

ANDERSONS CREEK EL 02/01
ANNUAL REPORT
2001 – 02



Layered Ultramafics –Tattersalls Road

P.B. Hills
July 2002

BEACONSFIELD MINE JOINT VENTURE

E.L. 02/01

ANNUAL REPORT 2001-02

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1. SUMMARY

EL 02/01 covers approximately 52km² in the Andersons Creek area and runs along a narrow NNW trending corridor from Holwell to Yorktown, 3km west of Beaconsfield in Northern Tasmania, overlapping the boundaries of the Port Sorell, Bell Bay, Harford, Beaconsfield and Exeter 1:25,000 map sheets. It is held by Allstate Prospecting P/L on behalf of the Beaconsfield Mine Joint Venture (BMJV).

The licence covers predominantly State Forest and agricultural land on generally low level and relatively flat land in the north becoming somewhat steeper and reaching elevations above 350m in the south. It is well serviced by a network of good quality sealed and unsealed roads.

The primary commodity sought by exploration is gold, with the geographic centre of the licence being less than 3km from the BMJV processing plant off Holwell Road.

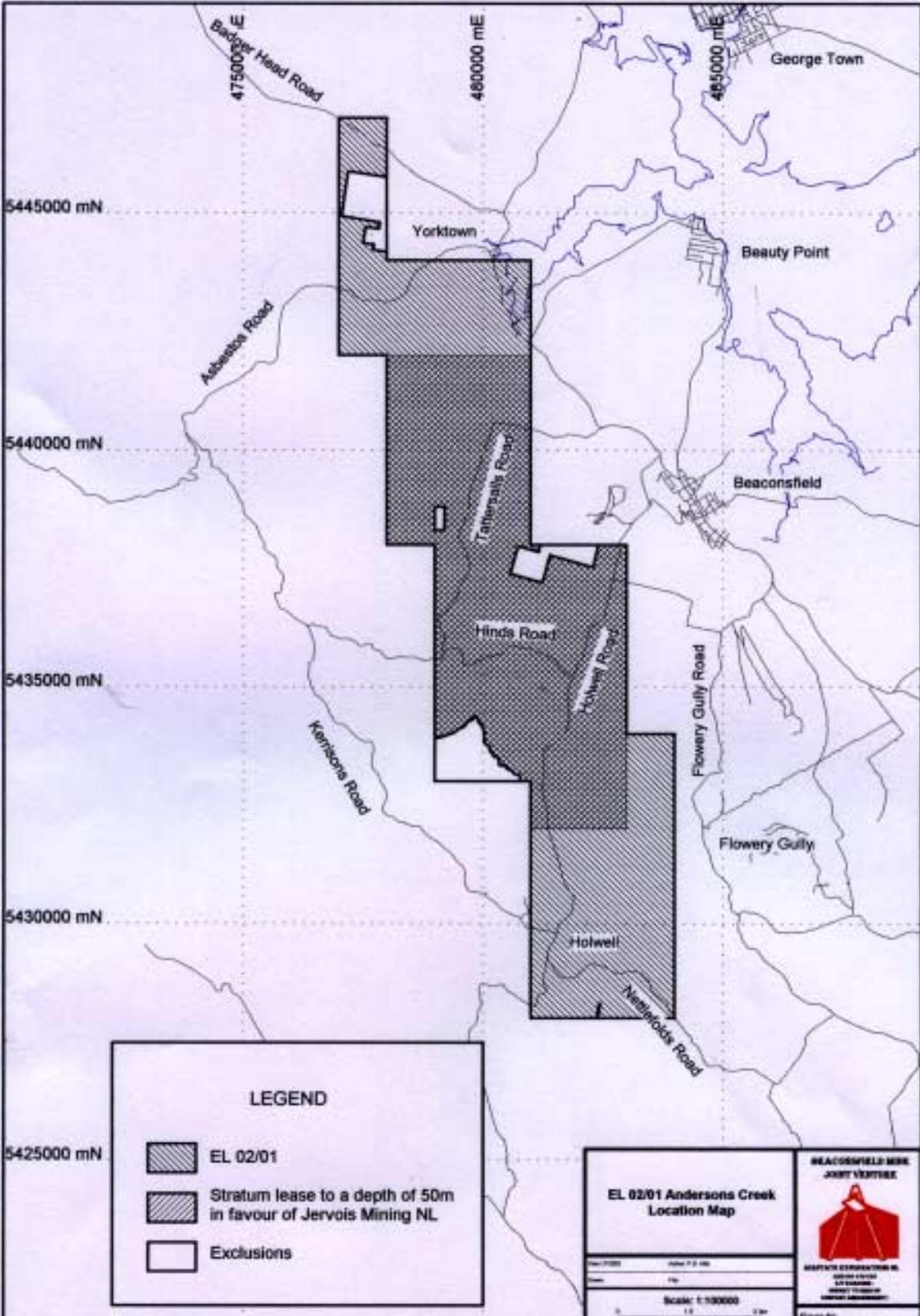
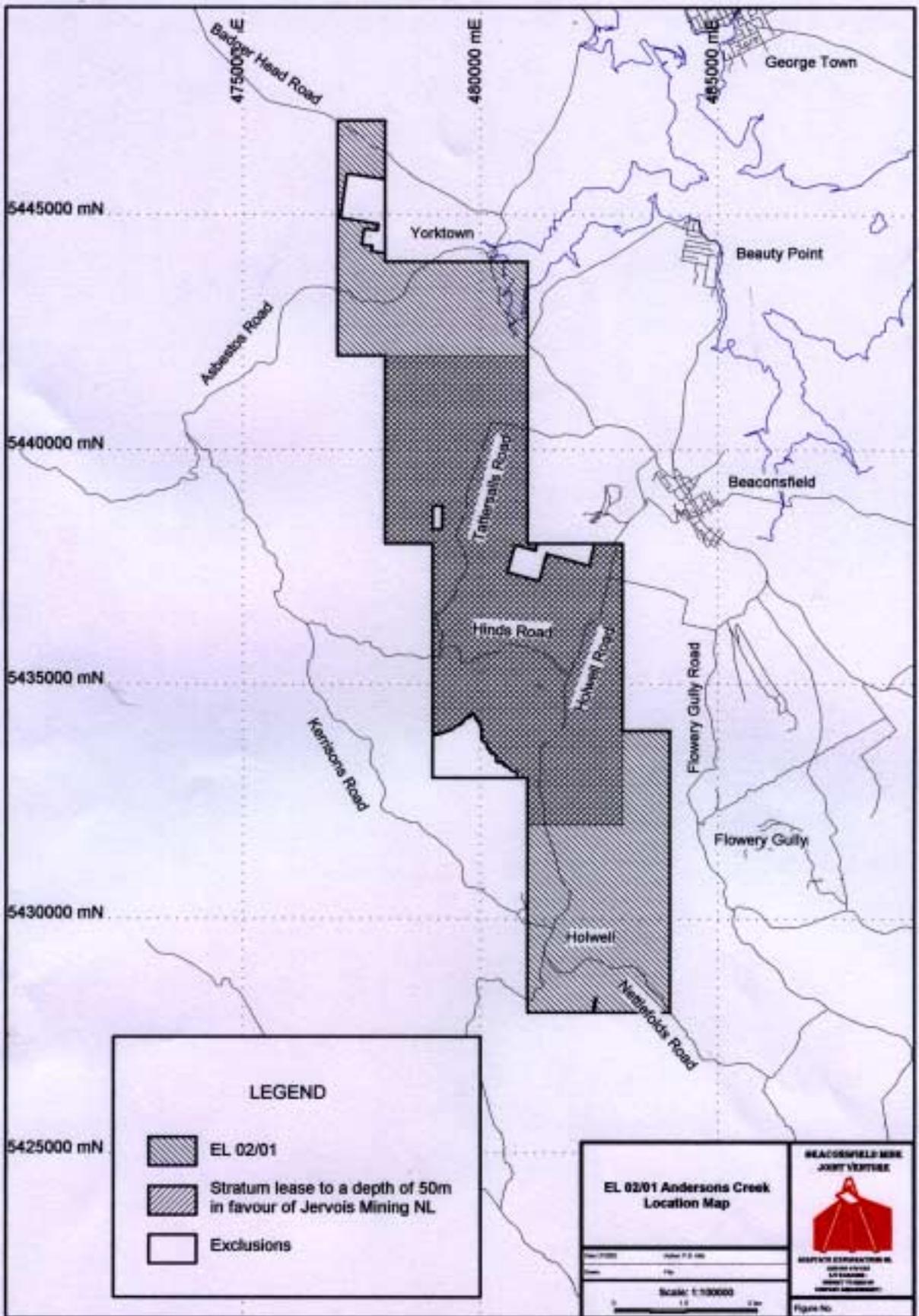
2. LAND TENURE

EL 02/01 (Andersons Creek) covers 55 km² (figure 1). The licence was granted to Allstate Prospecting P/L on behalf of the Beaconsfield Mine Joint Venture on 22nd June 2001 for a period of 5 years.

An area 34km² to a depth below surface of 50m is excluded in favour of Jervois Mining NL although Allstate Prospecting P/L retains the right to carry out all normal exploration activities over the area in order to target mineralisation at depth.

Additional exclusions include mining leases held by other parties (including ML 6M/2000 held by BMJV) over 260ha, the Holwell Gorge State Reserve over 1.6km² and various other Crown reservations over 10ha. Thus, approximately 52km² is available for exploration.

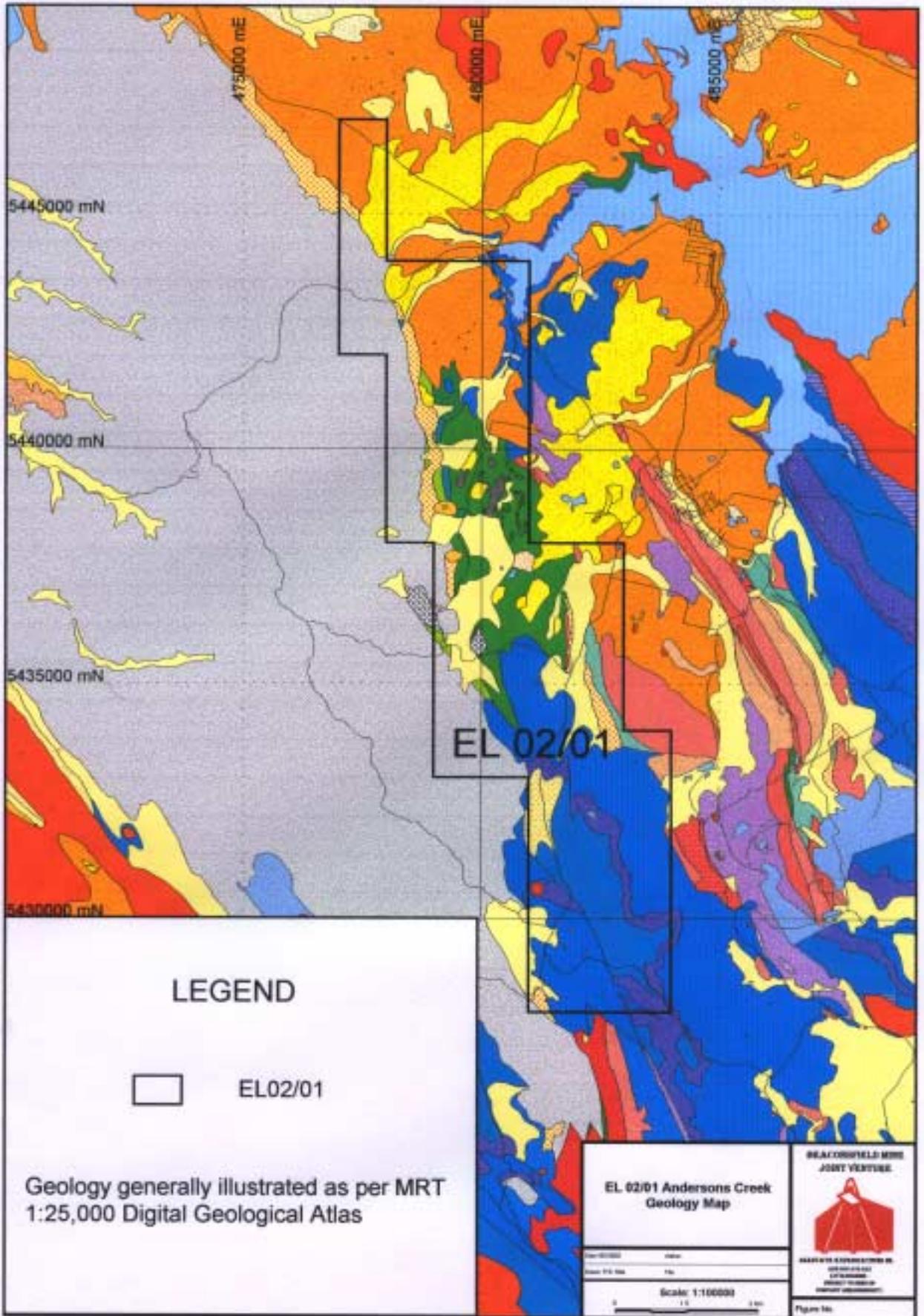
The licence is due to expire on 22nd June 2006.



3. GEOLOGY AND EXPLORATION PHILOSOPHY

The geology of the Licence is dominated by the Andersons Creek Ultramafic Complex which outcrops between the Proterozoic Badger Head Group to the west and the overlying Lower to Middle Palaeozoic rocks to the east. Current understanding of the geology of the Andersons Creek Ultramafic Complex and associated Simmonds Hill Metamorphics was recently summarised by Reed, Zengerer and Roach (2001) (figure 2).

The exploration philosophy for the licence is to identify structural targets which might provide suitable sites for gold mineralisation, either within the Andersons Creek Ultramafic Complex or in the adjacent packages of Proterozoic to Devonian age. A specific interest is the potential to map dolomite + magnesite + magnetite alteration assemblages associated with major thrust faults as a vector to mesothermal gold mineralisation.



LEGEND

□ EL02/01

Geology generally illustrated as per MRT
1:25,000 Digital Geological Atlas

| | | |
|---|---------------------------|---|
| EL 02/01 Andersons Creek Geology Map | |  BEACONFIELD MINE JOINT VENTURE <small>BEACONFIELD MINE OPERATION UNITED TECHNOLOGIES MINERALS DIVISION</small> |
| <small>Map No. 02/01</small> <small>Scale 1:100000</small> | <small>Figure No.</small> | |

4. WORK COMPLETED 2001 – 02

No work was undertaken during the first year of the Licence. This was primarily due to Joint Venture Partners Allstate Explorations NL and Beaconsfield Gold NL being placed in Voluntary Administration and Voluntary Receivership respectively in June 2001.

5. WORK PROPOSED 2002 - 03

Over the past few months, the Beaconsfield Mine Joint Venture (BMJV) has been in negotiation with Diamond Ventures NL (DDV) of Sydney with a view to DDV having access to the BMJV tenement portfolio for the purpose of conducting exploration. The structure of the agreement between BMJV and DDV is such that DDV will plan and manage all exploration activities with the aim of repayment for exploration expenditure upon discovery and a Royalty payment based on production.

The details of the agreement with DDV are currently confidential. However, it is incumbent upon DDV to ensure that all tenements remain in good standing statutorily. The agreement is due for ratification shortly.

6. EXPENDITURE

6.1 2001 - 02 EXPENDITURE

Nil.

6.2 2002 - 03 EXPENDITURE

While details of work to be undertaken are not finalised and in any case will be for determination by DDV, the BMJV / DDV agreement is structured such that the statutory requirement of expending \$80,000 by the second anniversary of the tenement are expected to be satisfied or exceeded.

7. REHABILITATION

No activity was undertaken on EL 02/01 that required rehabilitation.

8. REFERENCES

Reed, A.R., Zengerer, M. and Roach, M., 2001. Andersons Creek Ultramafic Complex and Simmonds Hill Metamorphics, in *Structure and setting of Proterozoic and Palaeozoic rocks in the Tamar region, Northern Tasmania*, (Ed. A. R. Reed), Geological Society of Australia Specialist Group in Tectonics and Structural Geology – Field Guide No. 9. Pp. 43-55.