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FINAL REPORT
ON
DOLCOATH EL 37/97
TASMANIA
FOR
JERVOIS MINING LIMITED

February 2003

SUMMARY

Jervois Mining Limited has held Exploration Licence 37/97 for its five year term since April 1998. It covered 12.5 square kilometres which contains gold and base metal mineralisation within part of the Dolcoath Granite aureole.

Two programmes of diamond drillling and a helicopter borne EM survey were completed during the tenure.

Diamond drilling outlined a resource at Higgs Gold Mine of 215,000 tonnes at 3.5 g/t Au, 1.5% Pb, 1.3% Zn and 23 g/t Ag.

Further work is warranted to expand the Higgs resource and test other targets especially those associated with the Narrawa Creek Fault Zone (as is Higgs).

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INTRODUCTION

The Dolcoath tenement was taken up to test the gold and associated base metal potential of part of the Dolcoath Granite aureole. Previous exploration and small scale mining had delineated significant gold and lead-zinc mineralisation in the catchment of Narrawa Creek, centred on the old Higgs and Narrawa Reward gold mines.

In August 1999, Jervois acquired an adjoining tenement, EL20/92 for a royalty commission on gold/minerals produced. Consequently, the company held the whole of the Moina mineral field except for Retention Licence 8810 over the Moina fluorite skarn.

Exploration work on the Dolcoath tenement included two rounds of diamond drilling and airborne EM.

The terrain is rugged and forested, but accessible via several unsealed roads and numerous all-weather 4-wheel drive tracks. The sealed Cradle Mountain Road traverses the area.

Previous reports on the tenement are as follows:

First Progress Report	J.G. Purvis & Assoc. P.L.	31st January 1999
Second Progress Report	J.G. Purvis & Assoc. P.L.	3rd March 2000
Annual Report to 3 April 2001	DMAP	8th March 2001
Annual Report to 3 April 2002	DMAP	19th February 2002

TENEMENT

The Dolcoath EL 37/97 covers 12.5 sq. km and was granted to Jervois Mining N.L. on 3rd April 1998. The licence will expire on 3rd April 2003.

The area was won by Jervois in competitive tender for ETA 457, which became available as a result of a statutory 50% reduction in the adjacent EL 20/92 then held by the Goldstream Mining - Titan Resources JV. EL 20/92 is now held by Jervois under a royalty arrangement with Goldstream-Titan.

EL 37/97 is predominantly Crown Land. It includes State Forest (Multiple Use Forest Land), RFA – Informal Reserves, Land Vested in the HEC and a small amount of Private Property. A 10ha Mining Lease (part of a 16ha Gravel Lease beside the Cradle Mountain Road) is excluded from the licence.

EL 37/97 abuts the eastern and northern boundaries of Retention Licence 8810, held by Anglogold and Rio Tinto over the Moina fluorite deposit.

GEOLOGY

EL 37/97 covers Ordovician Denison Group sediments and Cambrian Mt Read Volcanics intruded by the Devonian Dolcoath Granite. In the central part of the EL these rocks are overlain by a thin veneer of Tertiary Basalt.

The Dolcoath Granite is a medium to coarse grained alkali-feldspar I-type granite. Its extensively greisenized margins host small showings of tin, tungsten, molybdenum and bismuth. The granite outcrops over 2 sq km in the SE corner of the EL.

Gravity data (Leaman, 1988) shows that this outcrop lies at the eastern end of a shallowly-buried E-W trending granite spine, with a gently-sloping western margin and much steeper northern, eastern and southern margins. The granite thus underlies all the licence at very shallow depth, for the vast majority of it a matter of a few hundred metres at most.

This explains the large area of alteration the intrusion has imposed on the flanking Palaeozoic rocks. Within this halo and marginal parts of the granite numerous old workings for tin-tungsten(±bismuth-molybdenum), and to a lesser extent gold (±silver-lead-zinc), occur within the EL. Most of these historic mines were on veins or lodes.

The oldest Palaeozoic unit is the Bond Range Porphyry of the Cambrian Mt Read Volcanics which occupies 2 sq km along the southern EL boundary. Mt Read Volcanics occur subsurface beneath the Ordovician sediments of the Denison Group which cover most of the EL.

At the base of the Ordovician is a thin band of siliciclastic Roland Conglomerate. This is overlain by the Moina Sandstone, a thick formation of quartzose sandstones. The upper part of the Moina Sandstone is partly calcareous with thin bands of siltstone and carbonate (now altered to skarn), transitional to the overlying massive limestone of the Gordon Formation. The latter does not occur within the EL but is exposed a short distance to the west.

Gold Fields Exploration (Roberts, 1987) considered the Moina Sandstone was folded around an open synclinal axis running E-W down the Narrawa Creek valley, as demonstrated by the predominance here of outcrops of the upper transitional units.

Aeromagnetics and Jervois` drilling indicates a major fault parallels the postulated fold axis.

It is in these upper transitional rocks that the best of the old gold mines, Higgs and Narrawa Reward, occur. At Higgs Jervois have discovered a small outcropping gold-basemetal deposit comprising conformable bands of disseminated to semi-massive sulphides (pyrite-pyrrhotite-galena-sphalerite) and gold. The deposit is hosted by biotite-altered Moina Sandstone and interbanded skarn.

PREVIOUS EXPLORATION & MINING

Small-scale mining and prospecting commenced in the area before the turn of the century and continued intermittently until the 1980's. Most activity was directed at the numerous veins and greisens bearing tin-tungsten (±bismuth-molybdenum), the strongest of which were developed as the All Nations and Squibb mines. All Nations produced 36t WO_3 and 0.5t Bi from 1910 - 1942 (Jennings, 1979).

Shear-hosted gold (and silver-lead) was discovered at the Narrawa Reward Mine beside Narrawa Creek in 1893. The mine was abandoned by 1913 after apparent production of less than 100oz Au. In 1934 gold (and lead) was discovered at the Higgs Mine 200m to the SW. Disseminated mineralisation was worked here from 1934-47 and 1960-61, with 910oz won from underground stoping and surface sluicing of oxidized rock (Blake, 1937 & Jack, 1961).

The first systematic exploration was in 1981-82 when CRA tested the basemetal and tin-tungsten potential of the altered sediments on the granite margin. To follow up anomalies detected by airborne DIGHEM-magnetics, CRA cut a large grid over the

Narrawa Creek catchment and undertook soil sampling, VFL EM, UTEM and ground magnetics.

The VFL EM and UTEM delineated broadly coincident conductive zones associated with both old goldmines, with the responses extending hundreds of metres beyond the workings. A major E-W trending structure along Narrawa Creek was inferred from the magnetics (Flis, 1982).

CRA drilled three diamond holes 113m to 216m deep. Two holes beneath the Narrawa Reward Mine intersected low lead-zinc-gold values (best: 3.7m @ 1.2% Pb, 1.2% Zn, 0.3% g/t Au). Although the old mine clearly contained more significant gold than basemetals, CRA assayed only one in 10 core samples for gold (Weber, 1982).

In 1986 Gold Fields Exploration (GFEL) started work on the CRA grid to test the gold potential. They did C-horizon soil sampling and channel sampled the old workings. They rectified CRA's oversight by assaying their two Narrawa Reward holes for gold, getting best intersections of 9m @ 0.24 g/t Au (DG1) and 6m @ 0.28 g/t Au (DG2).

GFEL obtained numerous soil anomalies in the 0.5-3.9 g/t Au range. There was also significant gold in their channel sampling, particularly at the Higgs Mine where results included 1.3m @ 59 g/t, 8.5m @ 7.8 g/t & 4.5m @ 7.2 g/t (Roberts, 1987). They followed this up with three diamond holes 121m to 134m deep under Higgs.

Gold values in GFEL’s holes were much weaker than those from surface sampling. Best intersection was 20m @ 0.5 g/t in ND1 (including 1m @ 6.2 g/t). The drilling results seemed to accord with the view of a skarn expert GFEL commissioned, who implied the Narrawa Creek mineralisation was in a setting too close to the granite (ie:

too hot) and the Dolcoath Granite insufficiently mafic or oxidized, to have significant potential (L. Meinert in Fleming, 1988). GFEL pulled out in 1989.

No exploration was done at Narrawa Creek or elsewhere on the EL 37/97 area in the 10 years prior to the licence being granted. The Goldstream-Titan JV took up the ground in 1992 and flew a detailed aeromagnetic survey over it in 1996 during coverage of their total tenement, but no groundwork was done (Newnham, 1997b).

WORK COMPLETED AND RESULTS

1. Drilling

Between 26 October and 29 November 1998, 12 short diamond drill holes were put down to test various gold targets within metasomatized Moina Sandstone in the Narrawa Creek valley. Holes NC01 to NC12 totalled 335m and were drilled within an area measuring 600m east-west and 200m north-south.

Eight holes tested the Higgs line of mineralisation (NC05-NC12), one hole tested Narrawa Reward (NC02), two holes tested gold in soil anomalies (NC03 & NC04) and one hole tested outcropping gold mineralisation found by GFEL in 1987 (NC01).

All holes were angled at - 45^0 grid north or south (033^0 or 213^0 AMG), to depths ranging from 19.3m to 44.4m. They were drilled by a light-weight Gopher rig in order to minimise the environmental impact, particularly around the old mine workings.

Holes NC01 and NC02 were drilled BQTK size (41mm core) but experienced core losses of 30-40% in fractured ground. The remaining holes were drilled NTW size (56mm core) and in most cases recoveries were almost 100%.

Five short diamond drill holes were put down at Narrawa Creek between 24 November 1999 and 13 January 2000, for a total of 295m. They were drilled by the same light-weight Gopher rig used in 1998, to minimise environmental impact.

The holes tested coincided UTEM/VLF EM anomalies east and WSW of the Higgs Gold Deposit. These anomalies are part of what appears to be a folded EM trend within the Moina Sandstone, extending almost continuously over a strike length of 1.5km to the east and south of the deposit. It was hoped the EM anomalies represented substantial extensions of the sulphidic gold mineralisation in the Higgs deposit.

The drill logs are appended and summarised results as shown in the following table:

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Pb %	Zn %	Cu %
NC01	0	10.9	**10.9**	**1.31**	9	0.6	0.7	
including	0	2	2	2.82	11	0.9	0.6	
	9.5	10.9	1.4	4.03	33	2.8	3.9	
NC01 anchor	0	1.5	1.5	5.49	15	0.7	0.2	
NC02	10.7	17.7	**7**	**1.06**	27	0.6	0.5	
including	12.8	15.2	2.4	2.57	61	1	1	0.1
NC03				all <0.05				
NC04	5	11.9	**6.9**	**1**				
including	6.6	7.2	0.6	4.88				
NC05				all <0.02				
NC06	7.5	24.9	**17.4**	**2.65**	23	1.1	1	
including	10.25	10.5	0.25	10.34	57	6	5.1	0.1
	14.5	15.7	1.2	17.74	34	5.9	4.5	0.1
	22.05	23.85	1.8	9.55	156	4.7	4.2	0.1
NC07	3.1	22	**18.9**	**1.04**	6	0.5	0.4	0.1
including	15.6	16.3	0.7	11.77	92	10.3	6.9	0.2
NC08	10	17	**7**	**0.47**				
including	16	17	1	0.98				
NC09	1.3	1.7	0.4	2.4				
NC10	39.9	41.1	1.2	1.8				
NC11	0	1.6	1.6	0.35				
NC12	7.1	32.5	**25.4**	**4.33**	23	2	1.5	<0.1
including	7.1	8.4	1.3	20.1	49	4.9	4	
	15.25	16.25	1	14.21	10	0.5	<0.1	
	18.6	19.75	1.15	12.13	67	5.3	5.3	0.1
NC13	56.6	57.6	**1**	**2.37**	<5	<0.01	0.07	0.13
NC14	31.15	38.6	7.45	0.52	<1	<0.01	0.02	0.01
including	32.15	34.0	**1.85**	**1.12**	<1	<0.01	0.02	<0.01
NC15	3	4.5	1.5	0.15	<1	0.09	0.01	<0.01
NC16	19.8	27.5	**7.7**	**0.99**	<1	<0.01	0.15	0.04
including	23.8	27.5	**3.7**	**1.63**	<1	<0.01	0.05	0.03
	45	46.6	1.6	0.86	<1	0.01	0.01	0.05
	47.45	48.8	**1.35**	0.24	**42**	**2.01**	**1.46**	0.25
	49.5	50.5	**1**	**1.22**	<1	0.01	<0.01	0.11
NC17	11.5	12.5	1	0.76	<1	<0.01	<0.01	<0.01
	35.6	37.8	**2.2**	0.12	15	0.79	**3.26**	0.14

2. Geophysics

In April 2002, the helicopter-borne electromagnetic and magnetic survey was completed over EL37/97 and the adjoining EL20/92 (Stormont) held by Jervois. The survey was flown N-S and the details of the survey are given in the Appendix (HEM Data).

The results of the survey were plotted and interpreted by Hugh Rutter of Flagstaff GeoConsultants Pty. Ltd. in June 2002. His report also appears in the Appendix. Since most of the report relates to EL20/92, a summary of it will not be made here. The only anomalies found within EL37/97 are related to Tertiary Basalts.

3. Rehabilitation

The diamond drilling was carried out using the light-weight Gopher rig for both programmes in order to minimise the environmental impact.

The five sites of the second drilling programme and their access tracks were formed with a 12 tonne excavator, although earthworks were kept to a minimum for ease of eventual rehabilitation.

No sumps were dug as the drillers used only water in their operations. Attempts were made to keep the bulk of the drill cuttings near-site and well away from watercourses.

To date, the sites and tracks have not been rehabilitated, but natural re-growth has been taking place.

Hole NC12, drilled in 1998 at Higgs Mine, flowed a small amount of water despite attempts to plug it. In 1999/2000, a concrete plug was set in the hole at about 1.5m, new PVC casing cemented in and capped. The hole continued to leak slightly despite four separate concreting efforts. However, the long-standing flow from the adjacent lower adit at Higgs has dried up.

Hole NC17 also had a modest water flow at the cessation of drilling. This was plugged with cement downhole by the drillers, PVC casing inserted and capped, and the collar cemented. The water flow stopped after a few days.

Field inspections have been made of the area by David Gatehouse and John Pemberton, Environmental Department, MRT.

RESOURCES

Geology and Mineralisation

Holes NC06 and NC12, drilled 20m apart beneath the main workings of the old Higgs Mine, intersected a body of gold and basemetal mineralisation within highly metasomatized quartzose sandstones and skarn. This body lies around and down dip beneath the old workings which were excavated in the upper oxidized parts of high-grade zones within it.

In NC12 the intersection was 25.4m (23m true width) @ 4.33 g/t Au and in NC06 it was 17.4m (16m true width) @ 2.65m g/t Au. The intersections were accompanied by 1-2% Pb, 1-1.5% Zn and 23 g/t Ag.

As shown in the table, within these intersections there were several high grade zones in both holes: up to 1.2m @ 17.7 g/t Au in NC06 and 1.3m @ 20.1 g/t Au in NC12.

The mineralisation comprises conformable bands (individually up to 3.5m thick) of finely disseminated to semi-massive sulphides: pyrite/pyrrhotite-galena-sphalerite. Within these there are patchy coarser-grained quartz-sulphide segregations and sulphide veinlets, both also generally conformable. Grains of visible gold up to 1.5mm were noted in and adjacent to several of the veinlets in NC12.

Selected sediment beds have been replaced by the sulphidic mineralisation which is associated with intense biotite and lesser silica alteration. The predominant host rocks within the body are metasomatized quartzose sandstones, but include a 9m mafic skarn band (hole NC06).

Originally, the host sequence was largely quartzose sandstones, but they appear to have been more varied and less massive than usual for the Moina Sandstone. They ranged from silty to microconglomeratic and the mineralisation shows some preference for the coarser grained types. The skarn band indicates the sequence also contained carbonates. Many of the most-biotitized bands have below average detrital quartz content and were probably limey sandstones.

In the drill holes there is a noticable paucity of fracturing, shearing, faulting and non-sulphidic veining within the mineralised body. "Greisenous" veinlets of quarz-fluorite-muscovite-sulphides are common in places but show no relationship to gold values. At 15-16m in NC12, conformable sulphide veinlets with visible gold actually cut through

the greisenous sulphide veinlets. However, towards the base of NC12, greisenous veinlets overprint and bleach pre-existing biotite alteration.

Overall, there is a clear association of better gold values with zones of stronger sulphides and biotitization.

Dimensions

The Higgs Gold Body apparently sits within a fault wedge. It has a grid east-west strike length of 85m on surface, interpreted to reduce to about 45m at 60m down-dip. This is because the body is terminated, or at least dislocated, by inward-dipping faults at either end. A length of 65m has been used in the resource calculation.

The western bounding fault is the very large fault in NC07 at 5875E. Air photo interpretation indicates this is part of the major structure inferred from the magnetics to trend along Narrawa Creek, hence it has been named the Narrawa Creek Fault.

The Narrawa Creek Fault separates gold body rocks from the minimally altered and poorly mineralised massive silicified quartz sandstones seen in holes NC08-11 further west. NC07 was drilled down the fault and encountered patches of mineralisation, including 0.7m @ 11.8 g/t Au (with 10% Pb & 7% Zn), 7.2m @ 1.1m g/t Au and 3m @ 1 g/t Au. Because of poor recoveries it is not clear if the fault is mineralised or whether it has merely caught up parts of the gold body.

GFEL mapping and sampling in the adit 5-20m directly above NC07 suggests it lies along the eastern edge of the fault zone. The workings have gold values up to 4m @ 8.9 g/t indicating these rocks are part of the gold body. To lie just west of the adit and

also pass through NC07, the Narrawa Creek fault is calculated to have a SE dip of 80^0 or more. Overall, the mineralisation in NC07 and the workings above is interpreted as representing the complexly-faulted western edge of the gold body.

At its eastern end the gold body is again cut off by a fault, interpreted to trend NNW (grid) down Higgs Creek. Evidence for this fault comes from the abrupt end to the high-grade mineralisation on surface at 5962E in Higgs Creek, from Jervois' barren hole NC05 only 10m beneath these outcrops at 5958E, and from GFEL hole ND3 at 5950E and 50m down-dip of NC05. It is considered both holes intersected altered and sulphidic but poorly-auriferous rocks in the block east of the fault.

To satisfy the various geometries the Higgs Creek Fault must dip west and as it seems both holes passed beneath rather than through the structure, this gives it a westerly dip of less than 75^0. At 475m RL this dip would put the interpreted fault at a maximum easting of 5935E.

The gold body and bedding dips grid north at $65\text{-}70^0$. In NC06 the body is 16m thick at 20m down-dip and in NC12 it is 23m thick at 30m down-dip. The mineralised zone is missing in CRA hole DG-1, 110m down-dip below the NC06 intersection and 135m from surface. The culprit is probably the Narrawa Creek Fault which should cut through close to the end of DG-1.

Given the strength of the mineralisation in both NC06 and NC12 it seems reasonable to assume it will extend at least 60m down-dip (double the depth of NC12), unless faulted off. This depth is about 475m RL and it has been used as a base for the

resource calculation. There is insufficient data at this stage to take the depth estimate further.

Allowing for some losses due to ground slope and past mining, it is estimated that the body delineated to date by holes NC06 and NC12 is in the order of **215,000tonnes at a grade around 3.5 g/t Au, 1.5% Pb, 1.3% Zn & 23 g/t Ag** as shown in the table:

HIGGS GOLD BODY - RESOURCE ESTIMATE

Length	65m	From 5875E to 5940E
Thickness	20m	Average of NC06 to NC12 intersections
Depth	60m	Double the depth of NC12 intersection
SG	3	Assumes 12% sulphides
Less	4,000t	Maximum estimate of past mining
Less	15,000t	Maximum estimate of losses due to slope
Grade		Weighted average of NC06 & NC12 intersections
TOTAL	***215,000t @ 3.5 g/t Au, 1.5% Pb, 1.3% Zn, 23 g/t Ag***	

CONCLUSIONS

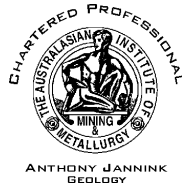
In the Higgs area, the gold mineralisation generally occurs in rocks that have been subjected to a phase of sulphidization and associated strong biotite alteration. However, not all biotite-sulphide rocks contain gold.

This biotite-sulphide phase is overprinted and bleached by later greizenization, comprising veins and pervasive alteration dominated by quartz-muscovite-fluorite. The greizen phase is relatively low-sulphide and barren of gold.

The gold mineralisation was either part of the sulphide-biotite phase (as seems most likely) and deposited selectively within it due to the influence of other controlling factors, or it post-dated the sulphide-biotite phase altogether but prior to greisenization.

The Narrawa Creek Fault Zone may be a more important control on the siting of the gold as it was probably the main conduit for the auriferous fluids. All the significant mineralisation known to date lies within 100m of this major structure.

Numerous excellent drill targets remain on the property. The best of these are rated as the old gold workings or other in-situ gold mineralisation, which have EM responses and lie close to the Narrawa Creek Fault Zone.



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