Geological Report on the Comstock Prospect, Zeehan, West Tasmania

For

Oceania Tasmania Pty. Limited

by

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List of Contents

Qualifications and Disclaimer

Benmore Exploration Pty Ltd, a consulting company based in Brisbane, Queensland, prepared this geological report at the behest of Oceania Tasmania Pty. Limited. Simon Tear, the Principal Geologist, has a BSc (Hons) from The Royal School of Mines, London, U.K. and has over 16 years worldwide experience in the mineral exploration industry. He was Team Leader for Rio Tinto's Tasmanian exploration program from 1995-1996. That program successfully explored some of the area around the Comstock Prospect, accounting for nickel and lead/zinc discoveries (see Allegiance Mining N.L. Annual Reports).

The information used in this report was supplied by Oceania Tasmania Pty. Ltd and comprises a mixture of open file data from the Mineral Resources Tasmania Library and Oceania Tasmania in-house data. In addition a five day site visit was made to the property. Benmore Exploration has relied upon and assumed without verification the accuracy and completeness of all information provided and cannot take any responsibility to guarantee its accuracy.

Abstract

The Comstock Prospect is located on the Trial Harbour road, 7km west of Zeehan, West Tasmania. The area under investigation comprises three mining leases held by Oceania Tasmania Pty. Limited with zinc as the principal commodity of interest. Previous exploration work, including substantial diamond drilling, was completed by RGC in the early 1990's. Recent work by Oceania Tasmania Pty Limited has included detailed ground and airborne geophysical surveys. In addition Western Metals under an option agreement with Oceania Tasmania Pty Limited completed a phase of diamond drilling during late 1999.

The geology of the Comstock area comprises a complexly folded and faulted series of Pre-Cambrian fine grained clastics and carbonates (the Oonah Formation). These sediments are thrusted over Cambrian-aged mafic rocks in the southern half of the area by the Tenth Legion Fault, whilst in the northern half the Balstrup Fault has downthrown to the north sediments and volcanics of the overlying Crimson Creek Formation. The Oonah Formation south of the Balstrup Fault comprises the main target area for zinc mineralisation

The area contains several old lead workings dating back to the late 19th Century and early 20th century. Small scale open pit mining has occurred within the last fifteen years in the Allison and South Comstock areas. Mineralisation comprises massive sulphide lodes usually of pyrite, galena and sphalerite. A review of previous RGC drill logs and observations on recently drilled diamond core suggests that some of the zinc mineralisation could be stratabound/skarn-type related to a contact between carbonaceous siltstones and recrystallised dolomitic limestones/skarns. In this area the rocks have a generally flat dipping attitude with good potential to host blind, stratabound orebodies.

Proof of continuity of the RGC-discovered mineralisation along the steeply dipping Balstrup Fault requires more drilling to confirm and improve its resource definition. Additional drilling is required to test the carbonate lithological contact(s) associated with zinc mineralisation as well as down dip expressions of vein mineralisation. Geological evidence also suggests that shale hosted base metal mineralisation maybe an alternative target type within the mine lease area and that drill testing down dip expressions of surface gossans is recommended. The potential for a substantial accumulation of zinc mineralisation relatively near surface (<200m) remains good.

List of Figures

List of Appendices

Geological Report on the Comstock Prospect, Zeehan, West Tasmania

1] Introduction

The purpose of this report, under instruction from Oceania Tasmania Pty. Ltd, is to provide the geological context for the Comstock Prospect zinc mineralisation. The aim is to use new and pre-existing datasets to create an interpreted geological map and an associated set of cross sections that explain the geological scenario. This work will allow for a better understanding on the control of zinc mineralisation at Comstock and help to identify target areas for further drilling.

The area under review covers the mine leases ML 43M/85, ML123M/47, and ML19M/95. This includes the Comstock Prospect, which lies close to the Trial Harbour Road, 4km west of Zeehan in Tasmania (figure 1). Further details of the prospect and the tenement situation are supplied in an information memorandum prepared by J.M. Knight & Associates Pty. Ltd.

Observations made on the data sources provided for this geological compilation can be found in the relevant appendix : -

1. Mapping data from RGC's early 90's exploration (Appendix 1)
2. Drillhole data from RGC's early 90's exploration (Appendix 2).
3. Soil geochemistry from RGC's early 90's exploration (Appendix 3).
4. Airborne EM from a recent survey by Oceania (Appendix 4).
5. Airborne magnetics from a recent survey by Oceania (Appendix 4).
6. Detailed gravity from a recent survey by Oceania (Appendix 4).
7. Recent Western Metals' diamond drilling (Appendix 5).

Additional information comes from the author's existing knowledge of the area and from air photographs (partial stereo pair coverage only).

Knight's report details the regional geological setting (figure 2) and some exploration history of the area. He identified three base metal exploration targets for the mine leases. Some additional comments are added below :-

1] Shallow, high grade vein mineralisation

Mining in the late 1800's and early 1900's discovered vein widths up to 50 feet (15.24m), as reported in Blissett, 1962. These veins contained a combination of massive sphalerite, galena and pyrite, generally medium to coarsely crystalline and thus easily separated. The Comstock Lode, which appears to pass through to the South Comstock open pit was reported to be 1500 feet long (457m).

Several of the major veins of the area have an approximate north-south strike and due to RGC's north-south line oriented work there may be other undiscovered N-S striking veins of significant size. The depth extent of these vein structures is unknown and thus mineral potential remains untested.

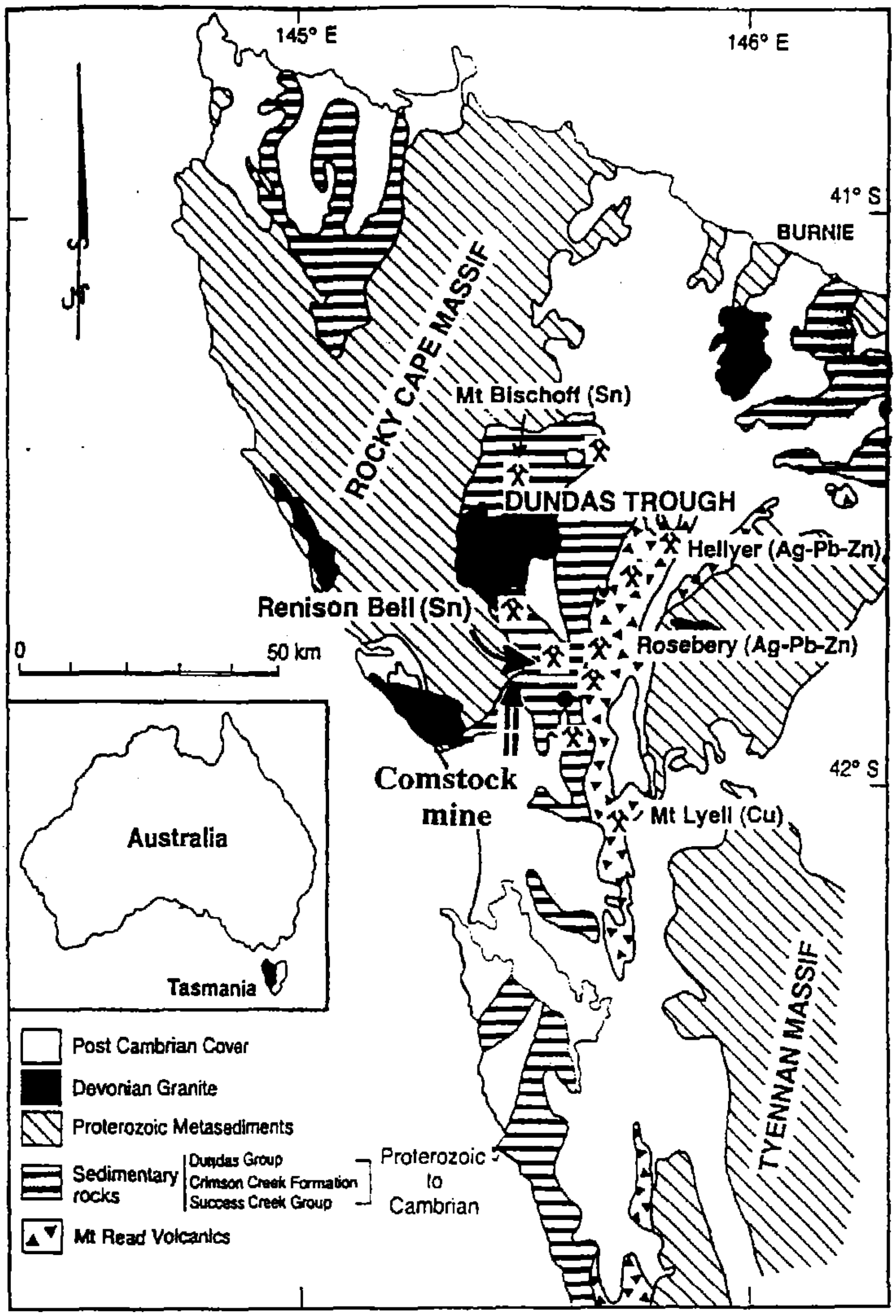

Figure 1. Regional geology of western Tasmania and the location of the Renison and Comstock mines. (Adabi 1999)

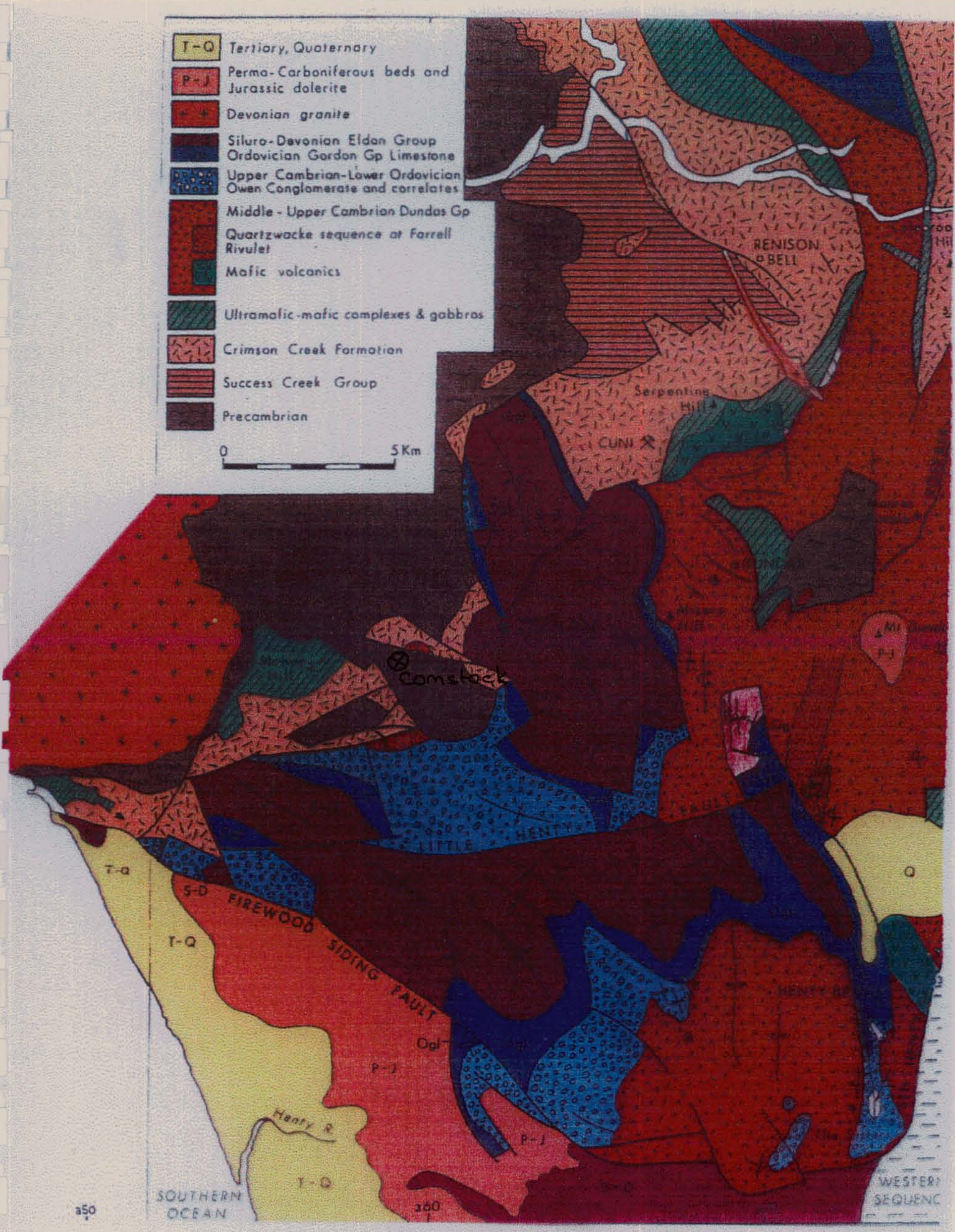

Figure 2 Geology of the Zeehan Area

(source unknown)

2] Massive sulphide skarn-hosted, fault controlled bodies.

RGC's drilling of skarn hosted mineralisation along the Balstrup Fault appeared to show a level of geological continuity to this mineralisation despite the wide drill spacing (200m). There is the hope that infill drilling may also highlight higher grade zones.

In addition it is possible that substantial zinc/lead mineralisation may occur within the skarn-type rocks away from the Balstrup Fault as exemplified by some of the base metal intersections within drillhole SY003. Thus it is important to establish the nature of subsidiary faulting south of the Balstrup Fault and the spatial distribution of the potential host carbonate rocks. Favourable fault arrangements in combination with carbonate hosted hydrothermal breccias would represent potential targets for zinc mineralisation.

3] Tenth Legion Fault Mineralisation

Low levels of zinc mineralisation are associated with those drillholes that are believed to have penetrated the Tenth Legion Fault. The potential for higher grade mineralisation to be associated with the fault is fair but evidence to date does not indicate potential ore.

4] Shale Hosted Mineralisation

An additional target for the rocks of this area not considered by Knight may be stratabound sediment hosted base metal mineralisation within the shalier rocks of the Oonah Formation. This concept was the thrust of Rio Tinto's recent Proterozoic exploration that yielded a best diamond drill intercept of approximately 6m@ 6% zinc located 1.5km south east of the Oceania Tasmania mine lease eastern boundary.

2] Geology of the Comstock Property

RGC's geologists completed a detailed series of geological fact maps. The maps show considerable geological complexity with bedding strike being highly variable and lithological coherency seemingly very low. However there is an acceptable level of quality exposures to permit attempts at a detailed interpretation map (figure 3).

Late Proterozoic siliciclastics and carbonates of the Oonah Formation host the Comstock lead/zinc mineralisation. These are a complexly folded series of rocks that are unconformably(?) overlain by siliciclastics and volcanics of the early Cambrian Crimson Creek Formation. Major faulting has occurred particularly during Cambrian and Devonian times, giving rise to many faults including the Tenth Legion Thrust Fault and the normal, steeply dipping Balstrup Fault.

South of the Balstrup Fault multiphase folding of the Oonah Formation has produced a broad, open anticlinal feature in the central-west part of the mine leases. The fold hinge is inferred to have a NNW strike with a shallow plunge to the north. This plunge may have steepened near the Balstrup Fault although it is conceivable that parallel fault zones to the

Fault may have downthrown and possibly rotated blocks clockwise creating the illusion of a steeper plunge. There is some suggestion that the rocks in fact form a doubly plunging anticline with a gentle southerly plunge in the south west of the mine leases. Within the anticline are subsidiary anticlines and synclines seemingly with NW striking hinge lines. In the east of the mine leases the fold hinge was rotated by subsequent faulting to an E-W line with just one fold limb now visible, dipping gently to the south. The structural history of this area has combined to produce rocks with a relatively flat lying attitude south of the Balstrup Fault.

North of the Balstrup Fault lie lithic arenites and wackes of the Crimson Creek Formation. These units are thought to dip south into the Balstrup Fault and are seemingly underlain by a siltstone package and a quartzite unit respectively, both possibly with Oonah Formation affinities. The lithological boundaries of these units are parallel to but do not coincide with lithogeochemical delineations reported by RGC. A non-magnetic mafic dyke/sill occurs within the Crimson Creek units eventually running parallel to the inferred Oonah/Crimson Creek contact. This may signify an unconformity or a fault between the two formations. The siltstone package is important in that it is host to a large base metal soil anomaly that has only been partially drill tested at its westernmost end (SY004). From the RGC mapping data a small gossan outcrop is recorded in the middle of this unit.

The geological issue is much more complicated around the Sylvester Mine, where there is a small exposure of limestone in amongst mafic dykes, quartzites and siltstones. A lack of drill data makes a meaningful interpretation impossible at this stage.

South of the Tenth Legion Fault lie gabbroic rocks associated with the McIvor Basic Complex and are believed to be Crimson Creek Formation or even the basal part of the later Cambrian Dundas Group.

2.1. Stratigraphy

Western Metals drillhole SY017 provides a relatively unfaulted stratigraphic section particularly from 170 to 450m downhole (figure 4). Stratigraphy of the Oonah Formation, south of the Balstrup Fault going down sequence is as follows :-

1. Interbedded graphitic and carbonaceous siltstones and shales with occasional fine grained sandstone units (Posb). There may be occasional coarsely recrystallised and silicified carbonate units present. These carbonate units on weathering may give the appearance of 'quartzite' and be a cause of lithological mismapping.

2. Thick recrystallised carbonate units often as skarn interbedded with fine grained siliciclastics including carbonaceous and pyritic siltstones/shales. (Posd)

3. Interbedded siltstones and micaceous sandstones. (Pos)

The remaining stratigraphy is cut off by the Tenth Legion Fault.

From the RGC mapping stratabound gossans are observed to exist close to the Balstrup Fault in both the carbonate units (Posd) and the black shales (Posb) with the latter predominant in the east of the property.

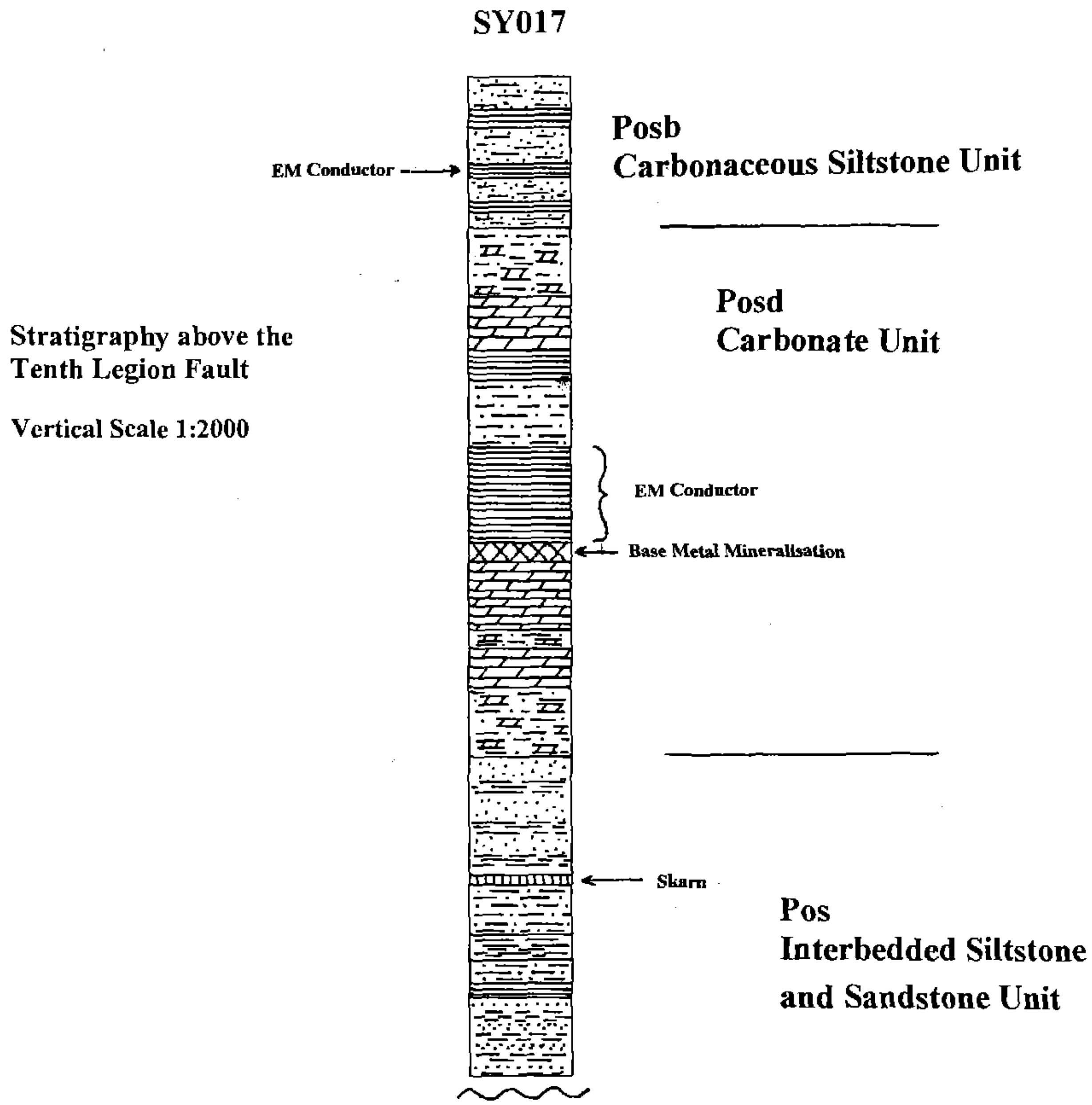

Figure 4

Stratigraphic Section for the Oonah Formation, Comstock Prospect, South of the Balstrup Fault

These gossans could be due to weathering of :-

1. Heavily pyritic carbonaceous siltstones,
2. Stratabound sulphides eg as at the top of SY017,
3. A 'limestone-shale' mineralised contact,
4. Mineralisation hosted within the carbonate units eg SY003.

Additional interpretation of the RGC mapping suggests that massive quartzites (Poq) overlie the Posb units. These units seem to reappear north of the Balstrup Fault and are overlain by a series of interbedded siltstones and shales (Posi). The nature of the contact between the lithic arenites, mudstones and mafic units of the Crimson Creek Formation and the top of the Oonah Formation is unknown, but is assumed to be a faulted contact as there is seemingly no display at surface of the Success Creek Formation (unless all these rocks north of the Crimson Creek lithic arenites and wackes are Success Creek Formation).

The stratigraphy of units underneath the Tenth Legion Fault includes gabbros and volcanics supposedly of the Dundas Group. Beneath the Fault Western Metals' drillhole SY018 intersected a major package of mixed shallow water siliciclastics and carbonates with some lithologies indicating possible evaporitic replacement textures. The formation that these rocks belong to remains unclear but they could be part of the Success Creek Formation.

2.2. Structure

The structure of the area is complicated with generally flat lying folded beds being disjointed by normal, wrench and possibly reverse faulting. The presence and effect of shallow dipping structures, perhaps parallel to the Tenth Legion Fault, is not known and can only be guessed at this point in time.

The main fault orientations in order of age, oldest first are :-

1. Tenth Legion Thrust (WNW) : regarded as an early (?Devonian) thrust plane which outcrops in the south of the mine lease and dips north at about 35°. It is likely to have suffered offsetting from later faults.

2. N and NW faults : associated with Devonian folding and the inferred N-S fold hinge identified in the west of the leases. This relates to the Devonian-aged D3 and D4 of Findlay and Brown.

3. Balstrup Fault and Sylvester Faults : WNW faults (with E-W splays) acting as normal faults and are part of Findlay and Brown's D4 latest event. The Balstrup Fault is important, as it is believed to play a significant role in the formation of zinc mineralisation. The Sylvester Fault is a parallel structure to the Balstrup Fault and occurs in the far north of the mine lease. Not much information is available on this fault.

4. NE to ENE faults : late structures associated with fault-block jostling caused by the emplacement of the Heemskirk Granite

Evidence from air photograph interpretation and field observations appears to show that the later NE striking structures cut the Balstrup Fault. As these faults may be related to the emplacement of the Heemskirk Granite they may have provided an ore fluid pathway to a potential ore trapping site(s). These later NE faults are believed to continue striking NE beyond the Sylvester Mine.

It is interesting to note the parallel strike of the Tenth Legion Fault with that of the Balstrup Fault suggesting that they were active during the same phase of faulting.

A parallel structure occurs 100-250m to the north of the Tenth Legion Fault. This fault is believed to have had major throw on it juxtaposing the Posd and Posb sequences on its north side with the Pos sequence on its south. A small gossan is reported by RGC in Posb units just north of this fault in the west of the leases i.e. perhaps a similar setting to the gossans near the Balstrup Fault.

Previous authors have suggested that the area lies within a recumbent fold, closing to the south. Whilst it is true that the rocks in this southern area are relatively flat lying, recent interpretations by Findlay and Brown contradict the recumbent theory. They, in conjunction with Calver and Seymour, outline the structural history of the area as containing N and NW plunging folds with the former being D3 and the latter being D4 (D3 folds were folded by D4). These authors also suggest that these folds were early Cambrian features that were tightened during the Devonian D3 and D4 episodes (Tabberabberan Orogeny). They also suggest that the D4 NW structural event evolved and developed later WNW faults. A NNW trending cleavage with NE to ENE conjugates is linked to the intrusion of the Late Devonian Heemskirk Granite and possibly the emplacement of the main Comstock NNW zinc lodes.

2.3. Mineralisation

The major occurrences of zinc mineralisation on the property are :-

1. Adjacent to the Balstrup Fault hosted within carbonate/skarn lithologies (west of line 358000E) and comprises several drill intercepts with the best being 8m @ 8% Zn and 4% Pb using a 1% Zn cut off (SY003).

2. Adjacent to the Balstrup Fault hosted by siliciclastic lithologies (east of line 358400E) and comprises two drill intercepts with the best being 7.4m @ 7.85% Zn and 2.85% Pb using a 1% Zn cut off (SY011).

3. At a sheared? contact between recrystallised carbonate and carbonaceous/graphitic siltstone/shale is the South Comstock Open Pit (and along strike of this contact to the ENE). See Knight's report

4. Vein systems eg at Allison's and in the Comstock areas (early 20th Century workings)

RGC descriptions of the Balstrup Fault mineralisation implied a replacive mineral style in association with hydrothermal brecciation within the Posd unit. An initial inspection of the RGC long section suggests continuity of mineralisation over a strike length of 1km with a down dip extent of 400m.

The recent Western Metals' drilling intersected only minor zones of low grade zinc mineralisation in combination with pyrite (and/or pyrrhotite) and minor galena. The mineral style appears in most cases to be a replacive-type associated with carbonate/carbonaceous lithological contacts, although small scale (<0.5m) higher grade veins were encountered locally. This drilling has also highlighted the structural complexity of the area which has implications on mineral and grade continuity. For example :-

1. SY018 failed to intersect any mineral as it passed through the Balstrup Fault. It ought to be noted that core loss was associated with the expected mineral position but no vestiges of mineral were seen.

2. SY019 attempted to intersect at depth Allison's Lode. Some mineral was encountered near the expected position but contained poor grade but looked quite different to the vein at surface.

3. SY020 was reported by Western Metals' to have failed to intersect the Comstock Lode due to faulting out by the Tenth Legion Fault. This is a much higher position for the fault than previously thought. Alternatively mineralisation may have been weathered out as there were several cavities encountered at the top of the carbonate unit in conjunction with brown siderite? alteration.

3] Geological Discussion

A review of past data, recent field observations, local knowledge and diamond drilling has confirmed the geological complexity of the Comstock Property as demonstrated by the enclosed geological map (figure 3) and the accompanying cross sections (figures 5-9).

The most important observation is that there are preferential 'host-to-ore' sub-units within the Oonah Formation and that this sequence of rocks is generally flat lying south of the Balstrup Fault. The inference from the flat lying sequence is that it offers the potential for blind, stratabound ore to exist near surface and that much of the previous drilling could have missed such flat lying orebodies.

The thick carbonate units of the Oonah Formation are not out of character for the formation in this area. The limestone/dolomites (Posd) are important in that they often host base metal mineralisation particularly at their top contact with the overlying carbonaceous siltstones and shales (Posb). This mineralisation appears to be a replacive, skarn type which can offer tonnage potential. If this style of mineralisation is stratabound and associated with a generally flat dipping sequence, mapping out of this "limestone-shale" contact is very important. Veins do exist, eg Allison's, but mineralisation in areas like the South Comstock open pit do not sit comfortably in a vein-type scenario.

The interaction of the Balstrup Fault (and any of its parallel and conjugate structures) with the later faulting associated with the Heemskirk Granite and with carbonate sequences may have created the right ground preparation via brecciation for providing locii for ore-forming fluids. For example a fault interaction could have caused brecciation and dilation within a) the carbonate units and b) at dilation zones associated with competency contrasts between the rigid carbonates and the ductile carbonaceous siltstones. This allows for a multiple of positions for ore to reside perhaps exemplified by the several base metal intersections seen in SY003 and other drillholes.

The eastern termination of mineralisation along the Balstrup Fault was confirmed by the drilling of SY018, which appears to show no significant mineralisation in the carbonates of the immediate footwall sequence to the Fault, although some minor mineralisation was encountered 50m into the Posd unit. If mineralisation is related to "limestone - shale" contacts then the Balstrup Fault may not be the key player in mineral formation, perhaps not even as an ore-fluid transporter. However the Balstrup Fault and its associates may have played a role in rotating the carbonate unit to a more vertical position nearer the fault.

No major soil anomalies occur in close proximity to the geological trace of the Balstrup Fault. Most of the major anomalies appear close to the limestone/shale contact and as significant zinc mineralisation is associated with this contact some of these anomalies may reflect the proximity of ore.

Evidence for ore fluid presence associated with the Tenth Legion Fault is encouraging, as there is low grade mineralisation in the footwall of the fault (SY017). This seems to suggest that fluids may have ponded below the impermeable fault melange, waiting to be accessed to receptive stratigraphy by later structures eg the NNW and NE faults rather than the footwall of the fault being an ore position itself. It is important to ascertain the whereabouts of receptive stratigraphy i.e. confirm the areal distribution of the carbonate units, how many carbonate bands (and carbonaceous siltstone contacts) there are and the nature of any facies variation within the units e.g. zones of brecciation. The drilling and mapping along with topographic features and vegetation differences etc suggest that there are two major carbonate bands. The NW and WNW structures may have produced brecciation of the carbonate units during folding, and thus preparing the ground for the potential influx of ore fluid via the later ENE-NE structures. Brecciation can occur at lithological competency contrasts which is similar to a recent proposal for the ground preparation mechanism for the Irish Carbonate hosted deposits of Lisheen and Galmoy.

Past work may have ascribed some of the gossans of the area to weathering of sulphide veins, but this may not always be the case. Drilling of gossans is a worthwhile exercise, the problem being that the depth of weathering can go down to 70-80m and in an area of such structural complexity there is no guarantee of hitting unweathered sulphides projected from surface at 100 - 150m depth. In an area of moderate topographic relief and good vegetation cover, it is difficult to get a measure of the existence and influence of flat lying structures that may or may not be related to the Tenth Legion Fault. In flat lying stratigraphy drilling down dip of surface gossans can involve a substantial drill step out which may not have been appreciated by earlier workers.

The concept of shale hosted mineralisation for this area is fundamentally underpinned by analogies to the Proterozoic-aged lead/zinc lodes of the Lawn Hill Mineral Field in NW

Queensland. In the Lawn Hill area up to 57 lead/zinc veins are hosted in the same sequence of rocks that host the large Century Zinc Mine. The numerous mineralised veins of the Zeehan Zinc Field are also hosted by Proterozoic siliciclastics and thus by comparison there is the potential for a large scale sediment hosted base metal orebody in the area. Thus in the Comstock area the Posb unit has the potential to host such an orebody and maybe the gossans in the east of the property are a reflection of such mineralisation.

The geology north of the Balstrup Fault was simplified on the enclosed geological map, the result of a the lack of drilling in the area. Lithic arenites are recognised north of the Fault and thus the rocks from this area would seem to differ from those rocks south of the Fault. However in the north of the property the rock descriptions provided by RGC seem to take on an 'Oonah-type' signature including a limestone/carbonate cored anticline near the Sylvester deposit. More attention ought to be paid to this area as the additive indices method of geochemical processing (see appendix 3) suggests at a large 800m by 300m stratabound anomaly hosted by siltstones and shales, occurring immediately west of the Sylvester deposit.

4] Areas of Potential

A better geological understanding of the area, including structural geometry has allowed for the identification of prospective areas for drilling (figure 10).

The identification of significant replacive style mineralisation associated with the top of the carbonate (Posd) units in contact with the overlying carbonaceous siltstones (Posb) is important. There are several of these contacts both within the Posd unit as well as its upper contact. This represents the main target type for substantial zinc mineralisation in the Comstock area. This contact in conjunction with favourable structure (described elsewhere) should be the main focus for further exploration.

Other target concepts are :-

1. A large scale skarn-type orebody, similar or better than the RGC Balstrup Fault mineralisation, may occur at fault intersections within the carbonate units. Orthogonal fault intersections can be major zones of brecciation/dilation that could host zinc mineralisation which is like the scenario for some of the Irish carbonate hosted zinc orebodies. In particular a NE fault intersecting an area with WNW and NNW faults may be productive. Thus the large carbonate body located south of the Balstrup Fault offers the best potential for substantial skarn (or possibly modified Irish) type mineralisation. Recognition of fault and/or brecciation zones extending out from and south of the Balstrup Fault could be an important clue to locating ore eg mineralised structures (veins) in contact with the Posd carbonates.

   In addition to the above targets further drilling is required within the RGC long section in order to increase the level of confidence on the continuity of the Balstrup Fault mineralisation. It would also be desirable to see an increase in grade with any future drilling.

2. The potential for shale hosted mineralisation in the same area is good as Rio Tinto's work to the SE identified significant zinc mineralisation within black shales of the Oonah Formation. The presence of gossans within the pyritic and carbonaceous unit is encouraging as they may be weathered stratabound sulphides and not weathered veins. Flat lying beds could imply that any angled drilling might have missed the target. Targeting therefore should focus on selected areas south of the Balstrup Fault and drilling should consist of testing

   - Gossans
   - Areas of low resistivity
   - Elevated base metal geochemistry from the RGC soil sampling.

   Note that drill tests should preferably aim to test down dip extensions of the surface anomalies beyond the influence of weathering.

3. If more veins could be located like the Comstock Lode as described in Blisset i.e. 17m wide by 450m long, and depth continuity could be proven to 500m then this is a valid target. The evidence for a significant vein deposit continuing at depth beneath Allisons is partially downgraded as a result of the recent Western Metals' SY019 drillhole, unless faulting has offset the vein. It must be remembered that many other veins exist at surface and that previous RGC drilling used N-S azimuths and thus were unlikely to intersect any NNW striking structures.

   In light of the geological complexity of the area and the pursuit of a modest-sized resource it is recommended that drilling of Allison's and the Comstock Lodes be undertaken. Drilling should not aim to step out too far from the known significant mineral grades e.g. 50m. It is possible that whilst the vein structure may have a NNW strike at surface it may have significant ore shoots that have a plunge direction.

The above description of potential for the area has not addressed targets that may exist north of the Balstrup Fault. High grade zinc mineralisation appears to exist in veins at the Sylvester Mine, but the area is poorly understood as it is unclear what drilling has been done in this area. Oonah-type lithologies as described by RGC appear to exist in the north of the mine lease. A significant stratabound zinc/lead soil anomaly trends ENE terminating close to an anticline of carbonate rocks exposed near the Sylvester Mine (RGC mapping). It is recommended that scout drillholes be completed, testing beneath Sylvester, testing the down dip expression of the carbonate unit and its upper contact and testing the zinc soil anomaly.

5] Conclusions

The aim of this report is to provide a geological framework for the Comstock lead/zinc mineralisation.

The Comstock area is geologically complex with structural complications derived from major periods of orogenic tectonism ranging in age from Cambrian to Devonian. There is a metamorphic overprint related to the late Devonian-aged Heemskirk Granite intrusion. Substantial zinc mineral accumulations occur either as skarn-related mineralisation or vein-type mineralisation. There is good potential for significant zinc orebodies.

The Late Proterozoic Oonah Formation comprises a sequence of interbedded sandstones, siltstones, shales and metamorphosed/recrystallised carbonate units with widespread graphitic zones. This formation in the main hosts the recorded zinc mineralisation on the Oceania Tasmania Pty Limited mine leases. The area is well known for its abundance of coarse grained zinc and lead-rich sulphide veins, many of which were worked in the late 19th and early 20th centuries.

South of the Balstrup Fault the Oonah Formation structurally comprises in the west of the property of a N-S anticlinal feature, possibly doubly plunging and in the east by an E-W gently south dipping sequence. Folding is thought to have initially begun in the Cambrian with the Devonian Tabberabberan Orogeny overprint tightening these folds. Substantial structural dislocation of the Oonah Formation has occurred as a result of multiple faulting episodes, generally of Devonian age.

RGC's diamond drilling of the prospect identified lead/zinc mineralisation hosted by altered carbonate/skarn rocks of the Oonah Formation adjacent to the steeply, north dipping Balstrup Fault. Based on drillcore descriptions at 200m centres the mineralisation appears to be continuous for 800m of fault strike length and potentially down dip to a depth of 400m. The resource lies in the inferred resource category as defined by JORC (see also Knights report).

Skarn mineralisation can be related to other structures than the Balstrup Fault specifically, thus an understanding of the geometry of the carbonate body is required in conjunction with any favourable structural arrangements eg intersecting faults, brecciation and plunge directions etc. An interpretive geological map produced from the available data shows a more complex structural pattern than previous authors and has attempted to delineate the main carbonate stratigraphic body. Recent drilling and field observations have shown that the contact between a carbonate facies in Posd and any overlying carbonaceous siltstone as being a locus for base mineralisation albeit rather weak in places. This stratigraphic trap in conjunction with the detailed structural scenario described elsewhere represents an ore target(s). The coincidence within the carbonate unit of NE structures (possibly related to the Heemskirk Granite) with earlier NW and WNW faults (and any anticlinal fold hinges) may provide suitable sites for the location of ore.

Seemingly stratabound gossans are prevalent in both the Posd and the overlying Posb particularly near the Balstrup Fault trace. In particular two 800m long E-W lines of gossan outcrops occur 50 and 250m south of the inferred surface trace of the Balstrup Fault. If these are weathered stratabound sulphide units, gently dipping to the south then previous drilling will have failed to intersect their down dip expressions.

Some of the high grade veins discovered at the turn of the century may have sufficient continuity and grade to be considered as ore targets.

6] Recommendations

1. Infill drilling is needed to improve and upgrade the resource definition along the Balstrup Fault.

2. Additional drilling outside the Balstrup Fault resource is required to test for stratabound skarn mineralisation in the Posd unit and for possible shale hosted mineralisation in the Posb unit. Drilling should target on and step out from known mineralisation

3. Drilling is required to measure the prospectivity and continuity of the sphalerite-rich NNW lodes, particularly for depth continuity e.g. the Comstock Mine area. (Note that drilling of either of the above options may require a change in the normal drillhole azimuths used, in accordance with vein strike and variations in bed dip direction).

4. Re-log the RGC drillcore to confirm recent observations from Western Metals' drilling and the accuracy of this report.

5. Archival research is undertaken to map out old workings and identify the strike of known lodes and other sulphide veins. This may enable better validation of the soil anomalies and provide insights into the structural patterns that were in play when mineralising fluids were active.

6. Detailed structural analysis of outcrop and drillcore may identify the orientation of major fold hinges and subsidiary fault directions. These subsidiary faults may play an important role in controlling the location of ore and any possible repositioning of ore blocks from faulting.

7. If it is technically feasible, modeling of surfaces from the EM data may help to resolve delineation of the Tenth Legion Fault at depth and recognise possible buried sulphide accumulations, particularly in flat-lying scenarios.

8. Based on some of the history of the area and on interpretation of the drill log descriptions for the skarn rocks, it is strongly recommended that past and future drillcore be analysed for nickel.

9. Thin section analysis of selected rock samples should be undertaken to confirm lithology identification particularly the skarn mineralogy e.g. the gabbros in SY001 and to check if some of the skarn mineralisation is in fact altered ultramafics.

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Appendix 1

Surface Geology Observations

Surface Geology Observations

Initial observations from the RGC geological fact maps include :-

South of the Balstrup Fault

- The Oonah Formation comprises a mixed sequence of lithologies including carbonaceous shale, limestones/dolomites, siltstones and quartzitic sandstones. The southern margin of the Oonah is bounded by the Tenth Legion Thrust Fault. This fault has caused the Proterozoic Oonah Formation to overlie the Cambrian Crimson Creek sediments and volcanics.

- There is an east-west line of gossanous material that is south of and oblique to the Balstrup Fault, cutting the latter on line 358600E. The gossans appear to be hosted by a mixed sequence of quartzitic sandstones and dark grey carbonaceous siltstones. The gossan unit may be oxidised sulphides or oxidised magnetite/pyrrhotite skarn.

- Carbonate lithologies occur along lines 357400E, 357600E and 357800E extending as far south as 5363000N and generally with a N-S striking pattern. This arrangement may symbolise a N-S fold axis running approximately along line 357500E.

North of the Balstrup Fault

- In one or two instances particularly around the Sylvester Mine the lithological sequences appear similar to the Oonah Formation south of the fault but with the addition of volcanic material.

- Between the Sylvester and Balstrup Faults poor outcrop precludes any real geological synthesis. RGC soil data interpretation delineates markedly different lithologies between this area and the Oonah Formation south of the fault

A visit to the field area established the following points: -

- The Oonah Formation south of the Balstrup Fault comprises complexly folded shales, siltstones and sandstones. There is a substantial amount of graphite associated with these rocks.

- The Tenth Legion Fault is characterised by a melange sequence of strongly sheared carbonaceous/graphitic material and is interpreted as a thrust fault.

- There is a sense from some of the outcrops eg south of Allison's Lode, that there may be flat lying sections of the Oonah Formation within the mine leases.

- Gabbroic rocks occur in road cuttings south of the Tenth Legion Fault.

- Strongly goethitic, equigranular massive units of the Crimson Creek Formation just north of the Balstrup Fault may be lithic wackes rather than volcanics.

- The E-W line of gossans just south of the Balstrup Fault occurs as outcropping knolls displaying botryoidal hematite and silica eg on survey lines 357800E to 358600E.

- Base metal mineralisation seems to consistently occur at the contact between recrystallised carbonate rocks and overlying black graphitic shale eg, S. Comstock pit and environs.

- Crystalline pyrite lodes, some sphalerite rich, exist within the Oonah sediments probably indicating late stage vein formation associated with the Devonian Heemskirk Granite.

- Pyrite-sphalerite veins locally display small-scale preferential stratigraphic replacement of the host wall rocks.

- Measured sulphide vein directions show a variety of orientations: -

Deposit/Mine	**Vein Orientation**	**Sulphide minerals**
Britannia Mine	030/80SE	Massive sphalerite with pyrite
Britannia Mine	120/80NE	Pyrite with sphalerite and galena
Britannia Mine	114/80S	Pyrite vein
Britannia Mine	128/80NE	Pyrite vein
Britannia Mine	164/90	Pyrite with sphalerite
Britannia Mine	168/70E	Not known
Sylvester Mine	122/80S	Pyrite (also float massive sphalerite and pyrite)
Boss Mine	107/90	Massive pyrite
Allison Mine (x2)	151/85E	Massive sphalerite and pyrite
S. Comstock	153	Massive sphalerite and pyrite

- The above table is complimented below by data extracted from Blisset (1962).

Deposit/Mine	Vein Orientation	Sulphide Minerals
TLE	NNE (025)	Fissure veins of galena and sphalerite
Sylvester	NNE dipping east	Pyrite galena and sphalerite
Boss – Main Lode West Lode East Lode	NE NW NNE	Pyrite, galena and sphalerite Gossan Sphalerite pyrite and galena
Silver Stream	NE	Limonitic gossan with patches of sphalerite and galena; includes 1m at 9.3% copper
Susannite – West Lode East Lode	NW NW	Galena and cerussite Cerussite and other lead secondaries
North Comstock	N with a west dip	Pyrite and galena
Comstock and Comstock South - Main Lode - - No. 2 Lode	NNW (155) dipping east	High proportion of sphalerite with pyrite and galena Pyritic orebody with bands of galena an sphalerite
Allison's	NNW with an east dip	Massive sphalerite

- There is a suggestion that the NNW veins contain more sphalerite than other orientations.

Mineral Codes for Recent Site Visits

Minerals		Alteration	
DO	Dolomite	CA	Calcite
FE	Ferruginous	DO	Dolomite
GA	Galena	GP	Graphite
GO	Goethite	SE	Sericite
GP	Graphite	SI	Silica
HM	Hematite	TA	Talc
MI	Mica	WE	Weathered
PY	Pyrite		
QZ	Quartz		
SP	Sphalerite		

Appendix 2

RGC Drill Logs - Observations and Significant Results

RGC Drillhole Log Observations

A review of the RGC diamond drill logs for the Comstock Prospect showed the following: -

- Melange units often report a shearing fabric suggestive of tectonic formation rather than any intraformational brecciation.
- Large thicknesses of carbonate/dolomite are recorded on SY003 and SY005 (and SY009). This carbonate unit is not recorded in any appreciable amounts in drillholes east of 358000E.
- Consistency of bed dip angle and direction from core orientations is poor.
- Multi-element analysis identified potassic-rich units in SY003. These units are logged as siltstones/shales within the dolomitic sequence. It may be possible to match up these units with anomalous potassium values from the soil geochemistry data and assist the three-dimensional mapping.
- Drilling through the Tenth Legion Fault may only be confined to drillholes SY014 and SY010, which encountered melange/fault zones followed by hornfels. Evidence for drillhole SY001 penetrating the fault is weak and requires a core inspection to validate the proposition. The confusing inference from this hole is that skarn lithologies are conformable with a gabbro at the base of the hole.
- Some descriptions of serpentinite skarn in the logs appears similar to the lithologies drilled by Allegiance Mining N.L. on their Avebury Nickel Prospect, 4km to the SSW. The rocks at this prospect are reported as serpentinised ultramafics.
- Skarn rocks locally contain substantial amounts of magnetite often associated with massive sulphide mineralisation. Strongly magnetite-bearing skarn (>20% magnetite) occurs in several holes eg, SY003 475.2 - 486.2m, SY005 371.4 - 561.2m, SY009 359.1 – 546.1m, SY010 510.6 – 518m and 547.46, 567.9 and finally SY014 391 – 429.9m.
- Recognition of the Balstrup Fault within SY013 and SY015 is possible although the footwall lithologies are different to those that occur along strike to the WNW. Deeper drilling may intersect the carbonate rocks as seen elsewhere.
- Significant base metal mineralisation was encountered in several drillholes. A collection of drillholes appear to show consistent mineralisation associated with the immediate footwall of the Balstrup Fault. In each case the host unit is described as 'skarn hosting massive sulphide mineralisation' – drillholes SY005, SY008, SY009, SY003 and SY012.
- In SY011 high-grade mineralisation is described as a vein concordant with bedding. This 'vein' is located very close to the downward projection from the surface of the Balstrup Fault.

- Analysis of the recorded melanges shows that: -

    1. A major zone of substantial thickness occurs >500m downhole in several drillholes and this may be part of the Tenth Legion Fault.

    2. A second zone of major melange thickness occurs in several drillholes between 0 and 80m downhole. Some of these melanges may be a function of complexly folded/weathered Oonah graphitic shales and siltstones with possible collapse caused by dissolved out carbonate rather than being the result of actual fault zones.

    3. At other downhole depths large melange zones are seemingly absent.

- Characteristically galena and sphalerite occur together in the major base metal drill intercepts. In some instances this mineralisation is accompanied by elevated tin values eg SY005. Noticeably this is not always the case.

Drillcore assays for Zinc values >5000ppm

Drillhole	From	To	Zinc	Lead	Iron	Arsenic	Tin
SY001	116.4	117.2	17000	1450		61	48
SY001	145	146	7150	12200		170	7
SY001	147	148	5800	9950		252	5
SY002	83.7	84.5	5600	340		61	10
SY002	242	243	5800	2900		130	96
SY002	271	272	6700	1650		180	119
SY002	272.4	273	20800	9300		150	191
SY002	274	275	129700	17700		100	508
SY002	275	276	83300	32400		200	437
SY002	276	277	9600	8700		250	269
SY002	279	280	5800	3350		190	202
SY002	281.3	281.9	8700	2175		545	110
SY002	281.9	283	14200	7300		236	126
SY003	148	148.7	10500	5400	6.1	26	59
SY003	148.7	150	60300	29400	25.1	399	28
SY003	150	151	52700	24800	20.9	351	43
SY003	151	152	173000	52500	22	52	34
SY003	152	153	145000	46700	25.5	20	15
SY003	153	154	68600	60300	24.1	7.6	3
SY003	154	155	69300	71200	24.6	4.7	6
SY003	155	156	46800	24000	32.7	8.6	19
SY003	156	157	5200	5650	36.9	21	4
SY003	157	158.2	6350	4500	33.4	22	13
SY003	245.4	246	12400	7000	15.9	660	50
SY003	249.5	250	45900	9200	15.4	200	118
SY003	250	250.8	16000	4100	11.1	613	49
SY003	387.9	389	43400	42800	32.5	805	129
SY003	389	389.7	100300	94800	18.1	489	263
SY003	509.8	510.4	31800	27200	17.6	42	33
SY003	521	522	6200	1450	8.49	8.2	8
SY004	79	80	8250	335		100	25
SY004	80	81	9250	3000		100	30
SY005	237.8	238.8	9250	6650			12
SY005	381	382	6600	155			1
SY005	382	383	16600	195			4
SY005	383	384	6750	195			1
SY005	392	393	5800	2000			1
SY005	404	406	6400	2			26
SY005	471	472	10200	140			27
SY005	508	509	39800	31800			240
SY005	509	510	47100	46800			264
SY005	510	511	41600	40700			150
SY005	511	512	13100	37800			134
SY005	512	513	29200	99400			182
SY005	513	514	66600	18500			80
SY005	514	515	7700	1250			1150
SY005	518	519	80600	3350			139
SY005	519	520	39300	4500			43
SY005	520	521	46900	10900			206
SY005	521	522	25200	11200			67
SY005	522	523	10200	840			60
SY005	523	524	7300	760			86
SY005	524	525	44500	1150			98
SY005	526	527	62900	59000			471

Drillhole	From	To	Zinc	Lead	Iron	Arsenic	Tin
SY005	527	528	29000	105600			616
SY005	528	529	10700	2100			100
SY005	529	530	109300	17100			282
SY005	530	531	23500	1850			427
SY005	531	532	15800	4050			208
SY005	532	533	11900	4000			499
SY005	533	534	23900	6850			838
SY005	561.2	562.2	6350	995			670
SY005	564	565	9450	195			193
SY008	96	98	14300	2327			9
SY008	102.1	103	451400	131700			74
SY008	121	123	10000	16200			9
SY008	123	125	7774	4965			9
SY008	125	127	12400	4698			49
SY008	129	130.9	87400	79200			127
SY008	130.9	132.1	183400	93800			245
SY008	132.1	134	8007	2819			25
SY008	134	136	14200	10400			55
SY008	136	138	11700	12000			11
SY008	138	139.9	48500	18600			86
SY008	341	342	7899	2917			8
SY008	342	343	11200	4600			15
SY008	343	344	11200	10300			21
SY009	184	185	10700	5200			93
SY009	185	185.7	13200	33500			71
SY009	274	275	5247	5941			8
SY009	275	276	11100	9100			13
SY009	383	384	9185	7750			107
SY009	392.85	394	66000	27900			83
SY009	394	395.1	89000	83000			46
SY009	519	520	6974	239			23
SY010	425	426	5390	3320			4
SY010	430.2	431	10060	685			6
SY010	510.6	511.5	43000	87			50
SY011	131.1	131.4	16000	15600			55
SY011	148	149	6793	471			20
SY011	149	150	12400	1100			45
SY011	151	152	5878	1052			29
SY011	152	153	173000	31100			178
SY011	153	154	232000	104000			198
SY011	154	155	72000	17400			102
SY011	155	156	27200	7600			76
SY011	156	157	44500	22900			127
SY011	157	158	12400	9200			62
SY011	158	159.4	14200	13400			41
SY011	163.5	164.5	9234				15
SY012	117	118	5720	4680			4
SY012	451	452	6000	5200			55
SY012	452	453.1	30800	10800			6
SY012	453.1	454	24800	26600			19
SY012	454	455	83000	19000			100
SY012	456	457	12800	8800			1
SY014	113	114	136000	28300			50
SY014	114	115	73000	106000			60
SY014	116	117	64000	1500			60
SY014	119	120	8600	3400			70

Drillhole	From	To	Zinc	Lead	Iron	Arsenic	Tin
SY014	132	133	5600	21000			75
SY014	242.6	243.8	42200	10100			160
SY015	120	121	13200	1336			20
SY016	96	97	9311	22200			90
SY016	277	278	17200	2514			40
SY016	278	279	21700	1324			25
SY016	279	280.1	10100	4056			45

Appendix 3

RGC Surface Geochemistry - Observations

RGC Surface Geochemistry

- RGC completed multi-element analysis for over 1,000 soil samples. Elements tested comprised the normal ore minerals and related pathfinders along with a number of trace elements. Iron and potassium were the only major elements analysed and no analysis was completed for calcium or magnesium making the detection of dolomite/calcic rocks very difficult.

- The area south of the Balstrup Fault has considerable widespread lead/zinc anomalism in surface soils. Unfortunately there is a lack of coherency when trying to contour the data but several of these anomalies can be explained by the coincidence with old lead/zinc workings.

- Processing of the soil data by RGC identified distinct chemical lithologies namely ASED, CSED, MSED etc and the author has used these categories to analyse lead/zinc anomalies. The technique used is called additive indices, which normalises the element data for each lithotype such that the relative strength of multi-element anomalies can be assessed and ranked. In effect it converts the assay results for several elements for a single lithology into a common 'currency' thus allowing comparison of anomalies within and between different lithotypes.

- Zinc, lead, arsenic, tin and iron assays were used in the initial additive indices exercise.

- The strongest anomalies for all five elements are :-

  1. Allison and Britannia mine workings.
  2. Possible up dip expressions of base metal intercepts in drillholes SY003, SY009 and SY0016.
  3. A 600m+ long anomaly associated with the southern margin of the EM anomaly 357200mE, 5360400mN.
  4. A small anomaly south of the Balstrup Fault, 358200mE, 5360250mN.
  5. North of the Balstrup Fault, 357800mE, 5361150mN, a 700 x 150m bed-parallel anomaly only partially tested by SY004.

- The strongest anomalies for lead and zinc only are similar to those for the five elements with addition of :-

  1. A single line anomaly 358400mE, 5360300mN.
  2. The north of the Balstrup Fault anomaly shows an increase in strength towards the Sylvester Mine.

- RGC attempted to define outcropping carbonate using a series of trace elements. A large, elongate unit was identified adjacent and parallel to the Balstrup Fault. The surface mapping and observations generally supports this delineation

- Potassium analysis was used to delineate more shale-rich units at surface within the ASED, CSED and MSED lithotypes. A major potassium low occurs south of the Balstrup Fault, partially matching RGC's chemically defined carbonate outcrop.

- An additional target is a base metal soil anomaly parallel to inferred bedding occurs in the SW part of the ML that is hosted by black shales with some minor associated gossans.

- The majority of anomalous zinc values occur in the MSED unit which rarely occurs south of the Balstrup Fault. It is assumed that this is due to the more mafic nature of the rocks and that the sediment source was different to the Oonah Formation. This does not make the lower grade anomalies in the ASED units south of the Balstrup Fault any less significant.

- The CSED unit is a carbonate sub-division of the ASED unit, and comprises a small population with a disproportionate amount of zinc anomalies.

Soil Assays for Zinc Values >500ppm

East	North	Lithology	Zinc	Lead	Iron	Arsenic	Tin
357199	5361287	ASED	805	80	0.85	43	8
357600	5360318	ASED	1400	95	1.3	1	21
358202	5361337	ASED	3000	80	1.8	120	5
358987	5361296	ASED	1350	75	2.6	79	3
357385	5360590	CSED	6500	1	1.5	25	1.5
357600	5360549	CSED	1600	4	5.26	306	191
357800	5360477	CSED	776	5850	12.9	386	5
357800	5360503	CSED	10001	10001	6.59	170	12
357800	5360528	CSED	620	0	35.9	2830	54
357800	5360553	CSED	1150	1	28	2000	34
357800	5360579	CSED	600	0	34.2	1560	44
357984	5361253	CSED	700	220	14.9	89	1.5
358187	5360400	CSED	940	1900	28.6	3150	18
358600	5360332	CSED	885	4000	19.3	1210	18
358602	5360307	CSED	1550	10001	3.7	303	236
357792	5361003	INTER	735	2.5	6.56	22	5
359218	5360294	INTER	800	90	31.7	2010	11
359385	5360627	INTER	700	170	14.9	180	1.5
360191	5360436	INTER	735	3500	25.9	697	38
357199	5361262	MSED	2700	1600	3.4	50	5
357209	5360611	MSED	2450	1	0.9	33	3
357598	5360730	MSED	1225	70	13.6	26	6
357600	5360299	MSED	710	425	15.9	429	11
357602	5360083	MSED	5000	7000	4	250	21
357790	5361030	MSED	1350	75	3.3	49	4
357795	5360803	MSED	3000	30	5.25	15	8
357795	5360828	MSED	9750	195	7.08	21	4
357795	5360854	MSED	890	15	2.7	4	6
357795	5360878	MSED	675	15	3.2	4	1.5
357797	5360778	MSED	600	100	3.7	4	4
357994	5361053	MSED	1250	80	6.52	215	4
358004	5360872	MSED	780	40	7.96	150	7
358004	5360895	MSED	670	100	7.96	11	7
358187	5360327	MSED	1150	3550	2.8	85	1.5
358202	5361187	MSED	1800	250	3.8	63	3
358202	5361237	MSED	5800	2700	5.82	2730	51
358392	5361293	MSED	1250	55	4.8	160	12
358392	5361344	MSED	2700	30	7.22	47	14
358394	5361244	MSED	870	50	5.67	62	11
358595	5361172	MSED	1850	15	5.91	232	11
358600	5360433	MSED	975	560	18.3	508	20
358600	5360509	MSED	785	5	8.51	40	6
358600	5360583	MSED	905	3150	13.7	1690	46
358600	5360627	MSED	535	360	8.13	230	3
358778	5361866	MSED	3350	105	9.37	25	1.5
358804	5360457	MSED	2350	200	2.9	28	10
358804	5360480	MSED	720	245	2.6	62	12
358954	5361970	MSED	585	505	10.8	140	16
358989	5361271	MSED	660	50	12.5	78	7
358991	5360724	MSED	595	65	17.7	44	1.5
358993	5360384	MSED	2300	40	3.4	63	4
359193	5361032	MSED	820	80	16.4	98	3
359196	5361056	MSED	1250	75	15.9	45	3
359197	5360901	MSED	660	715	10.2	91	10

East	North	Lithology	Zinc	Lead	Iron	Arsenic	Tin
359199	5360877	MSED	810	480	11.4	285	11
359213	5360349	MSED	5400	20	9.84	140	9
359385	5360580	MSED	820	40	10.9	48	7
359388	5360951	MSED	900	490	9.29	83	14
359983	5360529	MSED	1550	4650	16.7	35	29
359987	5360306	MSED	720	125	11.5	17	10
359987	5360332	MSED	590	175	21	89	25
360191	5360271	MSED	575	380	13.5	34	6
360191	5360388	MSED	975	455	9.34	17	16
360191	5360461	MSED	800	7900	10	393	22
360191	5360485	MSED	965	7950	13.3	359	57
360191	5360510	MSED	1450		17	247	41
360191	5360535	MSED	1650	5200	17.3	358	49
358005	5360844	SPIL	3400	5	11.7	99	1.5
358009	5360746	SPIL	1400	75	1.1	23	7
358192	5360768	SPIL	720	240	1.5	246	1.5
358192	5360868	SPIL	3000	60	4.8	49	7
358202	5361526	SPIL	605	2.5	3.7	110	9
358386	5360918	SPIL	645	80	3.5	11	10
358388	5360944	SPIL	600	300	1.8	22	13
358390	5361519	SPIL	1250	10	3.6	16	16
358390	5361545	SPIL	1200	230	3.3	234	13
358390	5361568	SPIL	580	2.5	27.7	214	5
358390	5361593	SPIL	640	20	2.6	180	14
358392	5361024	SPIL	705	20	2.1	7	15
358392	5361422	SPIL	600	285	7.8	65	7
358392	5361444	SPIL	560	1325	4.3	140	15
358593	5361499	SPIL	805	95	2.9	44	6
358594	5361620	SPIL	600	2.5	13.9	11	10
358595	5361473	SPIL	1450	625	2.2	44	12
358595	5361573	SPIL	800	15	6.19	8	11
358778	5361617	SPIL	610	5	5.53	10	15
358778	5361888	SPIL	655	2.5	6.03	8	10
358991	5360507	SPIL	700	20	14.2	130	9
359188	5361686	SPIL	850	560	11.5	36	7
359188	5361845	SPIL	820	3350	9.73	76	16
359386	5361587	SPIL	535	1000	11	25	21
359386	5361738	SPIL	1300	200	9.35	23	10
359386	5361770	SPIL	600	10	7.71	10	11
358201	5361479	SPIL1	600	2.5	4.7	32	7
359386	5361333	SPIL1	595	305	11.1	50	17

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Appendix 4

Oceania Tasmania Geophysical Datasets - Observations

Oceania Tasmania - Geophysical Datasets

Recent surveys completed over the property include: -

1. Detailed gravity
2. Airborne EM
3. Airborne Magnetics

Salient points from the above surveys are: -

- Within the mining leases the Oonah Formation gives a large and very low resistivity anomaly. This is attributed to graphitic shales and shallow dipping shear zones. This anomaly is abruptly terminated in the west but remains open to the east.

- Areas of very low resistivity within the overall anomaly low may be the result of :-

  1. Massive sulphide mineralisation
  2. A greater accumulation of graphitic material.
  3. Major water filled cavities associated with the carbonate sequences

- Another potential option for the EM anomaly is that the graphitic material may be a surface accumulation of weathered out carbonate material. This phenomenon is seen elsewhere in the Zeehan Zinc field eg atop outcropping Gordon Limestone.

- The Balstrup Fault is reasonably well defined in the EM data by default (the Oonah Formation boundary) but is poorly defined in the magnetic data. However the western end of the EM anomaly extends well north of the originally marked fault line possibly indicating a bifurcation in the Balstrup Fault or later offset faulting. This may have ramifications in the ore search and the targeting of structures.

- A weak conductor trends ENE about 500m north of the Balstrup Fault and is coincident with RGC's chemically distinct lithostratigraphy. Inspection of the RGC mapping and air photos suggest the presence of quartzites which seemingly fails to adequately explain this anomaly, unless it is a northerly down dip expression of less weathered interbedded siltstones exposed to the south. However this siltstone unit supposedly dips to the south.

- Within the western half of the lease area, the airborne magnetic data displays a major flat lying high straddling the surface trace of the Balstrup Fault. This may be a major magnetite body at depth possibly within the footwall of the Balstrup Fault.

- The magnetic signature for the eastern half of the area is flat, with the boundary between the east and west domains occurring close to the divide between those drillholes with magnetite-bearing skarn to the west and those without to the east.

- Identification of structural breaks from the geophysical data is very difficult. This is probably due to complex folding, possible flat lying nature of the rocks, the ductile nature of the sediments with rock competency contrasts that preclude the development of discrete faults.

- The provisionally contoured Bouguer gravity map supplied showed a gravity high domain in the south/south east of the survey. Flanking this high is a steep gradient zone striking approximately E-W. The significance of this is uncertain although the zone coincides with the line of gossans and with black shales hosting N-S striking mineral veins. The zone bifurcates as it approaches the Balstrup Fault and continues westwards to the South Comstock Open Pit. It may represent some form of structural zone possibly based on competency contrasts within sub-formations of the Oonah.

Appendix 5

Recent Drilling - Observations

Recent Drilling Observations

The following observations are based on a two-day viewing exercise and covered drillholes SY017, SY018 and SY019. Low level base metal mineralisation was recorded in all drillholes but none of it indicating major vein structures. This might suggest a possible alternative style of ore.

Drillhole	From	To	Mineralisation Style	Estimated Grade of Sphalerite
SY017	5	32.4	Pyritic Gossan	<1%
SY017	201.7	216.4	Pyritic veining in carbonaceous shale	<0.2%
SY017	234	239.3	Pyrite replacing recrystallised limestone including a 12cm massive galena vein	<0.1% except locally high lead
SY017	430.8	454.5	Pyrrhotite disseminations in melange clasts	<0.1%
SY017	461.15	504.5	Disseminated blebs of sphalerite in volcanics	<0.5% locally 3-4%
SY018	169.0	187.4	Recrystallised limestones with replacement style sulphide mineralisation – silicified and brecciated	<0.5%
SY018	195.2	216.5	Pyritic carbonaceous siltstone	<0.1%
SY018	450	456.5	Disseminated blebs of pyrite with veins of pyrrhotite accompanied by small zones of massive galena/sphalerite/pyrite; replacive	1-2%
SY018	488	492.1	Thinly bedded sandstones with veining containing pyrrhotite, pyrite and minor chalcopyrite	<0.1%
SY018	503.6	506.4	Thin veinlets of bedding parallel pyrrhotite in interlaminated siltstones	<0.1%
SY018	506.4	515.1	Disseminated sphalerite with occasional blebs and veinlets hosted by silicified skarn	1%
SY018	522	538	Zones of massive pyrrhotite and pyrrhotite lenses with minor ?sphalerite in melange material	<0.5%
SY018	538	548	Minor dissemination of pyrrhotite in melange clasts	<0.1%
SY018	548	556.1	Brecciated sandstones and melange with pyrrhotite veinlets and stingers	<0.2%
SY018	631.4	647.3	Black carbonaceous siltstones with pyrrhotite beds and extensional veins	<0.2%
SY019	236.7	240.3	Disseminated blebs and semi-massive pyrite/pyrrhotite with galena and sphalerite replacing recrystallised limestone	5%
SY019	263.8	264.3	Pyrite vein with sphalerite	3%
SY019	329.85	338.2	Silicified dolomite/recrystallised limestone with localised brecciation and replacement by sphalerite, galena and pyrite	Locally 5%
SY019	338.15	345.0	Interbedded sandstones and carbonaceous siltstones with pyrite stringers; minor blebs of sphalerite and galena	0.2%

Other drilling observations include :-

1. Zones of melange contained sediment clasts within a well-annealed carbonaceous/graphite matrix. Some of the clasts had disseminations of pyrrhotite which were absent in the matrix. The spatial position of these zones on cross sections corresponds to the Tenth Legion Fault.

2. There appears to be a range of carbonate lithologies:-

    - Recrystallised dolomitic and silicified limestone; characterised by a coarse equigranular, crystalline texture, and dark grey in colour.
    - Fine grained pervasively silicified dolomite; it is suggested that some of these lithologies may be silicified calcareous sandstones (?any magnesite).
    - Fine grained, weakly calcareous, green, skarn material with tremolite?
    - Interbedded calcareous and carbonaceous siltstones and sandstones
    - White dolomite with algal mat textures, locally silicified. (SY018 - below Tenth Legion Fault).

3. Localised weathering of the recrystallised limestone unit produced cavities. Weathering of this unit would also produce white sand, which may have confused the RGC surface mapping.

4. Thin <1-2m porphyritic dykes were observed. The margins of the dykes sometimes had base metal mineralisation associated with them and sometimes with a distinctive green mineral, mariposite.

5. SY017 provides a good unfaulted stratigraphic column for the Oonah Fm above the Tenth Legion Fault from 178 to 388m (downhole depths). A summarised stratigraphy is as follows (see also figure 3) :-

    - Interbedded carbonaceous siltstones/shales and sandstone (possibly silicified dolomite) overlying
    - A predominant mixed carbonate sequence of recrystallised limestone/dolomite, calcareous siltstones/sandstones and black carbonaceous siltstones.
    - A clastic dominant sequence of sandstones and interbedded siltstones, shales and sandstones underlies the carbonate sequence.

6. Finer grained clastics notably thinly bedded siltstones and shales often display contorted beds indicating substantial deformation and structural complexity.

7. Despite the implied structural complexity there were relatively few obvious late faults within the core – as characterised by brittle fractures, clay gouge, broken core, etc. It is supposed that the annealing phase was a late stage event and subsequent brittle faulting was related to post Heemskirk Granite faulting.

8. Marker units are difficult to recognise. A strongly conductive carbonaceous massive siltstone occurs in SY017 and SY018 with scattered veinlets of pyrite or pyrrhotite.

9. The units that underlie the Tenth Legion Fault in SY018 are not recognised as part of the Oonah or Crimson Creek Formation. They may be Success Creek Units, which have not been mapped in the local area. A wilder theory is that they may represent units that form part of the Arthur Lineament with its ophiolitic and carbonate-rich rocks, eg Savage River Dolomite.

10. SY017 exhibited tuffaceous volcanic rocks beneath the Tenth Legion Fault prior to passing into gabbroic type lithologies.

11. A 30m pyritic, carbonaceous siltstone/shale unit acts as a strong EM conductor in drillholes SY017 and SY018 but at depths of 200m. In a near surface, flat lying scenario this unit could account for the large airborne EM anomaly. However weathering and lithologies seen in the top of holes SY017, SY018 and SY019 also seem to indicate strongly graphitic and saturated material which may also contribute to the EM anomaly. A third contributor may be the development of cavities in the carbonate unit, which have subsequently filled with water. It is uncertain if anomalously conductive areas within the EM anomaly are the result of pyritic base metal accumulations or not.

12. The combined effect of contorted folding, faulting and weathering on the carbonaceous siltstones and shales in the upper part of the drillholes gave the appearance of being fault zones.

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Appendix 6

Weighted Averages for the Balstrup Fault Mineralisation (RGC Drilling)

Balstrup Fault Mineralisation 506044

Using a 1% Zinc Cut Off

Drillhole	From	Width	Zn	Pb
SY002	274	2m	10.65%	1.35%
SY003	148	8m	8.01%	4.02%
SY003	249.5	1.3m	2.75%	0.57%
SY003	387.9	1.8m	6.55%	6.3%
SY003	509.8	0.6m	3.18%	2.72%
SY005	508	6m	3.96%	4.58%
SY005	518	16m	3.72%	1.47%
SY008	125	14.9m	2.79%	1.77%
SY009	392.85	2.25m	7.72%	5.48%
SY010	510.6	0.9m	4.3%	20.01%
SY011	152	7.4m	7.85%	2.85%
SY012	452	5m	3.99%	1.53%
SY014	113	4m	8.54%	4.67%
SY014	242.6	1.2m	4.22%	1.01%
SY016	277	3.1m	1.6%	0.27%

Using @ 5% Zinc Cut Off

Drillhole	From	Width	Zn	Pb
SY002	274	2m	10.65%	1.35%
SY003	148.7	6.3m	9.3%	4.66%
SY003	389	0.7m	10.03%	9.48%
SY005	513	1.0m	6.66%	1.85%
SY005	518	1.0m	8.06%	.033%
SY005	526	1m	6.29%	5.9%
SY005	529	1m	10.9%	1.71%
SY008	102.1	0.9m	45.1%	13.17%
SY008	129	3.1m	12.46%	8.49%
SY009	392.85	2.25m	7.72%	5.48%
SY011	152	3m	15.9%	5.08%
SY012	454	1m	8.3%	1.9%
SY014	113	4m	8.54%	4.67%

Notes

1. Widths are downhole widths and not true widths
2. The from value represents the downhole start point of the intercept
3. The values are weighted averages
4. Where there was core loss an average value based on the encasing assays to the core loss was used

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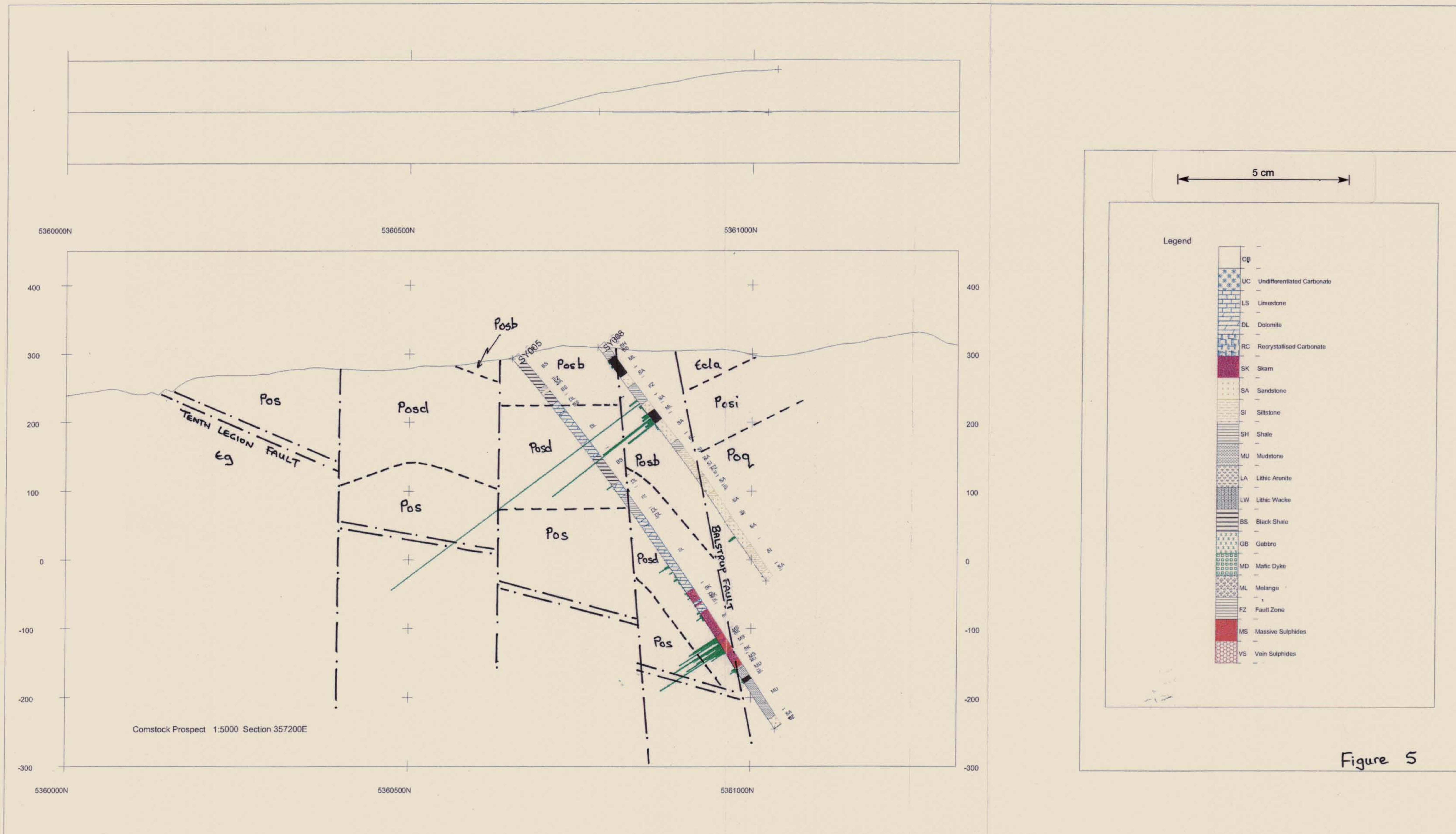
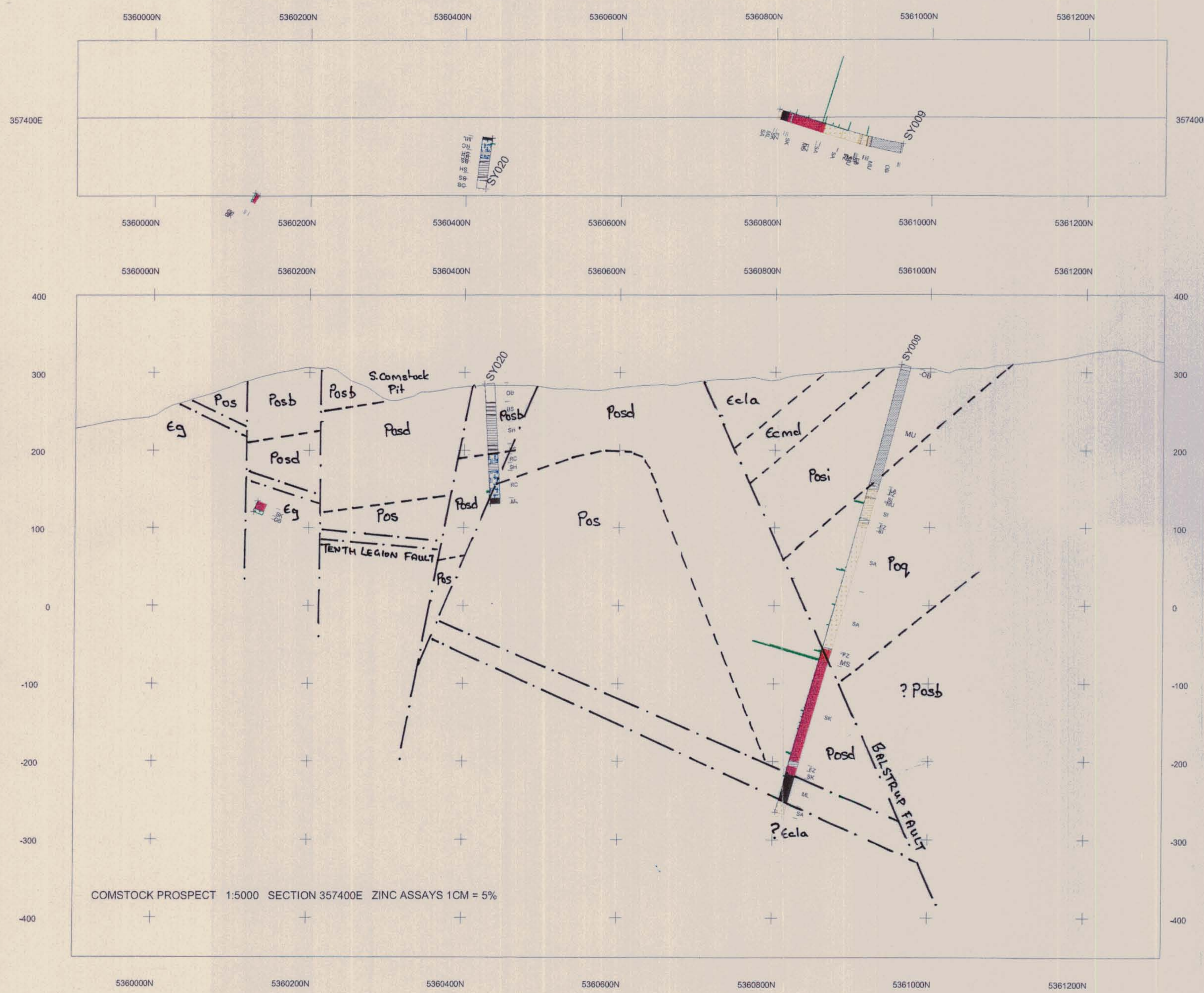


Figure 5

506046



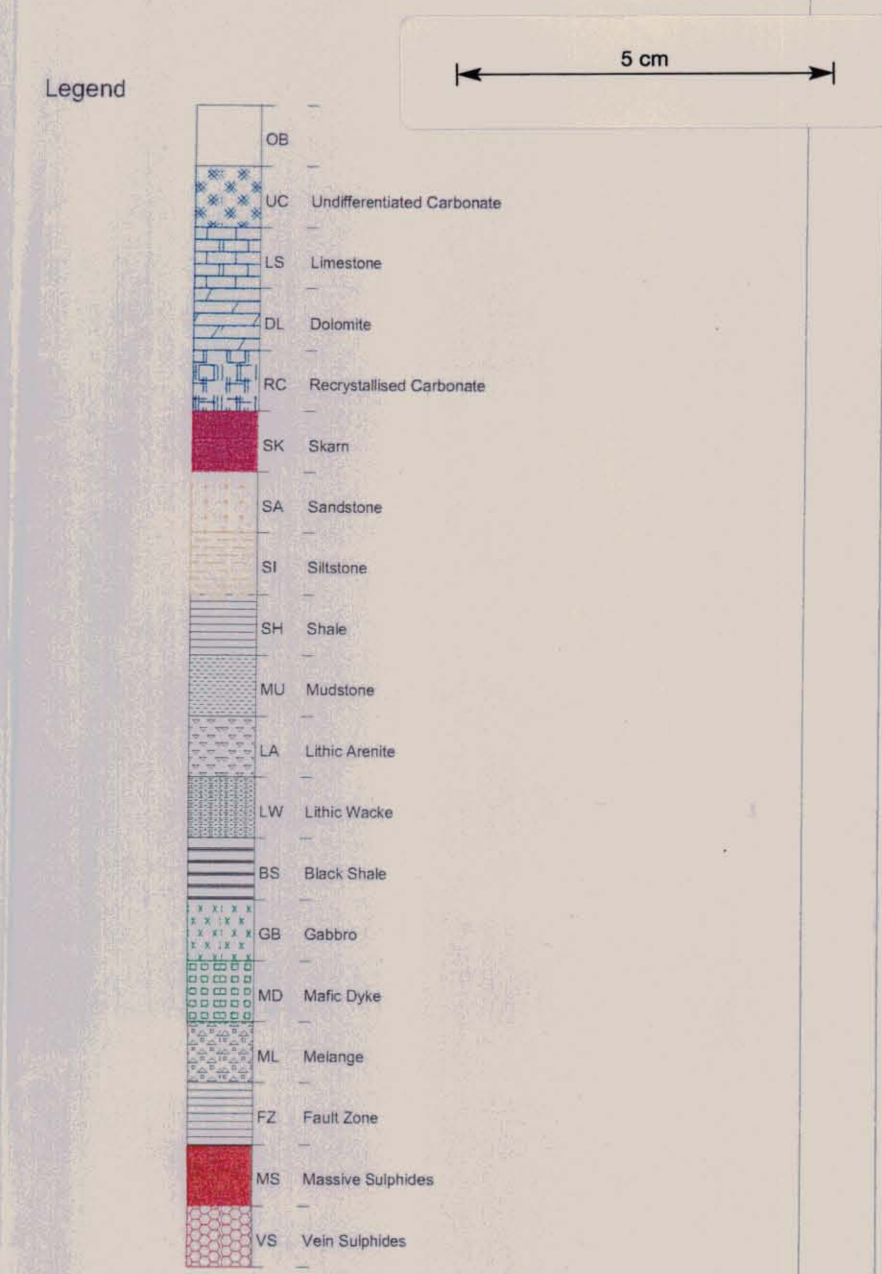


Figure 6

506047

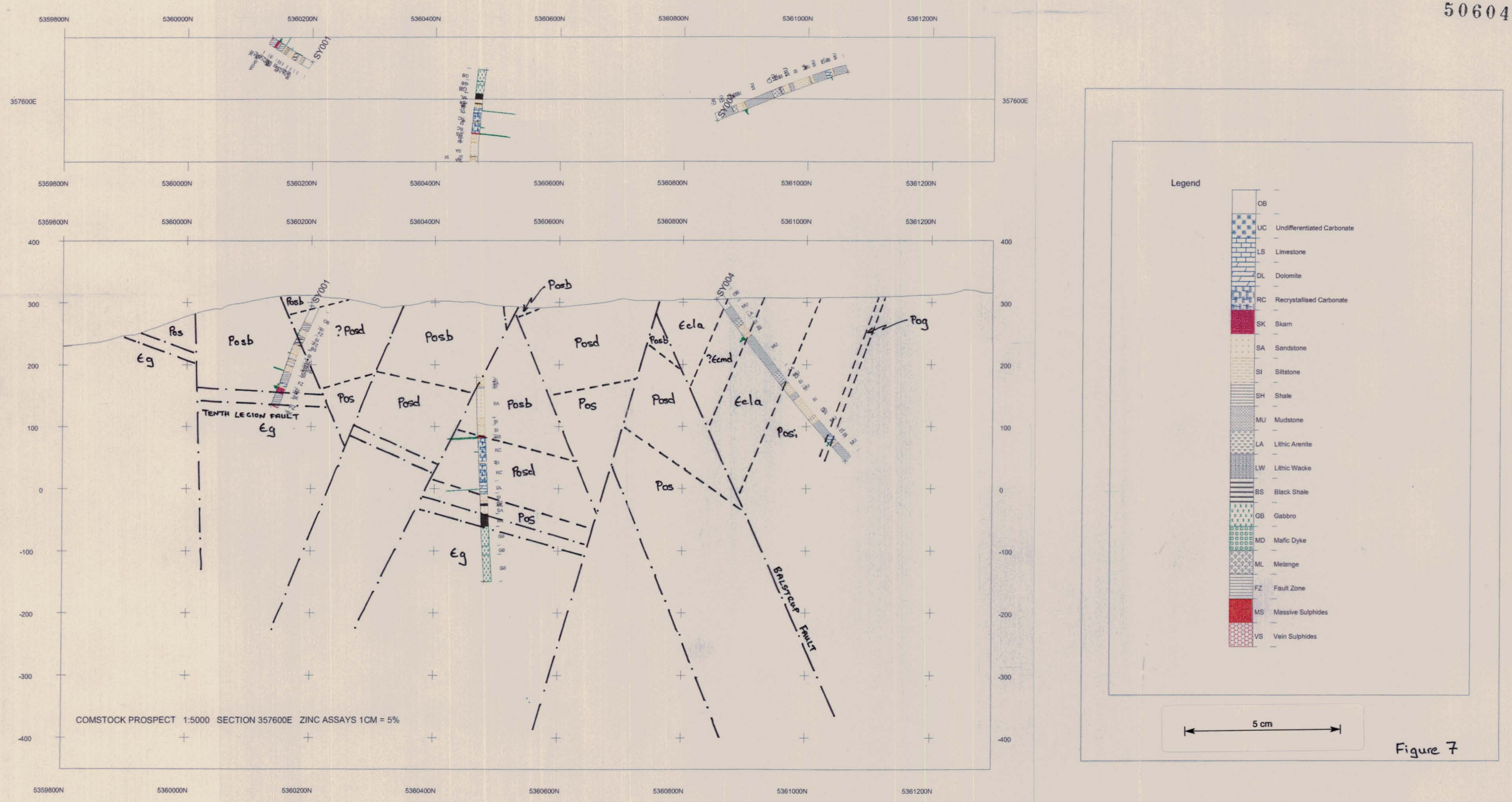
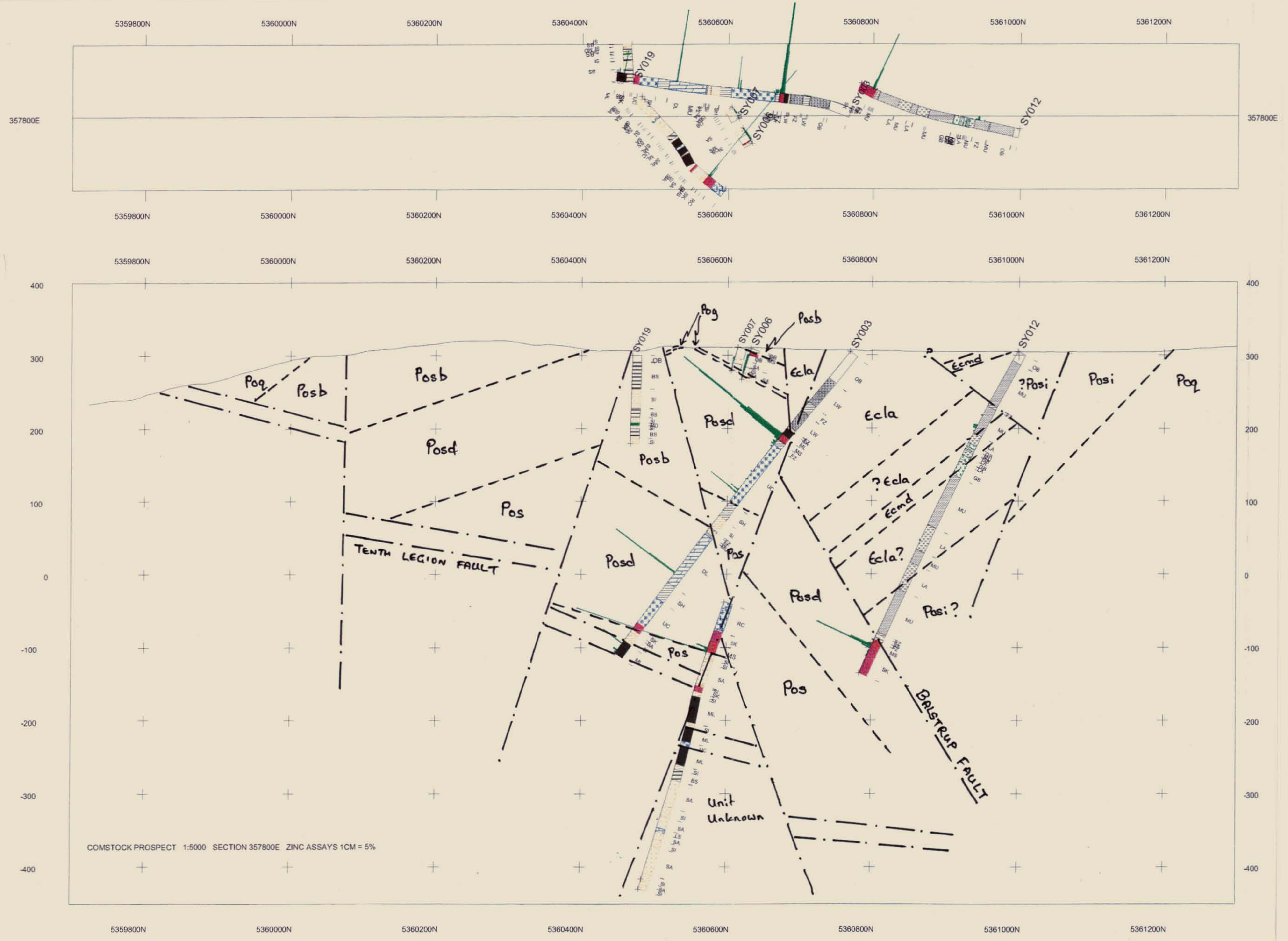


Figure 7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357800E
SY019
SY007
SY006
SY003
SY012
400
300
200
100
0
-100
-200
-300
-400
Pog
Posb
Poq
Posd
Pos
TENTH LEGION FAULT
Ecla
Ecmd
?Ecla
Ecla?
?Posi
Posi
Posi?
BALSTRUP FAULT
Unit Unknown
COMSTOCK PROSPECT 1:5000 SECTION 357800E ZINC ASSAYS 1CM = 5%

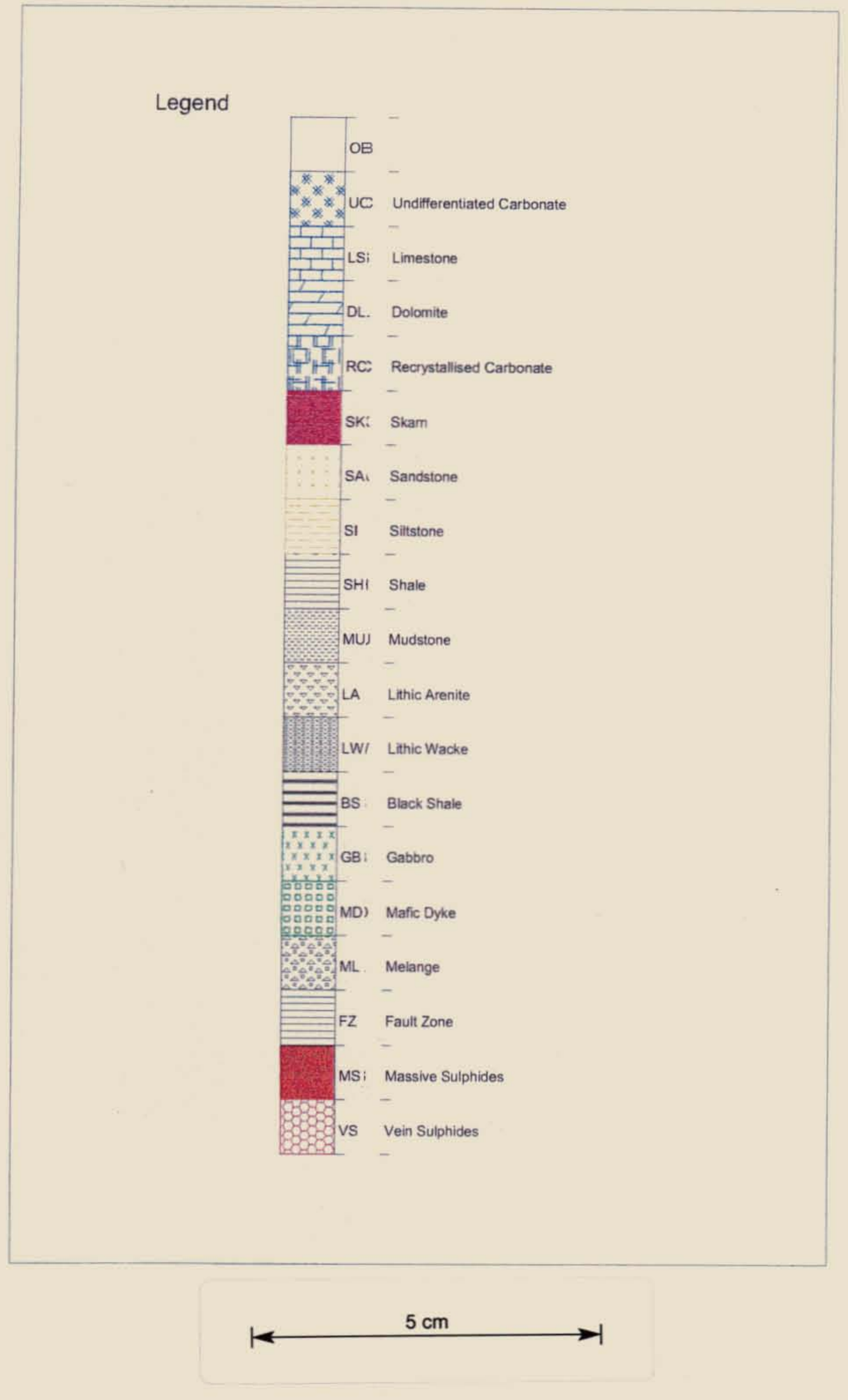

Legend
OB
UC Undifferentiated Carbonate
LS Limestone
DL Dolomite
RC Recrystallised Carbonate
SK Skarn
SA Sandstone
SI Siltstone
SH Shale
MU Mudstone
LA Lithic Arenite
LW Lithic Wacke
BS Black Shale
GB Gabbro
MD Mafic Dyke
ML Melange
FZ Fault Zone
MS Massive Sulphides
VS Vein Sulphides
5 cm

Figure 8

506049

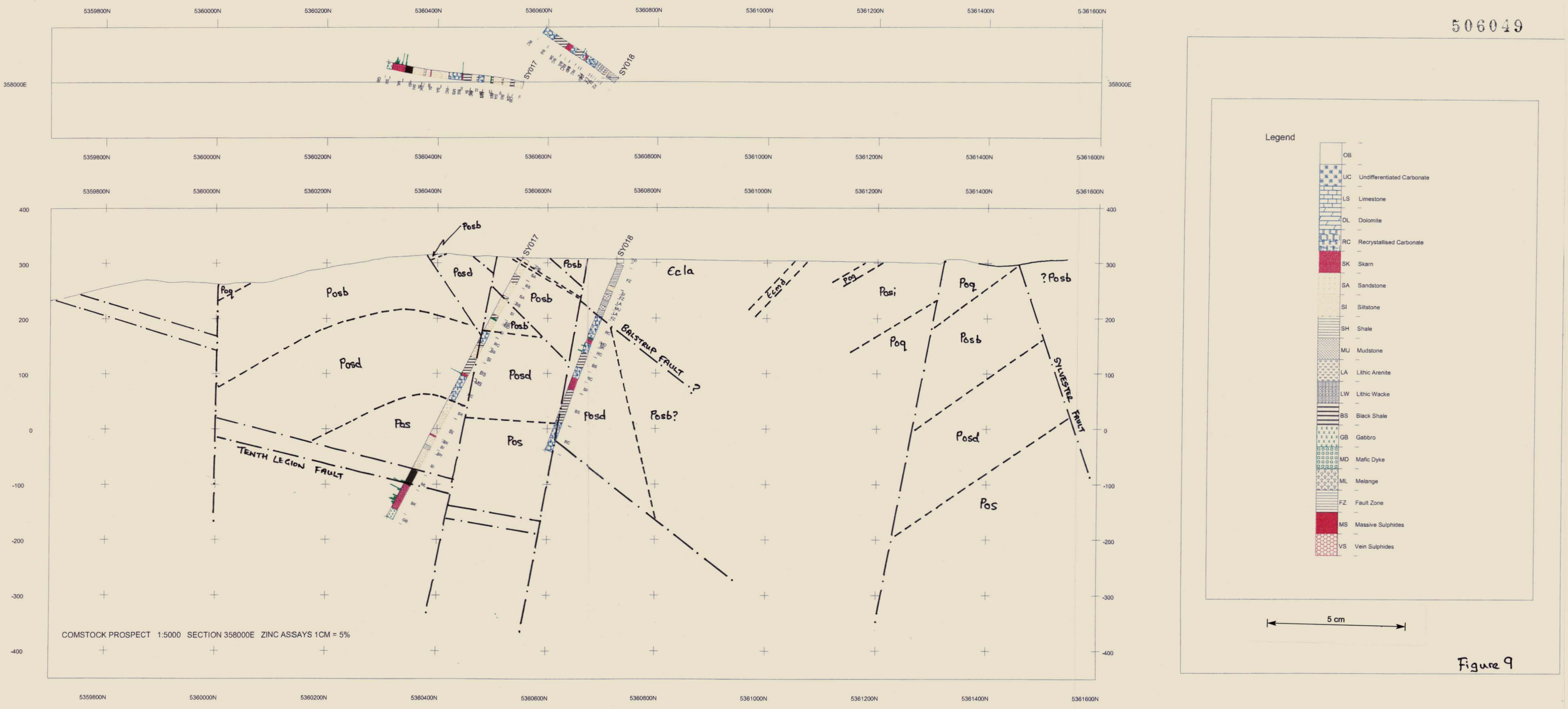
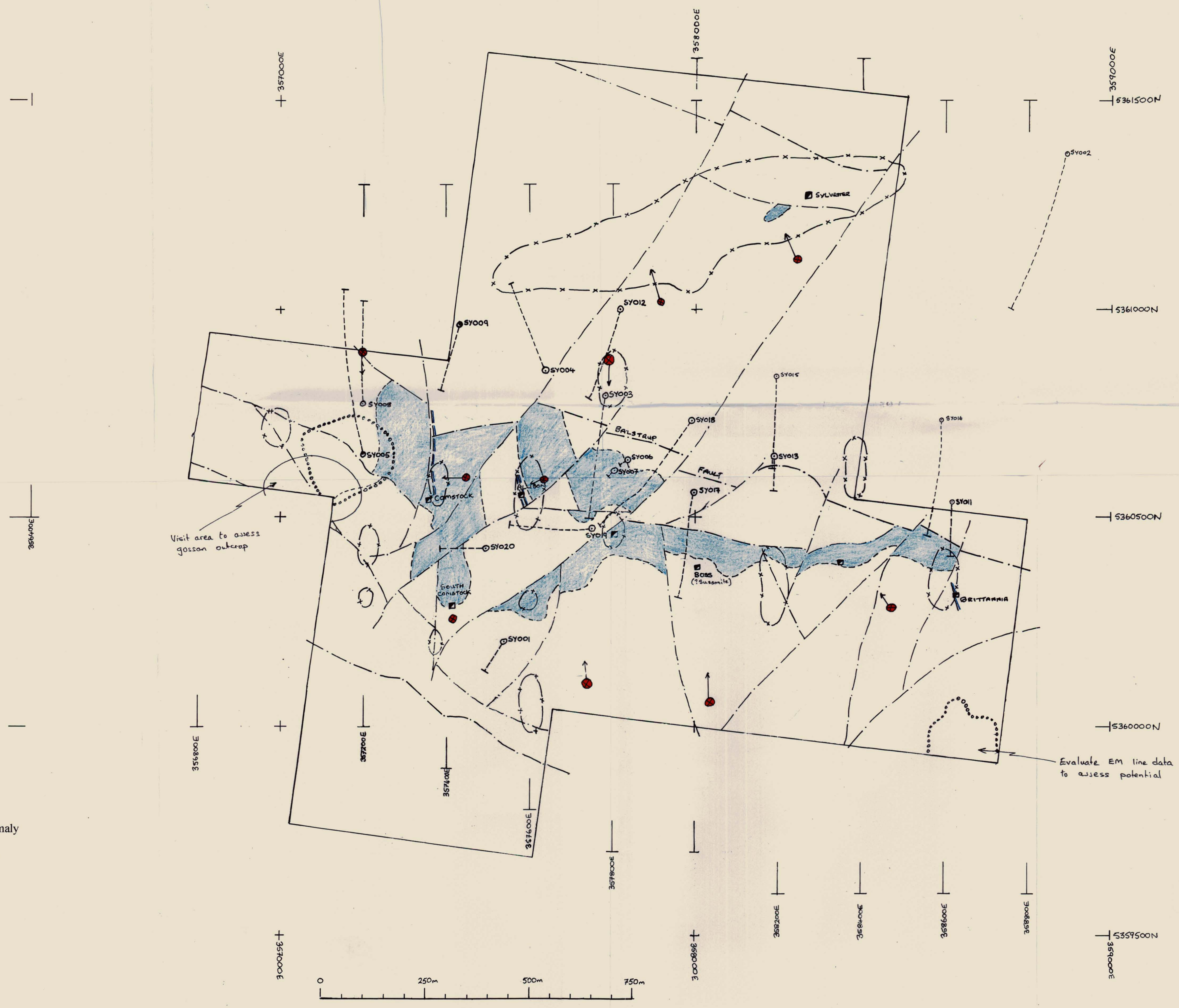


Figure 9



Legend

- Inferred Fault
- Geochemical Soil Anomaly
- Airborne EM Anomaly
- Posd Carbonate Unit
- Diamond Drillhole
- Proposed Drillhole
- Old Mine Workings
- Mineral Vein

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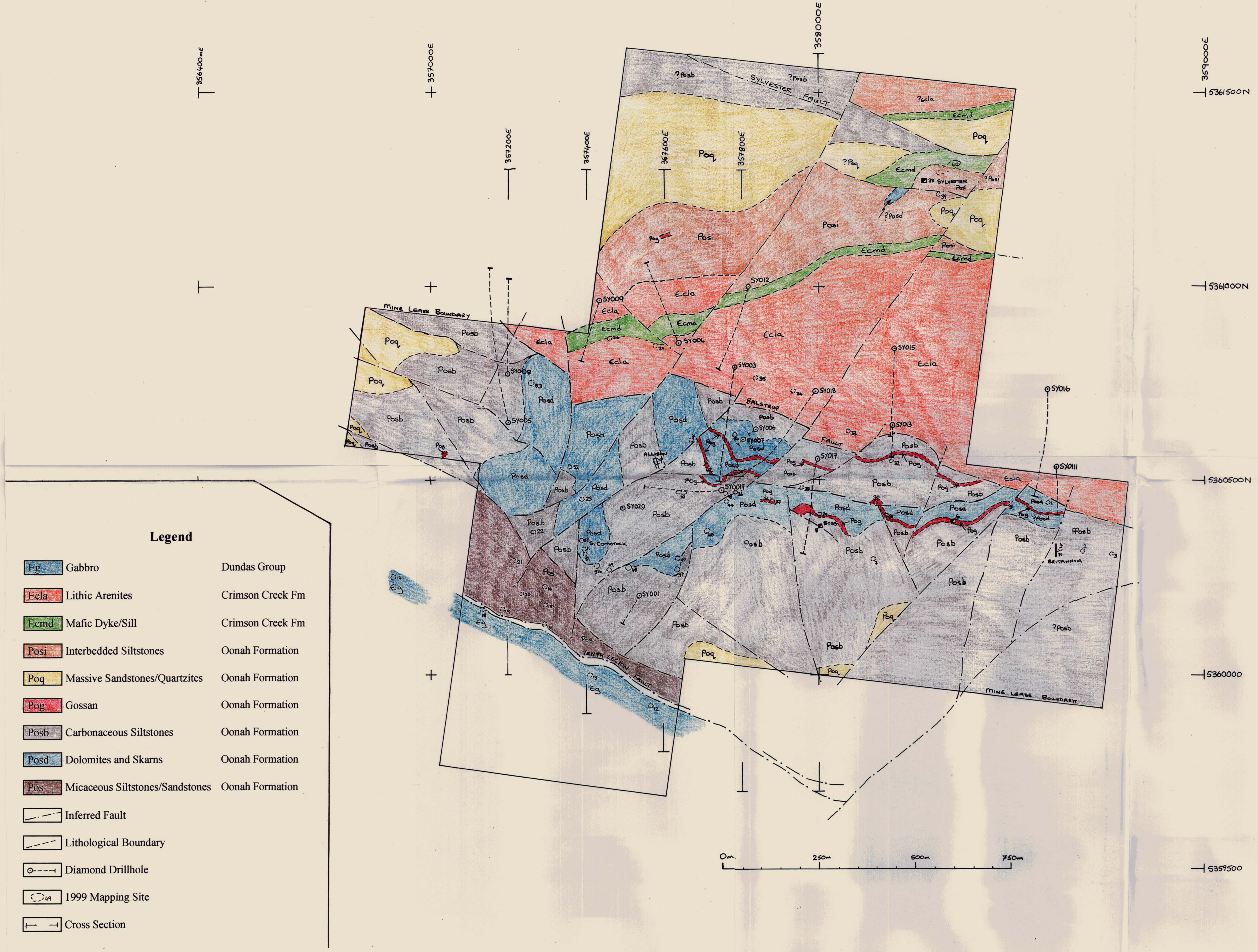
Oceania Tasmania Pty Limited			
Comstock Zinc Prospect Target Map			
1:5000	Jan 2000	S.J.Tear	Fig. 10



506051

Figure 3

Oceania Tasmania Pty Limited		
Comstock Zinc Prospect Interpreted Geological Map		
1 : 5000	Jan 2000	S.J.Tear