NABOWLA
EL38/94
ANNUAL REPORT

FOR THE PERIOD 12/11/01 – 11/11/02

Peter Komyshan

November 2002

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FIGURES

APPENDICES

1.0 TENEMENT INFORMATION

1.1 Location

E.L. 38/94 "Nabowla" is located in north-east Tasmania, west of Scottsdale and north of Lilydale (Figure 1).

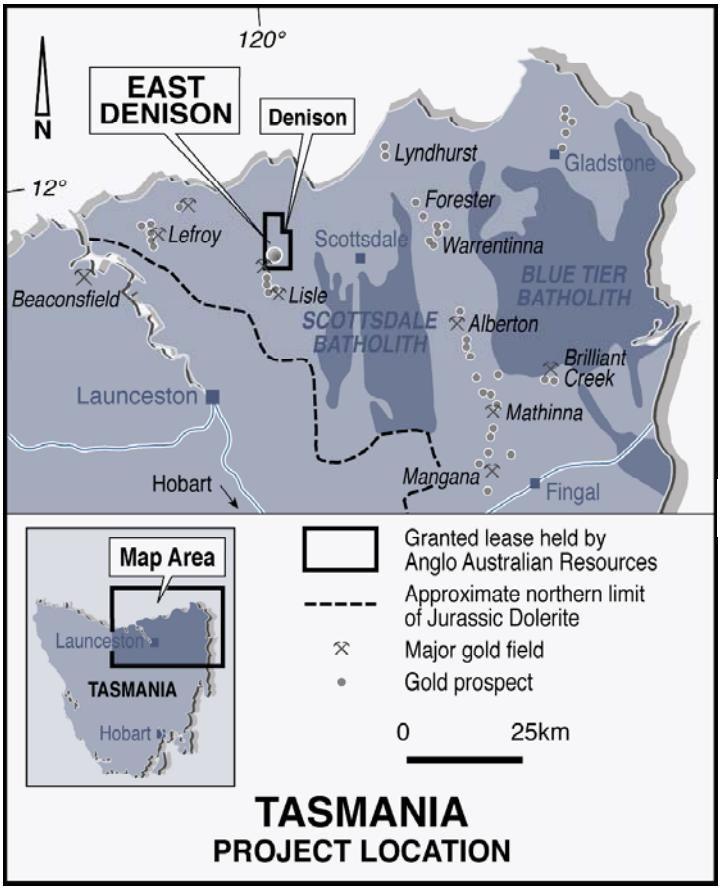

Figure1

1.2 Tenure

The licence was granted to Silverthorne Resources on the 11th of November, 1994. Anglo Australian Resources N.L. joint ventured into the licence on the 13th of June, 1995. The licence was due for a 50% compulsory reduction on 11 November 1999. However, as part of a rationalisation of the company's lease holding in North East Tasmania, Anglo Australian Resources voluntarily elected to reduce the tenement to 108 square kilometres

in June 1999. An additional voluntary reduction to 66 square kilometres was completed in June 2002. The area retained is shown in Figure 2 and shows the current tenement outline.

1.3 Land Status/Usage

The majority of the land area covered by the E.L. is private freehold land and is used for a variety of purposes including private forestry, cropping, and mixed farming. The remainder is mostly State Forest and is being used for production forestry.

1.4 Topography/Vegetation

The E.L. consists of gently undulating topography covered by open dry eucalypt forest where clearing for agriculture has not taken place. Gullies carry wetter, denser vegetation.

2.5 Access

Access is generally very good. There are many roads and tracks in areas cleared for agriculture and where logging operations have been or are taking place. The Denison gold field is approximately 30-40 minutes drive from Launceston

2.0 GEOLOGY

The Eastern Tasmanian Terrane is the southernmost Australian expression of the Lachlan Fold Belt, and in north eastern Tasmania it is comprised of an early Ordovician to early Devonian folded succession of tubiditic quartzwackes and pelites (the Mathinna Group) which have been correlated with rocks of the Melborne Trough in Victoria. Mathinna Group rocks have undergone regional low-grade metamorphism and thermal metamorphism where they have been intruded by calc-alkaline granitoid batholiths of Devonian age. Thermal aureoles are commonly sharply defined and vary in width from about 800 to 5,000 meters. Flat-lying sediments of the late Carboniferous – early Permian to Triassic Parmeener Supergroup unconformably overlie both the Mathinna Group and the Devonian granitoids. The Parmeener Supergroup rocks are intruded by thick sheets of Jurassic dolerite. Areas of Tertiary basalt and associated Tertiary sediments occur in north eastern Tasmania and in some places have filled pre-existing drainage systems to form

deep leads, some of which contain alluvial gold. Quaternary alluvium occurs in river valleys and in coastal areas Quaternary windblown aeolian sands obscure much of the underlying bedrock.

Gold mineralisation occurs in the Mathinna Group sediments throughout north east Tasmania. At some locations the gold mineralisation appears to be granitoid related, as at Golden Ridge and in the Lisle-Golconda-Panama goldfield, and in other locations there is no spatial relationship to granitoids, such as the Lyndhurst-Alberton-Mathinna-Mangana "gold corridor" and the Lefroy goldfield. In this respect, there are similarities with the gold mineralisation in Victoria. At Gladstone, textural evidence in a gold and tin bearing rock from the thermal aureole of a granitoid suggests that gold mineralisation occurred before thermal metamorphism and that tin mineralisation was subsequent to thermal metamorphism (Roach, 1994).

Approximately 75% of the area of E38/94 is underlain by Mathinna Group sediments. Apart from some 5% Tertiary basalt and gravel cover, the rest of the area is covered by Quaternary sands and alluvium.

Mathinna Group rocks mapped in the area (Marshall et al, 1965) are predominantly siltstones and sandstones. However, a significant unit of pelitic rocks, considered to be a

more favourable lithology for gold mineralisation in "slate belt gold" regions, occurs near the Lebrina area.

Structurally the Mathinna Group sediments are broadly folded in sub-horizontal NNW trending fold axes, although there is only sparse structural data available from the Mines Department mapping.

Gold mineralisation occurs in quartz reefs, veins or stockworks, typically trending ENE and associated with pyrite and/or arsenopyrite or galena, or in veins and shears associated with NNW trending shear systems. McIntosh Reid (1925, 1926) has also reported gold mineralisation at the Bessells Reward Prospect near the Lisle goldfield as occurring in a "gold impregnated sandstone" which is not associated with quartz veining but rather with secondary mica and varying degrees of ferruginisation.

3.0 EXPLORATION CARRIED OUT

3.1 Data review

All data relating to the project was reviewed and compiled. This work consisted of the following activities:

- All the original data was collected on two separate local grids. All data coordinates (geochemistry and drilling data) were converted to AMG grid and data was compiled onto a single plan (Figure 3).
- A sketched geology plan and topographic information was converted to GIS (Mapinfo) format and is presented in conjunction with geochemical data and drill hole locations (Figure 4).
- Regional Airborne magnetic data was reprocessed to highlight the detail in areas of low magnetic contrast (Figure 5). This processing has highlighted a number of subtle features in the data

5.2 Field Checking

Consultant Roger Poltock was contracted to examine the project with the following specific tasks:

- GPS location of historical workings and potential lode orientations for each area (if possible). The best map that I have at the moment is a 1:25,000 sketch map of reconnaissance work drawn on an aeromagnetic interpretation (see attached).
- The nature of the East Denison mineralised structure. Recommendations for further drilling to make a quantum leap in the potential ie. There is no point in a drilling program that will achieve only incremental resource increases.
- Examine the nature of the gold in soil anomalous zone west of East Denison (but parallel to East Denison) with possible recommendations to drill?
- Examine the east west trending soil anomaly west of the Denison River. Is there a logical reason why this area has not been drilled?
- Evaluate the best way to assess an area of stream sediment anomalies and historical workings located north of the Denison River, north of the Denison grid and west of the East Denison Grid. A soil sampling program may be the most appropriate, but what orientation should the grid be placed?

- A two point soil anomaly on the far south western corner of the Denison grid (see attached compilation plan). Has it any relevance? Should the current Denison grid be extended in any way
- Location of drill holes on the ground which may not be in the data base. Anglo gave permission for Frank Bargenhagen to drill one of the historical workings, there are no details of results of this program in the files.
- A brief assessment of environmental liabilities. MRT claim chip bags from drilling programs are still lying around. To what extent is this true and how much work is required to clean it up.

Roger Poltock's Report is attached in Appendix A.

4.0 DISCUSSION

4.1 East Denison

The East Denison Prospect contains two parallel NNE trending zones of gold in soil anomalism.

The Eastern zone corresponds to a local topographic high and a zone of silicification Drilling of the eastern soil anomaly has located a shallow east dipping zone of gold mineralisation of moderate width plunging to the SSE eg 6m @ 6.38 g/t Au. The Wiangatta historical mine is located 350m down this plunge direction. The plunge line also parallels a faint trend evident in the magnetic data (interpreted as the trend of stratigraphy rather than a fault line). The mineralised zone sits 5 – 10 m below the current land surface (within the weathered zone), possibly paralleling the Tertiary erosion surface. Mapping of trenches and drill pads indicates quartz veins are both steep and flat dipping. There are two strong explanations for the location of the mineralisation:

a) The mineralisation corresponds to a flat dipping zone of silicification and quartz veining. The plunge of the higher grade zone is controlled the intersection of a flat structure with a particular lithological unit.

b) The mineralisation is a supergene enrichment zone of low grade steeply dipping quartz veins. The mineralisation is paralleling to the former Tertiary erosion surface and sub-paralleling the current surface.

Without additional drilling there is insufficient evidence to determine which scenario is more probable. Clearly scenario a) has the greater economic potential. A program of wide spaced drilling testing the down plunge potential of the mineralisation is proposed.

The western geochemical anomaly has a strike extent of 1100m and in part corresponds to the historical Globe and Royal Treasury workings. However vein orientation measurements at these workings bear no relation to the trend of the geochemical anomaly. The anomaly corresponds to a subdued topographic profile. The anomaly remains untested. Drilling is recommended.

4.2 Other areas

- The main historical producer in the district the Sir William Denison mine remains untested
- Anomalous soil samples collected on the south western and south eastern corners of the Denison grid are associated with an alluvial terrace and not bedrock responses.
- The source of the stream sediment anomalies on the northern slope of the Denison valley (immediately north of the Denison grid remain unresolved

APPENDIX A

Notes and diagrams from
Contract Geologist Roger Poltock

EL 38/1994 NABOWLA

NOTES ON DATA AND FIELD REVIEW
For ANGLO AUSTRALIAN RESOURCES NL
Roger Poltock Geological August 2002

Review comprised ½ day data review followed by one day in the field. Ex Anglo Australian field hand Vanessa Lee showed me around the prospects. Mike Smith at Forestry Tasmania's Scottsdale office(036352 6461) was contacted re gates and current forestry activities in the area.
The following notes address each of the points outlined for investigation in Peter Komyshan's letter dated 16/8/02.
All bearings are magnetic and dips and strikes are recorded as the dip direction being anticlockwise from the strike ie 135.60 is 60 to NE and 045.60 is 60 to NW.

East Denison mineralised structure is broadly interpreted as grid north trending and steeply dipping and is associated with a ~20m wide zone of silicified and quartz veined sandstoneS which underlie the ridge crest see *photo 1.* East and west of this zone Siluro-Devonian Mathinna Bed siltstones and sandstones subcrop, the latter although quartz veined are friable but not silicifide.
The better Au intercepts on 10200N and 10250N are interpreted to coincide with the intersection of the NS East Denison structure and the ENE vein trend of the Alacrity, Sir William Denison, and Star mines *see fig 1.*
Mineralization intercepted in EDRC 11, 12 and 15 is restricted to a zone between 5 and 10m subsurface and some supergene Au enrichment may have occurred. Tertiary clay and basalt outcrop on the pads of EDRC 17 and 19 indicating that the current surface may be close to the pre Tertiary erosion surface ie a long weathering history of this profile s*ee fig 2 interpretive section 10250N.*
In short I feel that previous exploration has located the best East Denison has to offer.

The following are quartz vein directions recorded on drill pads at East Denison;
-10m east of EDRC9, 065.85, 065.10, flat.
-10m east of EDRC11, 150.65 *see photo 2.*
-10m west of EDRC15, 150.55, 165.60, 160.70, 220.85.
-10m east of EDRC33, 025.80, 240.60.
-10m east of EDRC34, 055.80, 040.90, 025.90, 340.30.

Cleavage measured in road cuts 400m SW (526,365E 5,445,900N) of the above drill area 325.90 with bedding probably shallow to moderate east dipping. This cleavage appears to be the regional trend at Denison.

A typical soil profile at East Denison comprises surface quartz lag over clay weathered Mathinna Beds at EDRC33 see *photo 3*.

Gold soil geochemistry anomaly west of and parallel to East Denison. A foresty road tracks close to and possibly crosses this geochemical trend. No outcrop

observed, all road cuttings are in clayey weathering profiles probably developed on Mathinna Bed siltstone. It would take some time systematically walking lines / creeks to locate outcrop.
Being parallel to the East Denison anomaly it is most likely a similar fault / shear associated with veining and silicification, although the lack of a coincident topographic high would suggest that silicification is less developed. If more ground work was planned then the intersection with the ENE Denison mines trend would be a logical starting point.

East west trending Au in soil anomaly west of the Denison River is coincident with the Denison gold field, more specifically the Sir William Denison mine etc and from references sited probably doesn't represent an Anglo Australian target.
Recommendation:
-compile geochemistry, geology and old mine locations at the same scale to ascertain coincident features.

Area of historical workings north of the Denison River / Bardenhagen's Workings.
Difficult to comment on the prospectivity with data available. Area is easily accessed along established 4WD tracks and located in open eucalypt forest.
At 525956E 5447200N Frank Bardenhagen excavated a pit (+6m deep) in an area of limonitic quartz vein, quartzite, gossan / laterite float. Four RCP holes (Cootes 1-4) have been drilled beneath the pit, azimuth 100 magnetic and depths 60 – 75m. The pit has been rehabilitated but bags of drill cuttings are still in tact and in good order on the pads. Whether the pit was targeted purely on"geological" grounds or backed up with geochemistry is unknown.
Are these holes / assays in the Anglo data base?
The 1:25,000 East Denison Grid location plan I have shows the grid extending over this area, is this correct/ is there more geochem data?
Recommendations:
-assess complete geochemical data base for the area.
-sample and log RCP holes Cootes1-4 / or locate data.
-geological mapping along streams / roads / East Denison Grid.
-assess / explain gravity? low *see fig 1 Interpretive plan*.

Two point soil anomaly on the SW corner of Denison grid.
Grid lines have not been located in this area but from where the anomalous points plot on the 1:25,000 plan they are coincident with a broad stream valley and I would suggest that it is alluvial enrichment that has been sampled.
GPS co-ordinates in a small quarry 50m east of the stream / soil anomaly are 523,950E 5,445,105N. Outcrop at this point is of cleaved (145.80) siltstone with bedding 195.30.
Recommendations:
-evaluate quality of sampling (wacker or auger) and other element associations of the anomalous samples.

Location of drill holes not in Anglo data base.
Bardenhagen's workings, RCP Cootes 1-4 see above.

East Denison, EDRC32 – 34 on sections 10200N and 10250N see fig 3 *RC Drill Location plan.*
Maybe these holes and EDRC27 - 31 are in the annual report to October 2001?

Environmental liabilities

All the drill pads I've seen have not been rehabilitated and plastic bags of samples are still in place and in fair to good order.
Trenches have been back filled and rehabilitated.
In my opinion sites of disturbance / earthworks are stable and not eroding.
Land use in the area is forestry and extensive eucalypt plantations have been established over the northern sector of the East Denison grid (*see photo* 1), in short Anglo's earth works are not a readily discernable eyesore.
Emptying sample bags and removing plastic from site would probably amount to 2 man days, rehabilitating the drill pads would probably require 10 hours of excavator time. A rough estimate for labour and machine hire $1000 – $2000, excavators should be available locally reducing transport costs.

Photographs

1. View south along the East Dension quartz veined and silicified ridge from 526,940E 5,446,900N.

2. EDRC11 drill pad and quartz veins (150.65) hosted in cleaved siltstone and friable sandstone.

3. EDRC33 drill pad, typical soil profile of surface quartz lag and clayey weathering.

Figures

1. Interpretation, Denison/ East Denison trends and gravity? low.
2. East Denison drill section 10250N.

East Denison RC drill location.

Photo 1:

View south along the East Dension quartz veined and silicified ridge from 526,940E 5,446,900N.

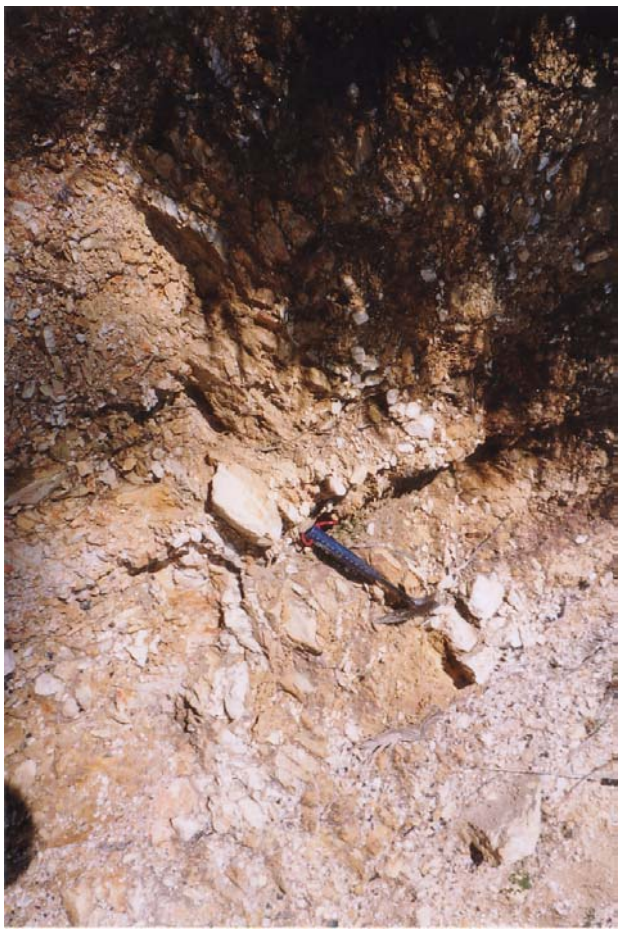

Photo 2a:

EDRC11 drill pad and quartz veins (150.65) hosted in cleaved siltstone and friable sandstone.

Photo 2b:

EDRC11 drill pad and quartz veins (150.65) hosted in cleaved siltstone and friable sandstone

Photo 3a

Typical drill pag requiring rehabilitation

Photo 4:
EDRC33 drill pad, typical soil profile of surface quartz lag and clayey weathering.

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CRADLE MOUNTAIN ROAD
WILMOT, TAS. 7310

P.O. BOX 3
DEVONPORT, TAS. 7310
AUSTRALIA

Fig-2

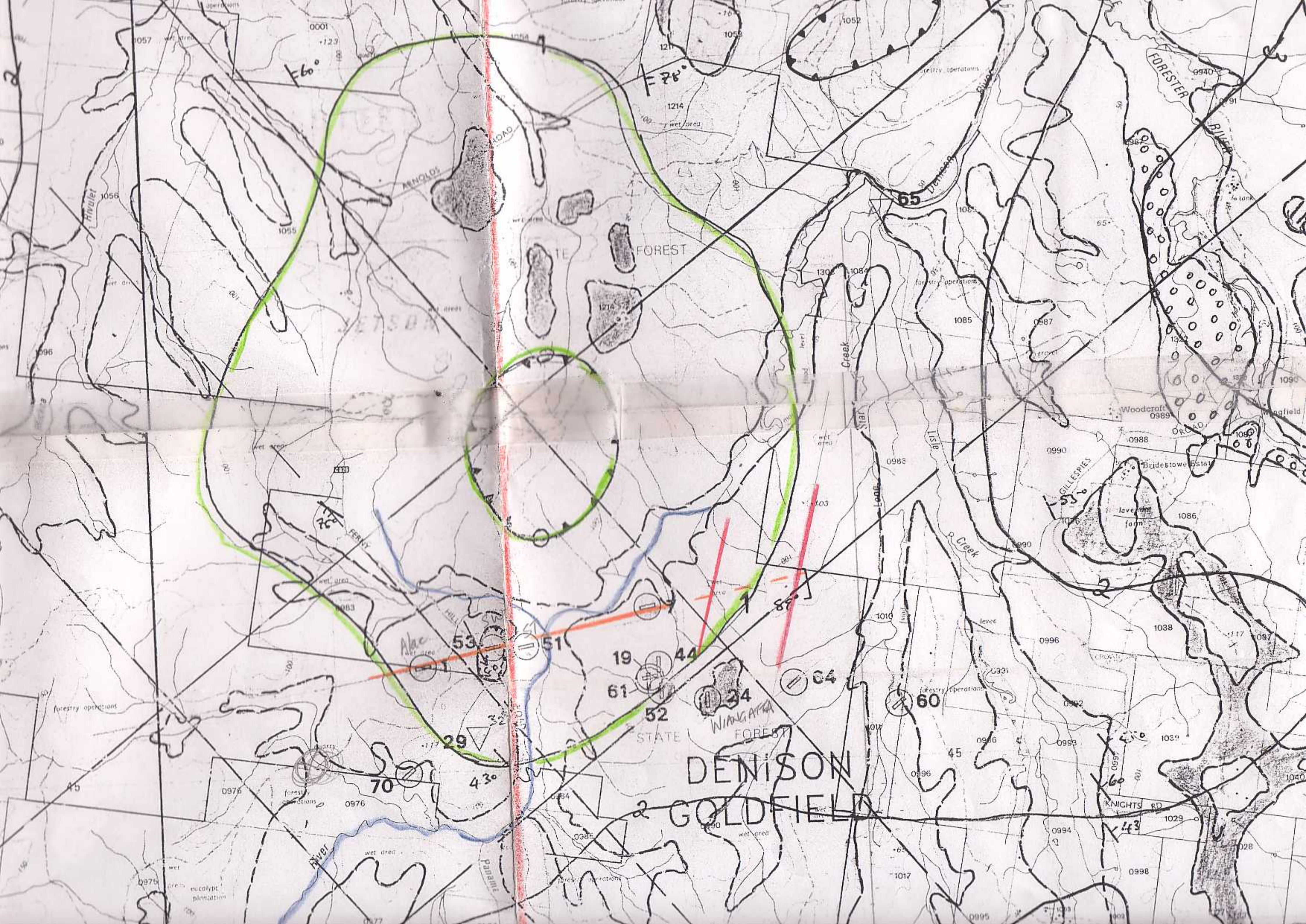
1:25,000

Interpretive plan

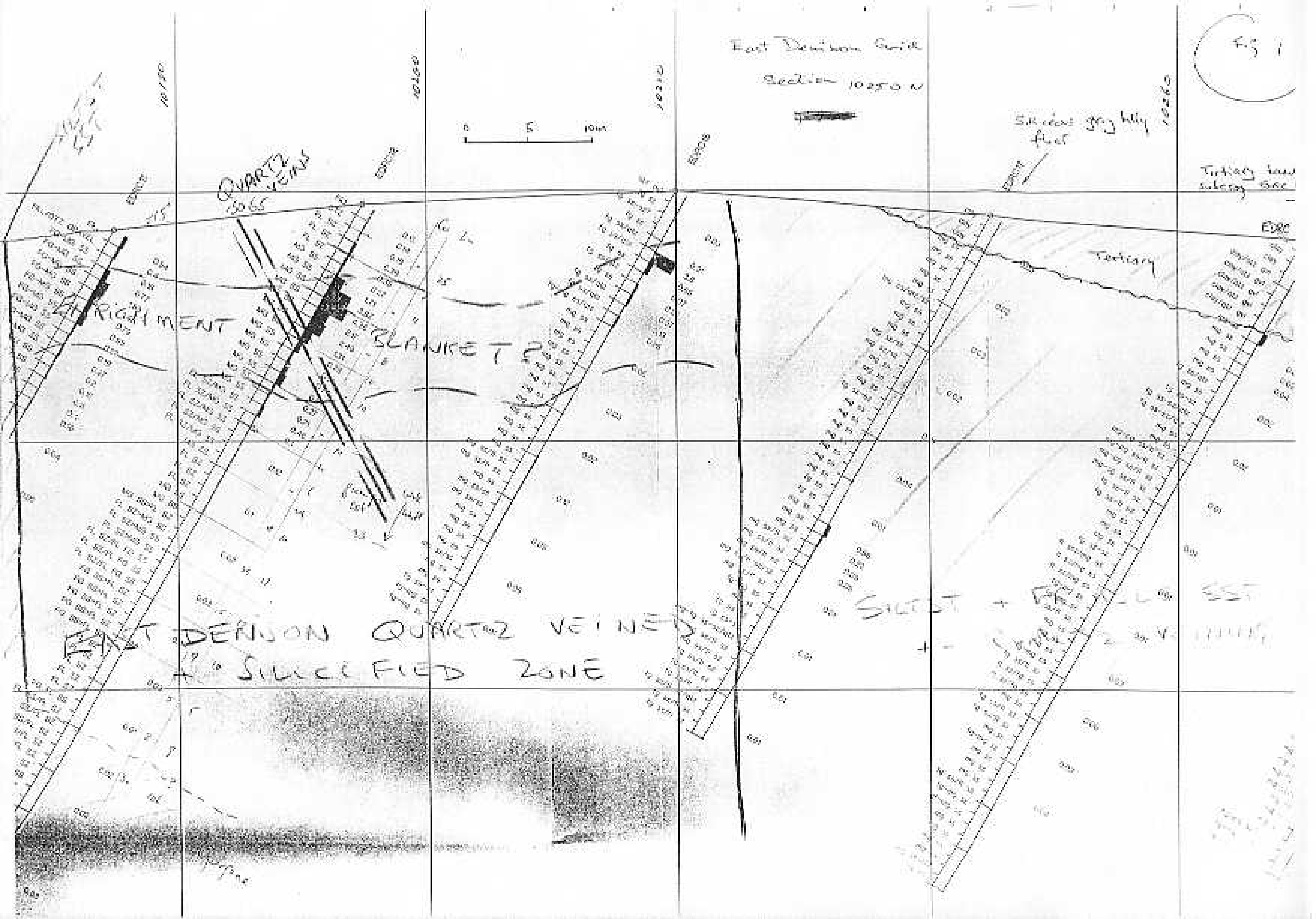
East Denison Au geochem anom

DENISON MINES VEIN TREND.

Gravity? low



DENISON
GOLDFIELD
STATE FOREST
FOREST
WIANGATTA
FORESTER RIVER
Rivulet
ARNOLDS ROAD
FERNY HILL
Creek
Lisle Creek
Denison
Woodcroft
Bridestowe Estate
lavender farm
GILLESPIES
KNIGHTS RD
forestry operations
wet area
eucalypt plantation
quarry
Panama
River
65
53
51
19
44
61
52
34
64
60
29
70



East Denison Grid
Section 10250 N
Fig 1
0 5 10m
QUARTZ VEINS
BLANKET ?
Tertiary
EAST DENISON QUARTZ VEINED
& SILICIFIED ZONE

Fig. 3

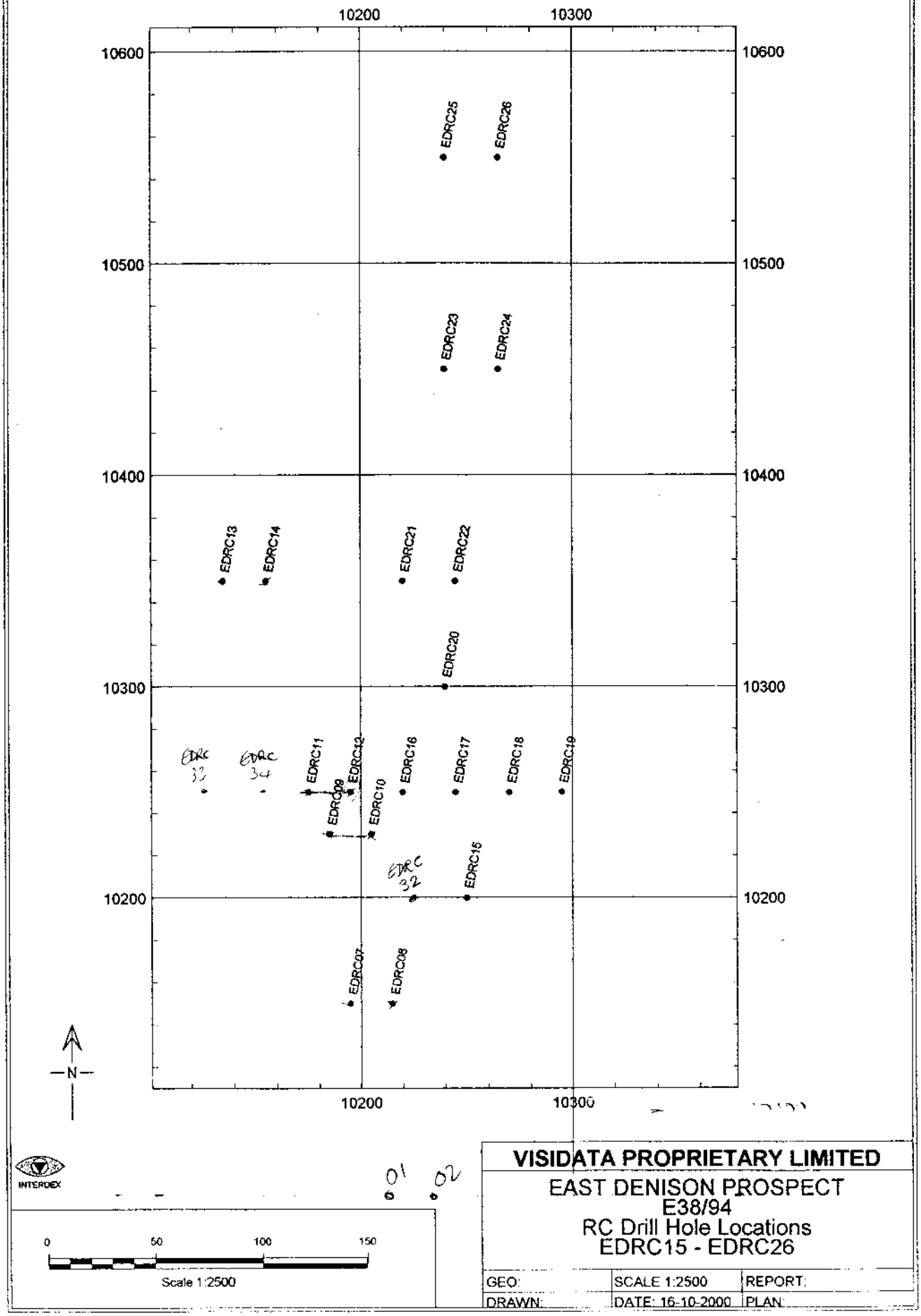
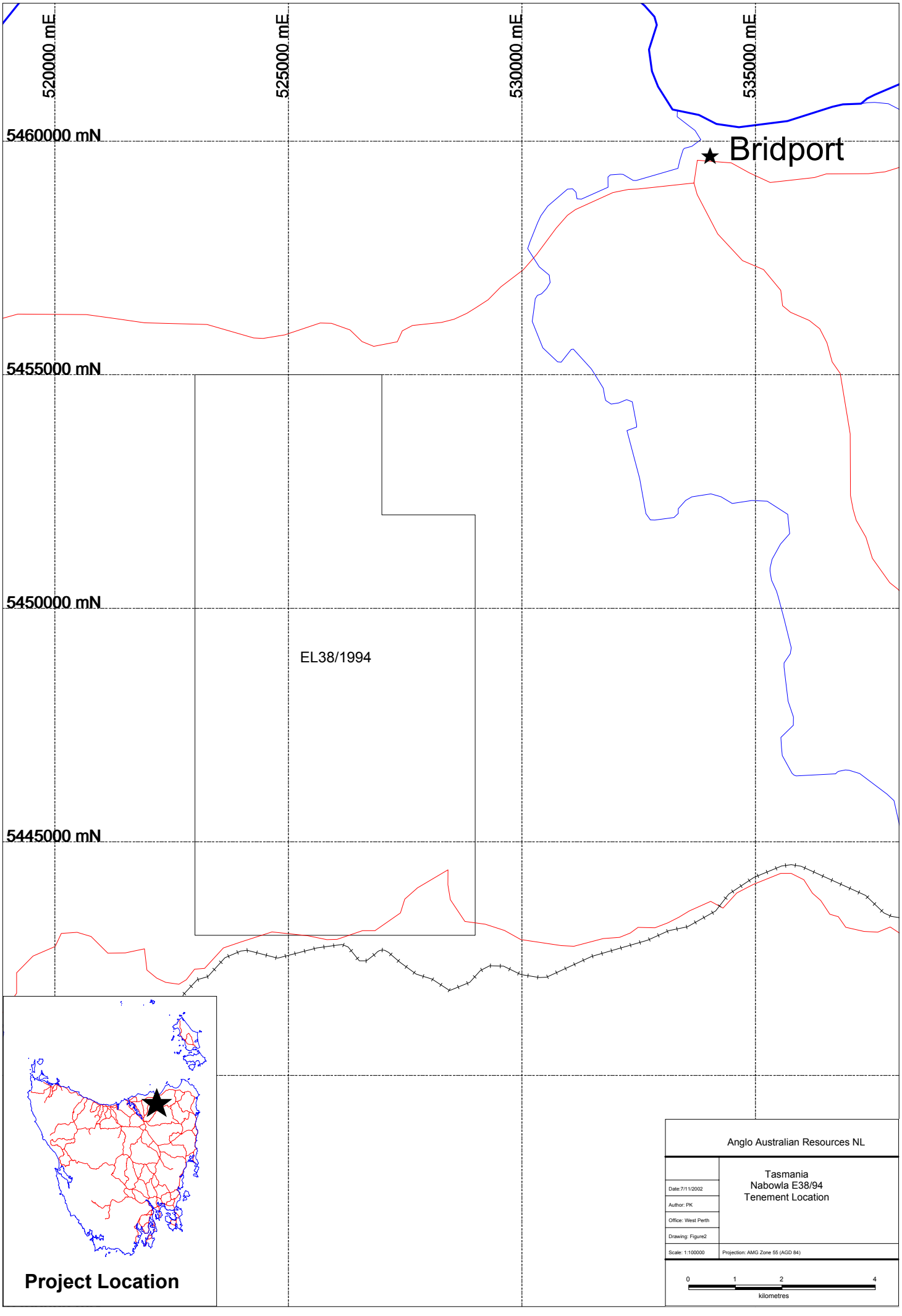

10200
10300
10600
10500
10400
10300
10200
EDRC25
EDRC26
EDRC23
EDRC24
EDRC13
EDRC14
EDRC21
EDRC22
EDRC20
EDRC11
EDRC12
EDRC16
EDRC17
EDRC18
EDRC19
EDRC09
EDRC10
EDRC15
EDRC07
EDRC08
N
0
50
100
150
Scale 1:2500
INTERDEX
VISIDATA PROPRIETARY LIMITED
EAST DENISON PROSPECT
E38/94
RC Drill Hole Locations
EDRC15 - EDRC26
GEO:
SCALE 1:2500
REPORT:
DRAWN:
DATE: 16-10-2000
PLAN:

Fig. 3

FIGURES 2 - 5


520000 mE
525000 mE
530000 mE
535000 mE
5460000 mN
5455000 mN
5450000 mN
5445000 mN
Bridport
EL38/1994
Project Location
Anglo Australian Resources NL
Tasmania
Nabowla E38/94
Tenement Location
Date:7/11/2002
Author: PK
Office: West Perth
Drawing: Figure2
Scale: 1:100000
Projection: AMG Zone 55 (AGD 84)
0
1
2
4
kilometres

523000 mE
524000 mE
525000 mE
526000 mE
527000 mE
528000 mE
529000 mE
530000 mE

5455000 mN
5454000 mN
5453000 mN
5452000 mN
5451000 mN
5450000 mN
5449000 mN
5448000 mN
5447000 mN
5446000 mN
5445000 mN
5444000 mN
5443000 mN

Project Location

Legend

Roads
Drainage
Areas disturbed for gold mining
RC Drill Collars

Sample Type

Wacker Soil
Rock Chip
Stream Sediment

WackerSoil (ppb Au)

100 to	3,170	(21)
50 to	100	(36)
20 to	50	(86)
10 to	20	(93)
0 to	10	(1586)

Denison_Rock Chip (ppm Au)

0.5	to	10	(4)
0.2	to	0.5	(3)
0.05	to	0.1	(5)
0	to	0.05	(216)

Denison_stream_sediments (ppm Au)

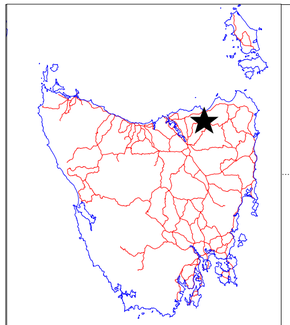
0.1	to	5	(9)
0.05	to	0.1	(4)
0.01	to	0.05	(19)
0.001	to	0.01	(48)
0	to	0.001	(80)
all others			(1)

Anglo Australian Resources NL

Tasmania
Nabowla EL 38/94
Compilation of Geochemical Data

Date:11/11/2002
Author: PK
Office: West Perth
Drawing:
Scale: 1:25000
Projection: AMG Zone 55 (AGD 84)

0 250 500 1000
metres



524000 mE
525000 mE
526000 mE
527000 mE
528000 mE
5447000 mN
5446000 mN
5445000 mN

Star
Sir William Denison
Alacricity
Brooklyn
Royal Treasury?
Globe
West Wiangatta
West Wiangatta
Wiangatta

Legend

Roads
Drainage
RC Drill Collars

Sample Type

Wacker Soil
Rock Chip
Stream Sediment

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0.05 to	0.1	(5)
0 to	0.05	(216)

0.1 to	5	(9)
0.05 to	0.1	(4)
0.01 to	0.05	(19)
0.001 to	0.01	(48)
0 to	0.001	(80)
all others		(1)

Geology Legend

Alluvium
Swamp
Tertiary Gravel
Basalt
Sandstones and Silts

Tasmania

Date:7/11/2002
Author: PK
Office: West Perth
Drawing:
Scale: 1:10000

0 125 250 500
metres

EL38/1994

523000 mE
524000 mE
525000 mE
526000 mE
527000 mE
528000 mE

5454000 mN
5453000 mN
5452000 mN
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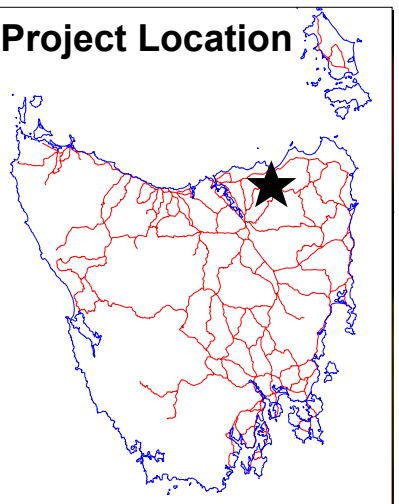
5445000 mN

Project Location



Legend

RC Drill Collars

Gold Mining areas

Anglo Australian Resources NL

Tasmania
Nabowla EL38/94
Tas Govt Aeromagnetics
2VD shade TMI colour

Date:8/11/2002
Author: PK
Office: West Perth
Drawing:
Scale: 1:25000
Projection: MGA Zone 55 (GDA 94)

0 250 500 1000
metres