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**FINAL SURRENDER REPORT
ON
STORMONT EL 20/92
FOR
JERVOIS MINING LIMITED**

March 2003

SUMMARY

The Stormont Exploration Licence 20/92 was due to expire on 11th September 2002. Over its 10 years life, nearly \$430,000 has been spent directly in exploration which has included two regional helicopter-borne geophysical surveys (magnetic and electromagnetic) and the drilling of 41 diamond drill holes.

The Licence was granted to Goldstream Mining N.L. (in joint venture with Titan Resources N.L.) in 1992. Jervois Mining N.L. acquired the tenement in August 1999. The licence had been halved in size from 25 square kilometres to 12.5 square kilometres at the end of the fifth year in 1997.

Most of the diamond drilling has been in the Stormont Mine area where a resource of 135,000 tonnes @ 3.44 g/t Au and 0.21% Bi has been outlined. There is good potential to increase this resource in the lightly drilled Western Syncline where a recent Jervois' drill hole intersected two metres at 3.5 g/t Au and 0.2% Bi.

Jervois applied to extend the Exploration Licence over an area of two square kilometres covering the Stormont Mine. This area, although not yet officially granted, is now also being surrendered and is the subject of this report. A Surrender Report on the 10.5 square kilometres previously relinquished was submitted in August 2002.

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INTRODUCTION

The Stormont EL20/92 covered originally 25 square kilometres and, for the past five years, 12.5 square kilometres in the Moina district, an area renowned for its mineralised skarn deposits.

During the term of EL20/92, fieldwork has included regional airborne magnetic and electromagnetic surveys, drilling of five cored holes at Ti Tree Creek and 36 at Stormont. The company, Jervois Mining Limited, had applied to retain two square kilometres over the Stormont area where a gold/bismuth resource has been outlined. This area has not yet been formally granted to Jervois, however the company has decided to surrender this area as well as the previously surrendered area.

This report details the results of exploration within the two square kilometre remainder of the tenement.

Previous reports on the tenement are as follows:

Annual Report 1992 - 1993	Newnham Expl. & Min. Services	5 August 1993
Report on Drilling Programme May - July 1994 Attachment	Newnham Expl. & Min. Services	12 September 1994
Annual Report 1994 - 1995	Newnham Expl. & Min. Services	22 August 1995
Stormont Mine Drilling Programme 1995 - 1996	Newnham Expl. & Min. Services	3 May 1996
Report for 12 Month Period ending 30 April 1997	Newnham Expl. & Min. Services	30 April 1997
Relinquishment Report Part of EL20/92	Newnham Expl. & Min. Services	23 July 1997
Annual Report to 11 September 1999	DMAP	August 1999
Report for Period August 1999 - June 2000	J.G. Purvis & Assocs.	June 2000
Annual Report 2000 - 2001	DMAP	6 August 2001
Annual Report 2001 - 2002	DMAP	9 August 2002
Partial Surrender Report	DMAP	9 August 2002

TENEMENT

The original tenement covered 25 square kilometres when it was granted to Goldstream Mining N.L. on 11 September 1992. Goldstream explored the EL in a joint venture with Titan Resources N.L.

In September 1997, Goldstream made a statutory reduction of the licence area by relinquishing the eastern 50%. The remaining part of EL20/92 was acquired from Goldstream/Titan by Jervois Mining N.L. on 24th August 1999, the consideration being a 2% gross production royalty.

The tenement was due to expire on 11 September 2002. Jervois had applied to retain two square kilometres over the Stormont Mine area where resources have been defined. This area is now being surrendered.

GEOLOGY

EL 20/92 covers Ordovician Denison Group and Gordon Group sediments intruded by the shallowly buried Devonian Dolcoath Granite. Tertiary basalt and sediments cover more than 50% of the licence, but drilling shows that much of this cover is less than 20m thick. Most of the basalt appears magnetically 'transparent'.

Cambrian dacitic Mt. Read Volcanics outcrop along the southern edge of the EL and are known from drilling and magnetics to underlie the Ordovician sediments in the NW part of the tenement. Volcanic remnants probably underlie the sediments in other places where they may have escaped destruction by the intruding granite.

Within the licence area the Ordovician comprises a restricted basal unit of siliciclastic conglomerate, a thick middle unit of quartzose sandstone (Moina Sandstone) and an upper unit of limestone (Gordon Limestone). Between the Moina Sandstone and Gordon Limestone, the 'Transition Beds' comprise mainly calcareous siltstone with lesser intercalated calcareous sandstone and limestone.

The Dolcoath Granite is a medium to coarse grained alkali-feldspar I-type granite. It does not outcrop on the EL but has been intersected 200m below surface in drillholes at Moina near the tenement's eastern end. The granite outcrops two kilometres further east on EL37/97. Gravity data indicates this outcrop lies at the eastern end of a shallowly buried E-W trending granite crest, that slopes gently west and directly underlies both licences at depths mostly <500m.

The intrusion has extensively altered and mineralised the adjacent Ordovician sediments. Mineralisation comprises gold, bismuth, zinc, fluorine, tin and tungsten, with

lesser amounts of lead, silver and molybdenum. Styles range from veins and lodes to massive or disseminated stratiform bodies.

The basal section of the limestone and parts of the 'Transition Beds' have been converted to various unmineralised and mineralised skarn facies. These include chlorite-magnetite-sulphide skarn, pyroxene/amphibole-garnet skarn, and the finely and irregularly banded magnetite-fluorite skarn or "wrigglite", which forms the huge stratiform Moina fluorite deposit and for which the area is particularly noted.

On EL20/92 skarns are largely preserved in NW-trending synclines, having been eroded in the pre-Tertiary off anticlinal folds and other uplifted areas. Known occurrences of stronger mineralisation within the skarns, at Stormont Mine, Ti Tree Creek and Fletchers Adit, are associated with NW-trending thrust faults.

There is also widespread silica-biotite alteration and mineralisation in the Moina Sandstone. Only minor mineralisation is known within the sandstone on EL20/92 but to the east on RL8810 and EL37/97 it is significant, including tin-tungsten bearing veins (eg: Shepherd and Murphy Mine at Moina) and auriferous stratiform sulphide bodies (eg: Higgs Deposit at Narrawa Creek). The effects are most common in the upper sections of the sandstone where it was apparently partly calcareous.

PREVIOUS EXPLORATION & MINING

The Moina district has had a long history of small-scale mining and prospecting commencing in the 1890's and continuing intermittently until the 1980's. However, within EL20/92 historic operations were minor.

Largest was the Stormont Mine, where a 40m long and 8m deep open-cut with 40m long adit were excavated in a body of mineralised skarn between 1928-34. The mine produced 6.3t of bismuth concentrate containing 63% bismuth and 91oz of gold.

A similar but more weakly mineralised Au-Bi skarn was prospected at Fletchers Adit on the south bank of the Lea River 1km NE of Stormont Mine. There is no record of production from Fletchers.

Alluvial gold was worked in the Lea River downstream of the Stormont Mine and Fletchers Adit occurrences. Hard rock gold, hosted by thin quartz veins in a fault in Ordovician sandstone with conglomerate bands, was prospected by shafts 15m deep at the Stormont Gold Mine on the northern slopes of Mt. Stormont. Again, there is no record of production.

Modern large-scale systematic exploration of the EL20/92 area was initiated by Mt. Lyell Co. in 1965. After an aeromagnetic survey, they cut a grid extending from the Lea River to the Cradle Mountain Road. They followed up with detailed grids over the skarn at Ti Tree Creek and the Stormont Mine - Fletchers Adit area.

In the Stormont Mine - Fletchers Adit area Mt. Lyell undertook soil sampling and gradient array IP. They delineated a large skarn with modest bismuth-in-soil and IP anomalies north of the Lea River opposite Fletchers Adit, but did no drilling. No further work was done at Stormont Mine because their estimate for the mineralised skarn body (250,000 tonnes) was regarded as too small. Mt. Lyell withdrew in 1972.

From 1974-79 the licence area was part of a major exploration effort by Comalco, who discovered and drilled out the Moina deposit (26 million tonnes @ 18% CaF₂).

Comalco was followed on the Moina project by two JV partners, Shell and CRA. CRA reassayed most of the Comalco holes for gold, concentrating on those in and around the Moina deposit.

In 1983, Gold Fields Exploration took up the Stormont area after it was dropped by the Comalco JV. GFEL's target was gold and they determined all streams draining north from Mt. Stormont were anomalous in gold. Channel sampling of the old workings at Stormont Mine returned values up to 42m @ 9.56 g/t Au & 0.5% Bi. Sampling of the final face in the adit, showed the old miners stopped in ore grading 36.5 g/t Au and 1.1% Bi!

From 1988 to 1990 GFEL drilled 21 holes at Stormont Mine and 9 near Fletchers Adit. The most significant intersections were in the Stormont skarn; 13m @ 4.1 g/t Au, 0.46% Bi (SD1); 2.1m @ 12.8 g/t Au, 0.35% Bi (SD3) and 5.4m @ 2.5 g/t Au, 0.1% Bi (SD10).

WORK COMPLETED AND RESULTS

In the six years that Goldstream-Titan held EL20/92, the exclusive focus of groundwork on the licence was drilling at Stormont Mine. They put down 32 short diamond drill holes for 1451 metres in two campaigns. Most of the holes were in peripheral areas around previous drilling and returned generally poor results. Better results in the main mineralised zone were as follows:

Hole No.	Depth	Width	Grade	
			g/t Au	%Bi
SD 33	24.5 - 35.0	10.5	1.4	0.1
SD 36	Including	1.5	9.0	0.17
	0 - 27.3	27.3	1.4	<0.1
SD39	Including	9.5	2.7	0.1
	0 - 19.6	19.6	2.9	0.1
SD 44	Including	4.0	9.7	0.35
	13.5 - 21.5	8.0	1.8	<0.1
SD 50	Including	3.0	2.8	0.12
	11.0 - 16.0	5.0	0.86	<0.1
	Including	3.0	1.34	

In the 1999-2000 field season, Jervois drilled 4 cored holes for 171 metres. In this programme the best intersection was 2m @ 2.5 g/t Au and 0.21% Bi. This result was from the relatively untested 'Western Syncline' and drilling of at least a further eight 50 metre holes was recommended.

All the drill logs and assays appear in the appendix and the drill locations are shown on the Stormont Geology and Drillhole plan.

RESOURCES

The main mineralized zone in the Central Syncline extends for 350m along the SW side of the Stormont Fault. It is hosted by skarn folded into a narrow syncline with the steeply NE-dipping thrust forming its eastern margin. The zone is defined by 24 short diamond drillholes put down within and around it.

The historic opencut and adit are at the NW end of the mineralised zone, and here occur the better grade and thicknesses that constitute the deposit. There is a noticeable weakening in the tenor of the mineralisation towards the SW.

The host rock is partly-oxidized pyroxene-garnet-magnetite skarn with low overall sulphide content, but common bismuthinite and native bismuth (Taylor 1990 in Newnham, 1996). From the drill log descriptions there appears to be an association in places (not everywhere) of better gold-bismuth grades with zones of faulting / brecciation.

Three drillholes and channel samples of the old workings provide data for the resource calculation:

Open-cut west wall:	32m @ 4.8 g/t Au, 0.56% Bi	along strike
No.2 Cross-cut:	10m @ 5.34 g/t Au, 0.31% Bi	across strike
SD1: (vertical)	13m @ 4.12 g/t Au, 0.46% Bi	(4.5 - 17.5m)
SD36: (vertical)	16.7m @ 1.98 g/t Au, 0.03% Bi	(0 - 16.7m)
SD39: (-70 ⁰ to ENE)	19.6m @ 2.95 g/t Au, 0.09% Bi	(0 - 19.6m)

The top 4.5m of SD1 was triconed, but as shown by SD36 & 39, the mineralised skarn outcrops in this vicinity and it is probable the zone in SD1 is 17.5m thick. Core recovery from the mineralised zone in SD1 was 80%, in SD36 70% and in SD39 100%. Given that some of the better grades are in faulted / brecciated material, the core losses are more likely to have lowered the grade than raised it.

Channel sampling along-strike in the adit, although within the resource, has not been used as it was apparently driven on a relatively narrow unrepresentative high-grade zone:

Adit east wall: 42m @ 9.56 g/t Au, 0.50% Bi along strike

The main body of the resource extends 90m SE from the opencut, incorporating the adit, SD1, SD36 and SD39. Forty-one metres SSW of SD36, SD3 intersected 2.1m @ 12.8 g/t Au & 0.35% Bi (16.9-19m). This was beneath an interval of clayey skarn that was triconed (unsampled) to 11m and had only 10% recovery from 11-14m.

The southern boundary of the resource has been drawn midway between SD36 and SD3, but there was good chance there are additional resources in the vicinity of SD3.

The average width of the body outlined above is 30m (this is conservative to allow for the synclinal shape). The average thickness, from the true width of the three drill intersections, is 17m. Grade is obtained from the weighted average of the cross-cut channel results and the three drillholes.

Results are as follows:

Length: 90m

Width: 30m

Thickness: 17m

SG: 2.75 (assumes 15% magnetite and 10% oxidation loss)

Tonnage & grade: 126,000 tonnes @ 3.34 g/t Au & 0.19% Bi

Remanent ore exists around and beneath the old opencut, in a wedge with a total length of 40m and a width at the SW end of 25m. This remanent zone is estimated at between 9,000t and 14,000t, depending on the thickness of skarn below the opencut. Grade, from the opencut channel samples, is 4.8 g/t Au & 0.56% Bi.

*Overall Stormont Resource Total: **135,000 tonnes @ 3.44 g/t Au & 0.21% Bi***

CONCLUSIONS

The resource occurs over a strike length of 90 metres within a 350 metre long mineralised syncline adjacent to the Stormont Fault and characterized by a high magnetic trend. Some 200 metres to the south west lies a similar and stronger magnetic high also associated with a syncline (Western Syncline). This area has been lightly drilled with the axis of the magnetic anomaly still to be tested (see Stormont Mine Plan). At the south-eastern end (of the anomaly axis) a recent Jervois' hole intersected 2 metres @ 3.5 g/t Au and 0.2% Bi.

Further drilling is required to test this mineralisation to establish whether it contains a gold resource that can be added to the Stormont figures. Some of the early drilling at Stormont had poor recoveries and check drilling in some of these zones to discover if they are mineralised is also a priority.

Drilling of the Western Syncline had been recommended in the report to June 2000 (J.G. Purvis). This was the first priority recommendation and would have been acted on

had not two summer field seasons been lost due to the delays with the airborne geophysical survey:

"Drilling is recommended in the Western Syncline at Stormont Mine to test for extensions NW and SE of the gold zone in holes ST04 - SD50. At least eight 40m holes are required. Six holes to be sited along the trend of the aeromagnetic anomaly west of existing drilling in the northern part of the syncline, and two holes to be sited SE of ST04."

Check drilling of old poor recovery holes is also recommended.



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