

Allegiance Mining NL

EL 28 / 1988 - ZEEHAN AREA

PARTIAL RELINQUISHMENT REPORT

Prepared For:

**Allegiance Mining NL
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1. EXPLORATION BACKGROUND and PHILOSOPHY

Exploration on the eastern end of EL 28/1988 (the area to be relinquished) was undertaken primarily for zinc sulfides hosted by Proterozoic sediments within the Zeehan basin.

More recently, data over the area has been re-assessed to evaluate the area's prospectivity for Auebury style nickel sulfide deposits.

2. WORK COMPLETED

Prior to the granting of EL 28/1988, the subject area was extensively explored during the 1980s by RGC for replacement tin deposits on the basis of the existence of a broad, deep seated aeromagnetic anomaly within an area underlain by faulted Cambrian-Precambrian sediments.

They completed several drill holes in the immediate Stonehenge area. No tin was encountered but one hole, TH 12, intersected substantial Pb-Zn mineralisation.

CRA (Rio Tinto) regarded this area as having potential for sediment hosted Zn mineralisation and undertook a substantial amount of work in the area.

In 1993 three (3) cored holes, ZS 1, ZS 2 and ZS 3, were drilled to test a faulted sequence of carbonates and black shales.

Two of these, close to TH 12, intersected significant Pb-Zn-Ag mineralisation.

In 1995 twenty-seven (27) air-core holes were completed around these drill holes. Four (4) of these holes (ZS 5, 6, 8, 10) intersected significant sulfides.

In 1996 a fourth cored hole, ZS 31, was completed to follow up these results. Again, significant mineralisation was intersected. Drilling of 163 deep (wacker) soil samples was undertaken to attempt to define the surface extent of the ZS 31 mineralisation. This work defined a 600 m long E-W Zn anomalous zone, open to the west.

An Honours thesis completed in 1996 suggested the Stonehenge area was underlain by a structurally complex sequence of sediments known to host significant stratabound, stratiform and hydrothermal vein hosted Pb-Zn-Ag mineralisation.

In 1997 management of exploration on EL 28/1988 was transferred from RTE (CRA) to Allegiance Mining NL.

Allegiance supported the view that the Stonehenge area had potential for shale hosted zinc deposits and tested this potential in 1999 with a further two (2)

cored drill holes DDH S 33 and S 34 totalling 495 m.

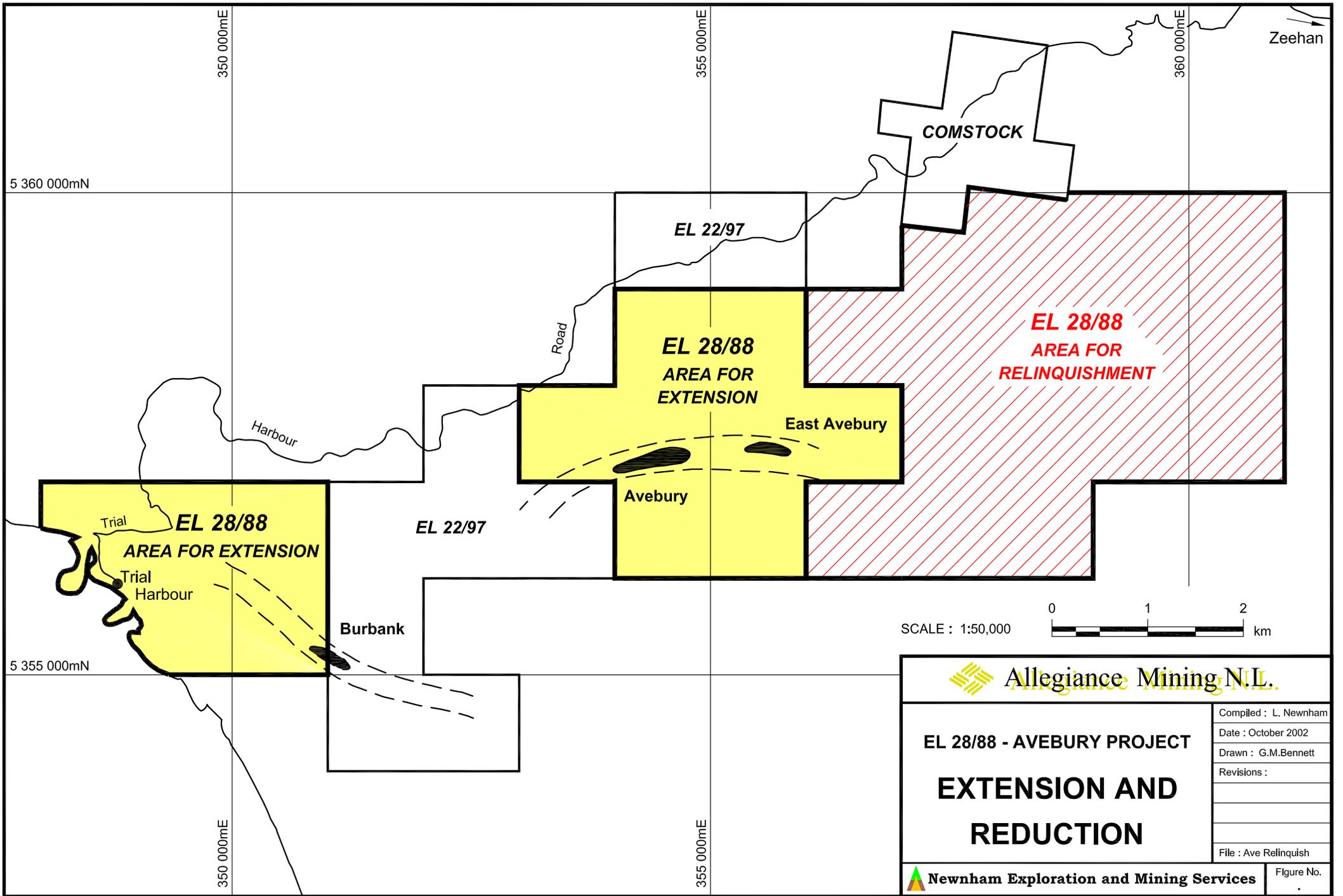
The targeted shale host unit was severely weathered and core recoveries were poor. The best intersection was 4 m 1.26% Zn. The intersections supported the target concept. Further drilling was recommended but was not completed.

Meanwhile, Allegiance flew the area with a high resolution aeromagnetic survey as part of the Avebury nickel sulfide exploration program. The area was interpreted as underlain at substantial depth by magnetically anomalous rocks, possibly altered mafic and ultramafic formations (Fig 3).

3. REFERENCES

- (i) "EL 28/88 Zeehan Tasmania. Statutory Progress Report for the Period Ending 9th November 1991. CRAE Report No 17636" by TG Summons, 1991
- (ii) "Zeehan No. 1 EL 28/88, Tasmania. Report on Exploration for the Fourth Year of Tenure, 9/11/91 - 9/10/92. CRAE Report No 18355" by RG Parkinson, 1992
- (iii) "Zeehan No 1 EL 28/88, Tasmania. Report on Exploration for the Fifth Year of Tenure, 9/11/92 - 9/11/93. CRAE Report No 19284" by RG Parkinson, 1993.
- (iv) "Zeehan No 1 EL 28/88, Tasmania. Report on Exploration for the Sixth Year of Tenure 9/11/93 - 9/11/94. CRAE Report No 20424" by RG Parkinson, 1994.
- (v) "Zeehan No 1 EL 28/88, Tasmania. Report on Exploration for the Seventh Year of Tenure 9/11/94 - 9/11/95. CRAE Report No 21102" by SJ Tear, 1995.
- (vi) "Eighth Annual Report for the Period Ending 09 November 1996, EL 28/88 Zeehan 1, Tasmania. CRAE Report No 22160" by SJ Tear and SAJ Russell, November 1996.
- (vii) "EL 28/88 - Stonehenge Prospect. Report on Drilling Program September-October 1999" for Allegiance Mining NL, by LA Newnham, 15 October 2000.

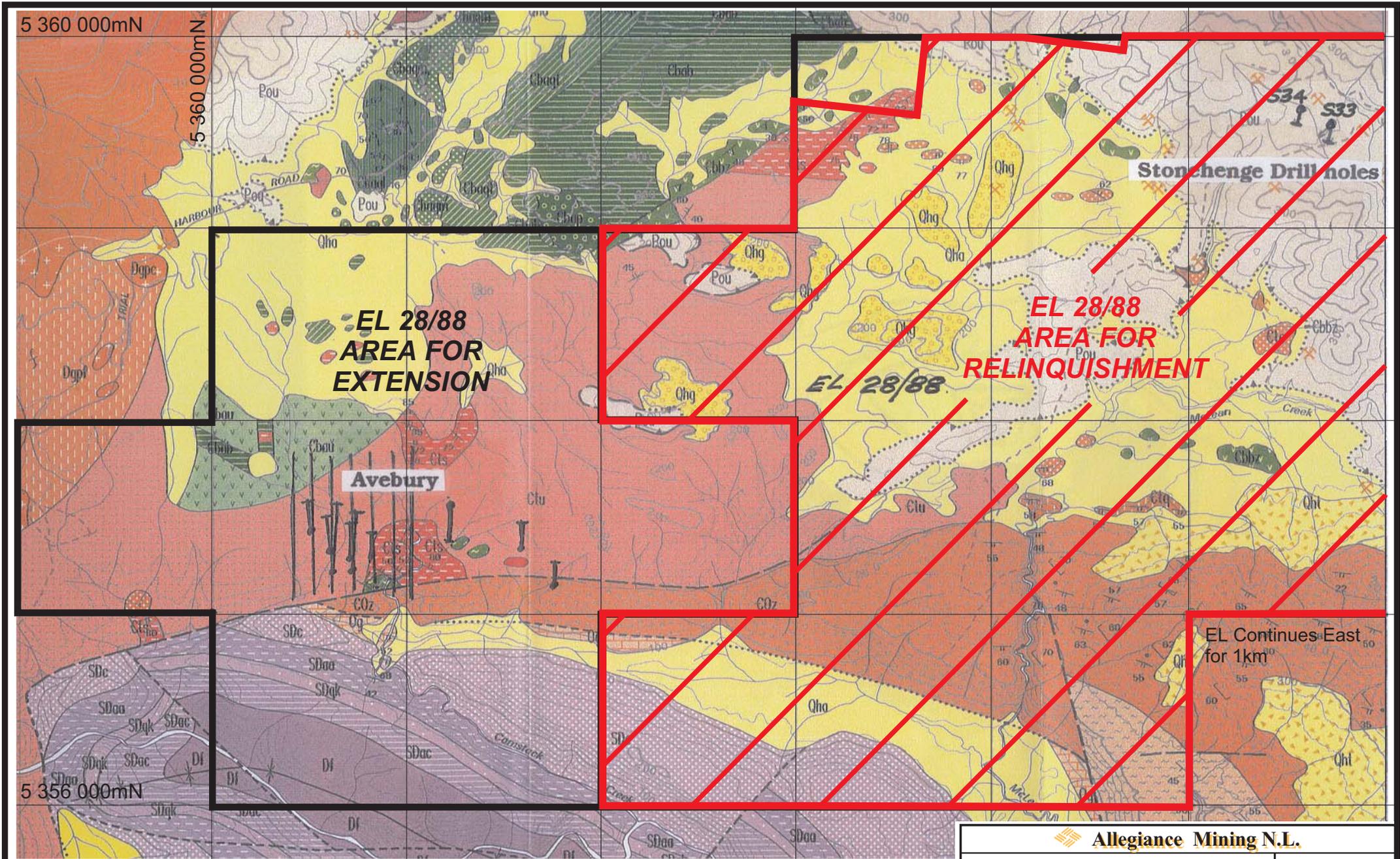
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SCALE : 1:50,000

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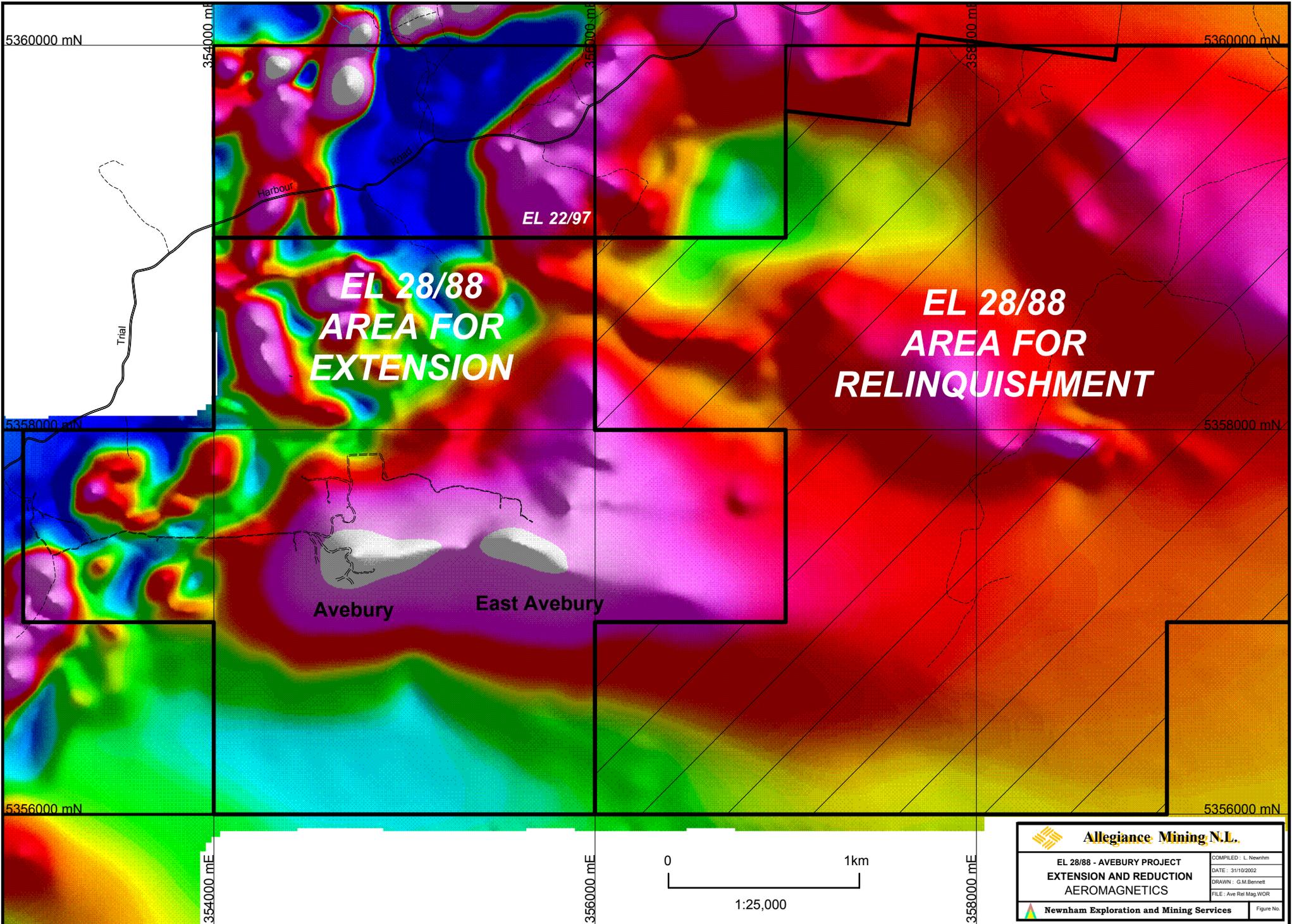
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EL 28/88 - AVEBURY PROJECT	
EXTENSION AND REDUCTION	
Compiled : L. Newnham Date : October 2002 Drawn : G.M.Bennett Revisions : _____ _____ File : Ave Relinquish	
 Newnham Exploration and Mining Services	Figure No. _____



SCALE 1:25,000 (Approx)

Map is a collation of State 1:25,000 Trial Harbour and Heemskirk sheets

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EL 28/88 - AVEBURY PROJECT EXTENSION AND REDUCTION GEOLOGY		Figure No.	
 Newnhan Exploration and Mining Services			



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EL 22/97

**EL 28/88
AREA FOR
EXTENSION**

**EL 28/88
AREA FOR
RELINQUISHMENT**

Avebury

East Avebury

Harbour

Road

Trial



1:25,000

 Allegiance Mining N.L.	
EL 28/88 - AVEBURY PROJECT EXTENSION AND REDUCTION AEROMAGNETICS	
COMPILED : L. Newnham	DATE : 31/10/2002
DRAWN : G.M. Bennett	FILE : Ave Rel Mag WOR
 Newnham Exploration and Mining Services	Figure No.