66	5.31
- Gold (g/t)	1.41	1.18	0.99	0.98	1.11
- Silver (g/t)	12.04	11.00	10.9	10.3	10.48
Metal Recovery - Copper %	88.98	93.34	94.63	92.54	91.28
- Gold %	10.2	17.0	23.3	19.0	17.5
- Silver %	20.2	28.9	36.9	29.4	30.6
Concentrates Produced (tonnes)	4,182	34,585	53,498	41,673	232,358
Concentrate Grade - Copper %	26.28	27.56	27.79	27.57	26.92
- Gold (g/t)	1.53	1.11	0.92	1.00	1.04
- Silver (g/t)	25.87	17.34	16.02	16.3	17.15

Reward Deeps and Conviction Project
(Surfboard 30%, TCM 70%)

Good progress is being made with the development of the underground mine and at the end of September the decline had advanced 835 metres. A second access portal and a return ventilation portal have been established at 1150mRL. Underground diamond drilling to delineate the Reward Deeps orebody and provide geotechnical and mining data for final mine planning commenced during September. Mining of the first ore from underground is expected to commence towards the end of November.

During the quarter the tender for underground mining was finalised and the contract awarded to Brandrill. The change over of mining contractors took place at the end of August. The development of the mine is approximately 3 weeks behind schedule and plans are being made to bring the development back on schedule.

Exploration
(Surfboard 30%, TCM 70%)

Exploration drilling recommenced at the Acquittal prospect during September. Two more holes were completed (AQRC005 and AQRC006) and the RC pre-collar for a third hole (AQRC007) was drilled to 300 metres. Several minor intersections of base metal mineralisation within altered rhyolitic volcanics were recorded from the two completed holes. The best intersection from AQRC005 was 4m @ 1.24% Zn and 0.69% Pb from 284m down hole and the best intersection from AQRC006 was 5m @ 1.11% Zn from 141m down hole. AQRC006 also intersected 60m @ 3.67% Ba from 32m down hole.

Further drilling, from surface and underground, is scheduled for the next quarter to further test the potential of the zone along strike from both Highway and Reward towards Acquittal. All drill holes are being cased with PVC and are to be surveyed with down hole electro-magnetics (DHEM) to test for nearby conductors that may indicate the presence of massive sulphides.

FRESHWATER
**(Homestake Mining Company (“Homestake”) 100%,
Surfboard - Production Royalty)**

Homestake has provided the following information on activities relating to the Freshwater project during the September 2001 quarter.

Operations

Open pit mining concentrated on the Catfish and Dogfish deposits during the quarter. The Perch West pit was completed during July. The decline for the Plutonic East underground mine commenced during the quarter.

Production statistics for the September 2001 quarter are summarised in Table 2.

TABLE 2 FRESHWATER PROJECT OPERATING STATISTICS		
	June 2001 Quarter	September 2001 Quarter
MINING		
Ore Mined (bcm)	33,098	48,211
Total Material (bcm)	1,132,885	651,384
Ore mined (tonnes)	66,197	96,422
TREATMENT		
Ore Milled (tonnes)	66,197	96,197
Head Grade (g/t)	1.74	2.07
Recovery (%)	93.1	95.2
Gold Produced (oz)	3,447	6,095
Royalty payable to Surfboard (\$)	41,475	110,887
Cash Operating Cost (\$/oz)	435	480

Development

153 Reverse Circulation (RC) holes and 2 diamond drill geotechnical holes aggregating 6,384 metres were drilled on the Freshwater leases during the quarter.

Twelve RC holes for 718m were completed at Pirhana; forty five RC holes for 1,610m and two geotechnical diamond drill holes for 101m were completed at Callop; forty holes for 1,740m were completed at Dogfish; twenty one RC holes for 225m were completed at Pigeon and thirty five holes for 1,990m were completed at Perch North.

The majority of the holes recorded intersections of gold mineralisation. Details of the holes that recorded more significant intersections (>10 gram metres/tonne gold) are summarised in Table 3.

Further holes are planned to be drilled at Perch North and Plutonic East during the next quarter.

TABLE 3
FRESHWATER PROJECT - SEPTEMBER 2001 QUARTER
SIGNIFICANT DEVELOPMENT DRILLING RESULTS (>10g.m/t Au)

Hole	Northing	Easting	RL	Depth From	Depth To	Metres	Grade	Project
FRC9361	9660	11820	511.5	79	82	3	4.9	Piranha
FRC9381	12380	10640	504.2	13	14	1	1.67	Callop
				21	25	4	2.93	
FRC9405	12340	10680	504.9	29	33	4	3.24	
FRC9413	12380	10720	504.8	16	17	1	1.27	
FRC9418	12320	10700	505.2	23	25	2	1.98	
				28	34	6	3.92	
				38	40	2	1.19	
FRC9445	11230	10310	506.5	38	41	3	7.49	Dogfish
FRC9449	11190	10335	506.4	32	37	5	3.48	
FRC9451	11210	10350	506.3	23	24	1	12.7	
				25	29	4	4.44	
FRC9488	10820	8980	517.3	40	41	1	1.53	Perch North
				42	49	7	2.99	
				54	56	2	1.48	
				64	65	1	1.41	
				66	71	5	5.70	
				72	73	1	2.56	
				80	81	1	2.64	
				83	84	1	1.66	
FRC9489	10780	8980	517.2	12	13	1	2.02	
				15	16	1	1.68	
				17	20	3	5.36	
				21	24	3	6.16	
				25	26	1	1.93	
				28	29	1	4.82	
FRC9493	10760	9000	517.3	14	15	1	1.37	
				21	32	11	4.84	
				64	65	1	1.36	
FRC9497	10740	9020	517.4	21	26	5	5.35	
				37	38	1	1.00	

Exploration

Exploration within the Freshwater tenements during the September quarter was focussed on the Callop area. Three reconnaissance vertical RC holes were drilled to test a sub-horizontal mafic sequence at Callop Heights, approximately 400m northeast of the Callop deposit.

Significant assays were received from all three holes, outlining several parallel possibly sub-horizontal mineralised zones within the mafic sequence. The best intersection was 1m @ 4.47g/t Au from 175m in FRC1648. Drilling results are summarised in Table 4.

Further drilling is being planned to test this mafic unit which has only been previously tested by shallow RAB drilling.

Hole	Northing	Easting	RL	Total Depth	From	To	Metres	Grade g/t Au
FRC1647	12800	10850	510	274	144	145	1	1.08
					148	149	1	1.52
					178	179	1	1.51
					202	203	1	1.00
FRC1648	12800	11250	510	250	51	52	1	2.51
					175	176	1	4.47
					197	199	1	2.11
FRC1649	12800	11650	510	274	119	120	1	1.53

**RED HILL (Mining Lease M27/57)
(Delta Gold Limited (Delta) 100%, Surfboard 4% Gross Revenue Royalty)**

Surfboard holds a 4% gross revenue royalty on all production after the first 85,000 ounces of gold produced from the Red Hill mining lease M27/57, which is located approximately 4 km north east of the Kanowna Belle Gold Mine owned and operated by Delta. Delta has provided the following information on activities relating to the Red Hill project during the September 2001 quarter.

Delta has advised that drilling programmes designed to upgrade the Red Hill mineral resource were undertaken during the September quarter. A geostatistical resource model has been generated and the updated mineral resource based on a 0.8g/t Au cut off and a depth limit of 200metres has been estimated to be:

	Million Tonnes	Gold Grade (g/t)	Ounces (‘000)
Measured	1.4	1.5	66
Indicated	8.2	1.6	435
Inferred	7.4	1.8	421
Total	17.0	1.7	922

This resource information has been prepared by Mr D Richards and Mr G Fahey of Delta Gold Limited who are competent persons as defined in Appendix 5A to the ASX Listing Rules. Delta Gold Limited has consented in writing to the information being included in the form and context in which it appears.

(Note: Delta has not advised how much of the above resource is located within M27/57).

Processing of ore from the trial pit located within M27/57 and excavated during the March 2001 quarter has been completed and grade is reported to reconcile well to global resource model estimates. Metallurgical recovery is reported to have been excellent with processing results confirming the potential for the ore to be processed using conventional CIP techniques.

Heap leach testwork continued during the quarter, with very encouraging results. Construction of two 5,000 tonne trial heap leach pads commenced during the quarter. The trial heap leach is scheduled for completion in the March 2002 quarter.

Following the successful mining and processing of ore from the trial pit, encouraging heap leach results and the substantial increase in the Mineral Resource, the decision was made to undertake a Feasibility Study on the Red Hill project. This study will investigate various processing scenarios, including the heap leach option and treatment of ore at Paddington.

The Feasibility Study is scheduled for completion in the March 2002 quarter.

Unless otherwise stated, technical information in this report on mining activities is based on, and accurately reflects, information compiled by Mr Alex Nutter, a full time employee of Surfboard Limited who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists with more than 5 years experience in the field of activity in which he is reporting.

ALEX NUTTER

Mining & Exploration Manager

OTHER ACTIVITIES

Opportunities in regard to components of the financial services technology platform continued to be evaluated and pursued during the quarter, as well as and in conjunction with a review of other business opportunities in the technology area.

Ref: shared/corp/0773