

NEWNHAM EXPLORATION & MINING SERVICES

GOLDSTREAM MINING NL

EL 43/94 - CORINNA AREA

**REVIEW OF DATA ON
ALPINE GRID**

For:

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12 April 2000

COPY OF 01-4522

**REVIEW OF DATA ON ALPINE GRID
EL43/94 - CORINNA AREA**

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1. SUMMARY

In the mid-1980s CRA explored a variety of projects in western Tasmania for Proterozoic base and precious metal deposits.

One such project was a zone of magnetic anomalies near the southern end of the Arthur Metamorphic Zone, considered to have potential for strataform gold-base metal deposits hosted by iron rich Precambrian schists.

They established the small (eight N-S lines) Alpine Grid over part of this anomaly and undertook various geophysical, geochemical and geological surveys.

On the results of this work, they drilled two shallow cored drill holes, both of which intersected significant chalcopyrite-bornite, 400 m apart, in a magnetite-pyrite schist unit. Core intersections assayed for gold were all <0.1 g/t Au.

Mineralisation was more strongly developed in the western hole AP 2 which intersected several semi-massive pyrite-magnetite-chalcopyrite zones within a 27 m-wide copper anomalous interval. This intersection was only 45 m below the sub-basaltic surface and, as such, may have been subjected to classical Tasmanian deep leaching by acidic ground water.

CRA surveys do not appear to have covered the mineralised unit west along strike of AP 2.

A recent visit by this writer to the roadside outcrop of the mineralised zone confirmed the general width and orientation of the zone, with grab samples assaying up to 1.5% Cu but <0.1 g/t Au.

Iron-rich schists of the Arthur Metamorphic Zone (AMZ) are generally regarded as potential hosts for Precambrian copper deposits of the Besshi type. Widespread, but somewhat cursory, exploration of the AMZ by several companies for this deposit style has not been highly successful. The mineralisation in the two Alpine holes represents the best results to date of these previous programs, and it is considered to be typical Besshi type.

In this context, further exploration and drilling is warranted.

Two programs are recommended for consideration:

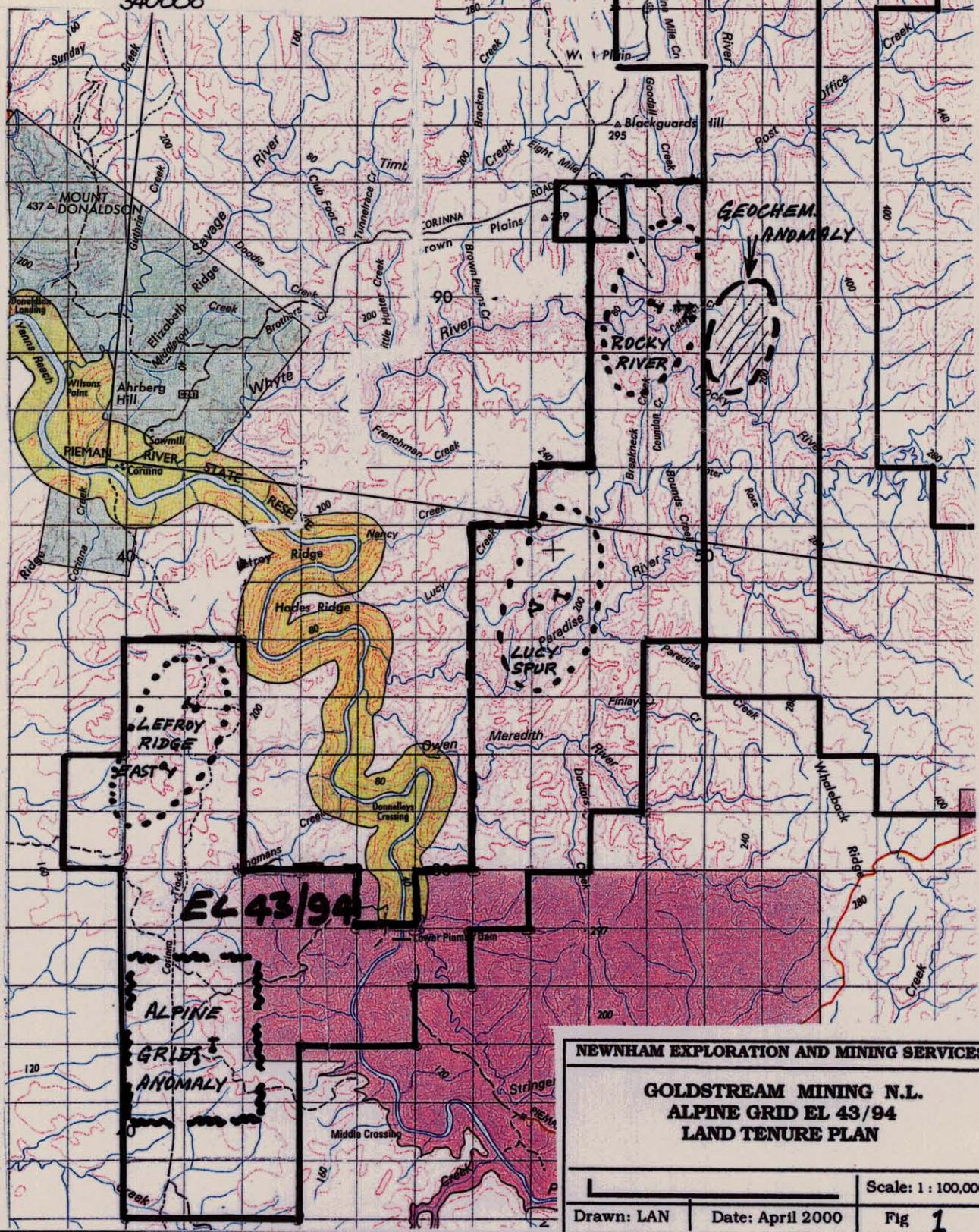
- (i) geophysical surveys west of AP 2
- (ii) further, deeper drilling in the vicinity of AP 2 and possibly to the west of AP 2

350000

666004

5400000

- Private Freehold Land
- Forestry Commission: State Forest ; with Forest Reserve
- Timber Reserve
- Lands Department: Crown Reserve
- Leased or Uncommitted Crown Land
- National Parks & Wildlife Service: State Reserve, etc.
- N P & W S administered Conservation Area
- Hydro Electric Commission
- Commonwealth administered
- Municipality boundary
- Boundary location uncertain or indefinite
- Conservation Area boundary



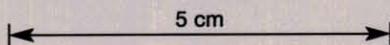
5392000

5380000

NEWHAM EXPLORATION AND MINING SERVICES

**GOLDSTREAM MINING N.L.
ALPINE GRID EL 43/94
LAND TENURE PLAN**

Scale: 1 : 100,000	
Drawn: LAN	Date: April 2000
Fig 1	



2. CRA WORK

In 1984-85, CRA further explored an aeromagnetic anomaly area, defined by government surveys, on the southern margin of the Arthur Metamorphic Zone, near Corinna (Fig 2).

Their target was Proterozoic iron formation hosted base metal-precious metal deposits.

2.1 Ground Surveys:

They undertook the following work over the aeromagnetic anomaly:

- established the Alpine Grid, consisting of eight (8) N-S grid lines, each 200 m apart
- C-horizon soil sampling on sections of this grid using either a Jacro auger or a Wacker bottom hole sampler
- ground magnetic survey
- Genie EM survey
- two (2) cored drill holes totalling 193 m

Results of this work (CRA maps) are reproduced in full as the attached Fig 3.

The gridded area is underlain by Precambrian quartz-mica schists, carbonates, micaceous sandstone and black shale. Precambrian outcrop is poor because of younger cover.

Geochemical sampling was undertaken by both Wacker and Jacro drills, but the survey was severely compromised by extensive Tertiary gravels and basalt cover. However, there were several significant copper anomalies defined, but no Pb, Zn, Ag, Sn, W or Au anomalies of note.

The ground magnetic survey was successfully employed to define the host formation between the two drill hole locations, but appears not to have been extended west of AP 2.

The Genie EM survey defined a number of anomalies, commonly on the flanks of magnetic anomalies. Subsequent drilling suggests these anomalies may be due to graphitic shales, rather than sulfide mineralisation. No tests appear to have been undertaken to demonstrate the apparent conductivity of the mineralisation.

2.2 Drilling:

On the basis of the above surveys, CRA drilled two cored holes to test an ENE trending zone of quartz-mica schists and sediments associated with positive magnetic, EM and copper geochemical anomalies.

PD 85 AP 1 (Fig 4) intersected two zones of semi-massive pyrite-magnetite mineralisation (0.9 m and 5.3 m). Both zones contained minor chalcopyrite, bornite and sphalerite, and were within an interval 82.0-94.7 m (12.7 m) which assayed 0.24% Cu.

In the immediate hangingwall of this interval were a number of sulfide bands in calcareous schist which, from 76.0-84.2 m (8.2 m) averaged 0.19% Zn.

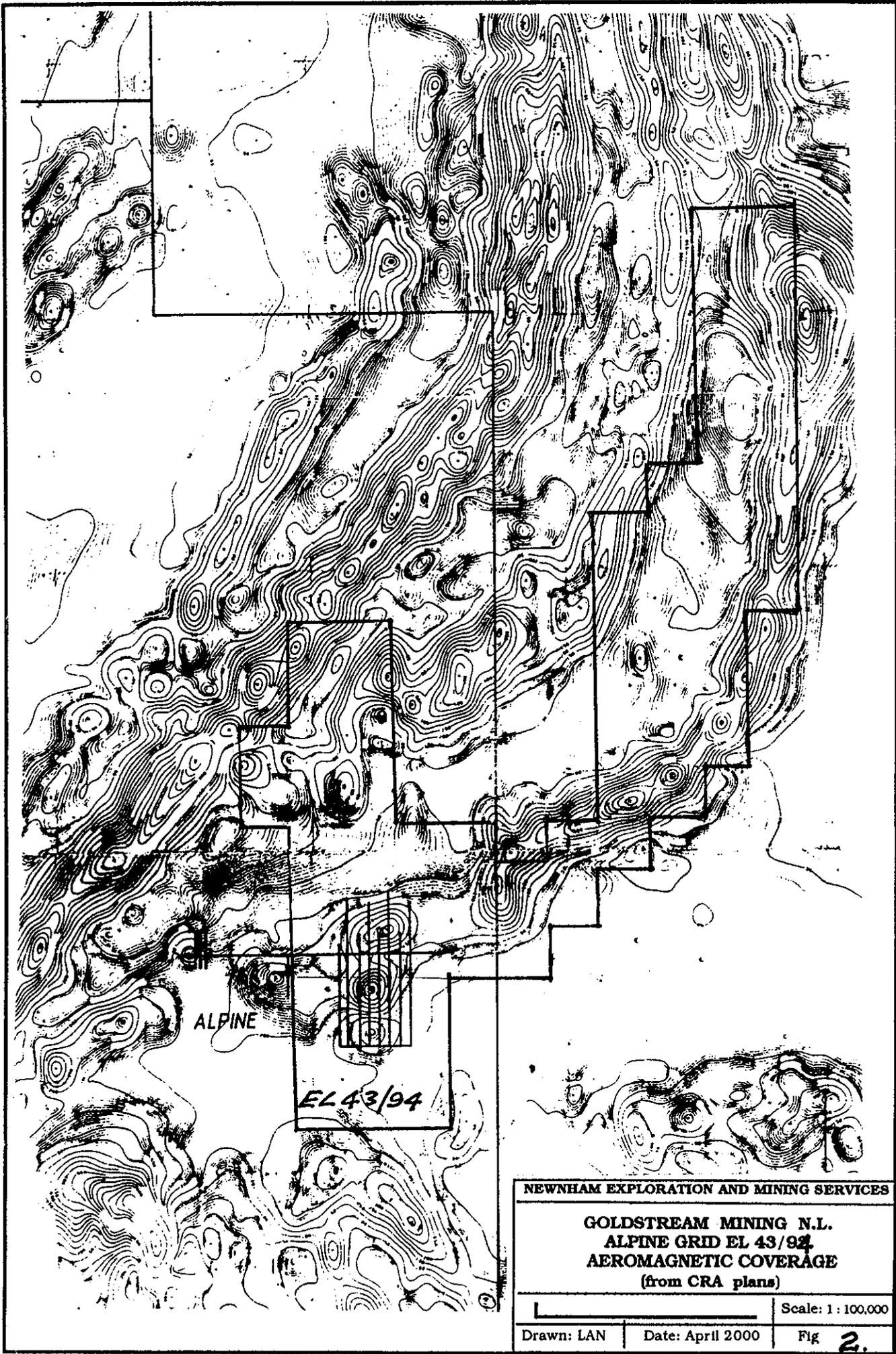
A sequence of graphitic schists higher in this hole probably accounts for the EM anomaly as defined.

PD 85 AP 2 (Fig 5) was drilled 400 m along strike from AP 1. It intersected a broader mineralised zone between 44-71 m of quartz-mica schists containing bands of semi-massive pyrite-magnetite-hematite with minor quartz-carbonate skarn. Bornite, chalcopyrite, arsenopyrite and sphalerite were identified.

This 27 m wide zone was only 45 m below the base of Tertiary basalt cover and it contained several higher grade intersections.

12.2 m	0.6% Cu	(including 2 m 1.3% Cu)
8 m	0.7% Cu	(including 2 m 1.25% cu)
1.7 m	0.4% Cu	

The higher grade Cu intersections do not appear to have been assayed for Au (no core left?). Those intervals that were assayed were <0.1 g/tAu.



NEWHAM EXPLORATION AND MINING SERVICES

GOLDSTREAM MINING N.L.
ALPINE GRID EL 43/94
AEROMAGNETIC COVERAGE
(from CRA plans)

		Scale: 1 : 100,000
Drawn: LAN	Date: April 2000	Fig 2.

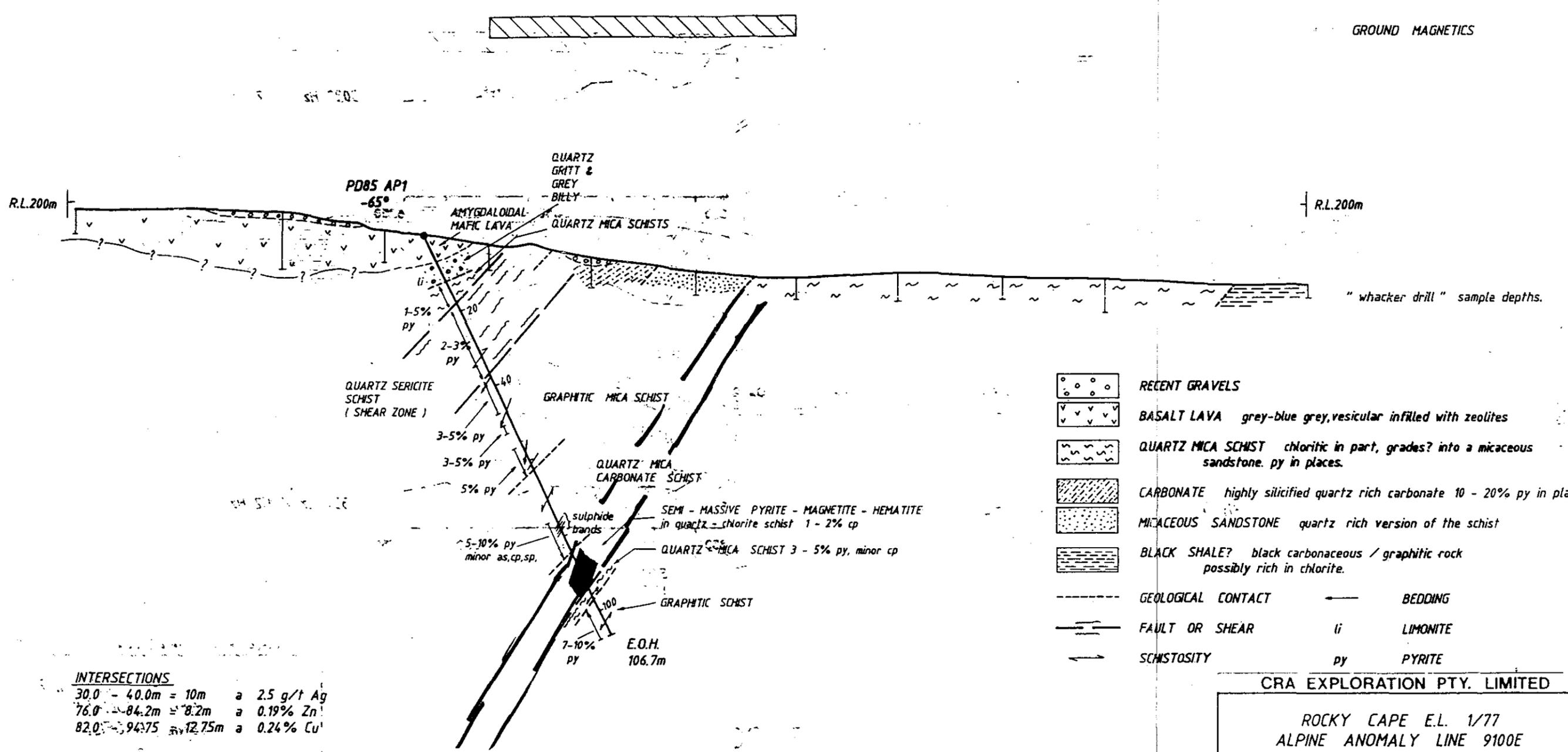
5 cm

5 cm

666008

MO556									
12	18	16	8	450	14	20	38	20	22
35	80	140	105	40	940	195	540	800	40
40	65	85	220	380	90	55	40	800	85

MO556	ppm As	
12	ppm As	
350	ppm Zn	SOIL GEOCHEMISTRY
165	ppm Cu	



INTERSECTIONS

30.0 - 40.0m = 10m	a	2.5 g/t Ag
76.0 - 84.2m = 8.2m	a	0.19% Zn
82.0 - 94.75m = 12.75m	a	0.24% Cu

PD85 AP1 DRILL SECTION LOOKING WEST
 COLLAR CO-ORDINATES 9100E. 9385N.
 DIP -65°, BEARING 346° MAGNETIC.

E.M. Conductor at 9425N Dip 45° to south, Approx 15m thick. Depth to top 20m. Hole designed to intersect at 50m vertical depth.

CRA EXPLORATION PTY. LIMITED

ROCKY CAPE E.L. 1/77
 ALPINE ANOMALY LINE 9100E
 PD85 AP1 DRILL SECTION
 LOOKING WEST 273

REF.	SK55 - 3
SCALE	1 : 1000
AUTHOR	J.W. & G.P.
DATE	14 - 3 - 1985
DRAWN	R.T.
REPORT No.	
PLAN No.	TASH 2548

8950N

9000N

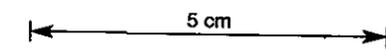
9050N

9100N

9150N

9200N

9250N



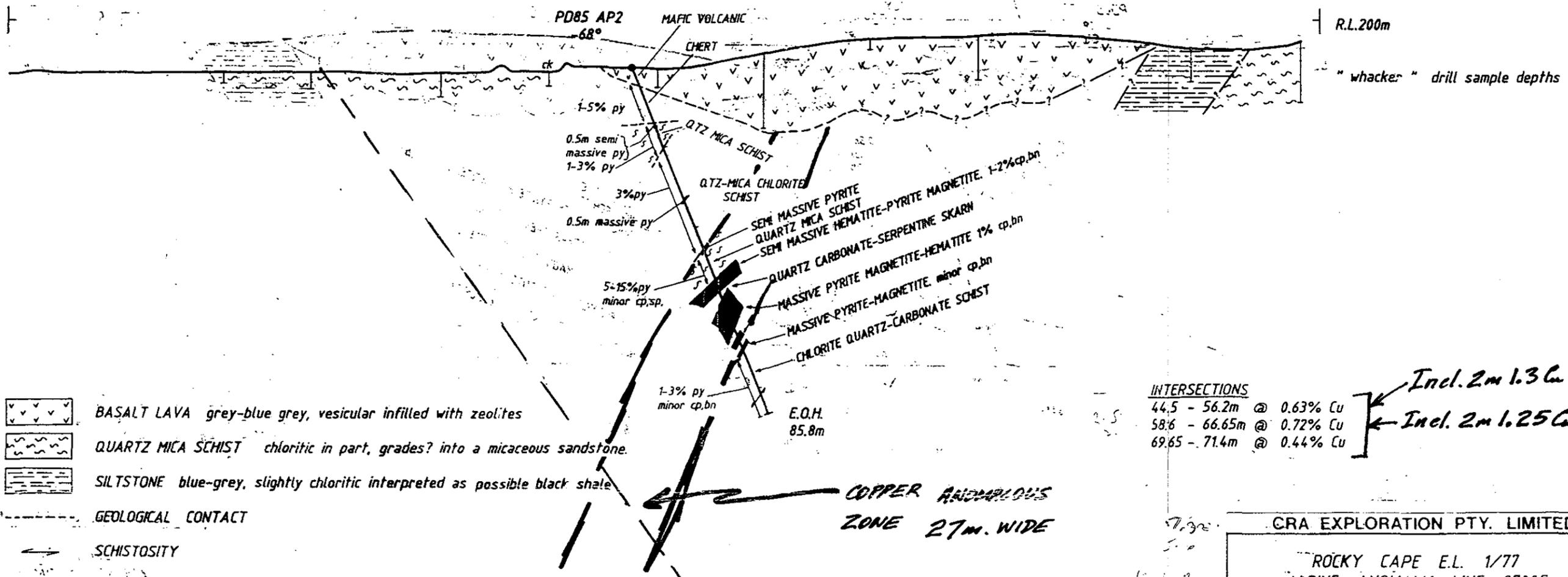
666009

8	18	22	55	14	16	10	12	9	16	9	ppm As
80	55	300	350	40	185	80	115	105	360	100	ppm Cu
60	80	15	10	30	80	100	85	105	85	115	ppm Zn

SOIL GEOCHEMISTRY



GROUND MAGNETICS



INTERSECTIONS

44.5 - 56.2m	@ 0.63% Cu	Incl. 2m 1.3 Cu Incl. 2m 1.25 Cu.
58.6 - 66.65m	@ 0.72% Cu	
69.65 - 71.4m	@ 0.44% Cu	

- BASALT LAVA grey-blue grey, vesicular infilled with zeolites
- QUARTZ MICA SCHIST chloritic in part, grades? into a micaceous sandstone.
- SILTSTONE blue-grey, slightly chloritic interpreted as possible black shale
- GEOLOGICAL CONTACT
- SCHISTOSITY

E.M. Conductor at 9125N Dip 55° to south. Depth to top 15m. Approximately Approx 10m thick. Hole designed to intersect at 40m vertical depth.

PD85 AP2 DRILL SECTION LOOKING WEST
 COLLAR CO-ORDINATES 8700E. 9094N.
 DIP -68°, BEARING 342° MAGNETIC.

GRA EXPLORATION PTY. LIMITED

ROCKY CAPE E.L. 1/77
 AEPINE ANOMALY LINE 8700E
 PD85 AP2 DRILL SECTION
 LOOKING WEST 270

REF. SK55 - 3	DRAWN R.T.
SCALE 1:1000	REPORT NO.
AUTHOR J.W. & G.P.	PLAN No. TASH 2549
DATE 14 - 3 - 1985	

86-2538

Fig. 5.

3. RECENT SAMPLING

This writer recently inspected and sampled the mineralised zone where it has been exposed adjacent to the Zeehan-Reece Dam road.

Thirty (30) grab samples were taken. Results are attached as Appendix 1, and presented in sketch form as Fig 6.

This exposure area highlights the problems of soil geochemistry in this area with widespread development of Tertiary basalt and gravels. Samples from the outcrop were copper anomalous but low in gold (up to 30 ppb).

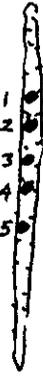
SAMPLE LOCATIONS

31426
31427
31428



Corinna Highway
Zeehan

31421
31422
31423
31424
31425



- 31410
- 31409
- 31408
- 31407
- 31406
- 31405
- 31404
- 31403
- 31402
- 31401
- 31400
- 31412
- 31413
- 31414
- 31415
- 31416
- 31417
- 31418
- 31419
- 31420



1:2000

SAMPLE RESULTS

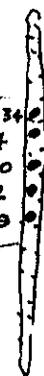
• Cu (ppm), Au (ppb)

2670, 18
2520, 27
5980, 13



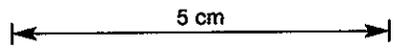
6420, <1
1496, 30

3920, 34
875, 4
170, 20
91, 12
613, 19



- 60, <1
- 42, <1
- 27, 3
- 33, <1
- 25, 16
- 32, <1
- 26, <1
- 48, <1
- 22, <1
- 1845, 6
- 5970, 22
- 1240, <1
- 325, <1
- 3350, 5
- 326, 3
- 69, <1
- 30, <1
- 190, 4
- 372, 6
- 48, <1

MINERALISED ZONE.



NEWNHAM EXPLORATION AND MINING SERVICES		
GOLDSTREAM MINING N.L. ALPINE GRID EL 43/94 RESULTS OF RECENT ROCK CHIP SAMPLING		
		Scale: 1:2000
Drawn: LAN	Date: April 2000	Fig 6

4. RECOMMENDATIONS

The Alpine mineralised zone has previously been correctly identified as being of typical Besshi type; ie, banded/laminated pyrite with chalcopyrite in a strongly metamorphosed sequence of sediments and tuffs.

As such it may present an attractive copper, minor zinc target with low levels of Au. If such a target style is of interest to Goldstream, further exploration is certainly warranted. Additional exploration could be undertaken in two stages:

- (a) ground magnetic and IP surveys for 500 m along strike west of AP 2
- (b) drilling west of, and beneath, AP 2

5. REFERENCES

Two CRA reports contain all relevant data on the Alpine Grid.

- (a) "Rocky Cape EL 1/77. Progress Report on the Alpine Prospect for the Period 1st February 1984 to 31 January 1985" by D J Weir, Feb 1985, MRT Refence 85-2335
- (b) "Rocky Cape EL 1/77. Report on Drilling for the Period 1st February 1985 to 30th November 1985" by S J Caithness, MRT Reference 86-2538

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APPENDIX 1

Recent Sampling

Assay Results

SSF 128531

NEWNHAM EXPLORATION and MINING SERVICES
SAMPLE RECORD

Project ALPINE Sampler LAN Sample Type ROCK/SOIL Laboratory ANALABS Sampling Period 29 MAR 00

Sample Number	Co-ordinates		Description	Assays		Comments
	N	E		Ppm Cu	Ppb. Au	
31401	5,376,600	340,870	limonitic - hematitic leached ironstone	1845	6	On power-line track.
31402	5,376,610-620	340,870	quartz and limonitic gravels.	22	<1	"
31403	... 620-630	340,870	cemented basaltic rubble?	48	<1	"
31404	... 630-640	340,870	" "	26	<1	"
31405	... 640-650	340,870	Brown soil and gossanous rubble.	32	<1	"
31406	... 650-660	340,870	Brown soil and weathered rock.	25	16	"
31407	... 660-670	340,870	" "	33	<1	"
31408	... 670-680	340,870	Brown soils & quartz + limonite rubble	27	3	"
31409	... 680-690	340,870	" " (basaltic?)	42	<1	"
31410	... 690-700	340,870	Brown (basaltic?) soil.	60	<1	"
31411	5,376,600-590	340,870	pyritic leached ironstone.	5970	22	"
31412	... 590-580	340,870	limonitic, decomposed rock; pyritic	1240	<1	"
31413	... 580-570	340,870	sandy decomposed rock;	325	<1	"
31414	... 570-560	340,870	transported soils, pyritic rocks;	3350	5	"
31415	... 560-550	340,870	Sandy soils, decomposed py. rock.	326	3	"
31416	... 550-540	340,870	sandy soils with quartz rubble.	69	<1	"
31417	... 540-530	340,870	limonitic soils/schists	30	<1	"
31418	... 530-520	340,870	brown weathered schists.	190	4	"
31419	... 520-510	340,870	orange soils and decomposed rock	372	6	"
31420	... 510-500	340,870	brown - gray soils, quartz rubble	48	<1	"
31421	5,376,620	340,850	pyritic schist in road drain	3920	34	Drain on E. side of
31422	5,376,616	340,850	"	875	4	highway
31423	5,376,612	340,850	"	1170	20	"
31424	5,376,608	340,850	"	911	12	"
31425	5,376,605	340,850	"	619	19	"

666015



Our reference : BU017716
 Your reference : 128531
 Project code : Tasmania
 Date received : 30/03/00
 Date reported : 06/04/00

Analabs Pty. Ltd.
 ACN 004 591 664
 14 Thirkell St, Burnie
 Tasmania 7320
 Telephone : (03) 6431 6837
 Facsimile : (03) 6431 8890

Lindsay Newnham
 Exploration Geologist

Goldstream Mining Ltd
 65 Lochner Street
 WEST HOBART

TAS 7000

Number of pages of results : 2
 Number of Samples : 30
 First Sample : 31401
 Last Sample : 31430

Invoice to:

Goldstream Mining Ltd
 65 Lochner Street
 WEST HOBART

TAS 7000

Electronic Data Transmission :
 Modem Y 06/04/00
 Facsimile //
 Disk Report Y //

Results to:

Results to:

Remarks :

Authorised by
 On behalf of:

Rob Chapman
 Laboratory Manager

The results in the following analytical report pertain to the samples provided to this laboratory
 for preparation and/or analysis as requested by the client.



Our reference : BU017716
 Your reference : 128531
 Project code : Tasmania
 Report date : 06/04/00
 Report status : Final
 Page : 1 of 2

Analabs Pty. Ltd.
 ACN 004 591 664
 14 Thirkell St, Burnie
 Tasmania 7320
 Telephone : (03) 6431 6837
 Facsimile : (03) 6431 8890

ANALYTICAL DATA

Sample	Au	Au(R)			
*Blk BLANK	<1	--			
31401	6	5			
31402	<1	--			
31403	<1	--			
31404	<1	--			
31405	<1	--			
31406	16	15			
31407	<1	<1			
31408	3	--			
31409	<1	--			
31410	<1	<1			
*SS 31410	<1	--			
31411	22	14			
*Std ST15	38	--			
31412	<1	--			
31413	<1	--			
31414	5	--			
31415	3	--			
31416	<1	2			
31417	<1	--			
31418	4	--			
31419	6	--			
*Rep 31407	<1	--			
*Rep 31416	<1	--			
*Std ST07	223	--			
*Blk BLANK	<1	--			
31420	<1	--			
31421	34	34			
31422	4	--			
31423	20	16			
31424	12	--			
31425	19	--			
31426	18	--			
31427	27	--			
31428	13	14			
31429	30	31			
31430	<1	--			
*Rep 31428	14	--			
*Std ST15	35	--			
*Std ST07	219	--			
Method Units Detection Limit	F614 ppb I	F614 ppb I			

Notes: N.A. = not analysed, -- = element not determined, I.S. = insufficient sample, L.N.R. = listed not received



Our reference : BU017716
 Your reference : 128531
 Project code : Tasmania
 Report date : 06/04/00
 Report status : Final
 Page : 2 of 2

Analabs Pty. Ltd.
 ACN 004 591 664
 14 Thirkell St, Burnie
 Tasmania 7320
 Telephone : (03) 6431 6837
 Facsimile : (03) 6431 8890

ANALYTICAL DATA

Sample	Cu				
*Bik BLANK	<4				
31401	1845				
31402	22				
31403	48				
31404	26				
31405	32				
31406	25				
31407	33				
31408	27				
31409	42				
*SS 31410	60				
31410	63				
31411	5970				
31412	1240				
31413	325				
31414	3350				
31415	326				
31416	69				
31417	30				
31418	190				
31419	372				
31420	48				
31421	3920				
31422	875				
31423	1170				
31424	911				
31425	619				
31426	2670				
31427	2520				
*Std GS2	6240				
*Std GS12	3360				
31428	5980				
31429	1.49%				
31430	6420				
*Rep 31418	194				
*Rep 31420	47				
Method	A104				
Units	ppm				
Detection Limit	4				

Notes: N.A. = not analysed, -- = element not determined, I.S. = insufficient sample, L.N.R. = listed not received

