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**PROGRAMME AND BUDGET
FOR
BULK SAMPLE COLLECTION
OF
NICKEL / COBALT LATERITE
EL1/2001 BEACONSFIELD, TASMANIA
FOR
JERVOIS MINING N.L.**

January 2002

SUMMARY

In March 2001, about 130kg, in six composite samples, were metallurgically treated in Reno, Nevada for nickel and cobalt recovery using acid leach under atmospheric pressure and ambient temperature conditions. Recoveries of 80% plus were obtained for the saprolite and weathered serpentinite lithologies which account for 96% of the nickel resources.

The next stage of the metallurgical programme is to collect 15 (dry) tonnes of representative sample and despatch it to Reno, Nevada for further testwork. This testwork is for demonstration plant design purposes. Jervois Mining N.L. has already despatched a similar sample from its nickel laterite deposit at Young, NSW.

This report touches on the Resources and Metallurgy of the Project to date. It describes the method of selection of four proposed pits and the programme of excavating the sample by backhoe and collecting it in 44 gallon drums.

A budget of \$63,000 has been drawn up taking the programme to the stage of delivery of the drums to Reno, Nevada.

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ACCOMPANYING PLANS

PLAN TITLE	SCALE	PLAN No.
Land Tenure	1:100,000	
Regional Geology	1:25,000	BN-01
Regional Geology Legend		BN-01a
Topography	1:25,000	BN-28a
Barnes Hill : Resources/Lithology/Protected Species	1:5000	BN-46
Scotts/Vulcan: Resources/Lithology/Protected Species	1:5000	BN-47

INTRODUCTION

Jervois Mining N.L. control considerable resources of nickel/cobalt laterite in Eastern Australia mostly at Young, NSW but also at Beaconsfield, Tasmania. The company has entered into an agreement with The Technology Store Inc. (TTS) of Reno, Nevada, USA concerning the metallurgical treatment of the laterites at atmospheric pressure and ambient temperature conditions. The agreement covers five phases:

<i>Phase 1</i>	Initial Evaluation	Completed
<i>Phase 2</i>	Technical Feasibility	In progress
<i>Phase 3</i>	Demonstration Plant	2002
<i>Phase 4</i>	Economic Feasibility	2003
<i>Phase 5</i>	Commercial Application	2004

The Initial Evaluation involved the testing of some 130kg of lithologically selected composite samples from previous drilling of the Beaconsfield deposits. The Technical Feasibility phase is in progress for the Young deposit where a 15 (dry) tonne sample was collected using a Calweld drilling rig and transported to Reno, Nevada. This is the next stage of exploration for the Beaconsfield deposits, but using a backhoe rather than a Calweld drill rig.

TENEMENTS

Jervois gained Exploration Licence 1/2001 by being the successful tenderer for ETA 504 "Anderson's Creek". The tender was submitted in early December 2000 and accepted by Mineral Resources Tasmania on 20 December 2000.

The licence was issued on 14 April 2001 and is current until 13 April 2006. It covers an area of 32 square kilometres less various existing leases and reserves. The licence applies from the surface to 50 metres below the surface.

The area comprises (see Land Tenure Plan):

- Anderson's Creek Forest Reserve
- Peaked Hill Forest Reserve
- Dans Hill Forest Reserve
- Proposed Barnes Hill Conservation Area
- Private Property
- State/Multiple Use Forest
- MDC Informal Reserve

Allstate Prospecting P.L. hold an exploration licence beneath EL1/2001 from 50 metres below the surface downwards.

RESOURCES

Previous explorers of the laterite deposits have drilled 161 holes. King Island Scheelite (1947) Ltd. put down 37 diamond drill holes for approximately 580 metres in the late 1960's and Allegiance Mining N.L. drilled 1178.4 metres in 116 aircore holes and eight diamond drill holes in 1997. Consequently, the main laterites have been drilled at a density of 100 to 150 metre centres. This is perfectly adequate for an indicated resource, and further definition drilling is not necessary at this stage.

Resources have been calculated using the Allegiance assay data (since not all the KIS data were available at the time). The lithologies are based on Jervois' re-logging of the Allegiance chip trays and the resources have been drawn up using those lithological categories. A summary of the resources is:

Lithology	Ni %	Co %	Tonnes	%Ni Equivalent	Percentage		
					Tonnes	Ni	Co
Hematite	0.63	0.12	167657	1.05	1.3%	1.0%	2.3%
Limonite	0.39	0.12	794699	0.81	6.4%	3.0%	11.3%
Saprolite	0.88	0.07	9213728	1.13	73.8%	77.7%	75.9%
Weathered Serpentinite	0.82	0.04	2301870	0.96	18.5%	18.3%	10.5%
Totals	0.83	0.07	12477955	1.07			

The individual calculation sheets follow. The parameters used in the calculations were:

Area	Plan Polygonal Blocks
Volume	Area x drill thickness
Density	1.8
Minimum Thickness	2m
Cut-off Grade	0.6%Ni Equivalent (= %Ni + 3.5 x %Co)
Assay Grade	Averaged per drill hole
Minimum Overburden	1m
Overburden Ratio	0.9:1

From the calculations above it can be extrapolated that 96% of the nickel and 86.4% of the cobalt occur in the saprolite and weathered serpentinite lithologies (the target of the metallurgical testing). Furthermore the Barnes Hill saprolite and weathered serpentinite holds 8.3 million tonnes (66.8% of total tonnage) containing 72.5% of the nickel and 57.4% of the cobalt

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
ALL RESOURCES: ALL LITHOLOGIES

Jan 2002

Lithology	Ni %	Co %	Sc ppm	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	Tonnes x ppm Sc	%Ni Equivalent	Percentage		
												Tonnes	Ni	Co
Hematite	0.63	0.12			93143	1.8	167657.4	105987.8	19380.8		1.05	1.3%	1.0%	2.3%
Limonite	0.39	0.12			441499.5	1.8	794699.1	308823.6	95675.9		0.81	6.4%	3.0%	11.3%
Saprolite	0.88	0.07			5118738	1.8	9213728.4	8073203.7	642887.3		1.13	73.8%	77.7%	75.9%
Weathered Serpentinite	0.82	0.04			1278817	1.8	2301869.7	1898416.3	89496.4		0.96	18.5%	18.3%	10.5%
TOTALS	0.83	0.07			6932197.5		12477954.6	10386431.4	847440.4		1.07			

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
ALL RESOURCES: HEMATITE

Jan 2002

Resource	Ni %	Co %	Sc ppm	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	Tonnes x ppm Sc	%Ni Equivalent	Percentage		
												Tonnes	Ni	Co
Barnes Hill	0.97	0.05			46881	1.8	84385.8	82157.3	4192.5		1.15	50.3%	77.5%	21.6%
Scotts/Vulcan	0.29	0.18			46262	1.8	83271.6	23830.5	15188.3		0.71	49.7%	22.5%	78.4%
TOTALS	0.63	0.12			93143		167657.4	105987.8	19380.8		1.05			

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
ALL RESOURCES: LIMONITE

Jan 2002

Resource	Ni %	Co %	Sc ppm	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	Tonnes x ppm Sc	%Ni Equivalent	Percentage		
												Tonnes	Ni	Co
Barnes Hill	0.41	0.09			235615.5	1.8	424107.9	173188.6	38218.2		0.73	53.4%	56.1%	39.9%
Scotts/Vulcan	0.37	0.16			205884	1.8	370591.2	135635.0	57457.7		0.93	46.6%	43.9%	60.1%
TOTALS	0.39	0.12			441499.5		794699.1	308823.6	95675.9		0.81			

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
ALL RESOURCES: SAPROLITE

Jan 2002

Resource	Ni %	Co %	Sc ppm	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	Tonnes x ppm Sc	%Ni Equivalent	Percentage		
												Tonnes	Ni	Co
Barnes Hill	0.92	0.06			3846246	1.8	6923242.8	6357806.1	442928.0		1.13	75.1%	78.8%	68.9%
Scotts/Vulcan	0.75	0.09			1272492	1.8	2290485.6	1715397.6	199959.3		1.07	24.9%	21.2%	31.1%
TOTALS	0.88	0.07			5118738		9213728.4	8073203.7	642887.3		1.13			

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
ALL RESOURCES: WEATHERED SERPENTINITE

Jan 2002

Resource	Ni %	Co %	Sc ppm	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	Tonnes x ppm Sc	%Ni Equivalent	Percentage		
												Tonnes	Ni	Co
Barnes Hill	0.83	0.03			781064	1.8	1405915.2	1173119.3	43353.2		0.94	61.1%	61.8%	48.4%
Scotts/Vulcan	0.81	0.05			497752.5	1.8	895954.5	725297.0	46143.2		0.99	38.9%	38.2%	51.6%
TOTALS	0.82	0.04			1278817		2301869.7	1898416.3	89496.4		0.96			

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
BARNES HILL: ALL LITHOLOGIES

March 2001

Lithology	Ni %	Co %	Sc ppm	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	Tonnes x ppm Sc	%Ni Equivalent	Percentage		
												Tonnes	Ni	Co
Hematite	0.97	0.05			46881	1.8	84385.8	82157.3	4192.5		1.15	1.0%	1.0%	0.8%
Limonite	0.41	0.09			235615.5	1.8	424107.9	173188.6	38218.2		0.72	4.8%	2.2%	7.2%
Saprolite	0.92	0.06			3846246.0	1.8	6923242.8	6357806.1	442928.0		1.14	78.3%	81.7%	83.8%
Weathered Serpentinite	0.83	0.03			781064	1.8	1405915.2	1173119.3	43353.2		0.94	15.9%	15.1%	8.2%
TOTALS	0.88	0.06			4909806.5		8837651.7	7786271.3	528691.9		1.09			

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
BARNES HILL : HEMATITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S068	3	4	1	0.84	0.01	15875	15875	1.8	28575.0	24003.0	285.8	0.88	37200N
S047	3	4	1	0.50	0.07	18275	18275	1.8	32895.0	16447.5	2302.7	0.75	36100N
S076	0.5	1	0.5	1.82	0.07	25462	12731	1.8	22915.8	41706.8	1604.1	2.07	35800N
Totals				0.97	0.05		46881		84385.8	82157.3	4192.5	1.15	

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
BARNES HILL : LIMONITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S068	1	3	2	0.61	0.01	15875	31750	1.8	57150.0	34861.5	571.5	0.65	37200N
S019	5	6	1	0.60	0.14	15650	15650	1.8	28170.0	16902.0	3943.8	1.09	37000N
S026/73	12.5	17	4.5	0.38	0.09	21837	98266.5	1.8	176879.7	67214.3	15919.2	0.70	
S033	6	7	1	0.27	0.15	25862	25862	1.8	46551.6	12568.9	6982.7	0.80	36900N
S031	5	6	1	0.28	0.13	11237	11237	1.8	20226.6	5663.4	2629.5	0.74	
S079	1	2	1	0.49	0.03	30125	30125	1.8	54225.0	26570.3	1626.8	0.60	
S091	2	3	1	0.23	0.16	22725	22725	1.8	40905.0	9408.2	6544.8	0.79	36500N
Totals				0.41	0.09		235615.5		424107.9	173188.6	38218.2	0.72	

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
BARNES HILL : SAPROLITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S030	2	4	2	0.53	0.03	31437	62874	1.8	113173.2	59981.8	3395.2	0.64	37400N
S024	1	4	3	0.60	0.04	25125	75375	1.8	135675.0	81405.0	5427.0	0.74	37300N
and	5	6	1	0.65	0.03	25125	25125	1.8	45225.0	29396.3	1356.8	0.76	
S070	8	23	15	0.82	0.08	21737	326055	1.8	586899.0	481257.2	46951.9	1.10	
S069	7	11	4	0.73	0.13	20054	80216	1.8	144388.8	105403.8	18770.5	1.19	37200N
S028	1	2	1	0.68	0.05	29262	29262	1.8	52671.6	35816.7	2633.6	0.86	
S023	4	14	10	1.17	0.07	14350	143500	1.8	258300.0	302211.0	18081.0	1.42	37100N
S022	13	19	6	1.14	0.07	25237	151422	1.8	272559.6	310717.9	19079.2	1.39	
S027	13	17	4	1.21	0.07	18912	75648	1.8	136166.4	164761.3	9531.6	1.46	
S071	8	14	6	1.20	0.10	16512	99072	1.8	178329.6	213995.5	17833.0	1.55	
S072	5	8	3	1.31	0.08	14375	43125	1.8	77625.0	101688.8	6210.0	1.59	
S034	5	15	10	0.70	0.05	19012	190120	1.8	342216.0	239551.2	17110.8	0.88	37000N
S065	2	4	2	0.41	0.10	13087	26174	1.8	47113.2	19316.4	4711.3	0.76	
S019	6	10	4	0.59	0.12	15650	62600	1.8	112680.0	66481.2	13521.6	1.01	
S026/73	17	24	7	1.45	0.05	21837	152859	1.8	275146.2	398962.0	13757.3	1.63	
S033	7	11	4	0.57	0.06	25862	103448	1.8	186206.4	106137.6	11172.4	0.78	36900N
S018/74	9	20	11	0.73	0.06	23387	257257	1.8	463062.6	338035.7	27783.8	0.94	
S020	3	8	5	0.72	0.05	12425	62125	1.8	111825.0	80514.0	5591.3	0.90	
and	9	14	5	0.76	0.04	12425	62125	1.8	111825.0	84987.0	4473.0	0.90	
S021	11	14	3	0.96	0.06	19225	57675	1.8	103815.0	99662.4	6228.9	1.17	
and	16	20	4	0.95	0.04	19225	76900	1.8	138420.0	131499.0	5536.8	1.09	
S031	6	14	8	1.17	0.06	11237	89896	1.8	161812.8	189321.0	9708.8	1.38	
S060	3	4	1	1.44	0.02	20125	20125	1.8	36225.0	52164.0	724.5	1.51	
S032	5	11	6	1.34	0.03	23425	140550	1.8	252990.0	339006.6	7589.7	1.45	
S093	7	16	9	0.59	0.06	20262	182358	1.8	328244.4	193664.2	19694.7	0.80	36800N
S063	6	16	10	1.74	0.06	13937	139370	1.8	250866.0	436506.8	15052.0	1.95	
S061	1	3	2	0.90	0.02	19662	39324	1.8	70783.2	63704.9	1415.7	0.97	

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
BARNES HILL : SAPROLITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S095	9	10	1	0.48	0.04	28825	28825	1.8	51885.0	24904.8	2075.4	0.62	36700N
S058	2	6	4	0.70	0.07	20062	80248	1.8	144446.4	101112.5	10111.2	0.95	36600N
S091	3	6	3	0.26	0.12	22725	68175	1.8	122715.0	31905.9	14725.8	0.68	36500N
S078	2	4	2	0.56	0.12	27375	54750	1.8	98550.0	55188.0	11826.0	0.98	36400N
S077	2	5	3	0.60	0.05	24050	72150	1.8	129870.0	77922.0	6493.5	0.78	36300N
S087	1	4	3	1.42	0.09	18850	56550	1.8	101790.0	144541.8	9161.1	1.74	36200N
S047	4	8	4	0.83	0.05	18275	73100	1.8	131580.0	109211.4	6579.0	1.01	36100N
S050	1	2	1	1.06	0.03	14100	14100	1.8	25380.0	26902.8	761.4	1.17	36000N
S085	11	14	3	0.66	0.04	30475	91425	1.8	164565.0	108612.9	6582.6	0.80	35800N
S076	1	5	4	1.02	0.14	25462	101848	1.8	183326.4	186992.9	25665.7	1.51	
S048/75	1	6	5	0.85	0.05	20187	100935	1.8	181683.0	154430.6	9084.2	1.03	
S039	2	8	6	1.17	0.06	26925	161550	1.8	290790.0	340224.3	17447.4	1.38	
S036	1	3	2	0.79	0.03	25350	50700	1.8	91260.0	72095.4	2737.8	0.90	35600N
S037	1	2	1	0.92	0.03	24362	24362	1.8	43851.6	40343.5	1315.5	1.03	35500N
S038	2	6	4	0.94	0.03	23237	92948	1.8	167306.4	157268.0	5019.2	1.05	35300N
Totals				0.92	0.06		3846246		6923242.8	6357806.1	442928	1.14	

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
BARNES HILL : WEATHERED SERPENTINITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S024	4	5	1	0.32	0.01	25125	25125	1.8	45225.0	14472.0	452.3	0.36	37300N
and	6	6.5	0.5	0.57	0.02	25125	12562.5	1.8	22612.5	12889.1	452.3	0.64	
S070	23	24	1	1.06	0.03	21737	21737	1.8	39126.6	41474.2	1173.8	1.17	
S028	2	4	2	0.96	0.03	29262	58524	1.8	105343.2	101129.5	3160.3	1.07	
S027	17	20	3	0.74	0.02	18912	56736	1.8	102124.8	75572.4	2042.5	0.81	37100N
S071	14	15.5	1.5	0.72	0.02	16512	24768	1.8	44582.4	32099.3	891.6	0.79	
S072	8	9	1	1.23	0.08	14375	14375	1.8	25875.0	31826.3	2070.0	1.51	
S065	4	6	2	0.60	0.05	13087	26174	1.8	47113.2	28267.9	2355.7	0.78	
S019	10	11	1	0.84	0.04	15650	15650	1.8	28170.0	23662.8	1126.8	0.98	
S018/74	20	25	5	0.88	0.04	23387	116935	1.8	210483.0	185225.0	8419.3	1.02	
S020	8	9	1	0.68	0.02	12425	12425	1.8	22365.0	15208.2	447.3	0.75	
S021	14	16	2	0.81	0.03	19225	38450	1.8	69210.0	56060.1	2076.3	0.92	
and	20	21	1	0.59	0.02	19225	19225	1.8	34605.0	20417.0	692.1	0.66	
S031	14	16	2	1.20	0.04	11237	22474	1.8	40453.2	48543.8	1618.1	1.34	
S060	4	5	1	1.14	0.02	20125	20125	1.8	36225.0	41296.5	724.5	1.21	
S063	16	20	4	1.10	0.01	13937	55748	1.8	100346.4	110381.0	1003.5	1.14	36800N
S095	10	11.5	1.5	0.71	0.02	28825	43237.5	1.8	77827.5	55257.5	1556.6	0.78	36700N
S079	2	3	1	0.65	0.05	30125	30125	1.8	54225.0	35246.3	2711.3	0.83	36600N
S078	4	5	1	0.67	0.07	27375	27375	1.8	49275.0	33014.3	3449.3	0.92	36400N
S077	5	6	1	0.79	0.02	24050	24050	1.8	43290.0	34199.1	865.8	0.86	36300N
S087	4	5	1	0.89	0.06	18850	18850	1.8	33930.0	30197.7	2035.8	1.10	36200N
S047	8	9	1	0.69	0.03	18275	18275	1.8	32895.0	22697.6	986.9	0.80	36100N
S050	2	3	1	1.19	0.02	14100	14100	1.8	25380.0	30202.2	507.6	1.26	36000N
S076	5	5.5	0.5	0.65	0.03	25462	12731	1.8	22915.8	14895.3	687.5	0.76	35800N
S039	8	9	1	0.94	0.02	26925	26925	1.8	48465.0	45557.1	969.3	1.01	
S037	2	3	1	0.76	0.02	24362	24362	1.8	43851.6	33327.2	877.0	0.83	35500N
Totals				0.83	0.03		781064		1405915.2	1173119.3	43353.2	0.94	

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
SCOTTS / VULCAN: ALL LITHOLOGIES

March 2001

Lithology	Ni %	Co %	Sc ppm	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	Tonnes x ppm Sc	%Ni Equivalent	Percentage		
												Tonnes	Ni	Co
Hematite	0.29	0.18			46262	1.8	83271.6	23830.5	15188.3		0.92	2.3%	0.9%	4.8%
Limonite	0.37	0.16			205884	1.8	370591.2	135635.0	57457.7		0.91	10.2%	5.2%	18.0%
Saprolite	0.75	0.09			1272492	1.8	2290485.6	1715397.6	199959.3		1.05	62.9%	66.0%	62.7%
Weathered Serpentinite	0.81	0.05			497752.5	1.8	895954.5	725297.0	46143.2		0.99	24.6%	27.9%	14.5%
TOTALS	0.71	0.09			2022390.5		3640302.9	2600160.1	318748.5		1.02			

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
SCOTTS / VULCAN : HEMATITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S002	4	5	1	0.26	0.12	19025	19025	1.8	34245.0	8903.7	4109.4	0.68	40100N
S006	4	5	1	0.20	0.16	12262	12262	1.8	22071.6	4414.3	3531.5	0.76	40000N
S014	1	2	1	0.39	0.28	14975	14975	1.8	26955.0	10512.5	7547.4	1.37	39300N
Totals				0.29	0.18		46262		83271.6	23830.5	15188.3	0.92	

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
SCOTTS / VULCAN: LIMONITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S002	5	8	3	0.30	0.14	19025	57075	1.8	102735.0	30820.5	14382.9	0.79	40100N
S004	3	5	2	0.25	0.28	13387	26774	1.8	48193.2	12048.3	13494.1	1.23	40000N
S006	5	8	3	0.26	0.15	12262	36786	1.8	66214.8	17215.8	9932.2	0.79	
S007	8	9	1	0.33	0.12	12950	12950	1.8	23310.0	7692.3	2797.2	0.75	39800N
S013	3	5	2	0.33	0.15	12262	24524	1.8	44143.2	14567.3	6621.5	0.86	39300N
S012	1	3	2	0.72	0.05	16400	32800	1.8	59040.0	42508.8	2952.0	0.90	
S014	3	4	1	0.40	0.27	14975	14975	1.8	26955.0	10782.0	7277.9	1.35	
Totals				0.37	0.16		205884		370591.2	135635.0	57457.7	0.91	

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
SCOTTS / VULCAN : SAPROLITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S002	8	9	1	0.40	0.09	19025	19025	1.8	34245.0	13698.0	3082.1	0.72	40100N
S004	13	18	5	0.96	0.04	13387	66935	1.8	120483.0	115663.7	4819.3	1.10	40000N
S005	18	23	5	0.44	0.07	16700	83500	1.8	150300.0	66132.0	10521.0	0.69	
S006	8	11	3	0.50	0.13	12262	36786	1.8	66214.8	33107.4	8607.9	0.96	
S103	6	7	1	0.75	0.04	17837	17837	1.8	32106.6	24080.0	1284.3	0.89	39800N
S007	9	14	5	0.34	0.11	12950	64750	1.8	116550.0	39627.0	12820.5	0.73	
and	15	19	4	0.45	0.14	12950	51800	1.8	93240.0	41958.0	13053.6	0.94	
S009	6	10	4	0.55	0.28	12100	48400	1.8	87120.0	47916.0	24393.6	1.53	
S119	6	10	4	0.18	0.24	10987	43948	1.8	79106.4	14239.2	18985.5	1.02	39700N
SD124	14	18	4	0.69	0.02	10987	43948	1.8	79106.4	54583.4	1582.1	0.76	
S107	2	6	4	0.59	0.04	9637	38548	1.8	69386.4	40938.0	2775.5	0.73	
S120	9	11	2	0.37	0.11	20887	41774	1.8	75193.2	27821.5	8271.3	0.76	39600N
S010	1	3	2	0.77	0.09	19875	39750	1.8	71550.0	55093.5	6439.5	1.09	39300N
and	4	6	2	0.67	0.05	19875	39750	1.8	71550.0	47938.5	3577.5	0.85	
S013	5	6	1	0.49	0.04	12262	12262	1.8	22071.6	10815.1	882.9	0.63	
S014	8	10	2	0.85	0.07	14975	29950	1.8	53910.0	45823.5	3773.7	1.10	
S015/122	6.2	10	3.8	0.77	0.05	19800	75240	1.8	135432.0	104282.6	6771.6	0.95	39200N
S016	7	16	9	0.98	0.07	21737	195633	1.8	352139.4	345096.6	24649.8	1.23	39100N
S017	5	10	5	1.12	0.11	21912	109560	1.8	197208.0	220873.0	21692.9	1.51	
and	12	14	2	1.30	0.06	21912	43824	1.8	78883.2	102548.2	4733.0	1.51	
S113	6	7	1	0.44	0.06	31050	31050	1.8	55890.0	24591.6	3353.4	0.65	39000N
S116	7	11	4	0.86	0.04	20887	83548	1.8	150386.4	129332.3	6015.5	1.00	
S115	1	3	2	1.11	0.08	27337	54674	1.8	98413.2	109238.7	7873.1	1.39	38900N
Totals				0.75	0.09		1272492		2290485.6	1715397.6	199959.3	1.05	

BEACONSFIELD, TAS
RESOURCE CALCULATION SHEET
Lower Cut-off grade 0.6%Ni equivalent
SCOTTS / VULCAN : WEATHERED SERPENTINITE

March 2001

Hole No.	From	To	Width	%Ni	%Co	Area	Volume	Density	Tonnes	Tonnes x %Ni	Tonnes x %Co	%Ni Equivalent	Section(AMG)
S003	6	8	2	0.94	0.05	12262	24524	1.8	44143.2	41494.6	2207.2	1.12	4000N
S103	7	8	1	0.99	0.02	17837	17837	1.8	32106.6	31785.5	642.1	1.06	39800N
S007	14	15	1	0.34	0.52	12950	12950	1.8	23310.0	7925.4	12121.2	2.16	
and	19	20	1	0.58	0.02	12951	12951	1.8	23311.8	13520.8	466.2	0.65	
S009	10	13	3	0.63	0.09	12100	36300	1.8	65340.0	41164.2	5880.6	0.95	
S107	6	8	2	0.86	0.04	9637	19274	1.8	34693.2	29836.2	1387.7	1.00	39700N
S010	3	4	1	0.44	0.06	19875	19875	1.8	35775.0	15741.0	2146.5	0.65	
S014	2	3	1	0.67	0.04	14974	14974	1.8	26953.2	18058.6	1078.1	0.81	39300N
and	10	13	3	0.69	0.04	14975	44925	1.8	80865.0	55796.9	3234.6	0.83	
S015/122	10	13.3	3.3	0.81	0.02	19800	65340	1.8	117612.0	95265.7	2352.2	0.88	39200N
S016	16	18	2	0.96	0.02	21737	43474	1.8	78253.2	75123.1	1565.1	1.03	39100N
S017	10	12	2	1.15	0.05	21912	43824	1.8	78883.2	90715.7	3944.2	1.33	
and	14	17	3	0.80	0.03	21912	65736	1.8	118324.8	94659.8	3549.7	0.91	
S113	7	9	2	0.74	0.03	31050	62100	1.8	111780.0	82717.2	3353.4	0.85	39000N
S115	3	3.5	0.5	1.28	0.09	27337	13668.5	1.8	24603.3	31492.2	2214.3	1.60	38900N
Totals				0.81	0.05		497752.5		895954.5	725297.0	46143.2	0.99	

METALLURGY

Allegiance submitted nine composite samples to AMDEL for high pressure acid leach metallurgical testing (two from Scotts Hill, three from Mt Vulcan and four from Barnes Hill). The samples averaged 1.16% NiO (0.91%Ni) and 920 ppm Co. Lithologically - after re-logging - the samples were composed of:

- 1.5% Limonitic Clay
- 73.9% Saprolite
- 23.1% Weathered Serpentinite
- 1.5% Fresh Serpentinite

This composition is fairly close to the resources calculated above, although the nickel and cobalt grades are slightly higher.

The results of the HPAL testing were good (especially when considered as sighter tests) with high recoveries and low acid consumption. Tests were done at 240^oC and 260^oC producing the following average recoveries after 2 hours of leaching:

Temperature	Recovered Ni	Recovered Co	Acid Consumption (kg/t)
240 ^o	89%	83%	397
260 ^o	92%	93%	326

However, Allegiance realised that, after their second round of drilling, the resource tonnage was insufficient to support the capital cost of a high pressure acid leach plant. Consequently, Allegiance relinquished their exploration licence (EL9/96) over the area.

In March 2001 Jervois collected six composite samples, each a little over 20kg, from Allegiance's aircore drill hole residues. The samples represented Limonitic Clay, Saprolite and Weathered Serpentinite from Barnes Hill and from Scotts/Vulcan deposits - see accompanying table. These samples were despatched to Reno, Nevada for column testing (atmospheric pressure acid leaching at ambient temperature conditions using proprietary reagents). The results of this sighter testing were:

Deposit	Lithology	Recovery
Barnes Hill	Limonitic Clay	40%
	Saprolite	84%
	Weathered Serpentinite	80%
Scotts/Vulcan	Limonitic Clay	40%
	Saprolite	80%
	Weathered Serpentinite	80%

The recovery for the main resources of saprolite and weathered serpentinite were sufficiently encouraging for the next stage of metallurgical testing to be planned.

SAMPLES FOR COMPOSITING MARCH 2001 - BEACONSFIELD

Deposit	Lithology	Hole No	From	To	Width	%Ni	Weight	%NixWt	Av%Ni	
BARNES HILL	LIMONITE	S019	5	6	1	0.60	2	1.20	2kg samples	
		S026	12	16	4	0.38	8	3.04		
		S031	5	6	1	0.28	2	0.56		
		S033	6	7	1	0.27	2	0.54		
		S068	1	3	2	0.61	4	2.44		
		S079	1	2	1	0.49	2	0.98		(22kg)
		S091	2	3	1	0.23	2	0.46		0.41%
	SAPROLITE	S031	8	12	4	1.20	4	4.80	1kg samples	
		S033	7	11	4	0.57	4	2.28		
		S039	5	8	3	1.16	3	3.47		
		S063	7	10	3	1.67	3	5.00		
		S069	7	11	4	0.73	4	2.93		(21kg)
		S070	14	17	3	0.76	3	2.28		0.99%
	W SERP	S019	10	11	1	0.84	1.5	1.26	1.5kg samples	
S027		17	19	2	0.78	3	2.34			
S028		2	4	2	0.96	3	2.88			
S039		8	9	1	0.94	1.5	1.41			
S063		16	19	3	1.11	4.5	5.00			
S065		4	6	2	0.60	3	1.8			
S070		23	24	1	1.06	1.5	1.59			
S079		2	3	1	0.65	1.5	0.98	(21kg)		
S087		4	5	1	0.89	1.5	1.34	0.88%		
SCOTTS/ VULCAN	LIMONITE	S004	3	5	2	0.25	4	1.00	2kg samples	
		S006	5	8	3	0.26	6	1.56		
		S007	8	9	1	0.33	2	0.66		
		S012	1	3	2	0.72	4	2.88		
		S013	3	5	2	0.33	4	1.32		(22kg)
		S014	3	4	1	0.40	2	0.80		0.37%
	SAPROLITE	S006	8	9	1	0.40	1	0.40	1kg samples	
		S007	9	13	4	0.31	4	1.24		
		S013	5	6	1	0.49	1	0.49		
		S014	8	10	2	0.85	2	1.70		
		S016	7	15	8	0.95	8	7.60		
		S107	2	6	4	0.59	4	2.36		(22kg)
		S115	1	3	2	1.11	2	2.22		0.73%
	W SERP	S014	2	3	1	0.67	1.5	1.01	1.5kg samples	
and		10	13	3	0.69	4.5	3.11			
S016		16	17	1	1.24	1.5	1.86			
S017		11	12	1	1.21	1.5	1.82			
and		14	17	3	0.80	4.5	3.60			
S103		7	8	1	0.99	1.5	1.49			
S107		6	8	2	0.86	3	2.58			
S113		7	9	2	0.74	3	2.22	(21.75kg)		
S115	3	3.5	0.5	1.28	0.75	0.96	0.86%			

ALL SAMPLES

Deposit	Lithology	Hole No	From	To	Width	Ka
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ALL SAMPLES

Deposit	Lithology	Hole No	From	To	Width	Kg	
Scotts	Limonite	S004	3	5	2	2	
	Limonite	S006	5	8	3	2	
	Saprolite	and	8	9	1	1	
	Limonite	S007	8	9	1	2	
	Saprolite	and	9	13	4	1	
	Limonite	S012	1	3	2	2	
	Limonite	S013	3	5	2	2	
	Saprolite	and	5	6	1	1	
	W Serp	S014	2	3	1	1.5	
	Limonite	and	3	4	1	2	
	Saprolite	and	8	10	2	1	
	W Serp	and	10	13	3	1.5	
	Saprolite	S016	7	15	8	1	
	W Serp	and	16	17	1	1.5	
	W Serp	S017	11	12	1	1.5	
	W Serp	and	14	17	3	1.5	
	Barnes	Limonite	S019	5	6	1	2
		W Serp	and	10	11	1	1.5
		Limonite	S026	12	16	4	2
		W Serp	S027	17	19	2	1.5
W Serp		S028	2	4	2	1.5	
Limonite		S031	5	6	1	2	
Saprolite		and	8	12	4	1	
Limonite		S033	6	7	1	2	
Saprolite		and	7	11	4	1	
Saprolite		S039	5	8	3	1	
W Serp		and	8	9	1	1.5	
Saprolite		S063	7	10	3	1	
W Serp		and	16	19	3	1.5	
W Serp		S065	4	6	2	1.5	
Limonite		S068	1	3	2	2	
Saprolite		S069	7	11	4	1	
Saprolite		S070	14	17	3	1	
W Serp		and	23	24	1	1.5	
Limonite		S079	1	2	1	2	
W Serp		and	2	3	1	1.5	
W Serp	S087	4	5	1	1.5		
Scotts	Limonite	S091	2	3	1	2	
	W Serp	S103	7	8	1	1.5	
	Saprolite	S107	2	6	4	1	
	W Serp	and	6	8	2	1.5	
	W Serp	S113	7	9	2	1.5	
	Saprolite	S115	1	3	2	1	
	W Serp	and	3	3.5	0.5	0.75	

PROPOSED PROGRAMME

Phase 2 of the agreement between Jervois and TTS required a 15 (dry) tonne sample, representative of the first deposit to be developed at Young NSW, to be excavated and despatched to Reno, Nevada for bulk scale testing. This will be the same procedure for the Beaconsfield deposit. At Young, because the mineralisation has some 5-15 metres of transported overburden above it, it was necessary to obtain the sample by using a Calweld drilling rig which could reach to over 30 metres depth. At Beaconsfield, it should be possible to obtain a representative sample from a shallow depth using a backhoe (or, if necessary, an extended backhoe which reaches to 15 metres).

Thus the proposed programme is to obtain approximately 15 (dry) tonnes of sample representative of the saprolite and weathered serpentinite resources at Barnes Hill. The main criteria used in selecting appropriate locations for taking the sample were (see also plan BN-46):

- Lithologically representing the resource
- Average grade representing the resource
- Spatially representing the resource
- Near tracks - good access, no clearing
- Away from mapped locations of *Epacris virgata* and *Tetratheca gunnii* (protected species)
- Depth within reach of a backhoe

The following table shows the first choice of four old drill sites located on land owned by Beams Bros (Holdings) P.L. and M.I.Beams & Sons P.L. (2 of which lie within "Private Land Reserve (RFA)"):

PROPOSED BACK-HOE SAMPLES FOR BULK TESTING

Hole No.	E m agd	N m agd	From m	To m	Lithology	%Ni	%Co
S031	481177	5436691	6	7	Saprolite	0.60	0.095
			7	8	Saprolite	0.70	0.065
			8	9	Saprolite	1.12	0.060
			9	10	Saprolite	1.17	0.048
			Average				
S032	481457	5436721	5	6	Saprolite	1.03	0.024
			6	7	Saprolite	1.23	0.045
			7	8	Saprolite	1.50	0.039
			8	9	Saprolite	1.72	0.033
			Average				
S048/SD075	481442	5435608	2	3	Saprolite	0.64	0.049
			3	4	Saprolite	0.88	0.049
			4	5	W. Serp	0.72	0.027
			5	6	W. Serp	0.91	0.031
			Average				
S065	480908	5436840	2	3	Saprolite	0.38	0.098
			3	4	Saprolite	0.43	0.092
			4	5	Saprolite	0.45	0.063
			5	6	Saprolite	0.75	0.044
			Average				
Average						0.89	0.054
(Equivalent Resource Average						0.90	0.058)

Experience at Young in collecting the sample there showed that saprolite had a 28% moisture content and weathered serpentinite 22%. Thus about 1.25 tonnes should be collected from each metre excavated to produce a 15 (dry) tonne sample (from 15 metres excavated depth). At Young, a sample collecting device was designed. When the Calweld bucket was emptied into the catcher, a head sample of approximately 10kg was taken (for each metre). Subsequently, a slide in the base of the catcher was opened to allow the sample to drop into a 44 gallon drum. The drums were then weighed on a scale (see photographs Calweld Drilling Programme). It required 5 drums to make up 1 dry tonne. For a vertical metre to produce 1 dry tonne (5 x 44 gallon drums) the area of the pit needs to be 0.7 square metres or 80cm by 80cm across.

In practice, the backhoe will remove topsoil first and put it aside. Overburden will also be put to one-side. When a sample metre depth is reached, sample from that metre will be placed in the sample catcher, a head sample taken and then the sample be allowed to drop into a 44 gallon drum which is subsequently sealed. Once 5 drums are full, sampling of the next metre will commence. Each drum will be weighed and labelled (pit number, depth, lithology etc) then stored at a central location for easy pick-up by truck. The pits will be fenced off and at the end of the programme, the pits will be backfilled with sand/gravel from the local gravel pits or old chromite tailings and with the dumped overburden and finally topsoil.

The drums will subsequently be picked up, washed and containerized for despatch to Reno, Nevada, USA.

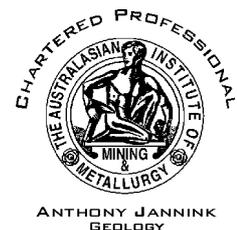
PROPOSED BUDGET**Mobilisation / Demobilisation**

			\$
1. Personnel			
Geologist	8 days	\$2,000	
Field Assistant	2 days	\$400	
Director	8 days	\$3,200	
			5,600
2. Travel			
Ferry fares:			
4 x vehicles, 2 x trailer, 10 x personnel		\$2,100	
Vehicle:			
8 days at \$80 plus fuel & trailer hire		\$800	
Accommodation: 4 days at \$125		\$500	
			3400
			\$9,000
			\$1,000
			\$10,000
		Contingencies (10%)	

Backhoe Pitting and Backfilling

			\$
1. Hire of Excavator			
Mobilisation		\$500	
Machine hours: 6 days x 8 hours x \$120		\$5,300	
Tipper Truck hire (for backfilling)		\$500	
			6,300
2. Personnel			
Geologist	8 days	\$2,000	
Field Assistant	8 days	\$1,500	
Director	8 days	\$3,200	
			6,700
3. Assaying			
Hire of XRF Instrument 1 wk x \$3000		\$3,000	
100 samples at \$35		\$3,500	
			6,500
4. Accommodation			
24 days at \$125 per day			3,000
5. Vehicles			
8 days at \$80 plus fuel and trailer hire			800

6. Field Requisites			
44 gallon drums 100 x \$25	\$2,500		
Weighing scales 2 weeks x \$250	\$500		
Fencing materials	\$200		
Sample bags + other	\$500		
			3,700
7. Freight			
Pickup drums, clean, deliver to wharf	\$2,500		
Container hire, customs, freight to Reno	\$12,000		
			14,500
8. Reporting / Office			
Drafting and supervision			6,500
			<u>\$48,000</u>
	Contingencies (10%)		\$5,000
			<u>\$53,000</u>
	GRAND TOTAL		<u>\$63,000</u>



Douglas McKenna & Partners Pty. Ltd.

14 January 2002