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HENTY GOLD LIMITED

A.C.N. 008 764 412

Final Report

2003

EL 6/1998

Beatrice / Moxon Saddle

HELD BY: AurionGold Exploration Pty Ltd

MANAGER & OPERATOR: AurionGold Exploration Pty Ltd

AUTHOR(s): Michael Vicary

17 March 2003

PROSPECTS: Beatrice, Moxon Saddle, West Sedgwick

MAP SHEETS 1:100,000: Franklin (8013) and Sophia (8014)

GEOGRAPHIC COORDS Min East: Max East:
Min North: Max North:

COMMODITY(s): Au, Basemetals

KEY WORDS: Central Volcanic Sequence, Tyndall Group, High sulphidation mineralisation, VHMS mineralisation, Henty Fault

Distribution:

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SUMMARY

In late 2002, AurionGold was acquired by Placer Dome and a detailed review of the Tasmanian Exploration program completed. As a result of the review all non-mine lease exploration was suspended and several exploration tenements (including the EL 6/1998) were recommended to be relinquished.

CONTENTS

1 INTRODUCTION

EL 6/1998 –Beatrice/Moxon is held and explored by Goldfields Exploration Pty Ltd (now AurionGold Exploration Pty Ltd) and is highly prospective for Henty style Au and Au rich VHMS mineralisation. The EL was initially granted to Pasminco Exploration on 30 January 1998. In early 2002, the EL was transferred to Goldfields Exploration after a tenement exchange for EL 5/1996 – White Spur. The EL comprises two blocks (Figure 1):-

31 sq km in the Beatrice / West Sedgwick area, and
2 sq km at Moxon Saddle.

1.1 Location and Access

The Beatrice block is located approximately 2 kilometres north of Queenstown and is easily accessed from the Lake Margaret Road or by the 4WD track to the Comstock Mine. Access to the Comstock Mine is via the Mt Lyell Mine Lease currently held by Copper Mines of Tasmania. A series of cut lines provides additional access to the more remote parts of the EL.

The Moxon Saddle block is located about 3 kilometres northeast of the Henty Mine and is easily accessed via the 4WD Red Hills Track. A recently cut grid provides additional access within this area.

1.2 Topography and Vegetation

The topography of the Beatrice area is dominated Mt Sedgwick and Sedgwick Bluff which forms a high subalpine – alpine ridge in the north of this block. Elevations in this area are greater than 1000m ASL. In the south of the Beatrice area the valleys defined by the West and East Queen Rivers are at approximately 300m ASL.

The Moxon Saddle block is situated between The Gooseneck and Mt Murchison at an elevation of approximately 750m ASL.

The vegetation in both areas contains a continuum between wet sclerophyll, rainforest and alpine communities with retrograde communities in areas of high fire frequency.

1.3 Tenure

The EL comprises (Figure 2):

State / Multiple Use Forest	Crown Land
Mt Tyndall Regional Reserve	HEC Land
Mt Murchison Regional Reserve	

Figure 1 EL 6/1998 Beatrice / Moxon Saddle Location Map

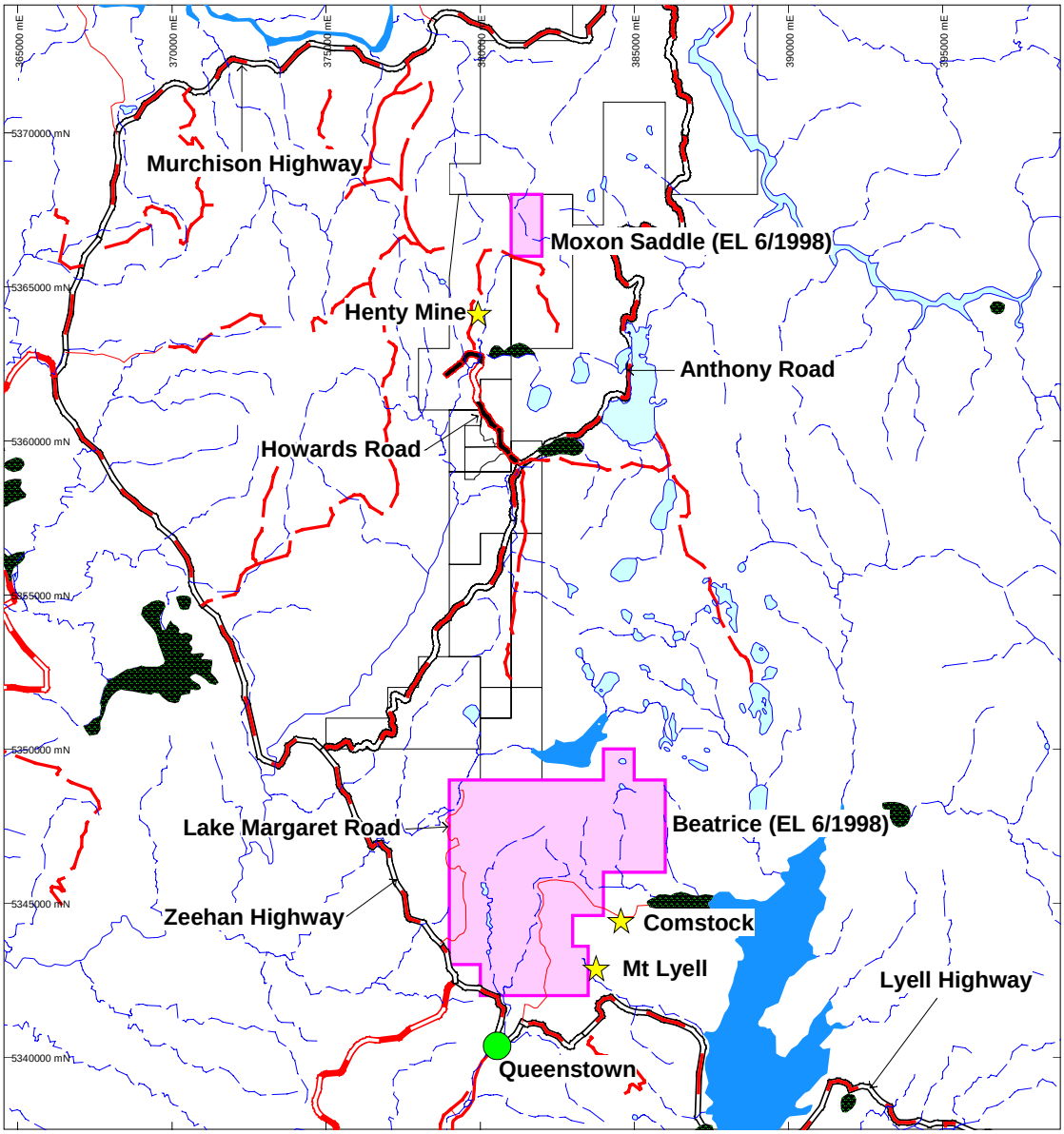
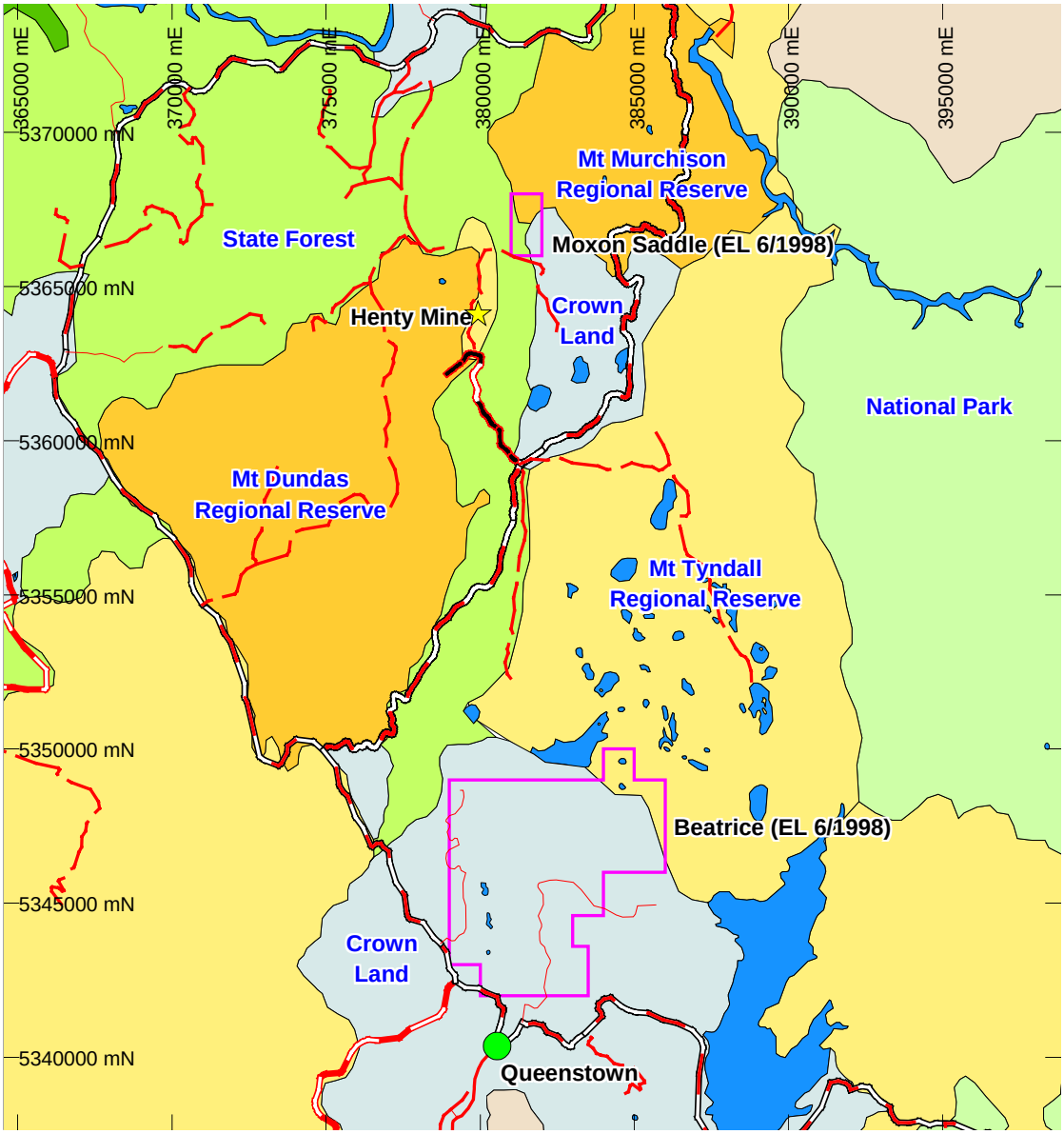


Figure 2 EL 6/1998– Beatrice / Moxon Saddle Land Tenure (Boundaries Approximate)



1.4 Aims

AurionGold's Tasmanian exploration program is targeted at the discovery of a Henty style gold mineralisation and polymetallic gold rich base metal mineral deposit in the Cambrian Mount Read Volcanics. The principal aim of the exploration program is to find additional Au resources to supplement production at the AurionGold owned Henty Mine or to define a resource that could be developed as a stand alone operation.

AurionGold's has been actively exploring the southern Mount Read Volcanics for several years and has developed an integrated exploration model for Henty and Mt Lyell style mineralisation. Such deposits are considered to represent the submarine equivalents to porphyry copper - high sulphidation - epithermal deposits. Henty style deposits form in the highest levels and margins of the system and have the best potential for gold mineralisation. The high sulphidation - porphyry copper deposits general form at a deeper level and although generally base metal rich can still host significant Au resources.

The Beatrice and Moxon Saddles areas were acquired from Pasminco Exploration for their high prospectivity for Henty style Au and Mt Lyell Cu – Au mineralisation. There is also potential to discover a Rosebery style Au rich base metal deposit at Beatrice and in the Moxon Saddle area.

1.5 Exploration Model

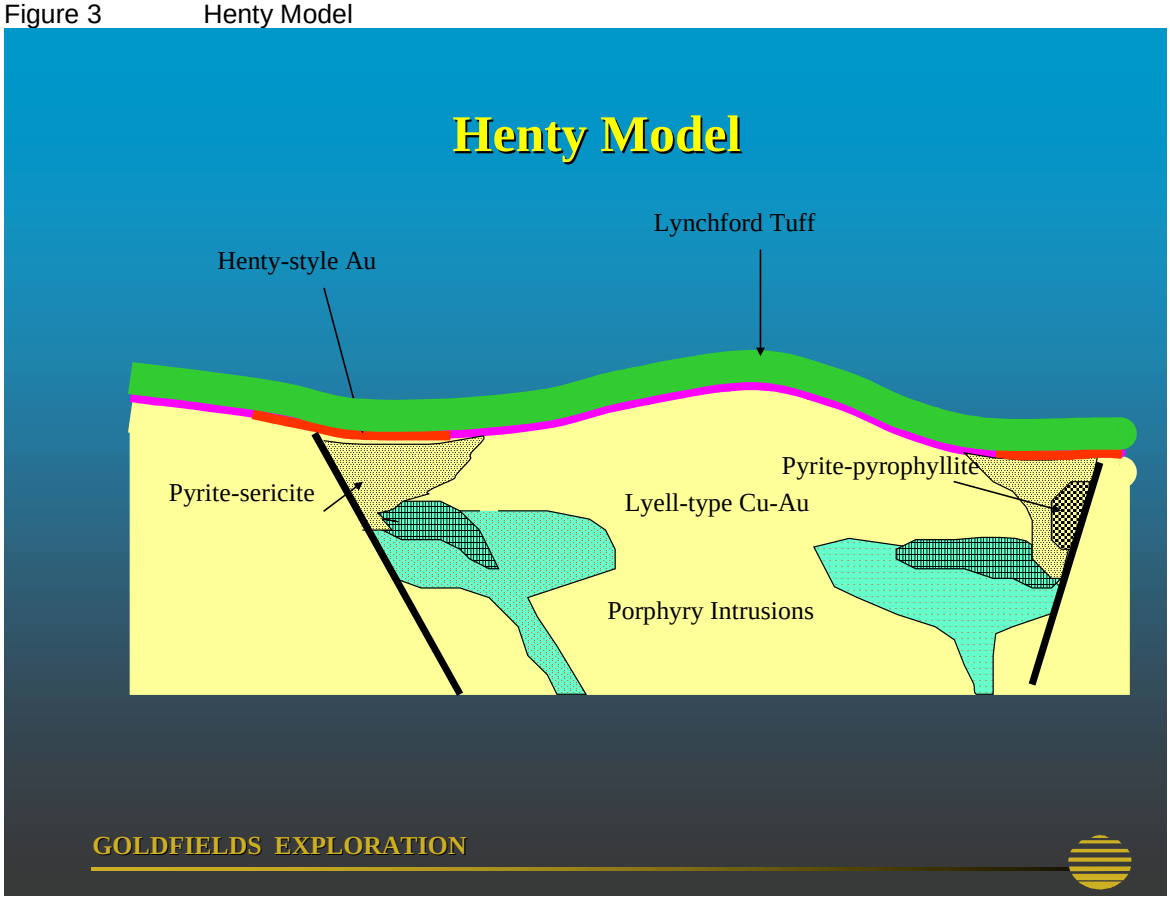
The Mount Read Volcanics are host to several world class gold rich base metal mineral deposits at Rosebery, Hellyer, Que River, Hercules, and Mount Lyell and to gold mineralisation at the Henty Mine. The Henty Mine is the only gold only producer in Western Tasmania, all the other deposits produce gold as a by-product of base metal treatment. In June 2000, the Henty Mine had an inferred Resource of 1,373,000 tonnes @ 10.3 g/t Au (452,900 ounces).

AurionGold Exploration is actively exploring the southern portion of the Mount Read Volcanics in the Henty, South Henty, Basin Lake and Red Hills areas. Exploration to date has focused on systematic drill testing the Henty Horizon, which is defined as a zone of mineralisation, alteration and carbonate developed at the contact between the basal Tyndall Group and the underlying Central Volcanic Sequence. The exploration program has been highly successful and an inferred gold resource of 731000 tonnes @ 7.6 g/t Au at Mount Julia in the south of the Henty Mine Lease has recently been delineated.

An integrated exploration model for Henty and Mt Lyell style mineralisation has been developed. Such deposits are considered to represent the submarine equivalents to porphyry copper - high sulphidation - epithermal deposits. Henty style deposits form in the highest levels and margins of the system and have the best potential for gold mineralisation. The high sulphidation - porphyry copper deposits general form at a deeper level and although generally base metal rich can still host significant Au resources.

An integrated exploration model for the genesis of Henty style Au and Mt Lyell style Cu - Au mineralisation is shown on Figure 3.

Figure 3 Henty Model



The critical components of the model are outlined below:-

A. Position underlying the Lynchford Tuff

The Lynchford Tuff (or Lynchford Formation) is the basal unit of the Tyndall Group. The dominant facies is a feldspar rich volcaniclastic sandstone with subordinate basalt, carbonate horizons and quartz feldspar phyric intrusives / lavas. It overlies and can be interbedded with dacitic pumice breccias and lavas of the Central Volcanic Sequence.

The base of the Lynchford Tuff represents a major exhalite horizon (the Henty Horizon) as indicated by mineralisation at Henty, Comstock, Lynchford, Red Hills, Howards Anomaly and Beatrice.

B. Proximity to major faults

There is a close spatial association between exhalitive mineralisation at the Henty Horizons and major faults. The Henty, Howards Anomaly and Comstock deposits are located near the intersection of the Henty Horizon with the regional (N-S) Henty and Great Lyell Faults. The intersection of second order (E-W) faults with the Henty Horizon is a primary control on mineralisation at Lynchford and Comstock.

The regional (N-S) and second order (E-W) faults were active growth structures during Cambrian volcanism and mineralisation and focused the accent of deep seated hydrothermal fluids to the inferred seafloor position at the Henty Horizon.

C. Proximity to "Suite 2" porphyries and other related rock types.

Exploration at Mt Lyell, Garfield, Basin Lake, Anthony and South Henty has highlighted the close spatial association of "Suite 2" quartz feldspar porphyry intrusives and feldspar hornblende phyric andesites. These subvolcanic intrusives and their eruptive equivalents are considered to be the source of the magmatic dominated fluids which characterise Henty and Mt Lyell type deposits (Halley, 1996, Callaghan, 1998, Street, 1999 and Willliams, 2000).

They range in composition from medium to high calc-alkaline to highly evolved shoshonitic and tholeiitic compositions (Crawford, Corbett and Everard, 1992).

There is good field evidence in the Henty - South Henty area that intrusion of the Suite 2 rock types is synchronous with the deposition of the Lynchford Tuff.

D. Associated Footwall Style Alteration.

Sub-seafloor alteration in the Central Volcanic Sequence is wide spread in the southern Mount Read Volcanics and hosts mineralisation at Mt Lyell, Basin Lake, Anthony and South Henty. There are two principal types:- pyrite-sericite and pyrite-pyrophyllite. The latter forming under more acid conditions.

These alteration zones represent the feeder zones to the overlying exhalitive mineralisation at the Henty Horizons or seafloor position.

Deposits of this type commonly display features that are typically associated with High Sulphidation porphyry style mineralisation (Low δ34S values, pyrophyllite-kaolinite-alunite, enargite-tennantite etc). They are usually Cu rich in contrast to mineralisation forming at the overlying seafloor position, which generally have epithermal characteristics (Au and Ag rich).

2 PREVIOUS EXPLORATION

2.1 Beatrice Prospect (From Denwer et al, 1999)

Work has been completed at the Beatrice Prospect by The Mt Lyell Mining and Railway Company, Goldfields, BHP and RGC in the twenty three years since discovery of the prospect.

Mount Lyell Mining and Railway Company:

1975: The first mention of the Beatrice Prospect is in the 1976 Mt Lyell Mining and Railway Company (MLMRC) Annual Report (Brophy, 1976) where stream sediment sampling and follow-up mapping and sampling in the Itat Creek area is reported.

Stream sediment samples SS43 and SS44 collected in Itat Creek assayed 1110 ppm Pb and 1130 ppm Zn and 906 ppm Pb and 780 ppm Zn respectively. One rock chip sample of black shale assayed 375 ppm Cu, 1300 ppm Pb and 3,000 ppm Zn.

1976: During the 1976/77 field season exploration by MLMRC centred on the Beatrice Prospect (Walter, 1977). 43.5 kilometres of grids were cut, the grid was mapped, 'C' horizon soil samples collected at 30m spacings and a gradient array IP survey was completed over 38 line kilometres of the grid. In January 1976 MLMRC joint ventured EL 10/69 with Getty Oil Development Company Ltd (GODL).

1977: During 1977/78 (Hutton, 1978) an extra 4 kilometres of lines were cut. The western part of the grid (lines 00N-1600N, from their western ends to approximately 400m east of Itat Creek) were -80# soil sampled and assayed for Cu, Pb, Zn, Ag and Mn. The sampling interval was 30m with intermediate 15m sampling over IP anomalies.

A major geochemical anomaly was detected between lines 08N and 16N (open to the north) that corresponded with a SW trending black shale unit and altered tuff. Best values were 510ppm Cu, 1.1% Pb, 1900 ppm Zn, 6 ppm Ag and very high Mn (up to 15.5%).

1978: During 1978-79 the above mentioned geochemistry anomaly became known as the Mt Sedgwick Anomaly Zone (MSAZ) and the entire gridded area was referred to as the Beatrice grid (Hutton, in Reid et.al 1979).

An access track was excavated into the prospect with both a western track, which required blasting (near MS-3) and an eastern track. Mineralisation was recognised in both these roads. This western track was rock chipped at 5m sampling intervals. The entire 80m assayed 80m @ 0.34% Zn, 0.22% Pb, 65 ppm Cu and 3.7 ppm Ag. The best interval assayed 5m @ 0.57% Zn, 0.63% Pb 90 ppm Cu and 9 ppm Ag. Eleven samples were collected from the eastern road. These samples averaged 1.60% Zn, 1.28% Pb, 250 ppm Cu and 6 ppm Ag. Hutton (in Reid et.al., 1979) states that these results are not representative of the entire section and that if this section was sampled methodically similar results to the western road would be achieved.

Lines 1800 and 2000N were soil sampled and the MSAZ was shown to continue giving it a strike length of +1200m and a maximum width of about 300m. By line 2000N the Zn anomaly appears to be petering out whereas the Pb anomaly is still wide and strongly anomalous.

109 rock chips were collected and assayed for Cu, Pb, Zn, Ag, Mn, ± S, Au, Fe, Co. Only eight samples were analysed for gold and these all assayed <0.9 g/t Au. Best base metal results were:
9% Zn, 0.19% Pb, 0.07% Cu and 7 g/t Ag and
1.9% Zn, 5.7% Pb, 0.025% Cu, 12 g/t Ag and 0.5 g/t Au.

Three diamond drill holes, designed to test the MSAZ between 1400 and 1600N, were completed by Associated Diamond Drilling. DDH MS1 (329.1m) was drilled from east to west and intersected 7m @ 1.1% Pb, 1.7% Zn, 7 ppm Ag, 0.3 ppm Au from 62-69m and 2m @ 0.14% Cu, 2.7% Pb, 5.1% Zn and 22 ppm Ag from 111-113m. Bedding is steeply west

dipping and this hole therefore largely drilled down bedding. DDH MS2 (301m) was drilled from west to east and only intersected low grade mineralisation; the best intersection being 17.25m @ 0.3% Pb, 0.54% Zn and 5 ppm Ag from 62-79.25m. DDH MS3 (328m) was drilled to test beneath the good rock chip results from the western and eastern access tracks. The best intersections were 7m @ 0.4% Pb, 0.58% Zn and 4.5 ppm Ag from 111.6-118.6m and 15m @ 0.4% Pb, 0.6% Zn and 4 ppm Ag from 170-185m.

The following geophysical surveys were completed by Scintrex: EIP gradient array, Downhole three-array, Schlumberger Array, Dipole-dipole and pole-dipole surveys.

1979: During 1978-79 (Meares et al, 1980) drill holes MS4 and MS5 were completed and 1065 soil samples were collected.

DDH MS 4 (350m) was collared to test northern extensions to mineralisation encountered in MS 1 and in the road exposures. Assay results were disappointing with a best result of 6m @ 0.3% Pb, 0.7% Zn, 2.7 ppm Ag and 0.3 ppm Au from 144-150 meters. The hole was drilled to the west and, as with MS 1, it largely drilled down bedding.

Drill hole MS 5 was drilled to determine the cause of a chargeability anomaly associated with the quartz-feldspar porphyry. This hole intersected black shales at 39.6-62.4 and 105.8-139 meters. The black shales were interpreted to explain the IP anomaly and the hole was terminated. No significant mineralisation was intersected.

The eastern portion of the grid was soil sampled (east of 386000 mE) with 1065 C horizon -80# soil samples. Samples were collected at 30m centres.

Geophysical surveys carried out on the grid during the 1978-79 field season included; Ground magnetics, Gradient array IP, Pole -dipole IP and Dipole-dipole IP.

Goldfields

1983: There was no further work done at Beatrice until 1983 when Goldfields Exploration (the exploration division of RGC and MLMRC) was required to relinquish 50% of EL 9/66. To aid this a geological review of the ground was completed (Purvis, et.al 1983). Major conclusions were that the geology at Beatrice was regarded as being similar to Red Hills and that previous drilling was not an adequate test of the MSAZ, as holes were drilled at a low angle to dip and strike (MS 1 and MS 4) or were collared underneath the shales (MS2 and MS3). Although these comments are not disputed the four holes are a reasonable test of the soil anomaly and wisdom in hindsight is always very easy.

The review team recognised two areas of potential for mineralisation:
1. Steeply dipping mineralised shale in Itat Creek,
2. Extensions of the shale and ashes-shales-ignimbrites underlying the Mt Sedgwick Porphyry to the East and West of Itat Creek.

15 rock chip samples were collected by the review team, three of these assayed >1000 ppm Zn and > 400 ppm Pb, however, all samples were below detection in gold. The validity of the original gold assays were strongly queried (note: Goldfields base metal assays also appear to be low for the Beatrice Prospect and recent work (section 6.1.2) shows unequivocally that the basemetal mineralisation may be Au-rich). No further work was done on the Beatrice Prospect and the ground containing the prospect was relinquished in by MLMRC in 1987; the area was picked up by BHP as part of EL 103/87.

BHP

1989: The Beatrice Prospect remained unexplored until 1989. BHP remapped the area, relogged drill holes MS1-MS5 and conducted a four loop UTEM survey (Wilde and Kerr 1990). No strong conductors were associated with the base metal mineralised zone on the Beatrice grid and only poorly conducting features, related to structures or lithologies, were recognised. In 1991 RGC Exploration joint ventured into the property with BHP.

RGC

1994: In 1994 the prospect was revisited by RGC Exploration (Boyd, 1994). A literature review was completed, the grid was remapped in detail and drill core was relogged. The main aim of the remapping was to determine if the black shale continued south past the limit of previous drilling. This aim is rather peculiar as it had been determined in 1978 that the black shales continued south of the known mineralisation (Reid et al., 1979). This remapping of the grid was very extensive but unfortunately the interpretation was not very rigorous. After relogging the core Boyd makes the ambitious statement "These holes have thoroughly tested the possible geological, geophysical and geochemical targets identified by the first exploration work done at Beatrice" (Boyd, 1994).

Boyd stated that "the sulfide exposed in the core is bedded within the black shale and volcaniclastic units and as such is most likely to be syn-sedimentary, thus indicating that some form of seafloor sulfide deposit has occurred at this stratigraphic level". The stratigraphic position hosting the mineralisation was shown to extend 300m to the south and a drill hole was proposed to test this position. This hole was not drilled until 1996 (see below).

Boyd (1994) did a statistical and lithological appraisal of mineralisation in rock chips and concludes that the majority of the mineralisation is within the black shales. An average of 1.62% Zn, 1.79% Pb, 620 ppm Cu and 45 ppm Ag is calculated for black shale, an average of 2.52% Zn, 0.11% Pb, 365 ppm Cu and 4 ppm Ag is calculated for bedded vitric tuff and an average of 0.34% Zn, 0.22% Pb, 65 ppm Cu and 3.7 ppm Ag is calculated for the rest. Samples were collected for sulfur isotope analysis from the drill hole MS1. $\delta^{34}S$ values for galena, sphalerite and pyrite are +15.8 - +14.9 ‰. These values are similar to the isotopic values for sulfur from the top of the Rosebery deposit ($\delta^{34}S$ +13.2 - +15.6 ‰). No lead isotope data has been collected at the prospect.

1996: In 1996 minor mapping and one diamond drillhole (MS6; 288.8m) were completed (Joyce, et.al 1997). DDH MS6 was drilled to test the black shale horizon 500m to the south of existing drilling and adjacent the Comstock Valley Fault (approximately 500m north of this structure) which was interpreted as a synvolcanic shear. No significant mineralisation was intersected, with a best assay of 2.6m @ 0.25% Zn. RGC Exploration relinquished the area in October 1997 and it was successfully tendered for by Pasminco Exploration.

2.2 West Sedgwick Prospect

The West Sedgwick area covers the western and southwestern flanks of Sedgwick Bluff (not Mt Sedgwick itself). The first exploration in the area was in 1957 when Rio Tinto Australian Exploration (RTAE) completed a TEM survey. Since this time the area has been explored by Mount Lyell Mining and Railway Company (MLMRC), Pickand Mathers and Co. International (PMI), Goldfields Exploration, BHP and RGC Exploration.

The majority of previous work has concentrated at the top of the Central Volcanic Complex around the southern end of Sedgwick Bluff, in the vicinity of Zig Zag Hill, where there are several east-west cross structures. This stratigraphy probably continues to the north but exploration efforts have been hampered by scree and glacial moraine cover.

Rio Tinto:

Rio Tinto Australian Exploration (Muceniekas, 1958) completed a EM survey and a 600m long weak anomaly centre at roughly 46900 mN, 81800 mE was identified (Zig Zag Hill anomaly). To follow up the anomaly detailed geological mapping, stream and soil geochemistry, ground magnetics and a gravity survey were completed. Minor outcrop revealed that the alteration was similar, but weaker, to the Mt Lyell field. A weak Pb in soil anomaly coincides with the EM anomaly. No further work was done until 1962 when RTAE (in joint venture with EZ Co) completed a three electrode array IP survey along 6 grid lines. There was no IP response associated with the EM anomaly and no further work was completed.

Pickand Mather and Co International (PMI)

PMI pegged the ground in 1965 as part of EL 12/65. They completed reconnaissance geology, stream sediment geochemistry and by 1967 their exploration efforts had focussed on the volcanic-conglomerate contact. A dipole-dipole survey was completed and an anomaly was identified close to the Zig Zag Hill anomaly, but, PMI concentrated their efforts on a larger anomaly located at Basin Lake (outside the current tenement). No further work was done on the area until MLMRC pegged the ground in 1971.

Mount Lyell Mining and Railway Company (MLMRC),

MLMRC held this ground under EL 41/71. In their first report they make the comment *"Pickand Mathers exploration philosophy appears to have been based on the often stated, but invalid, premise that the Lyell orebodies are related genetically to the volcanic-conglomerate contact".* Their exploration focussed to the west mainly within the Yolande River Sequence. An extensive grid (East-west lines on 070° and spaced at 600'), was cut and was labelled with the MLMRC trademark Northing and Southing. From 1971-1973 exploration concentrated on mapping (Sheppard, 1972 and 1974), much of which was grid based, and the presence of the Tyndall Group (Dora Conglomerate) was first recognised. In 1973 the Lake Margaret Tram Pyrite Lens, a 10 foot wide zone of pyrite (30%) and quartz (70%) containing up to 1g/t Au, Ag to 1 g/t, Cu to 1020 ppm and very low Pb and Zn, was discovered. In the same year an IP survey was completed by Scintrex; a total of 38 anomalies were defined of which four were regarded as significant (Sheppard, 1975).

During 1974 (Sheppard, 1975) the grid was extended and soil samples were collected over the 38 anomalies at 50' centres and at 25' centres over the four major anomalies. In 1975 (Brophy and Stevens-Hoare, 1976) and 1976 (Meares, 1977) some additional grid extensions were cut and a blanket gradient array IP survey and a smaller pole-dipole survey were completed. These surveys located a 150' wide, 2000' long black shale horizon on the east flanks of Crown Hill. The Lake Margaret Tramway pyrite lens had no IP response.

During 1977 three diamond drill holes were drilled to test the Lake Margaret Tramway pyrite lens and a combined IP/geochemical anomaly on line 84S (Meares, 1978). This drilling was completed during June-September 1977 and was reported in an Appendix to the 1977 report (Meares, 1977).

DDH WS1 and WS2 tested the Lake Margaret tramway pyrite body and were collared at approximately 5345500 mN, 379200m. Hole WS1 was abandoned at 92 metres due to drilling problems. Six samples of the black shale and 36 samples of the tuff from hole WS2 (224.4m) were assayed for Cu, Pb, Zn; All results were very low. DDH WS3 (259.7m) was targeted at an area combined chargeability and Pb in soil anomaly within black shales. It was collared at approximately 5346400 mN, 380200m. Five samples were collected of the black shale unit and 12 samples of the volcanics. The black shale was anomalous in Pb (range 420-760, average 572 ppm) and Zn (range 185-1100, average 512 ppm).

In 1980-81 Mt Lyell cut an extensive grid over the Comstock Valley and completed an IP survey. Some of these lines extended across the CVC-Owen Conglomerate contact north of Zig Zag Hill. No significant chargeability anomalies were identified in the West Sedgwick area.

The review of EL 9/66 (Purvis et al., 1983) highlighted the area of the old RTAE EM anomaly as being prospective. No action was taken on this recommendation until 1985 (FitzGerald and Cartwright, 1986) when anomaly was followed-up with three lines of SIROTEM. A weak WNW anomaly parallel to the RTAE anomaly was identified and was interpreted to be a weakly conductive zone. This anomaly occurred in an area of Owen Conglomerate scree and it was tested by the drilling of WS4 (229.8m) which failed to intersect any significant mineralisation (Fitzgerald, 1987).

BHP:

The tenement was relinquished by Goldfields and pegged as EL 102/87 by BHP (Kerr and Wilde, 1989). They relocated all the previous grid data and quite unbelievably there are four grids in the West Sedgwick area and even more unbelievably they are all at different orientations (see Figure 2 from Kerr and Wilde 1989). These are the West Sedgwick grid, North Queen Grid, Mine lease AMG grid and the Comstock AMG grid.

The BHP approach was to cover areas with blanket UTEM. They cut an additional 106.7 kilometres of lines and fortunately they did not choose a fifth grid orientation. A UTEM survey was completed by Lamontagne Geophysics, and results are reported in Kerr and Wilde (1990). An early time feature in these data corresponds to the GLF. Another well defined early time anomaly extends NW from 5346000 mN, 380700 mE, to 5346800 mN, 380225 mE. This feature corresponds with the anomalous Pb/Zn soils tested by WS3. No other major anomalies were identified.

BHP also revisited the Tramway pyrite zone. The zone was described by Sheppard (1972) as a pyrite outcrop but is a pyritic quartz sericite schist. The zone is two metres wide and probably <30m strike length. Rock chips return up to 0.76 g/t Au. The drillhole that tests this zone, WS2 was not analysed for Au. MLMRC only collected six samples from the shale in WS2 and had a best result of 1.5m @ 93 ppm Cu 420 ppm Pb. BHP cut some additional samples from the shale and report a best assay of 1.4% combined Pb/Zn. BHP joint ventured EL 102/87 with RGC Exploration in November 1991.

RGC Exploration:

RGC Exploration's exploration strategy was to use mapping and geochemistry, in contrast to BHP Exploration's blanket UTEM. Their work concentrated on the SW corner of Mt Sedgwick. During 1991/92 the West Sedgwick area was mapped at 1:5000 scale, 139 rock chip samples were collected and C-horizon soil samples were collected (Halley, 1992).

During 1992/93 the core from WS4 was re-logged. It was recognised that the hole did not go through the andesite (that occurs at the top of the CVC) and the grey carbonate that was intersected from 209.1m - 210.8m was interpreted as a low temperature exhalite (Halley, 1993). WS5 was then drilled to test the volcanics near the intersection of the West Sedgwick and Great Lyell Faults. It was originally planned to lengthen WS4 however the PVC could not be removed from the hole and a new hole was collared. WS5 was abandoned at 97.9m due to the rod string breaking and WS5A was lipped of WS5 at 52m. WS5A intersected a major fault at 124m in which the hole was abandoned.

WS6 was completed at 380.8m and intersected a sequence of coarse grained hornblende-phyric andesites to 219.6m with major faults at 121.9-123.4 and 212.6-219.6m. Beyond the second fault the Tyndall Group was intersected and was represented by a sequence of interbedded siltstones and felsic epiclastics followed by the Comstock Tuff. The Great Lyell fault was intersected at 373.0m. Core was analysed for Au, Ag, Cu Pb and Zn, but, there were no significant assay results.

During 1993-94 a series of 400m spaced holes were drilled to test the CVC-Tyndall Group contact close to the GLF. Two holes were drilled from the Mt Lyell Mine lease and WS7 was drilled from the saddle between Agglomerate Hill and Zig Zag Hill. WS7 (499.2m) intersected the CVC-Tyndall Group contact but this was unmineralised. Zones of silica-sericite-pyrite alteration were intersected from 45 to 155m and from 295 to 350m. Ninety three samples were submitted for assay (including 36, 10m core grind composite samples and 57, 1m intervals of ½ core). Assay results were disappointing with no base metals above 1000 ppm (Halley 1994). Two samples from WS7 were submitted for whole rock ^{18}O analysis and three pyrite samples from the alteration zones were submitted for $\delta\ ^{34}S$ analysis. The whole rock ^{18}O results indicated that the alteration was formed by fluids at around 200^0C, which is to cool to carry significant base metals. The $\delta\ ^{34}S$ results indicated that the sulfides were formed from sulfate reduction and that the alteration is on the edge of a large system (the Mt Lyell

system?). The only other recorded highly enriched ^{34}S and high ^{18}O from the MRV is in the stringer envelope zone at Hellyer (Halley, 1994).

Downhole SIROTEM was completed in WS6 and WS7 and Crone 3-component pulse EM was read in WS7; No offhole conductors were identified.

During 1994-95 hole WS8 was drilled from the same site as WS7 and was designed to test the bedded pyrite unit and pyrite alteration zone intersected in hole WS7 at 200m down dip (Halley et.al 1995). This hole was drilled to 652.1m, but, failed to intersect the sulfides seen in WS7. WS8 also failed to intersect the Tyndall Group; this was explained by RGC with an oddly located flat fault, however, on relogging the hole it is apparent that much of WS8 was drilled down bedding. No further work was completed at West Sedgwick.

The Beatrice and Moxon Saddle area was acquired as EL 06/1998 by Pasminco Exploration in January 1998. The work completed by Pasminco centred on the Beatrice area with minor exploration at West Sedgwick. No work was completed at Moxon Saddle.

At the Beatrice Prospect the following exploration was completed (Denwer et al, 1999 and Denwer et al, 2000):-

Geology	1:1000 geological mapping Compilation of previous mapping Relogging of holes MS1 to MS6
Drilling	Holes MS7 to MS10 (2392.6m)
Geochemistry	580 sample mobile ion sampling program
Geophysics	4 line, 8.8 km pole-dipole IP survey 2 line, 4.0 km CSAMT survey DHEM survey of holes MS7 to MS10

3 WORK COMPLETED

The exploration completed by Goldfields Exploration on EL 6/1998 in the twelve months to March 2002 (Vicary and Callaghan, 2002) is summarised below:-

General	Gridding at Moxon Saddle
Geology	Relogging of old holes from the Beatrice and West Sedgwick area Compilation of drill hole data (Collar location, surveys etc) 1:5000 Geological mapping at Moxon Saddle
Geochemistry	11 samples from WS002 (Au, Cu, Pb, Zn, Ag, As and Bi) 18 samples from various holes (NAA suite and Ti, V, P and Zr (XRF)) C horizon soil sampling at Moxon Saddle (Au, Cu, Pb, Zn, Ag and As) 3 carbonate samples analysed for C-O isotopes
Geophysics	Reprocessing of WTRMP helimag and radiometric data

Additional exploration completed since March 2002 is tabulated below:-

Geology	Limited 1:5000 geological mapping at West Sedgwick area
Geochemistry	11 rock chip samples from the West Sedgwick area (Au, Cu, Pb, Zn, Ag, As by AAS) 7 rock chip samples from the West Sedgwick area (Ti, P and Zr (XRF))

4. RESULTS

4.1 Geological Mapping

A mapping program in the West Sedgwick – Crown Hill area commenced in September 2002. The program was not completed due to the uncertainty associated with the take over of AurionGold by Placer Dome. Fact mapping is presented on Plan 1. Rock and Formation codes used on Plan 1 are given in Appendix 3.

A zone of sericite – pyrite alteration (the North West Pyrite Zone) located in the head waters of Laurel Creek was examined.

4.2 Rock Chip Geochemistry

16 rock chip samples were collected from the West Sedgwick area and were analysed for Au, Cu, Pb, Zn, Ag, As by AAS. 7 of the rock chip samples were also analysed for Ti, P and Zr by XRF. The analyses are tabulated in Appendix 1.

Rock chip samples from the North West Pyrite Zone returned up to 0.16 g/t Au and 988 ppm Zn.

5. DISCUSSION and RECOMMENDATIONS

Exploration completed on EL 6/1998 since March 2002 was limited due to corporate uncertainty caused by both the formation of AurionGold and the subsequent take over by Placer Dome.

The limited work completed focused on the West Sedgwick area. This region is considered the most prospective region in the EL to host Henty and Mt Lyell style mineralisation. A zone of sericite – pyrite alteration was examined in the north west of the EL. The significance of this zone is discussed in Appendix 2 and a drill proposal presented. The proposal was accepted by AurionGold management and the hole was scheduled to be drilled in early November 2002. However at this time, Placer Dome achieved approximately 50% ownership of AurionGold and all exploration activities were suspended.

In late 2002, AurionGold was acquired by Placer Dome and a detailed review of the Tasmanian Exploration program completed. As a result of the review all non-mine lease exploration was suspended and several exploration tenements (including the EL 6/1998) were recommended to be relinquished.

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Appendix 1

Rock Chip Analyses

Appendix 2

WS009 Drill Proposal

AURIONGOLD

TECHNICAL NOTE

To : Rob Taylor, David Richards

cc : AurionGold Exploration Information Centre

From : Michael Vicary

Date : 9 October 2002

Subject : Proposed drill hole (WS009) on EL 6/1998 - Beatrice

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A gradient array IP survey over the West Sedgwick area in the 1970's defined a chargeability anomaly up to 25msec in the north east of the tenement (Figure 1). The chargeability anomaly has a strike length of 1 kilometre, although the northern limit may be poorly defined due to thick glacial cover. Subsequent field examination has shown that the anomaly is due to a poorly exposed zone of silica-sericite-pyrite alteration within the Central Volcanics Sequence. Assays returned Au up to 0.2 g/t Au and weakly anomalous Cu and Zn values.

Previous grid base c horizon soil sampling (Cu, Pb, Zn only) by Mt Lyell over the anomaly was inconclusive due to thick glacial cover. Additional grid based soil sampling for Au over the anomaly is unwarranted.

The IP anomaly is considered to be significant because: -

1. The alteration is hosted in the Central Volcanic Sequence near the northern extrapolation of the Henty Horizon.
2. The alteration is adjacent to the Great Lyell Fault, a structural setting similar to that displayed by many of the ore bodies in the Mt Lyell area (Figure 2).
3. The alteration style is similar to that displayed in the outer margins of a Mt Lyell / Henty system. This is supported by the low but anomalous levels of Au and base metals.

It recommended that one short diamond drill hole be completed to test the anomaly. The proposed hole has been designed to test the alteration zone near its projected intersection with the Great Lyell Fault (Figure 3). The Great Lyell Fault (or its precursor) acted as a feeder structure during mineralisation. By targeting the hole to intersect the alteration zone near the Fault we have the best chance of intersecting the hottest part of the system. This is considered to be the optimal position for the development of an economic grade.

Budget:-

Due to the location of the anomaly the rig will have to be transported to site by helicopter. I have base these costs on the SHD26 drill hole.

The hole will be about 350 to 400m deep, however the final depth of the hole will depend largely on where a suitable collar position is found.

Site Preparation	2 days @ $500	1000
Rig Mobilisation		2000
Helicopter Costs		16000
Drilling costs	400m @ $100/m	40000
Assays	100 @ $20	2000
Total		**61000**

Figure 1. WS009 Location Diagram

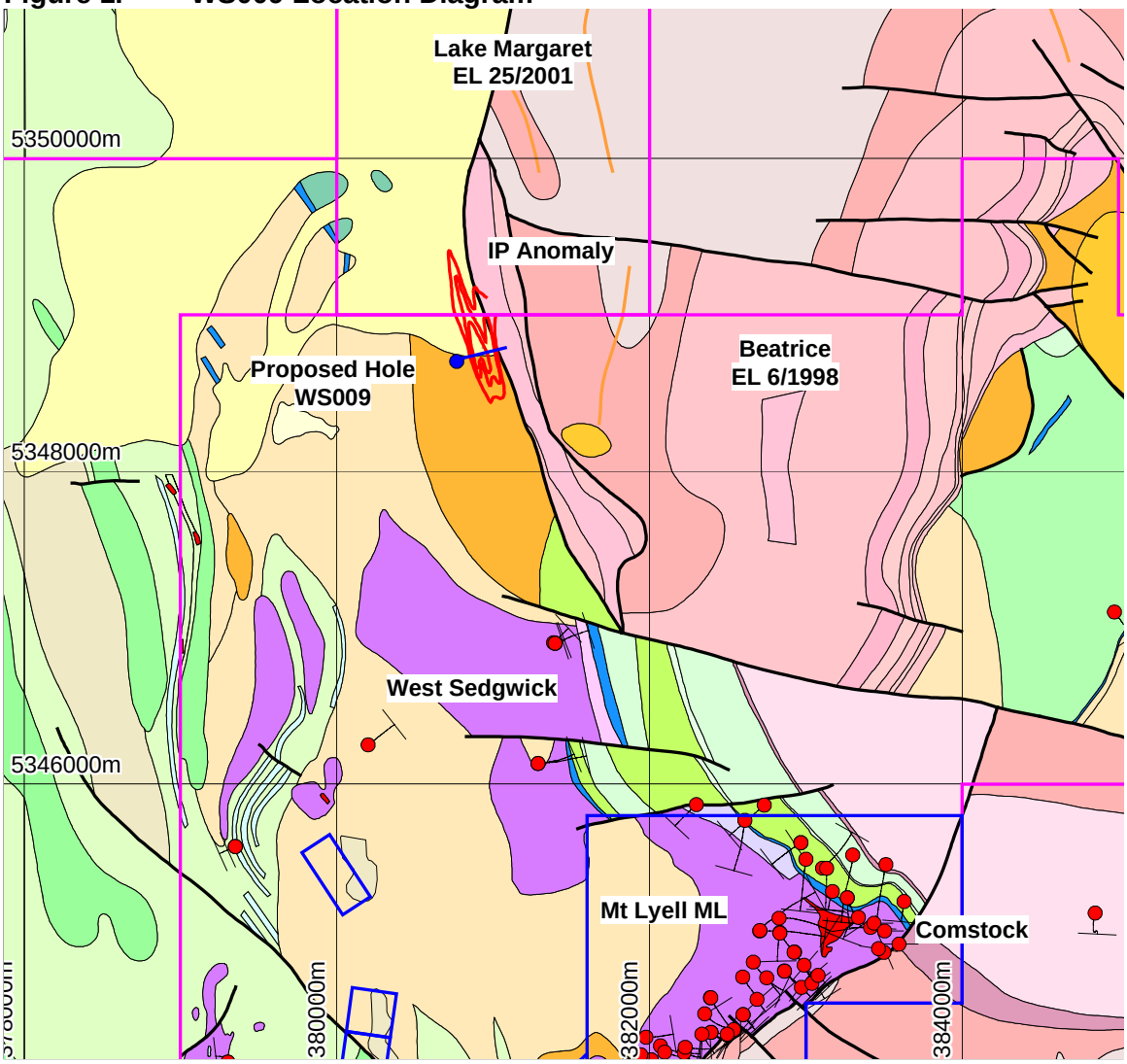


Figure 2. Conceptual Model

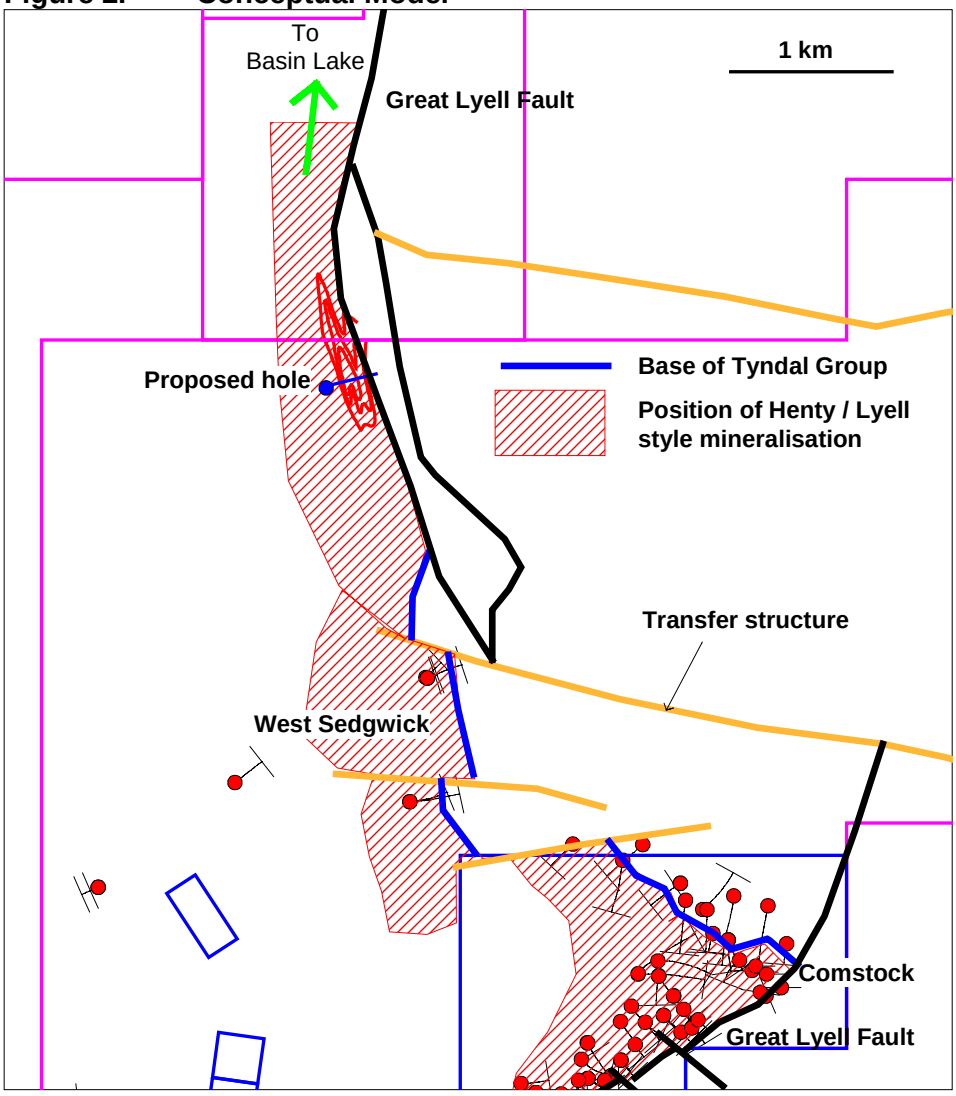
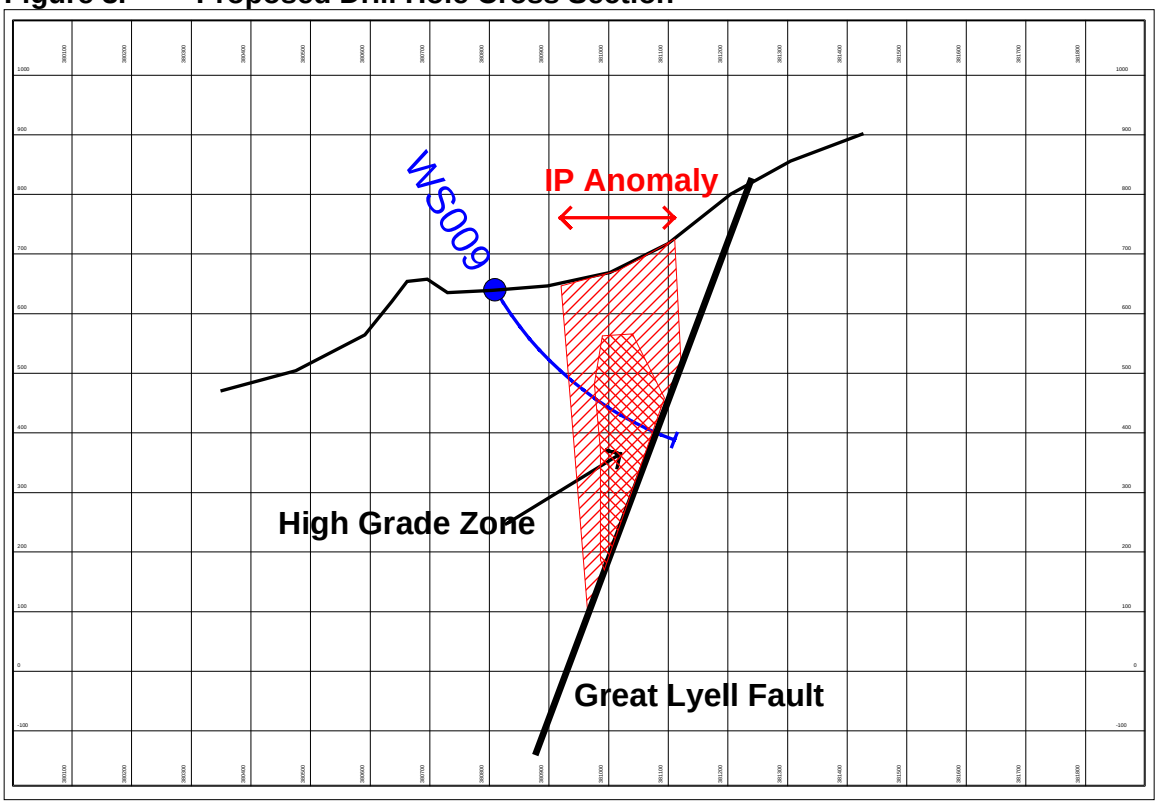


Figure 3. Proposed Drill Hole Cross Section



Appendix 3

Legend for Plan 1

GOLDFIELDS EXPLORATION (ZEEHAN) - ROCK CODES

TYPE
U - Volcanic (general)
V - Volcaniclastic
E - Epiclastic
L - Lava
I – Intrusive

COMPOSITION
R - Rhyolite
Y - Rhyodacite
D - Dacite
A - Andesite
B - Basaltic
F - Felsic
M - Mafic
U – Ultramafic

CRYSTAL TYPE
X - Crystal rich
A - Aphyric
F - Feldspar phyric
< - Feldspar - quartz phyric
> - Quartz - feldspar phyric
Q - Quartz phyric
H - Hornblende phyric
P - Pyroxene phyric
B - Biotite phyric
V - Vitric / glassy
L - Lithic rich

OTHERS
TILL - Glacial moraine
CLAY - Glacial clays
SILT - Black pyritic siltstone
FALT - Fault
CARB - Massive Carbonate
CBBX - Carbonate breccia
VEIN - Vein
GWAC - Greywacke
CONG - Siliciclastic Conglomerate
SAND - Siliciclastic Sandstone
XXXX/YYYY - Interbedded units
R - Reworked, commonly with Carbonate matrix

GRAINSIZE
B - Breccia
C - Coarse
M - Medium (Sandy)
F - Fine (Silty)
V - Very fine (Shaley)
A - Ashy
/ - Undifferentiated
X - Crystal Rich
P – Pumiceous

ALTERATION
P - Pyrite
$ - Mineralised
Q - Quartz
O - Chlorite
C - Carbonate
H - Hematite
S - Sericite
K - K feldspar
A - Albite
E - Epidote
F - Fuchsite
M - Magnetite
L - Limonite

N - Scale
1 - Very Weak
3 - Weak
5 - Moderate
7 - Strong
9 - Intense

eg. AOC7
Strong albite-chlorite-carbonate alteration
(albite>chlorite>carbonate, albite = 7)

Formation Codes

Qg	Quaternary glacial and fluvioglacial deposits	
COo	Owen Conglomerate.	Undifferentiated siliciclastic sediments
Ctc	Tyndall Group – Upper Tyndall Group	Quartz-feldspar phyric volcaniclastic conglomerate
Ctt	Tyndall Group – Comstock Tuff	Quartz-feldspar phyric volcaniclastic sandstone
Cts	Tyndall Group	Ashy to black siltstone siltstone
Ctl	Tyndall Group	Quartz phyric lava
Ctb	Tyndall Group – Howards Basalt	Basalt Lava
Cttl	Tyndall Group – Lynchford Tuff	Feldspar phyric volcaniclastic sandstone
Ctts	Tyndall Group – Sedgwick Sandstone	Quartz-feldspar phyric volcaniclastic sandstone and siltstone
Ccarb	Tyndall Group / Central Volcanics Sequence	Massive carbonate horizon
Ca	Anthony Road Andesite	Feldspar-hornblende phyric lava and breccia
Cav	Anthony Road Andesite	Andesitic volcaniclastic sediments
Cp	Anthony Road Andesite Suite II / (Suite I)	Quartz-felspar-(hornblende) phyric rhyolitic to andesitic porphyry
Ccv/Ccvi	Central Volcanics Sequence	Predominantly feldspar phyric pumiceous volaniclastic sandstone
Ccvc	Central Volcanics Sequence	Carbonate clast bearing feldspar phyric pumiceous volcaniclastic sandstone
Ccva	Central Volcanics Sequence	Ashy siltstone
Ccvs	Central Volcanics Sequence	Black siltstone
Ccvq	Central Volcanics Sequence	Quartz-feldspar phyric volcaniclastic sediments and lavas
Ccvl/Ccl	Central Volcanics Sequence	Feldspar phyric lava and lava breccia
Ccvlq	Central Volcanics Sequence	Quartz-feldspar phyric lava and lava breccia
Cb	Basalt	Basalt Lava / Intrusive
Cy	Yolande River Sequence	Undifferentiated quartz-feldspar phyric volcaniclastic sediments
Cys	Yolande River Sequence	Quartz-feldspar phyric volcaniclastic sandstone
Cyss	Yolande River Sequence	Black siltstone
VEIN	Vein	
FALT	Fault	

Plans