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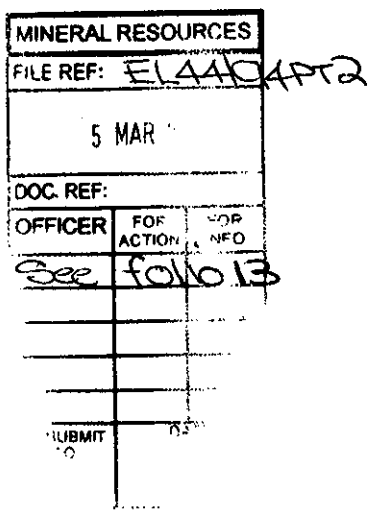
Vol 1 of 2

MINERAL RESOURCES DEVELOPMENT ACT
TASMANIA

ANNUAL REPORT

3 MARCH 2000-2 MARCH 2001
EXPLORATION LICENCE
NO. 44/94
MATHINNA, TASMANIA



Licensees: C & D Beswick
132 Westwood Street, Bridport, Tasmania

1 March 2001

01_4530

This is an annual report provided pursuant to Section 28 of the Mineral Resources Development Act 1995.

1. Tenement information

The Tenement boundaries have not been altered from those which were the subject of the annual report for the immediately preceding period for this exploration licence.

2. Details of exploration work carried out

The Licensees' consulting geologist, Lindsay Newnham of Exeter, was engaged to plan and supervise a drilling program which was focussed on the area surrounding the Jubilee Mine workings.

The drilling programme was conducted in November 2000. The objective of the drilling was to test the possible southern extension of the Derby, Lyons and Eastern Reefs previously mined in the Jubilee Mine.

Major quartz reefs were intersected indicating the Derby reef extended at least 250 metres southeast of the Jubilee Mine workings.

For full details of the drilling programme the Registrar is referred to the report of Newnham Exploration and Mining Services dated 30 January 2001 which has been filed with this report.

This drilling is the extent of the exploration works on the tenement for the reporting period.

3. Costs of exploration works

The licensees incurred the following expenses with the drilling programme:

Low Impact Drilling Specialists	$9,918.70
Harvey Transport & Excavation	$715.00
C & D Beswick	2,000.00
Analabs (core sample tests)	$409.86
Newnham Exploration Services	to be advised

4. Details of proposed works

The Licensees will now discuss Mr Newnham's report with him. It is likely that surveying and mapping of the area in the vicinity of the drilling will be undertaken to develop a more accurate surface base map. Consideration will be given by the Licensees to funding further drilling of the strong reef formation to the southeast of the Jubilee Mine workings to more fully test the potential of the area.

Statutory Declaration

I, Robert John Lyon, representative and agent of C & D Beswick, Licensees of Exploration Licence 44/94, and residing at 13 Lord Street, Sandy Bay in Tasmania, declare that the information herein pertaining to the annual report of exploration in respect of the aforesaid Exploration Licence is true and I make this solemn declaration by virtue of Section 132 of the Evidence Act 1910.

Declared at Hobart in Tasmania
this 2nd day of March 2001.

J. SHEPHERD

Ex-officio Commissioner of Declarations
Solicitor of the Supreme Court of Tasmania

NEWNHAM EXPLORATION & MINING SERVICES

EL 44/1994

MATHINNA AREA

BRIEF REPORT ON DDH CD1 and SURFACE SAMPLING

Prepared For:

C & D Beswick
132 Westwood Street
Bridport, Tas, 7262

By:

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Exeter, Tas, 7275

Ph: (03) 6394 3434
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30 January, 2001

CONTENTS

Figs:

Appendices:

1. INTRODUCTION

The mineral resource potential of EL 44/1994 was reviewed in the report:

> *"EL 44/94 Mathinna Area Review of Mineral Resource Potential"* prepared for C & D Beswick by Newnham Exploration and Mining Services, September 1998.

That report highlighted the potential for extension of auriferous quartz reefs south of the Jubilee Mine.

The tenement owners decided to test this potential with one core drill hole.

2. LAND TENURE and CLASSIFICATION (Fig 1)

EL 44/1994, of three parts, is held by C & D Beswick of Bridport, and expires on 03 March 2005.

The licence lies immediately south of Mathinna and covers a number of former gold workings.

The Jubilee Mine lies on the southern-most of the three blocks.

The area is classified as Multiple Use State Forest, and has recently been burnt by a substantial forest fire.

3. WORK COMPLETED

3.1 Drill Hole DDH CD1:

DDH CD1 was drilled in November 2000 to test the possible southern extension of the Derby, Lyons and Eastern Reefs previously mined in the Jubilee Mine.

The hole was sited 190 m south-east of the Jubilee Mine main shaft and was designed to drill beneath the Mountaineer Mine No 1 and No 2 adits.

The drill hole location is shown on Figs 2 and 3, and a section presented as Fig 4. Drill log and assays are attached as Appendix 1.

Drilling was undertaken by LIDDS. Core size was NWT (56 mm). Collar was GPS-surveyed and no down-hole surveys were completed.

Core was stored at the Ringarooma property of G Beswick and was logged and sampled there by this writer. Sections for assay were split on a diamond saw, with half retained. Sample preparation and assay were undertaken by Analabs, Burnie. Samples were totally pulverised prior to sub-sampling. Gold assaying was by fire assay of 50 g sub-samples.

The drill intersected a steeply east-dipping sequence of well-bedded siltstones and mudstones.

A major zone of quartz veining was intersected between 45.3 m and 54.3 m (9 m). Individual quartz veins were up to 1.8 m wide.

The ground in this zone was very broken and disrupted, with some core losses.

Unfortunately, gold and arsenic values were very low. Maximum values were 0.4 g/t Au and 106 ppm As.

Elsewhere in the hole there were minor widely-spaced quartz veins. Only traces of pyrite were detected in these.

A 200 mm zone of contorted quartz veins at 93.7 m assayed 0.9 g/t Au, 64 ppm As.

3.2 Surface Sampling:

Three composite rock-chip samples were taken following the drilling program.

Sample 38501 was from a major quartz vein intersected on the CD1 drill access road. It may represent a southern extension of the Eastern Reef, although it appears to be striking east of that reef.

Samples 38502 and 38503 were taken from quartz vein exposures in workings south-west of the Mountaineer Mine. Sample 38502 assayed 2.2 g/t Au, 0.12% As, but may have been sub-outcrop and this would require checking.

4. SURVEY DATA

DDH CD1 was designed on base plans prepared by NEMS in 1998 which, in turn, were collations of plans prepared by Geophoto in 1972, Tasminex in 1981 and Resolute in 1992.

As noted on the 1998 plans, some difficulty was experienced in getting all this data to accurately fit onto one plan.

The collar of CD1, the portal of No 1 adit and the road quartz vein exposure were GPS surveyed with an accuracy of 3 m, and results suggest the Mountaineer Mine was plotted too far west and the No 2 costean too far east on the Geophoto plans.

The plan presented as Fig 4 has not been changed to reflect this possible error. However, prior to any further work in this area, it is recommended that previous workings and drill collars be more accurately located and re-presented on new plans.

5. CONCLUSIONS and RECOMMENDATIONS

The major quartz veins intersected between 51.7-54.3 m are interpreted as the southern extension of the Derby Reef, mined in the Jubilee Mine to the north-west and intersected at shallower depths in the Mountaineer Mine adits.

This interpretation assumes the Mountaineer adits are slightly misplotted on plan. If Costean No 2 has also been misplotted as suggested, then the quartz veins mapped in it represent a possible further extension of the Derby Reef to the south-east.

Collectively, these observations suggest the Derby Reef may extend at least 250 m south-east of the Jubilee Mine workings, as a strong quartz reef formation.

Where intersected by CD1 the reef was very wide but devoid of gold. Unfortunately, this is a feature of gold distribution in major quartz reefs.

If funds were available, more drilling would be justified on such a strong reef formation. Any such drilling should be preceeded by surveying and mapping to develop a more accurate surface base map.

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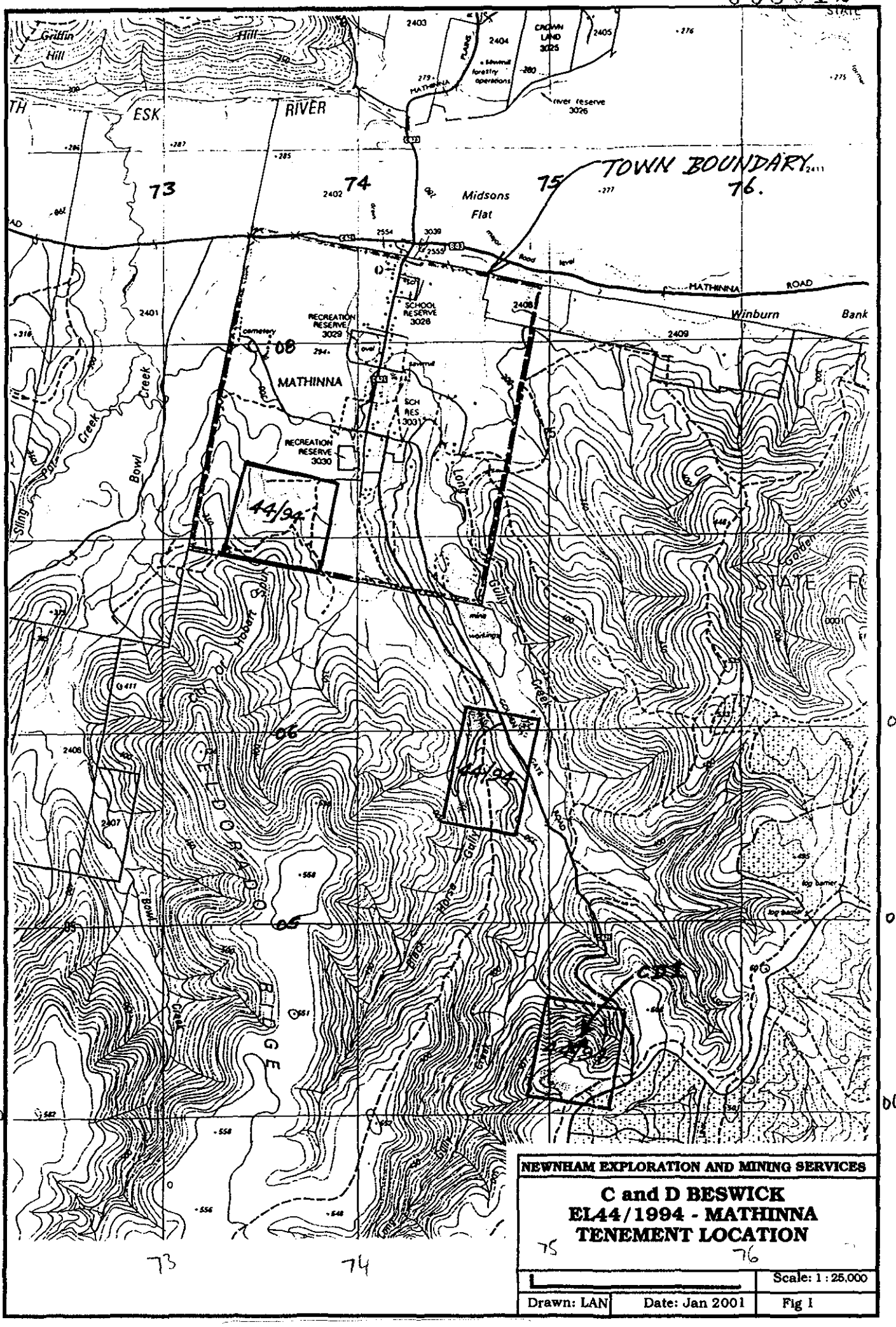


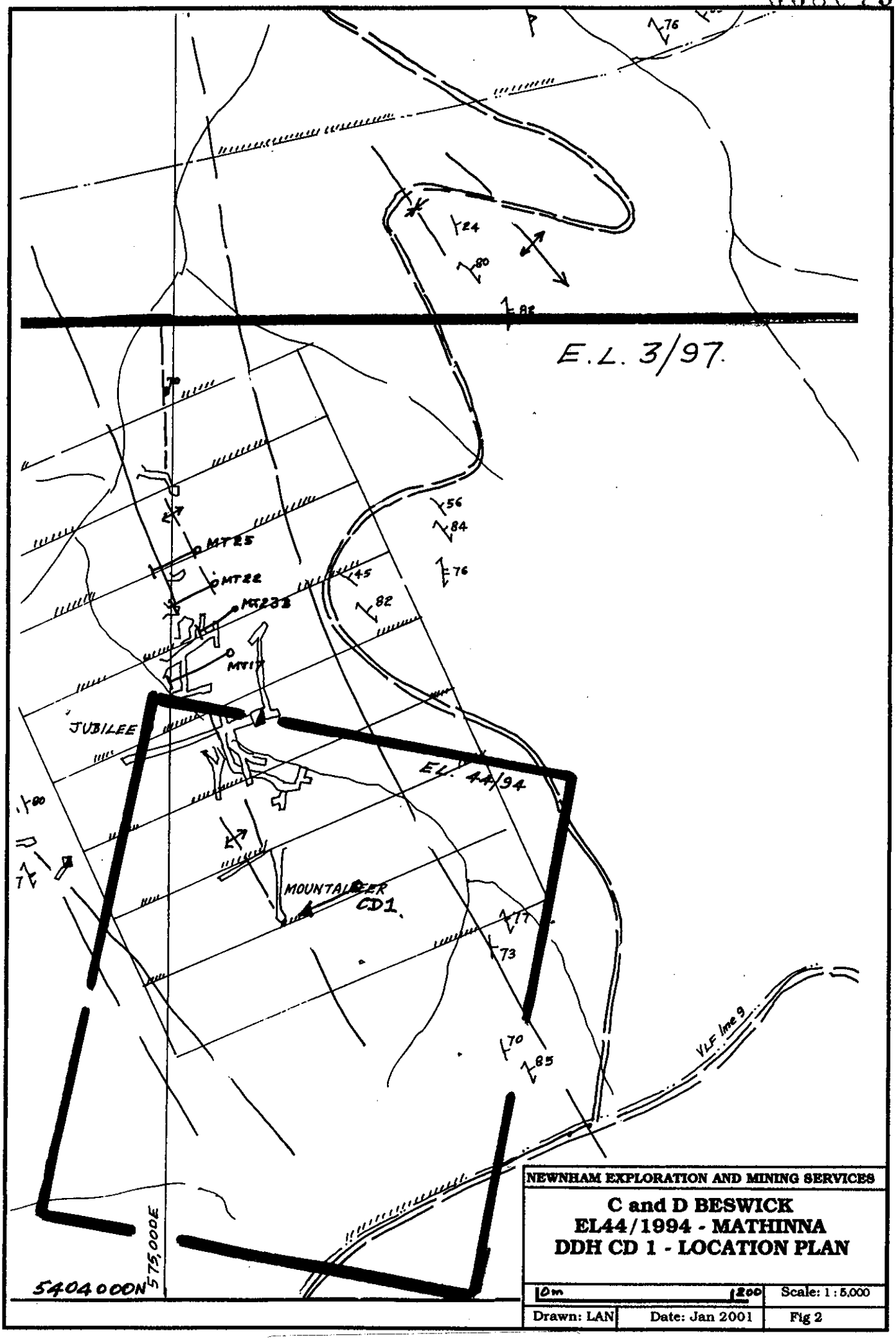
NEWNHAM EXPLORATION AND MINING SERVICES

C and D BESWICK
EL44/1994 - MATHINNA
TENEMENT LOCATION

		Scale: 1 : 25,000
Drawn: LAN	Date: Jan 2001	Fig 1

5 cm

668013



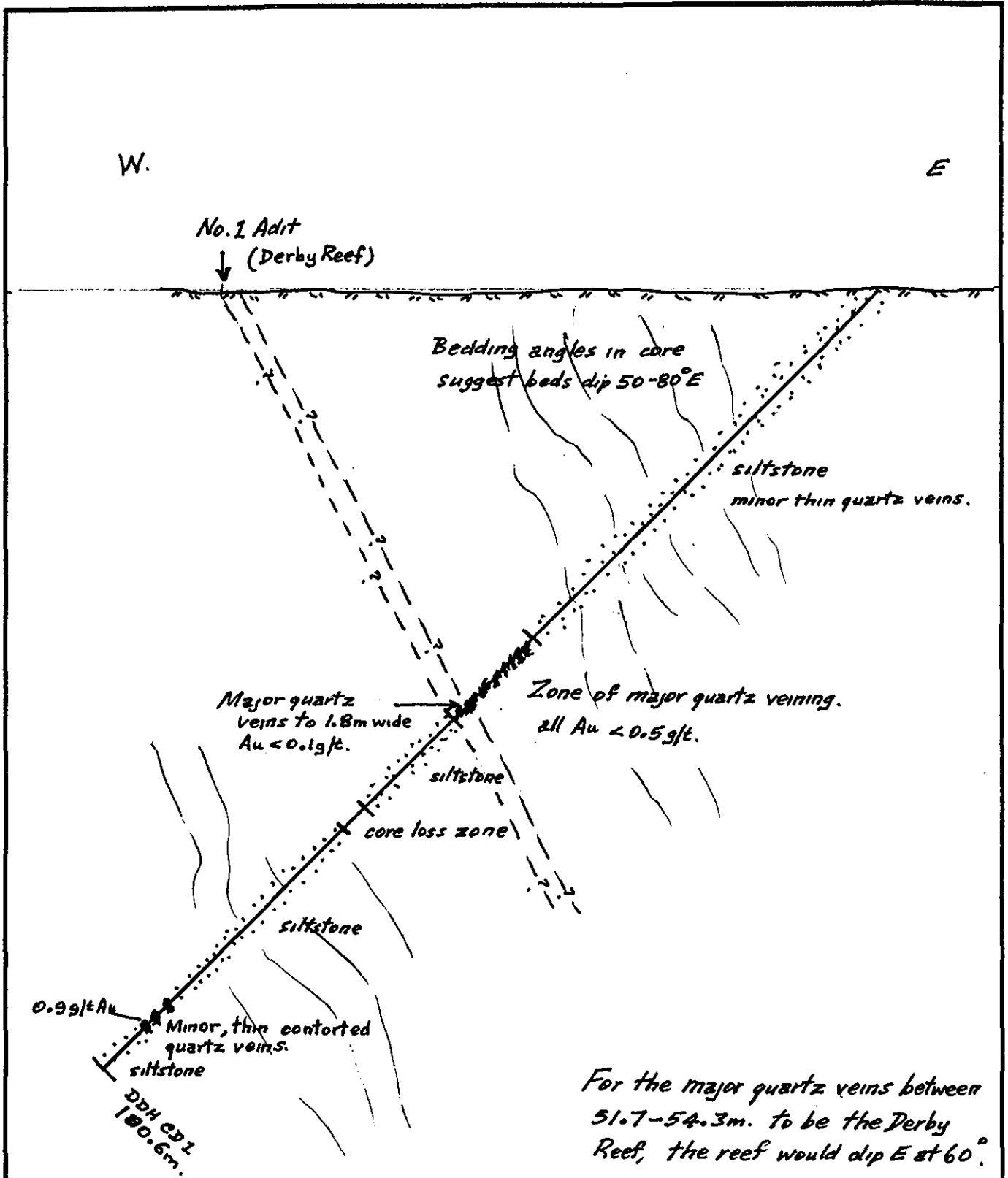
NEWNHAM EXPLORATION AND MINING SERVICES

C and D BESWICK
EL44/1994 - MATHINNA
DDH CD 1 - LOCATION PLAN

0m 200		Scale: 1 : 5,000
Drawn: LAN	Date: Jan 2001	Fig 2

5 cm

668014



NEWNHAM EXPLORATION AND MINING SERVICES		
C and D BESWICK **EL44/1994 - MATHINNA** **DDH CD 1 - SECTION**		
		Scale: 1 : 500
Drawn: LAN	Date: Jan 2001	Fig 4

5 cm

APPENDIX 1

DDH CD 1 - log and assays

COMPANY:
PROJECT: Jubilee Mine
HOLE NUMBER: CD 1

Commenced:	November 2000
Completed:	November 2000
Logged By:	L.A.Newnham
Drilled By:	LIDDS

Purpose of Hole
to test the southern extension of the Jubilee Mine reefs, south of Mathinna;

Comments on Completion
intersected a major zone of quartz veining from 45.3 m-54.3 m; this is interpreted as the southern extension of either the Derby or Eastern Reef (depending on the survey accuracy of previous maps); gold and arsenic values were very low;

Collar Details

Grid	Northing	Easting	Elevation	Dip	Bearing
AMG	5404435	575195		-45	248

Length (m)
100.6

Hole Size	
To (m)	**Size**

Significant Core Loss Zones		
From	**To**	**%Rec.**
32.8	37.4	50
46.7	48.9	60
66.1	69.1	15

Hole Condition on Completion
all steel removed from hole;

Summary of Results:

Depth		**Recovery**	**Description**	**Assays**							
From	**To**	**%**		**Length**	**ppm Au**	**Cu**	**Pb**	**Zn**	**%S**		

COMPANY:
PROJECT: Jubilee Mine
HOLE NUMBER: CD 01

Description			Core Recovery			RQD			Assays							
From	To		From	To	%	From	To	%	From	To	Au ppb	Cu ppm	Pb	Zn	Ni	% S
0.0	44.8	**SILTSTONE:** well bedded siltstone; light brown near top due to weathering, becoming paler gray down-hole; **above 8 m:** minor dendritic structures; ocassional 1-2 mm widely spaced leached quartz veins; core broken; **below 8 m:** becoming fresher and more competent; BCA uniform 45°; **at 10 m:** two closely spaced 2-4 mm wide convoluted quartz veins; **at 15 m:** two 3-5 mm close spaced quartz veins; irregular and at low angle to core axis; BCA uniform 45°; 15.8-16.5 m: core bleached and soft; core loss between 14.8-17.9 m., probably in interval 17-17.9 m., where only core recovered was rubbly massive quartz; **18.0-18.4 m:** light brown altered siltstone with irregular seggregations of quartz; BCA at 22.4 m: 60°; **at 23 m:** 10 mm. quartz vein, fractured and contorted; low angle to CA; **at 24 m:** bedding contorted over 200 mm. interval; cut by fractured discontinuous quartz veins; at 25 m: BCA 60°; **below 25 m:** dark gray-purple siltstone, becoming more fractured; **at 26.5 m:** 5 mm. discontinuous irregular quartz vein; increase in 2-5 mm quartz veins to 29.4 m., but still widely spaced; **at 33.8 m:** siltstones very broken and altered; some core losses; several clayey pug zones; BCA 60°; **at 38.7 m:** 100 mm. broken but massive leached quartz vein; most fracturing parallel to CA; **at 42.4 m:** 200 mm zone of quartz vein rubble; **at 43.2 m:** 100 mm quartz vein rubble;	0.0	3.4	50											
			3.4	4.8	70											
			4.8	7.6	95											
			7.6	12.1	100											
			12.1	14.8	90											
			14.8	17.9	75											
			17.9	20.3	95											
			20.3	32.8	100											
			32.8	35.9	40											
			35.9	37.4	55											
			37.4	39.0	100											
			39.0	40.7	90											
			40.7	42.5	100											
			42.5	45.1	95											

COMPANY:
PROJECT: Jubilee Mine
HOLE NUMBER: CD 01

Description			Core Recovery			RQD			Assays							
From	To		From	To	%	From	To	%	From	To	Au ppb	Au (R)	As ppm			
44.8	45.3	**PUG ZONE:** soft light gray puggy zone; possibly intensively altered siltstone;	45.1	46.7	95											
45.3	45.9	**QUARTZ VEINED SILTSTONE:** dark gray highly fractured siltstone, cut by several 10-20 mm. discordant and fractured quartz veins;							45.3	45.9	427	487	106			
45.9	46.2	**QUARTZ VEIN:** 300 mm. quartz vein, including 20 mm. siltstone band; sharp HW and FW contacts suggest vein is conformable with sediments; minor pyrite and ? pyrrhotite; core very broken;							45.9	46.2	239	218	35			
46.2	46.6	**SILTSTONE:** dark gray siltstone with minor quartz veins; BCA 65°;							46.2	46.6	199		62			
46.6	46.9	**QUARTZ VEIN:** 300 mm. quartz vein with chloritic patches; trace pyrite and ? arsenopyrite;	46.7	48.9	60				46.6	46.9	82		21			
46.9	47.0	**SCHIST:** dark gray chloritic schist with quartz veins;							46.9	47.0	294	316	36			
47.0	47.1	**QUARTZ VEIN:** 100 mm quartz vein as for 46.6 m;														
47.1	47.9	**SILTSTONE:** soft well bedded light gray siltstone; BCA 80°;														
47.9	48.0	**QUARTZ VEIN:** 100 mm quartz vein:							47.9	48.0	172		<5			
48.0	48.9	**SILTSTONE:** soft dark gray well bedded siltstone;														
48.9	49.1	**QUARTZ VEIN:** mixed quartz vein and soft broken chloritic siltstone;	48.9	51.1	90				48.9	49.1	418	472	35			

COMPANY: C and D Beswick EL44/1994
PROJECT: Jubilee Mine
HOLE NUMBER: CD 1

Description			Core Recovery			RQD			Assays							
From	To		From	To	%	From	To	%	From	To	Au ppb	Au (R)	As ppm			
49.1	51.3	**SILTSTONE:** medium gray well bedded siltstone; BCA 80°; soft and moderately broken, principally along bedding;														
51.3	51.7	**SILTSTONE and QUARTZ VEIN:** several generations of 10-20 mm quartz veins cutting broken siltstone; **51.5-51.7 m:** mixed quartz veins and light brown siltstone;	51.1	51.7	100				51.3	51.7	201	167	28			
51.7	52.3	**QUARTZ VEIN:** 600 mm. massive white quartz vein, several chloritic patches; traces of pyrite;	51.7	52.3	100				51.7	52.3	24		16			
52.3	52.5	**SILTSTONE and QUARTZ VEINS:** 200 mm of mixed siltstone and quartz veins; siltstone contains abundant fine grained dark spots;	52.3	52.5	100				52.3	52.5	2		64			
52.5	54.3	**QUARTZ VEIN:** massive white quartz vein with irregular patches soft chloritic material; core moderately competent;	52.5	54.3	100				52.5 53.5	53.5 54.5	9 15		38 44			
54.3	54.5	**SILTSTONE:** siltstone, altered and quartz veined;	54.3	54.5	100											
54.5	100.6	**SILTSTONE:** **54.5-66.1 m:** light-dark gray well bedded siltstone with only minor narrow quartz veins; BCA 60 m-65°; 64.5 m-45°; relatively sharp contact with unit above; 55.9 m: 30 mm. massive quartz vein; core weak and moderately broken along bedding (bedding plane cleavage); **66.1-84.9 m:** core very broken; 66.1-69.1 m: major core loss; no evidence of quartz veins and evidence in core suggests driller problem; 74.5-75.2 m: sheared siltstone cut by several..	54.5 66.1 69.1	66.1 69.1 100.6	100 15 100				74.5	75.5	<1		18			

COMPANY: C and D Beswick EL44/1994
PROJECT: Jubilee Mine
HOLE NUMBER: CD 1

Description			Core Recovery			RQD			Assays							
From	**To**		**From**	**To**	**%**	**From**	**To**	**%**	**From**	**To**	**Au ppb**	**Au (R)**	**As ppm**			
54.5 continued.....	100.6	10-20 mm. quartz veins; below 75.2 m: monotonous well bedded dark-light graysiltstone with strong bedding cleavage; BCAs: 72 m: 45°; 79 m: 60°; 83.5 m: 50°; **84.9-85.9 m:** gray siltstone cut by several 10-20 mm irregular quartz veins; BCA 88.5 m: 40°; **89.4 m:** 200 mm zone of brecciated siltstone and quartz veins; **89.8 m:** 20 mm irregular quartz vein; **90.5 m:** 30 mm irregular quartz vein; **91.0-93.0 m:** series of 2-10 mm quartz veins parallel to bedding; **93.7 m:** 200 mm zone of contorted and disjointed quartz veins including one 50 mm vein; **95.0-97.0 m:** purple-fawn speckeled siltstone BCA 50-60°; **97.0-100.6 m:** soft light gray siltstone; BCA 60-70°; **END OF HOLE**								89.3	89.6	398	370	36			
									93.7	93.9	896	900	64			

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FAXED
Z 18/1

ANALABS

Our reference : BU018320
Your reference : 128543
Project code :
Report date : 18/01/01
Report status : Final
Page : 1 of 1

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)	Au	As		
38501	7	--	--	37		
38502	2632	2262	2.20	1225		
38503	4	--	--	20		
CD01 45.3-45.9	427	487	--	106		
CD01 45.9-46.2	239	218	--	35		
CD01 46.2-46.6	199	--	--	62		
CD01 46.6-46.9	82	--	--	21		
CD01 46.9-47.0	294	316	--	36		
CD01 47.9-48.0	172	--	--	<5		
CD01 48.9-49.1	418	472	--	35		
CD01 51.3-51.7	201	167	--	28		
CD01 51.7-52.3	24	--	--	16		
CD01 52.3-52.5	2	--	--	64		
CD01 52.5-53.5	9	--	--	38		
CD01 53.5-54.5	15	--	--	44		
CD01 74.5-75.5	<1	--	--	18		
CD01 89.3-89.6	398	370	--	36		
CD01 93.7-93.9	896	900	--	64		
Method	F614	F614	F630	I104		
Units	ppb	ppb	ppm	ppm		
Detection Limit	1	1	0.01	5		

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

574 700E
574 800E
574 900E
575 000E
575 100E
575 200E
575 300E
575 400E

5 405 000N
5 404 900N
5 404 800N
5 404 700N
5 404 600N
5 404 500N
5 404 400N
5 404 300N
5 404 200N
5 404 100N
5 404 000N

TELEGRAPH ADIT
CITY P.A.
JUBILEE
MOUNTAINEER MINE
No.1 ADIT
No.2 ADIT
No.3 ADIT
OLD DERBY SHAFT
MAIN SHAFT
ADIT LEVEL
EASTERN REEF
FLAT REEF
STEVENS REEF
DERBY REEF
LYONS REEF
Intermediate Level No.1
Intermediate Level No.2
79m level
WINZE
Stevens Reef
Derby Reef 75cm 6g/t.
Lyons Reef
Quartz.
Quartz rubble
Abundant quartz rubble
Red Basic rock scree
Waterrace
Numerous pits in this area.
REEF OCCUPIES FAULT ALONG ANTICLINAL HINGE
Limestone and folded slate, quartzite
Zone of strong cleavage
Zone of strong cleavage and tight anticlines and synclines
Line 600N
Line 575N
Line 450N
Line 375N
Line 300N
Line 225N
Line 150N
Line 75N
Line 0
Qtz. Sample 38502 ⊗ 2.2g/t Au.
Quartzite-slate Fe-Mn breccia.
Qtz. Veins. Sample (c.s. approx.) 38503 ⊗ 4ppb Au.
Possible more accurate location of No.1
Qtz. vein zone 37m. vert. ex. 1 elsewhere
CD1
Possible more accurate location of costean.
Qtz. vein sample 38501 7ppb Au.
COSTEAN No.2. See 1:50 plan for details.
GEOPHOTO DATA FROM COSTEAN (Turner, 1972)
Channel samples from costean all < 0.1g/t Au.
Pit with Qtz. Veins
weathered bandedite rock.
E.L. 44/94
Possible more accurate trend of Derby Reef.
GEOPHOTO DATA FROM COSTEAN (Turner, 1972)
Channel samples from costean all < 0.1g/t Au.
COSTEAN No.1 See 1:250 plan for details.
MT.25 (-56° to 235°TN)
MT.22 (-56° to 235°TN)
MT.23a (-55° to 235°TN)
MT.23b (-55° to 235°TN)
MT.19 (-69° to 235°TN)
A
B

Geophoto grid lines with IP anomalies hatched — LINE 100N
Resolute drill holes — MT17

KEY

- Alluvial cover
- Mathinna beds
- Bedding (S_0)
- Primary cleavage (S_1) (Geophoto)
- Secondary cleavage (S_2)
- Fault
- Anticline major as indicated
- Syncline major as indicated
- Minor anticlinal fold
- Minor synclinal fold
- Shear (S_3)
- Representative or major vein orientation
- Flat Reef
- Derby Reef
- Lyons Reef
- Unnamed Reef
- Jubilee Reefs (Colored on original).
- Road, major: minor
- Contours, metres a.s.l.
- Creek

01_4530A

Brief Report on DDH CD1 and Surface Sampling - EL 44/1994
Beswick C + D"; Newnham Exploration and Mining Ser
Newnham, L.A. EL44/1994

NOTES:

This plan is a direct reproduction of plan by Resolute Resources Limited Annual Report for EL 22/92, with the selected addition by NEMS of data from Geophoto (1972) plans and Tasminex (1981) plans;

Some difficulty was experienced in getting data from these three sources to fit accurately onto one plan, which reflects the lack of precise surface and underground survey data in this area; any errors are however relatively minor and do not compromise the overall thrust of the presentation

668022

5 cm

NEWNHAM EXPLORATION AND MINING SERVICES

C. and D. BESWICK
EL 44/94 - MATHINNA AREA

JUBILEE and MOUNTAINEER MINES

GEOLOGY and EXPLORATION PLAN

DRAWN: LAN
DRAFTSPERSON:
DATE: Sept. 98
FILE No.
FIG. No. 3

SCALE: 1: 1,000 0m 50