Diamond Ventures NL

EL 2/2001 Andersons Creek

Year 2 Annual Report
2002 - 2003

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21 May 2003

Contents

SUMMARY

Following the signing of the Diamond Ventures NL - BMJV joint venture in late 2002, exploration on EL 2/2001 commenced in January 2003. A 172 sample -80 mesh stream sediment survey was completed and interpreted by May 2003.

An expected strong anomalous nickel response exists in creeks draining the Cambrian Andersons Creek Ultramafic Complex, in the central part of the EL. A maximum nickel value of 3040 ppm was achieved.

Copper, lead, zinc and arsenic show no convincing anomalies but weak and patchy zinc elevation tracks the nickel highs.

Gold was the main target of the survey and several areas of subtle gold elevation were detected and require follow -up work. Five drainage networks containing elevated gold values were identified in the central eastern, southern and north western sectors of the EL. The anomalous drainage is sampling Cambro-Ordovician Beaconsfield Mine Sequence correlates, Permian strata probably overlying Mine Sequence correlates and Proterozoic quartzites and schists.

Orientation of the anomalous drainage and surrounding topography can be interpreted as indicating structural trends, including strike projections from known mineralised structures in the juxtaposed Cabbage Tree Thrust block to the northeast.

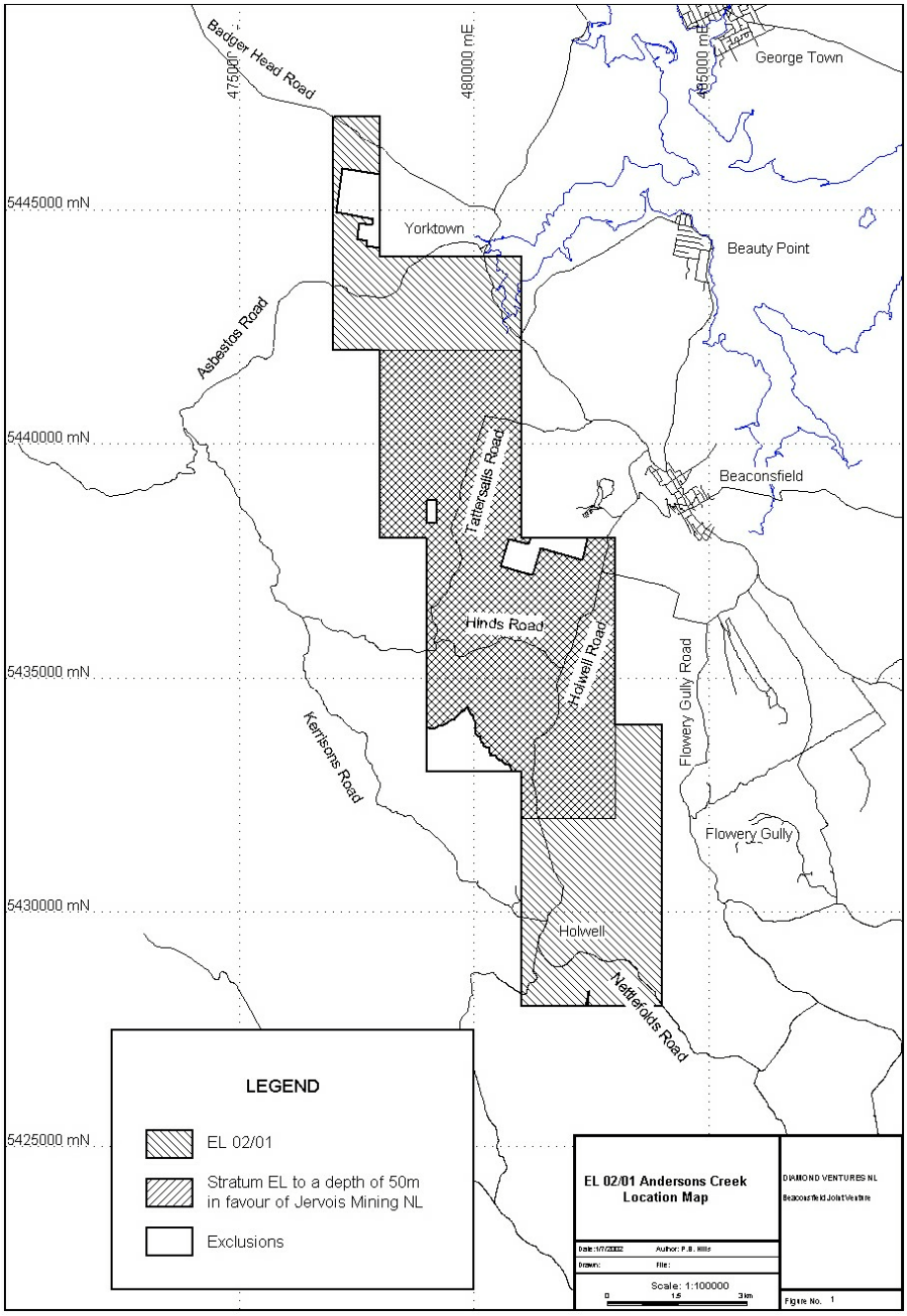
Testing of these anomalies by mapping, soil geochemistry and drilling is the priority for Year 3 exploration.

INTRODUCTION

This report covers all exploration completed during licence Year 2, which comprises the first field work done on the EL. EL 2/2001 is included in the Diamond Ventures NL - Beaconsfield Mine JV joint venture, which was ratified on 8 November 2002. Exploration on this EL commenced in January 2003 and is on-going.

TENEMENT DETAILS

EL 2/2001 covers 55 km^2 in the Andersons Creek area, west of Beaconsfield (Figure 1). The licence was granted to Allstate Prospecting Pty Ltd on behalf of the Beaconsfield Mine Joint Venture, for a period of 5 years from 22 June 2001 (Hills, 2002). Tenure is somewhat complicated by the 34 km^2 EL 1/2001, held by Jervois Mining Ltd, within the central part of EL 2/2001 but limited to a depth of 50 metres below surface (Figure 1). EL 2/2001 includes exploration access rights on ground covered by EL 1/2001 but no rights to resources discovered within EL 1/2001.


Badger Head Road
475000 mE
480000 mE
485000 mE
George Town
5445000 mN
Yorktown
Beauty Point
Asbestos Road
5440000 mN
Tattersalls Road
Beaconsfield
Hinds Road
Holwell Road
Flowery Gully Road
5435000 mN
Kerrisons Road
Flowery Gully
5430000 mN
Holwell
Nattrafolds Road
5425000 mN
LEGEND
EL 02/01
Stratum EL to a depth of 50m in favour of Jervois Mining NL
Exclusions
EL 02/01 Andersons Creek Location Map
DIAMOND VENTURES NL
Beaconsfield Joint Venture
Author: P.B. Hills
Scale: 1:100000
Figure No. 1

Exploration exclusions on EL 2/2001 (and in part on EL 1/2001) comprise; 260 hectares of mining leases (including ML 6M/2000 held by BMJV), the Holwell Gorge State Reserve over 160 hectares and various small State Reserves totalling approximately 10 hectares (Figure 1). Therefore, EL 2/2001 has approximately 52 km^2 available for exploration, 52 km^2 with access to resources below 50 metres and approximately 20 km^2 with access to resources from the surface.

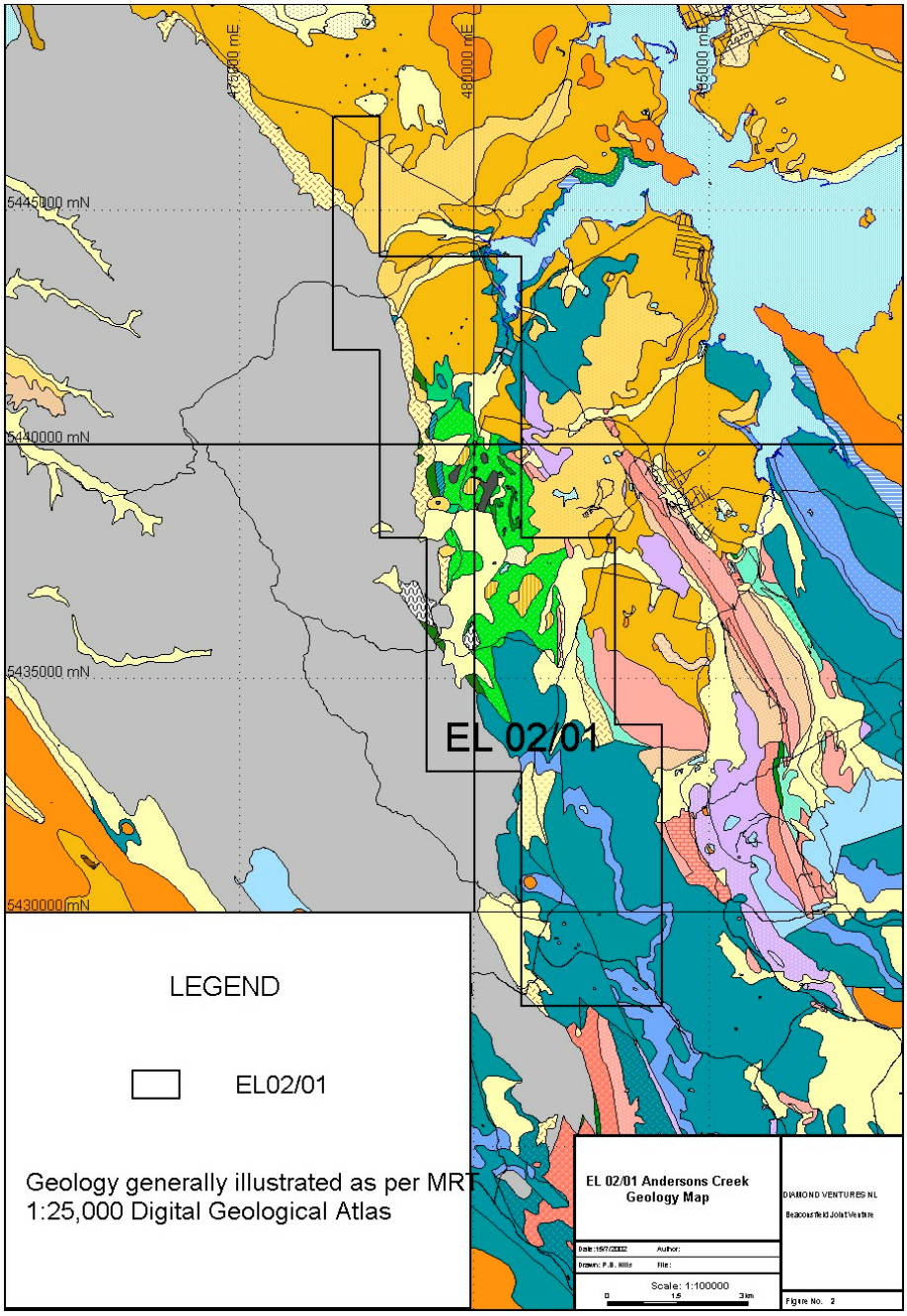
The licence is due to expire on 22 June 2006.

GEOLOGY AND EXPLORATION PHILOSOPHY

The regional geology of the EL consists of three NNW striking (thrust conformable) associations of Proterozoic - Ordovician rocks which young to the east and are covered by flat lying Permian sedimentary rocks in the south of the EL and by semi consolidated Tertiary sediments in the north-northeast (Figure 2). Thus the target rocks for exploration, in outcrop, predominantly occupy a window through younger cover in the central third of the EL. In the west of the window, and extending to the northwest corner of the EL, Proterozoic quartzites and schists of the Badger Head Group comprise basement to an association of serpentinites, peridotites, mafic volcanics and metamorphosed marine sediments: the Middle Cambrian Andersons Creek Ultramafic Complex. The Andersons Creek Ultramafic Complex is overlain by correlates of the Blyths Creek Formation, undifferentiated Cabbage Tree Formation (used here as a general term for the Salisbury Hill and Eaglehawk Gully Formations) rocks and Flowery Gully Limestone. The rocks overlying the ultramafics correlate with the Beaconsfield Mine Sequence but are clearly contained in a separate thrust slice, producing the stratigraphic repetition SW of the mine (Figure 2). Reed (2002) and Reed et al (2002) describe the structural relationships and tectonic history of the pre-Permian rock units in the Beaconsfield region.

The exploration philosophy remains to discover gold mineralisation using the structural, stratigraphic and alteration setting of the Tasmania Reef as a model, but also considering the role of other major thrusts as possible fluid pathways and the potential of the Badger Head Group and the Andersons Creek Ultramafic Complex as gold reef hosts (Hills, 2002).

Diamond Ventures have commenced exploration with a relatively dense regional stream sediment survey over the licence, to test both the subcropping target rocks and the possibility of drainage incising shallow cover and sampling Cambro-Ordovician rocks in the northern and southern parts of the EL.


475000 mE
480000 mE
485000 mE
5445000 mN
5440000 mN
5435000 mN
5430000 mN
EL 02/01
LEGEND
EL02/01
Geology generally illustrated as per MRT 1:25,000 Digital Geological Atlas
EL 02/01 Andersons Creek Geology Map
DIAMOND VENTURES NL
Beaconsfield Joint Venture
Scale: 1:100000
Figure No. 2

YEAR 2 EXPLORATION RESULTS

1 Stream Sediment Orientation Survey

To determine the best sampling method for the Andersons Creek stream sediment survey, an orientation trial was conducted in three streams known to be gold mineralised in the Beaconsfield area. Table 1 shows that the BLEG, pan concentrate, -80 mesh and -200 mesh methods all detect the same pattern of high, intermediate and low gold values in Brandy Creek, Eaglehawk Gully and Pease Creek respectively. For individual anomaly detection, such as the last sample in the Pease Creek set, -200 mesh and -80 mesh appear to have better resolution. Overall, the -200 mesh data are the most sensitive, particularly for the low values encountered in Pease Creek. Initial work in the Andersons Creek area revealed that in general the creeks are steeper and the sediments coarser grained than in the three creeks used for the orientation survey. Consequently, it was impractical to collect field samples large enough to yield the >50 g dry sieved -200 mesh product needed by the laboratory for the assay charge, so it was concluded that the main survey be done by -80 mesh.

2 Environmental Issues

A combination of Holocene climate and soils developed on the Andersons Creek Ultramafic Complex has produced a relatively rare heath plant ecology, including three listed endemic plants (*Tetratheca gunnii, Epacris virgata and Spyiridium obcordatum*) in the central part of EL 2/2001. Consequently, it was required that the proposed stream sediment survey be reviewed by the Mineral Exploration Working Group (MEWG) to consider the likelihood of damage to the plants, predominantly by the spread of the foot rot fungus *Phytophthora sp,* on vehicles, boots and sampling tools. Exchange of information between the Company and MEWG was managed by Mineral Resources Tasmania (MRT) Environmental Field Officer, David Gatehouse, and a sensible outcome resulted. Eight proposed sample sites (out of a designed 175) were deemed by MEWG to be too sensitive to enter and particular access routes were designed to reach several other sites. By considering the drainage patterns around the banned sites the Company was able to re-position some sample sites and in no ways were the exploration aims of the survey compromised.

When working in the central part of the EL, vehicles were washed daily and boots and hand tools were rinsed with fungicide solution between sites. Photos of the endemic plants and maps showing the high conservation risk areas were supplied by MEWG and carried in the field by the two samplers who worked on this project. Sampling in the central part of the EL was condensed into a few days of stable dry weather to eliminate the transfer of mud between sites.

Diamond Ventures acknowledges the constructive and helpful attitude taken by MRT and MEWG people in the lead up to this survey, and we look forward to presenting future applications for follow-up work on prospective sites.

Table 1 ORIENTATION STREAM SEDIMENT SAMPLING - BEACONSFIELD, 18-21 NOV 2002												
Northing	Easting	BLEG		Pancon			Minus 80 mesh			Minus 200 mesh		
		Sample No	Au ppb	Sample No	Au ppb	As ppm	Sample No	Au ppb	As ppm	Sample No	Au ppb	As ppm
PEASE CK												
5440563	482402	1907	<1	27	0	12	2107	<1	1	507	1	3
5440670	482530	1908	1	28	0	2	2108	1	3	508	5	5
5440650	482728	1909	<1	29	0	1	2109	<1	4	509	5	6
5440420	482200	1911	<1	31	0	3	2111	<1	2	511	1	3
5440615	482920	1912	1	32	0	2	2112	97	15	512	229	17
BRANDY CK												
5439880	483480	1901	102	21	387	15	2101	336	23	501	330	34
5440145	483574	1902	180	22	75	47	2102	251	25	502	252	41
5440226	483795	1903	4	23	14	2	2103	3	9	503	8	6
5439506	483275	1904	347	24	26	4	2104	420	12	504	377	14
5440220	484208	1910	129	30	13	21	2110	107	16	510	149	28
EAGLEHAWK GULLY												
5436090	485900	1905	1	25	4	5	2105	14	6	505	19	6
5435980	485930	1906	1	26	0	3	2106	5	5	506	16	7
5436259	485785	1913	12	33	0	2	2113	8	5	513	13	6
5436418	485650	1914	4	34	7	6	2114	<1	2	514	4	8
5436516	485589	1915	1	35	0	15	2115	1	11	515	3	4

3 Results of the Main Survey

Table 2 and Maps 1 & 2 show the results of the 172 sample -80 mesh survey conducted from January to March 2003. Samples were taken from bed load sediment. In the large majority of cases sand and gravel deposits were located but in a few cases the entire creek sediment was silty sand. Samples of approximately 1 km of wet sieved -3.2 mm sediment were bagged in the field, air dried at Beaconsfield and dispatched to Analabs, Cooee, for drying, pulping and assaying. Pulps were assayed for; gold by fire assay/AAS, arsenic by hydride generation and copper, lead, zinc and nickel by mixed acid digest/AAS (Table 2).

The strongest correlation is between anomalous nickel and the Cambrian serpentinised ultramafics, with 6 samples scoring >1000 ppm and a maximum of 3040 ppm (sample 434815). This contrasts with the entire population of samples sourced from other rock types scoring <50 ppm (and mainly <20 ppm). Weak and patchy zinc elevation appears to track nickel in general but does not appear to be a reliable indicator. Overall, the base metals show very little character except for some patchy highs in one or more of copper, lead and zinc corresponding to elevated gold (eg samples 413921, 434834).

Arsenic is particularly featureless, with all samples scoring in the range of 0-17ppm and no obvious correlation with rock type.

Gold was the main target of the survey and several areas of subtle gold elevation (> 1 ppb) were detected and they require follow-up work. The close spaced sample density of the survey allows structural trends to be interpreted from drainage networks and 5 such trends are recognised from the gold data (Map 1).

- Two NE trends in the Proterozoic quartzites and schists in the northwest of the EL (434808 - 434810 and 434834 - 434828). Sample 434834 recorded the highest gold value in the survey; 11 ppb.

- Two trends in the Permian cover rocks, in the south of the EL. One is a NW, strike- or thrust-parallel trend (413922 - 413921 - 413928 - 413927) and the other is a probable NE or ENE trend which could be interpreted as a strike extension to the Johnsons Creek Fault (413967 - 413970).

- An ENE trend in Cambro-Ordovician correlates of the Beaconsfield Mine Sequence rocks, in the central east of the EL (434818 - 434819 - 434820). This trend could project as an extension from the Tasmania Reef host structure, to the northeast and across the Cabbage Tree Thrust.

The above trends will be explored as potential indicators of mineralised structures.

Table 2 EL 2/2001 Andersons Creek - Stream Sediment Survey Results 2003											
					Au	Au(R)	Cu	Pb	Zn	Ni	As
				METHOD	F614	F614	A102	A102	A102	A102	H102
				LDETECTION	1	1	2	3	2	3	1
				UDETECTION	8000	8000	5000	5000	5000	5000	200
				UNITS	ppb	ppb	ppm	ppm	ppm	ppm	ppm
Sample	**Easting**	**Northing**	**Source Rocks**								
413921	482640	5428880	Pm mdst, sst, conglom	413921	6	-	24	38	176	36	4
413922	482470	5428870	Pm mdst, sst, conglom	413922	5	-	18	18	89	15	5
413923	483650	5428910	Pm mdst, sst, conglom	413923	1	-	12	7	42	7	1
413924	483900	5429400	Prot qtzt, Pm mdst, conglom	413924	1	1	10	9	40	5	2
413925	484140	5429350	Prot qtzt, Pm mdst, conglom	413925	1	-	10	12	30	5	2
413926	483540	5428000	Prot qtzt, Pm mdst, conglom	413926	<	-	10	8	34	6	1
413927	483530	5427950	Pm mdst, sst, conglom	413927	3	-	13	8	51	8	5
413928	483200	5428210	Pm mdst, sst, conglom	413928	5	-	12	14	65	12	2
413929	483250	5428210	Pm mdst, sst, conglom	413929	1	1	8	8	42	5	2
413930	483230	5428140	Pm mdst, sst, conglom	413930	<	<	9	8	43	7	11
413931	483100	5428480	Pm mdst, sst, conglom	413931	<	-	6	7	24	3	3
413932	482930	5428530	Pm mdst, sst, conglom	413932	1	-	11	8	62	12	4
413933	482840	5428520	Pm mdst, sst, conglom	413933	1	-	6	7	29	5	5
413934	482760	5428650	Pm mdst, sst, conglom	413934	1	-	8	8	110	28	11
413935	482620	5428650	Pm mdst, sst, conglom	413935	<	-	6	7	28	8	10
413936	482620	5428690	Pm mdst, sst, conglom	413936	1	-	11	9	72	15	13
413937	481050	5429360	Prot qtzt, schist	413937	1	-	7	6	27	8	17
413938	481070	5429250	Prot qtzt, schist	413938	1	-	12	10	44	8	<
413939	481370	5428560	Prot qtzt, schist	413939	1	-	7	3	12	4	<
413940	481340	5428210	Prot qtzt, schist	413940	<	-	10	5	15	4	<
413941	481791	5428280	Pm mdst, sst, conglom	413941	<	-	8	7	22	9	2
413942	481710	5428440	Pm mdst, sst, conglom	413942	<	-	9	15	23	7	11
413943	481630	5428425	Pm mdst, sst, conglom	413943	<	-	9	4	32	7	<
413944	481550	5428410	Pm mdst, sst, conglom	413944	<	-	6	4	16	5	<

413945	483290	5429240	Pm mdst, sst, conglom	413945	<	<	8	4	75	15	1
413946	481750	5429090	Pm mdst, sst, conglom	413946	<	-	8	9	25	8	<
413947	483125	5432720	Pm mdst, sst, conglom	413947	<	-	8	8	33	6	<
413948	483070	5433140	Pm mdst, sst, conglom	413948	<	-	9	16	33	7	4
413949	483620	5432750	Pm mdst, sst, conglom	413949	<	-	12	18	28	6	1
413950	483750	5432700	Pm mdst, sst, conglom	413950	<	<	7	25	28	6	6
413951	483825	5433050	Prot qtzt, Pm mdst, conglom	413951	<	-	5	12	10	3	3
413952	484060	5432960	Prot qtzt, Pm mdst, conglom	413952	<	-	5	13	15	5	<
413953	483900	5432840	Pm mdst, sst, conglom	413953	<	-	6	8	14	4	<
413954	483060	5432290	Pm mdst, sst, conglom	413954	<	-	9	12	22	5	3
413955	482560	5432460	Pm mdst, sst, conglom	413955	<	<	7	9	26	6	3
413956	482690	5432630	Pm mdst, sst, conglom	413956	1	-	10	6	38	9	1
413957	482620	5432330	Pm mdst, sst, conglom	413957	<	-	8	10	38	7	<
413958	482060	5431550	Pm mdst, sst, conglom	413958	1	-	9	12	86	15	3
413959	481960	5431730	Pm mdst, sst, conglom	413959	<	-	14	11	75	13	9
413960	482080	5431170	Pm mdst, sst, conglom	413960	<	<	14	12	52	8	6
413961	482100	5431230	Pm mdst, sst, conglom	413961	<	-	6	7	23	4	1
413962	482080	5430620	Pm mdst, sst, conglom	413962	<	-	9	12	61	7	<
413963	483930	5432040	Ord lmst, sst, Pm mdst, conglom	413963	<	-	9	12	47	8	<
413964	483810	5431730	Ord lmst, sst, Pm mdst, conglom	413964	1	-	14	20	59	11	15
413965	483725	5431800	Pm mdst, sst, conglom	413965	1	-	9	17	44	9	3
413966	483720	5431940	Pm mdst, sst, conglom	413966	<	<	7	7	40	9	1
413967	483040	5431280	Pm mdst, sst, conglom	413967	2	-	9	9	40	6	2
413968	483220	5431720	Pm mdst, sst, conglom	413968	1	-	12	12	51	8	2
413969	483740	5431125	Pm mdst, sst, conglom	413969	1	-	8	10	42	8	4
413970	483640	5431100	Pm mdst, sst, conglom	413970	3	-	8	24	54	10	3
413971	483940	5431450	Ord lmst, Pm mdst, conglom	413971	1	-	4	8	17	3	1
413972	483870	5430540	Pm mdst, sst, conglom	413972	<	-	6	9	36	5	1
413973	483700	5430650	Pm mdst, sst, conglom	413973	<	-	7	11	39	5	2
413974	483360	5430600	Pm mdst, sst, conglom	413974	1	-	10	22	59	10	3
413975	483240	5430620	Pm mdst, sst, conglom	413975	1	-	10	7	61	10	4
413976	482020	5430800	Pm mdst, sst, conglom	413976	1	-	7	34	25	4	2

413977	482060	5430540	Pm mdst, sst, conglom	413977	<	-	4	10	17	<	7
413978	482900	5429440	Pm mdst, sst, conglom	413978	<	-	8	15	44	6	4
413979	481680	5429810	Pm mdst, sst, conglom	413979	<	-	6	15	27	4	2
413980	481400	5429580	Pm mdst, sst, conglom	413980	1	2	4	10	22	4	1
413981	481110	5431270	Pm mdst, sst, conglom	413981	<	-	6	<	35	6	<
413982	481460	5430950	Pm mdst, sst, conglom	413982	<	-	7	5	37	6	1
413983	480950	5430020	Pm mdst, sst, conglom	413983	<	-	8	5	26	7	1
413984	482450	5430850	Pm mdst, sst, conglom	413984	<	-	8	8	37	6	2
413985	482530	5430930	Pm mdst, sst, conglom	413985	<	-	10	13	93	16	4
413986	477610	5445630	Tert grvl	413986	<	-	5	3	29	5	<
413987	477540	5445440	Tert grvl	413987	<	-	3	3	6	<	<
413988	477460	5445750	Tert grvl	413988	1	<	4	4	4	3	<
413989	477700	5445890	Tert grvl	413989	<	<	2	<	3	<	<
413990	477930	5444550	Tert grvl	413990	<	-	4	<	7	4	<
413991	477860	5444670	Tert grvl	413991	<	-	7	5	9	6	<
413992	477390	5444460	Prot qtzt, schist	413992	<	-	7	9	26	7	3
413993	477300	5444610	Prot qtzt, schist	413993	<	-	10	15	83	10	7
413994	477240	5444580	Prot qtzt, schist	413994	<	-	7	9	47	7	2
413995	478210	5443220	Tert grvl	413995	<	<	4	3	7	4	<
413996	477590	5443390	Tert grvl, Prot qtzt	413996	<	-	3	3	12	4	<
413997	477750	5443670	Prot qtzt	413997	<	-	6	8	25	7	3
413998	477900	5443850	Prot qtzt	413998	<	-	6	7	23	6	1
413999	477740	5443890	Prot qtzt	413999	<	-	7	10	28	7	2
414000	478050	5443750	Prot qtzt	414000	<	-	9	13	24	8	11
434801	477030	5443340	Tert grvl, Prot qtzt	434801	<	-	6	6	8	4	<
434802	480700	5442120	Pm mdst, conglom	434802	<	<	8	9	35	26	1
434803	478750	5444000	Tert grvl	434803	<	-	4	7	8	5	<
434804	480060	5444020	Pm mdst, conglom	434804	<	-	7	10	38	8	1
434805	480250	5443250	Pm mdst, conglom	434805	<	-	11	15	52	17	2
434806	478290	5442650	Prot qtzt, Camb sst, slate	434806	<	-	5	7	26	6	1
434807	478000	5442100	Prot qtzt, schist	434807	<	-	14	10	20	9	2
434808	477910	5442200	Prot qtzt, schist	434808	2	-	7	5	31	7	1

434809	477950	5442520	Prot qtzt, schist	434809	<	-	12	16	44	10	3
434810	478020	5442420	Prot qtzt, schist	434810	4	-	6	6	35	5	3
434811	478590	5443200	Tert snd, grvl	434811	<	-	6	8	41	9	2
434812	479780	5442790	Tert snd, grvl	434812	<	-	7	12	19	7	<
434813	479980	5443130	Tert snd, grvl	434813	<	-	9	21	40	13	2
434814	481540	5436480	Camb serp	434814	<	-	13	11	50	2270	3
434815	481560	5436450	Camb serp	434815	<	-	10	11	56	3040	4
434816	482240	5437100	Tert snd, grvl	434816	1	<	6	10	32	45	5
434817	482100	5437025	Camb serp	434817	1	-	6	6	32	607	2
434818	481785	5437350	Camb serp	434818	7	-	9	11	37	727	2
434819	481980	5437395	Camb serp	434819	4	-	7	3	30	1230	1
434820	482360	5437460	Tert snd, grvl	434820	3	-	8	11	34	45	4
434821	480640	5435370	Pm mdst, conglom	434821	2	-	9	7	56	21	2
434822	480440	5434735	Pm mdst, conglom, Camb serp	434822	<	-	8	13	53	780	2
434823	479920	5435520	Camb serp	434823	1	-	15	6	62	1955	11
434824	480600	5439280	Camb serp	434824	<	-	12	17	54	254	2
434825	479960	5441330	Pm mdst, conglom, Camb serp	434825	<	-	16	19	69	91	2
434826	480000	5441300	Camb serp	434826	<	-	8	10	31	75	1
434827	479080	5441680	Camb serp	434827	8	-	16	32	127	86	3
434828	479130	5440105	Camb serp	434828	2	-	29	129	87	33	4
434829	479055	5439985	Prot qtzt, schist	434829	<	<	8	6	12	6	1
434830	479930	5439970	Camb serp	434830	<	-	14	39	53	38	2
434831	479495	5440980	Camb serp	434831	<	-	22	19	50	245	6
434832	478700	5439430	Prot qtzt, schist	434832	<	-	6	4	4	<	1
434833	478680	5438920	Prot qtzt, schist	434833	<	-	9	8	31	11	1
434834	478480	5439010	Prot qtzt, schist	434834	11	-	30	29	61	14	3
434835	478420	5439020	Prot qtzt, schist	434835	<	<	6	10	10	3	1
434836	478885	5438440	Prot qtzt, schist	434836	<	-	8	13	14	6	1
434837	478980	5438225	Prot qtzt, schist	434837	<	-	16	14	45	13	3
434838	478150	5438250	Prot qtzt, Pm mdst, conglom	434838	1	-	16	18	67	10	2
434839	480240	5439360	Camb serp	434839	<	-	11	10	80	437	3
434840	480270	5438500	Camb serp	434840	<	-	15	10	83	172	2

434841	480270	5438400	Camb serp	434841	<	-	9	9	51	486	2
434842	480335	5437725	Camb serp	434842	<	-	19	25	56	1355	3
434843	479275	5437620	Prot qtzt, schist	434843	<	<	7	17	7	17	1
434844	479360	5437500	Prot qtzt, schist	434844	<	-	8	15	12	11	1
434845	479790	5436815	Camb serp	434845	<	-	32	59	85	797	8
434846	480020	5436820	Camb serp	434846	<	-	25	18	88	82	2
434847	480085	5436820	Camb serp	434847	<	-	23	23	76	95	1
434848	479965	5434120	Prot qtzt, Pm mdst, conglom	434848	<	-	21	13	63	13	3
434849	479705	5434270	Prot qtzt, Pm mdst, conglom	434849	<	-	15	13	50	10	2
434850	479535	5434910	Prot qtzt, Pm mdst, conglom	434850	<	-	21	24	26	12	2
434851	479640	5434885	Prot qtzt, Pm mdst, conglom	434851	<	-	11	16	37	11	2
434852	481495	5434130	Pm mdst, conglom	434852	<	-	6	15	23	8	1
434853	479500	5435760	Prot qtzt, Pm mdst, conglom	434853	<	-	19	17	67	27	2
434854	478250	5441745	Prot qtzt, schist	434854	<	-	15	13	21	7	1
434855	478215	5441305	Prot qtzt, schist	434855	<	-	23	11	31	6	1
434856	478150	5440455	Prot qtzt, schist	434856	2	-	18	15	16	7	1
434857	478125	5440400	Prot qtzt, schist	434857	1	-	21	17	32	16	7
434858	478100	5440600	Prot qtzt, schist	434858	<	-	9	10	9	6	2
434859	477935	5439880	Prot qtzt, schist	434859	<	-	25	28	19	10	3
434860	477980	5439960	Prot qtzt, schist	434860	<	-	9	10	13	12	1
434861	480295	5441490	Camb serp	434861	<	-	9	3	43	68	1
434862	480670	5440905	Tert snd, grvl	434862	<	-	6	7	13	5	2
434863	480670	5440805	Tert snd, grvl	434863	1	1	9	9	13	7	1
434864	480630	5441580	Tert snd, grvl	434864	<	-	12	10	25	9	1
434865	479770	5436695	Prot qtzt, Pm mdst, conglom	434865	<	-	31	10	58	35	2
434866	480050	5437000	Camb serp	434866	<	-	17	17	89	82	3
434867	479970	5437040	Camb serp	434867	<	-	18	18	76	2180	6
434868	480300	5437100	Camb serp	434868	<	-	9	6	32	734	1
434869	480315	5437340	Camb serp	434869	<	-	16	18	112	121	3
434870	479700	5437620	Camb serp	434870	<	<	10	18	48	139	1
434871	479520	5438420	Camb serp	434871	<	-	20	14	49	28	2
434872	479680	5438720	Camb serp	434872	1	-	22	26	96	177	3

434873	479580	5436380	Tert snd, grvl	434873	<	<	19	18	82	43	1
434874	479125	5435860	Tert snd, grvl	434874	<	-	23	11	46	10	2
434875	479280	5436060	Tert snd, grvl	434875	<	<	8	14	16	37	<
434876	479240	5436620	Prot qtzt, Pm mdst, conglom	434876	<	-	19	17	39	22	2
434877	480355	5438110	Camb serp	434877	<	-	15	20	114	249	3
434901	482940	5436580	Tert grvl, Ord lmst	434901	<	-	7	11	22	6	2
434902	482240	5436330	Ord sst, Camb slate	434902	<	-	8	12	28	11	2
434903	481960	5435520	Pm sst, mdst, Camb slate, sst	434903	<	-	10	18	44	19	5
434904	480470	5435950	Camb serp	434904	<	-	9	16	30	68	2
434905	482060	5434740	Pm mdst, Camb serp	434905	<	-	7	18	13	5	1
434906	481840	5433820	Pm mdst, sst	434906	<	-	7	16	13	<	5
434907	482370	5433740	Pm mdst, sst	434907	<	-	13	16	63	4	2
434908	482490	5433770	Pm mdst, sst, Camb slate	434908	<	-	8	6	33	4	2
434909	482830	5433350	Pm mdst, sst, Camb slate	434909	<	-	9	8	42	6	3
434910	482100	5433030	Pm mdst, sst, Jur dol	434910	<	-	10	7	83	12	3
434911	482170	5435070	Pm mdst, sst, Camb slate	434911	<	-	10	8	61	7	2
434912	482730	5435700	Ord sltst	434912	<	-	8	6	26	<	2
434913	482420	5436040	Ord sltst, sst	434913	<	<	6	<	9	<	3
434914	481500	5433020	Pm mdst, sst, Jur dol	434914	<	<	12	9	29	13	2
434915	481860	5432640	Pm sst, Jur dol	434915	<	-	11	8	83	18	3

EXPENDITURE

EL 2/2001 - Expenditure: 1 January to 19 May 2003

Tenement Taxes and Fees	108.00
Geology Staff Labour	713.52
Geochem Contract Labour	4,475.00
Geochem Supplies	27.27
Geochem Accomm & Meals	256.42
Geochem Transportation	610.65
Geochem Assaying**	3,998.15
Geochem Miscellaneous	104.22
Subtotal	10,293.23
Add overheads @ 10%	1,029.32
TOTAL	**11,322.55**

** This includes an accrued amount of $1,378.55 for analysis of 79 samples in the second batch (BU019358), results for which have been received but invoice for which has not yet been received.

PROPOSED YEAR 3 EXPLORATION

Exploration is on-going and the focus is on explaining the trends of elevated gold values in stream sediments. A program of soil geochemistry and mapping followed by drilling of convincing anomalies will be carried out in licence Year 3. Assuming worthwhile drill targets are generated by the surface work, a minimum budget of $55,000 is proposed for Year 3.

REFERENCES

Hills, P.B., 2002. Andersons Creek EL 02/01 Annual Report 2001-02, Allstate Explorations NL.

Reed, A. R., 2001. Structure and setting of Proterozoic and Palaeozoic rocks in the Tamar region, northern Tasmania. *Field Guide Geological Society of Australia Specialist Group in Tectonics and Structural Geology 9.*

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