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Relinquishment Report - EL2/1996 - Tenth Legion
Area, Tasmania
Allegiance Mining NL*; Newnham Exploration and Mini
Newnham, L.A. EL2/1996

Allegiance Mining NL

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EL 2/1996
TENTH LEGION AREA, TASMANIA

RELINQUISHMENT REPORT

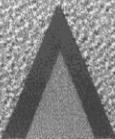
10 February 2002

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MINERAL RESOURCES		
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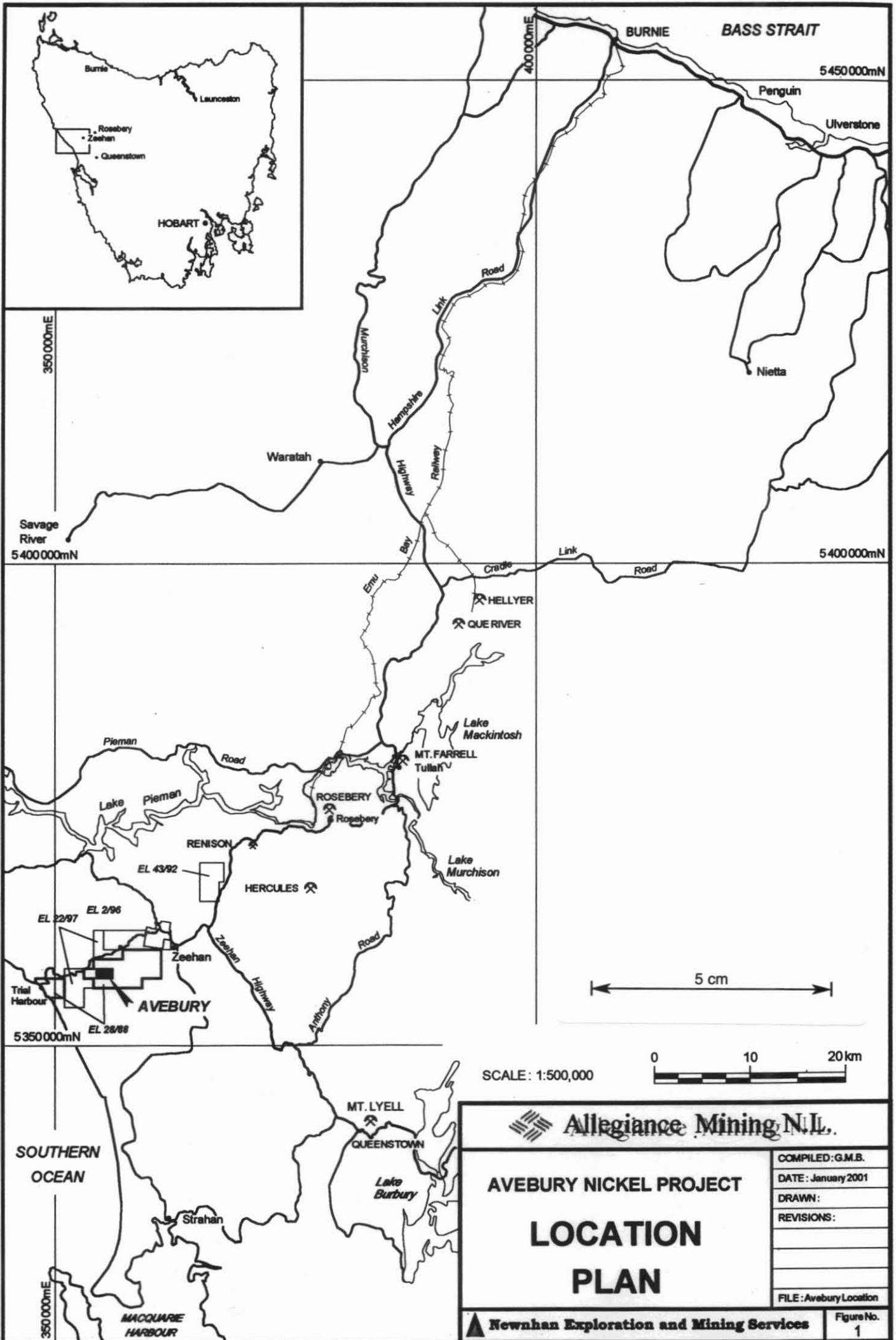


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Allegiance Mining N.L.

AVEBURY NICKEL PROJECT

LOCATION PLAN

COMPILED: G.M.B.
DATE: January 2001
DRAWN:
REVISIONS:
FILE: Avebury Location

Newnhan Exploration and Mining Services

Figure No. 1

1. TENURE

EL 2/1996 covers an eight (8) square kilometre area to the immediate west of Zeehan (map 1).

Allegiance Mining NL. has a 100% beneficial interest in the licence, with Rio Tinto Exploration holding a 2% net smelter royalty on any future production from operations within the licence area.

2. EXPLORATION OBJECTIVES

The principal exploration target for Allegiance within the licence area was nickel sulfide skarn deposits of the *Avebury type*. These deposits formed by hydrothermal activity, associated with the intrusion of the Heemskirk granite, altering adjacent mafic and ultramafic formations, resulting in the remobilisation, transportation and accumulation of nickel sulfides and iron oxides.

3. WORK COMPLETED

Work programs completed by Allegiance on EL 2/1996 were:

- high resolution aeromagnetic surveys
- detailed mapping and lithogeochemical sampling
- re-logging and re-assaying existing drill core

4. RESULTS

Results of the above work programs are presented in the following two reports:

"EL 2/96 - Trial Harbour Area. Annual Report for Twelve Months Ending February 1999" by L A Newnham, for Allegiance Mining NL, 22 March 1999

"EL 2/1996 - Tenth Legion Area. Report for Twelve Month Period ending February 2000" by L A Newnham, for Allegiance Mining NL, 25 March 2000

5. CONCLUSIONS

Mapping and lithogeochemical surveys suggest that most of the magnetic anomalies in the Tenth Legion area are due to magnetite skarns developed in altered calcareous sediments as a result of the intrusion of the

Heemskirk Granite. Such environments are not regarded as prospective for Avebury style deposits.

Drilling completed by previous explorers supports this view as no holes intersected either significant nickel or large masses of altered ultramafics.

Drilling did however identify two zones of significant zinc mineralisation in altered carbonate rocks. Whilst this mineralisation is considered sub-economic in the current market, it is probable that at some point in the future, it will be subjected to further exploration, driven by a more favourable zinc market.

6. FINAL REHABILITATION REPORT

The only ground work undertaken by Allegiance was mapping and manual rock sampling. General access for this work was by foot.

No new tracks or roads were developed and no existing tracks or roads were reopened.

Because there was no ground disturbance by the tenement holders, no rehabilitation work was undertaken.
