

Shaw Excavations Pty Ltd
EL 6/99 – Golden Ridge
Partial Relinquishment Report

Ken Morrison

9 June 2002

LIST OF CONTENTS

SUMMARY	page 1
TENEMENT INFORMATION	1
YEAR 1 EXPLORATION RESULTS	1
YEAR 2 EXPLORATION RESULTS	3
REFERENCES	3

SUMMARY

EL 6/99 is a 30 km² licence in the Golden Ridge area NE Tasmania, which was originally acquired for its joint gold and dimension stone prospectivity.

Work completed to date has concentrated on the gold prospects at Brilliant-Golden Ridge and New Carthage-Trafalgar, and the Company considers that the potential for a viable gold deposit suitable for its capabilities has decreased as a result of this work.

Consequently, future work will be restricted to testing the dimension stone potential of the Hogans Road Diorite and this target is contained in a 4.5 km² area. The remainder of EL 6/99 is to be relinquished.

TENEMENT INFORMATION

EL 6/99 is a 30 km² licence in the Golden Ridge area, NE Tasmania (Figure 1).

The licence was issued to Shaw Excavations Pty Ltd on 27 July 1999 for a 5 year period, with the Year 3 anniversary due on 9 July 2002. Shaw Excavations hold 100% equity in the licence.

Access is via the all weather gravel forestry roads, Hogans Road and Granite Knob Road, which link the South Esk Valley to the east coast towns of St Helens and Scamander. An extensive network of forestry roads and vehicular tracks connect to Hogans Road within the EL boundary.

Land Tenure is entirely State Forest (multiple use), with wood production and plantation establishment currently active over much of the licence area.

YEAR 1 EXPLORATION RESULTS

Surpac modelling of previous exploration drilling around the Golden Ridge-Brilliant workings identified a steeply plunging envelope of low grade gold mineralisation containing approximately 25,000 ounces @ 1.6 – 1.9 g/t (depending on the model parameters) from surface to 300 metres vertical depth. The mineralisation was modelled to a confidence level sufficient for an Inferred Resource estimate but the overall grade is too low on such a small resource. Mineralisation is open at depth and to the northeast and the distribution of higher grade intersections inside the envelope suggests there is reasonable potential, via infill and extensional drilling, to double the resource and delineate a higher grade deep zone beneath a low grade surficial oxide zone deposit (Morrison et al., 2000).

Preliminary investigations into the potential for discovering a “black granite” dimension stone resource within the Hogans Road Diorite identified one facies – a coarse grained hornblendite – which at the hand specimen scale exhibits the colour, texture and polishing properties sufficient to justify an exploration program.

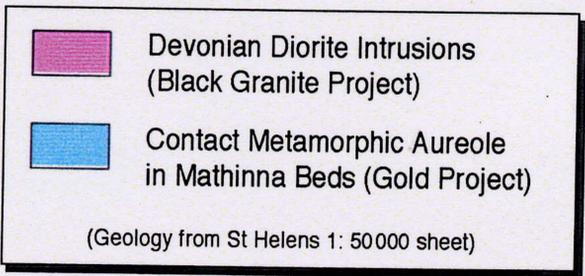


Figure 1

SHAW EXCAVATIONS PTY LTD
 EL 6/99 Golden Ridge
 Location Map

Compiled: K.C.Morrison	Drawn: R.Carroll	Date: June 2002
------------------------	------------------	-----------------

Magnetic susceptibility measurements on cut boulders showed the hornblendite to be consistently more magnetic than other rock types within the Hogans Road Diorite and therefore ground magnetics is considered a promising mapping tool. .

YEAR 2 EXPLORATION RESULTS

Two inclined 60 metre RC percussion holes were drilled to test the east-west strike option for mineralisation sourcing the surface rock chip anomalies discovered by Billiton in the New Carthage portion of the area currently called the Trafalgar prospect (Morrison, 2001).

Both holes were drilled within the contact aureole, approximately 100 metres east of outcropping granite at the Trafalgar workings and confirmed a broad zone of very low grade gold dispersed through the mainly granoblastic biotite hornfels in that part of the aureole. Although 22 one metre intervals returned assays of >0.1 ppm Au, only three disconnected intervals returned >1 ppm Au. The dispersed nature of the gold, the lack of correlation between gold values and logged visible pyrite and the absence of evidence for a structural control on gold, all downgrade the prospect. The results are essentially identical to those achieved by Billiton in their three hole east-west fence of percussion holes drilled in 1992, suggesting that the aureole carries widespread elevated gold (which may be fracture hosted at the very small scale) and that supergene enrichment during regolith development may explain both the rock chip anomalies and the frequent shallow prospectors diggings around the prospect area.

The results to date provide little encouragement for a near surface economic deposit remaining undetected inside the 10 ppb soil BLEG contour anomaly threshold (Morrison, 2001), but there is potential for detailed structural mapping of mineralised and barren veins and fractures, to determine the orientation of a deeper cored hole drilled through the aureole and into the Trafalgar granite.

REFERENCES

Morrison, K., Garrard, D. and Fulton, R. 2000. EL 6/99 Golden Ridge Year 1 Annual Report.

Morrison, K. 2001. EL 6/99 Golden Ridge Year 2 Annual Report.