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HENTY GOLD LIMITED

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Final Report

2003

Burns Peak

EL 20/2001

HELD BY: AurionGold Exploration Pty Ltd

MANAGER & OPERATOR: AurionGold Exploration Pty Ltd

AUTHOR(s): Michael Vicary

24 March 2003

PROSPECTS: Burns Peak, Browns Tunnel, Thomas's Tunnel, Pinnacles

MAP SHEETS: 1:250,000: 1:100,000:

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

COMMODITY(s): Au, Basemetals

KEY WORDS: Browns Tunnel Sequence, Hollway Andesite, Central Volcanic Sequence, White Spur Formation

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- **AurionGold Exploration Information Centre Reference:**
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SUMMARY

This report documents the work completed on EL 20/2001 - Burns Peak by Goldfields / AurionGold Exploration.

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

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1 INTRODUCTION

EL 20/2001 – Burns Peak is held and explored by AurionGold Exploration Pty Ltd (formerly AurionGold's Exploration Pty Ltd). It was granted on 07 December 2001 and has an area of 4 sq km and wholly encloses ML 20M/2000 - Browns Tunnel held by Pasminco and Hercules Resources (Figure 1). EL 35/2000 - Mt Kershaw, also held by AurionGold is located to the south of the Burns Peak EL.

1.1 Location and Access

The Burns Peak EL is located approximately 10 kilometres north west of Tullah and has an area of 4 square kilometres. The major access to the tenement is via an unsealed road that intersects the Murchison Highway (A10) near Boco Siding, about 9 km north of Tullah.

A series of 4 wheel drive tracks and grid lines provide additional access by within the tenement.

1.2 Topography and Vegetation

The Burns Peak and Mt Kershaw EL's are situated over a range of low hills to the north of the flooded valley of the Pieman River. Elevation varies from about 200m to 661m above sea level at Burn Peak. The major drainage system, the Marionoak River and Hollway Rivulet, occurs in the west and central parts of the ELs. The vegetation is mixture of myrtle dominated rainforest, eucalypt dominated wet sclerophyll forest and light tea tree scrub

1.3 Tenure

The EL comprises (Figure 2): State / Multiple Use Forest
Burns Peak Forest Reserve
MDC Informal Reserves

Figure 1 EL 20/2001 – Burns Peak Location Diagram

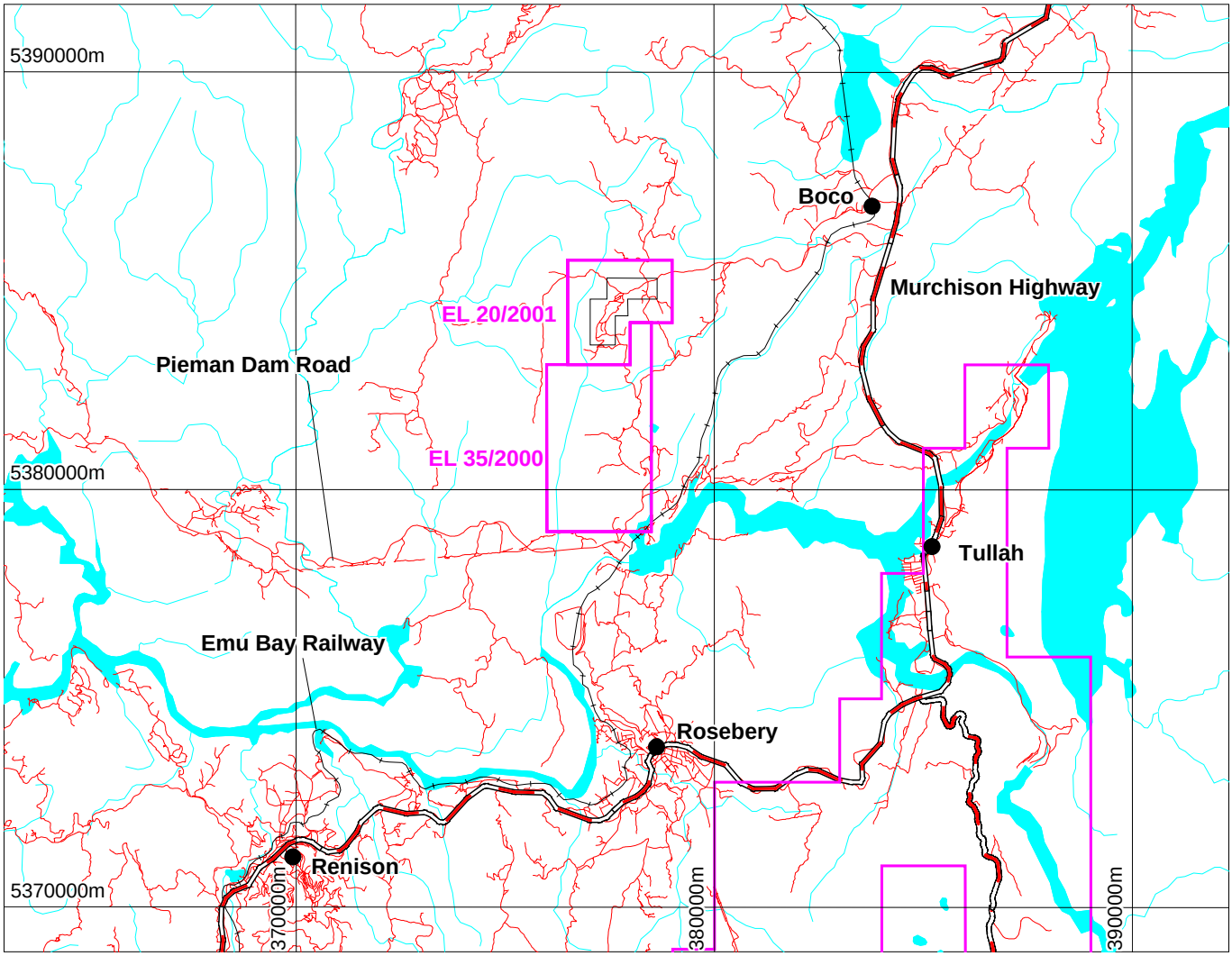
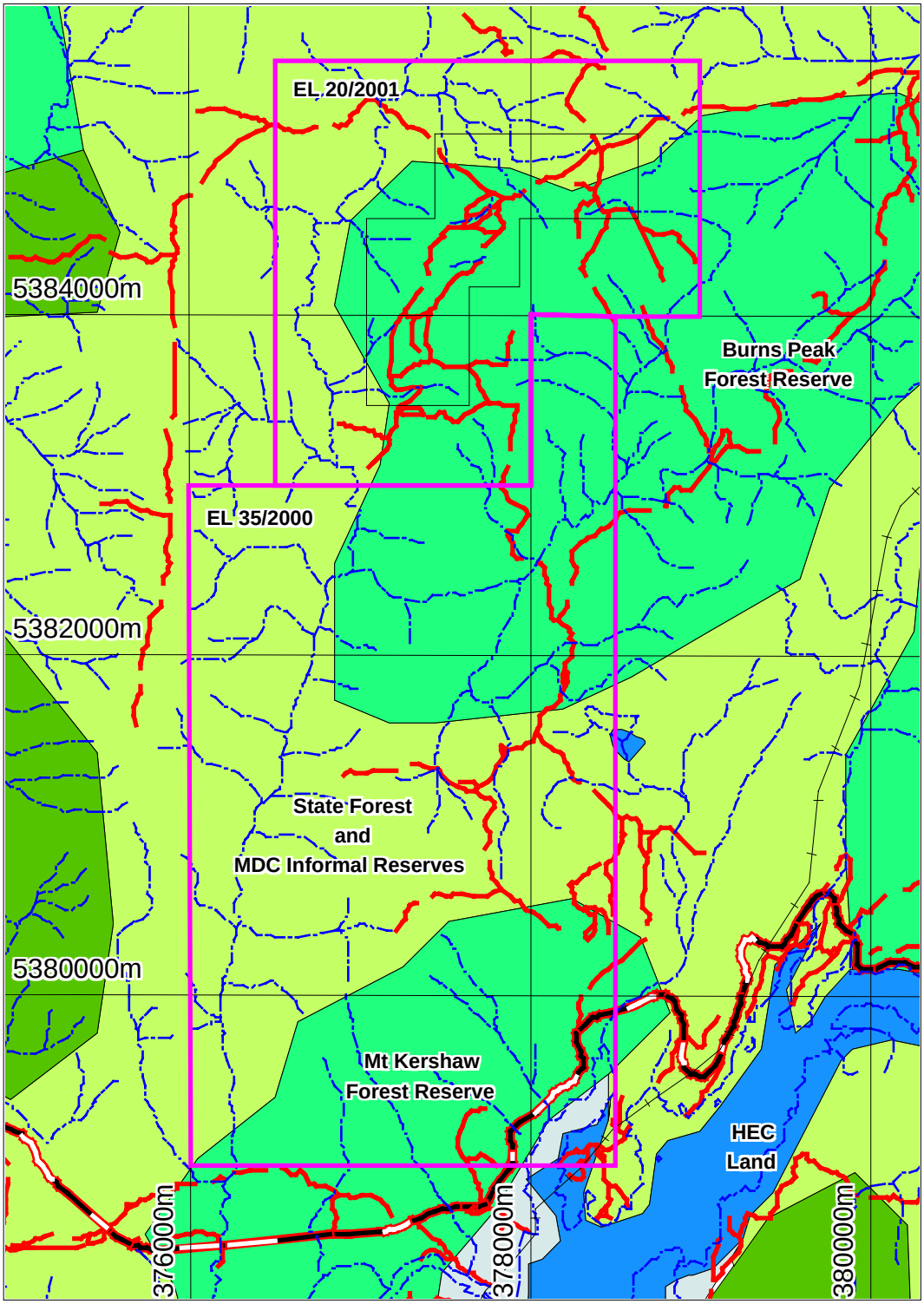


Figure 2 EL 20/2001 – Burns Peak Land Tenure (Boundaries Approximate)



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's 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 Burns Peak EL is located in the northern Mount Read Volcanics and has been systematically explored in the past for Rosebery style base metal deposits. Recent work on the adjacent Mt Kershaw EL, has suggested that the Chester prospect shares many characteristics with several high sulphidation / acid sulphate systems from the Mt Lyell - Henty area. This implies that an exploration model based on observations in the Henty - Mt Lyell area is directly applicable to the north of the Henty Fault system. It is considered highly likely that the Au rich VHMS mineralisation developed in the Burns Peak area formed at the palaeo-seafloor position above a porphyry style system which produced the Chester mineralisation in the sub-seafloor environment.

1.5 Exploration Model

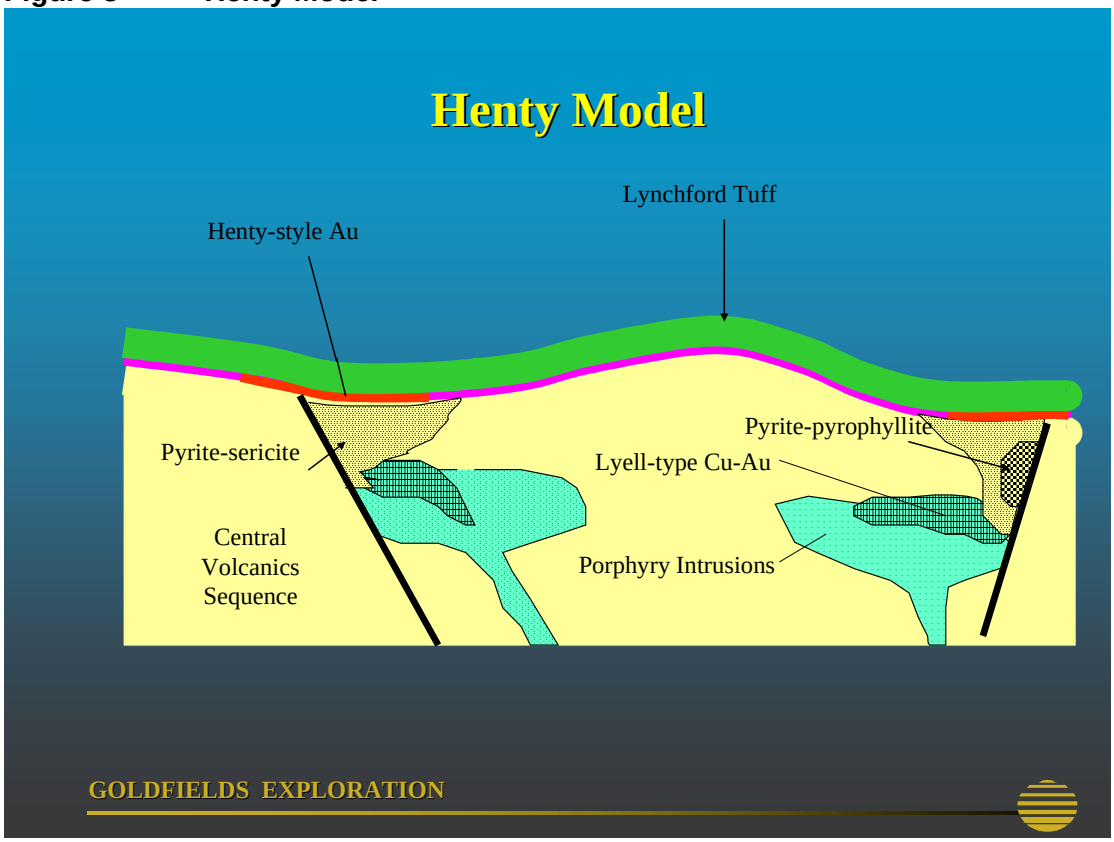
The Mount Read Volcanics are host to several world class gold rich base metal mineral deposits at Rosebery, Hellyer, Que River, Hercules, and Mount Lyell and to gold mineralisation at the Henty Mine. The Henty Mine is the only gold only producer in Western Tasmania, all the other deposits produce gold 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 and transfer 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 Williams, 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 forms 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 either epithermal (Au and Ag rich) or VHMS (Zn-Pb rich) characteristics.

The Burns Peak EL is located in the northern portion of the Mount Read Volcanics about 10 kilometres north of Rosebery (Figure 4). The EL surrounds a mine lease at Burns Peak. There are several prospects within the ML including Browns Tunnel (104,000 tonnes @ 1.9% Pb, 6.8% Zn, 0.6% Cu, 45 g/t Ag and 1 g/t Au) and Southern Trenches (10,000 tonnes @ 17.3% Pb, 21.9% Zn, 2.0% Cu, 95 g/t Ag and 11 g/t Au).

The stratigraphic sequence in the Browns Tunnel area is generally considered to be broadly equivalent to the stratigraphy at the Rosebery Mine. The mineralisation at Burns Peak is hosted in the Browns Tunnel Sequence, a complex sequence of interbedded sediments, volcaniclastics and dacitic to andesitic lava / intrusives that are correlated with the upper part of the Central Volcanics Sequence. The Pinnacles Rhyolite and the White Spur Formation (Southwell Subgroup) overlie the Browns Tunnel Sequence. Feldspar phyric dacitic pumice breccia and dacitic lava of the Central Volcanic Sequence is interbedded with and underlies the Browns Tunnel Sequence (Kirsner, Lorrigan and Rae, 1991 and Woolford, 2000).

The mineralisation developed in a sub-seafloor submarine environment and consists of small pods of massive sulphide, sulphide breccia, stringer veins, and disseminations developed within a highly silicified alteration zone. The sulphides have $\delta^{34}S$ values ranging from 9.6 to 12.8 per mil reflecting a high input of Cambrian seawater sulphate.

The Chester Mine located about 3.5 kilometres to the south on the adjacent Mt Kershaw EL is hosted within the footwall Central Volcanic Sequence. The mineralisation at Chester developed in a subseafloor submarine environment by the replacement of a reactive and permeable ashy siltstone horizon. The mineralisation is characterised by low base metal content and light $\delta^{34}S$ values (Collins, 1981, Solomon et al, 1988, Green and Taheri, 1992).

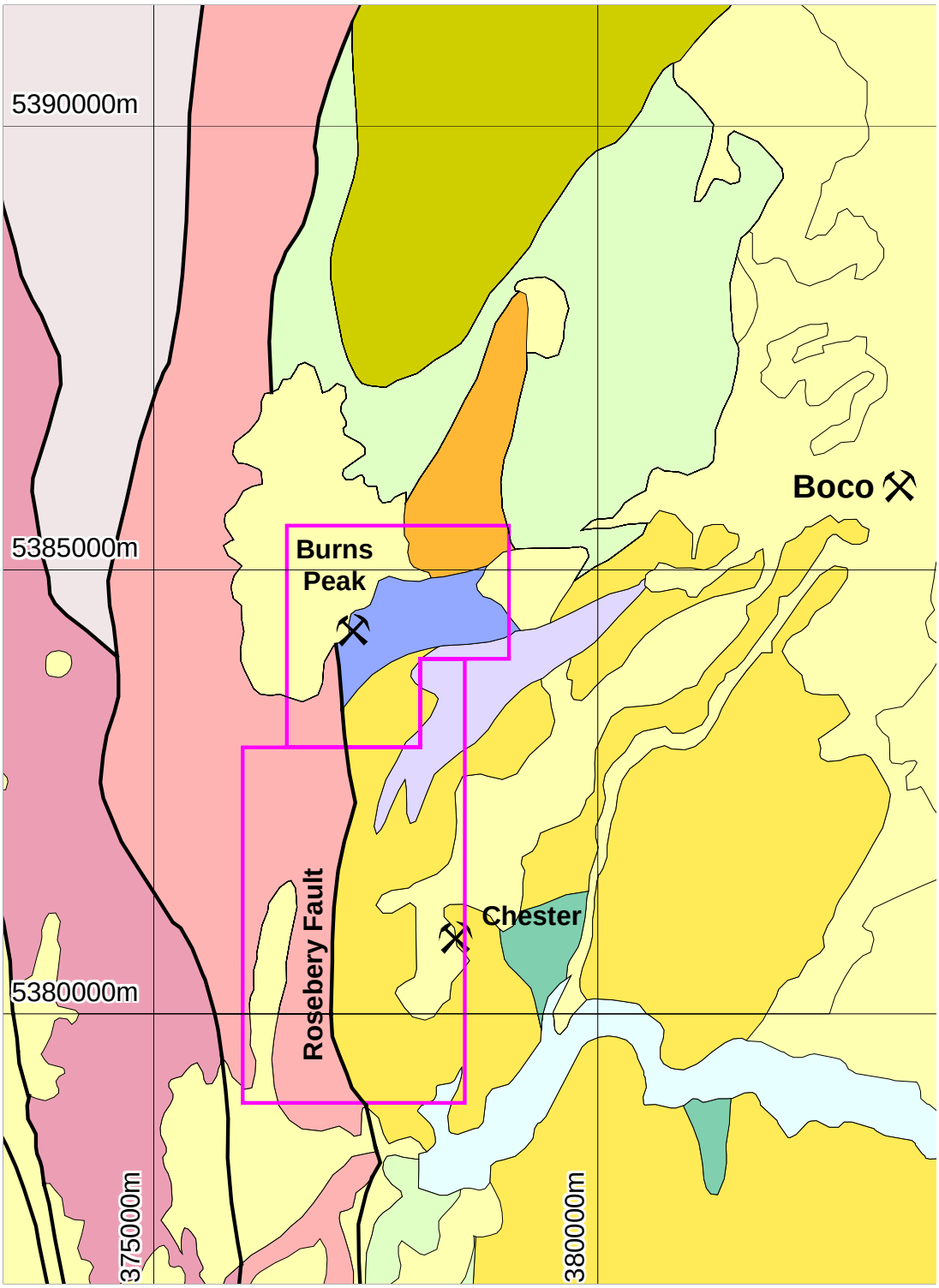
A recent study of the Chester deposit (Boda, 1991) has detected the presence of advanced argillic or acid-sulphate alteration assemblages (pyrophyllite-kaolinite-alunite). The association of light δ34S values and acid-sulphate alteration assemblages has been also recorded at Boco, Basin Lake, and Western Tharsis (Huston and Kampard, 2000, Williams, 2000 and Herrmann, 2000).

The Henty Model outlined above can be loosely applied to the Burns Peak - Chester area (Figure 5). The salient features which highlight the prospectively of the Burns Peak - Chester area based on the Henty Model are described below:-

1. The Au and basemetal rich VHMS mineralisation at Browns Tunnel and Southern Trenches developed close to sea floor position and is analogous to mineralisation developed at Comstock, Howards Anomaly and Henty. The timing of this mineralisation is uncertain however alteration in the overlying Pinnacle Rhyolite suggests that the alteration was syn to post deposition of the Browns Tunnel Sequence.
2. The overlying White Spur Formation contains a distinctive magnetic feldspar-pyroxene phyric volcaniclastic sandstone unit that can be directly correlated with the Lynchford Tuff from the Henty area. The White Spur Formation contains clasts of massive sulphide, which indicates erosion of the Central Volcanic Sequence during White Spur Formation deposition.
3. The Chester and Boco deposits developed in the subseafloor environment and possibly represent "Porphyry style" feeder systems to overlying VHMS mineralisation in the Burns Peak area. They have many similarities to several high sulphidation deposits (Western Tharsis, Basin Lake, Langdon) in the Henty area.
4. The Hollway Andesite has a Suite II to Suite III composition (Crawford in Kirsner, 1992) and may represent the high level equivalents of deep seated porphyry style intrusions that provide the mineralising hydrothermal fluids.

There is a strong structural control on both the mineralisation at Burns Peak and Chester with alteration coincident with zones of intense shearing that parallel the Rosebery Fault. Rapid changes in volcanic facies and thickness within the Browns Tunnel Sequence are highly indicative of syn-volcanic growth faulting.

Figure 4. EL 20/2001 - Burns Peak Regional Geology
(Modified from MRT 1:250,000 digital geology)



Legend for Figure 4

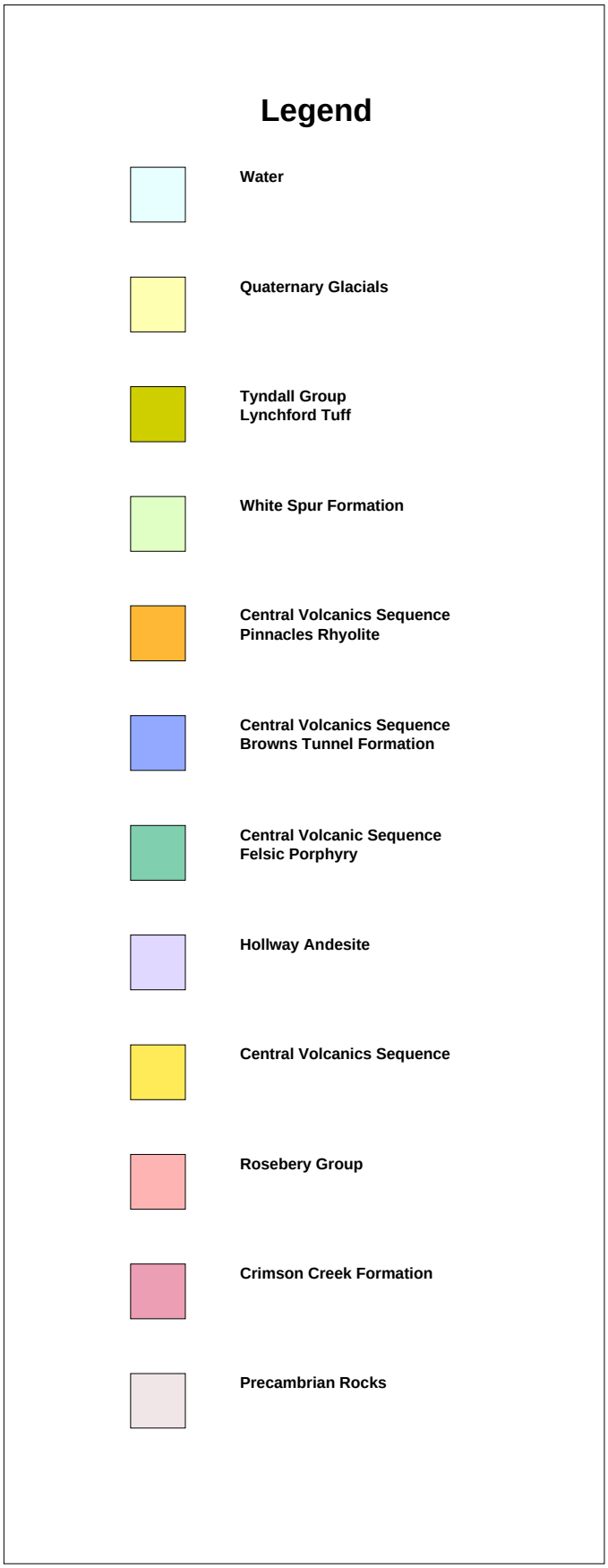
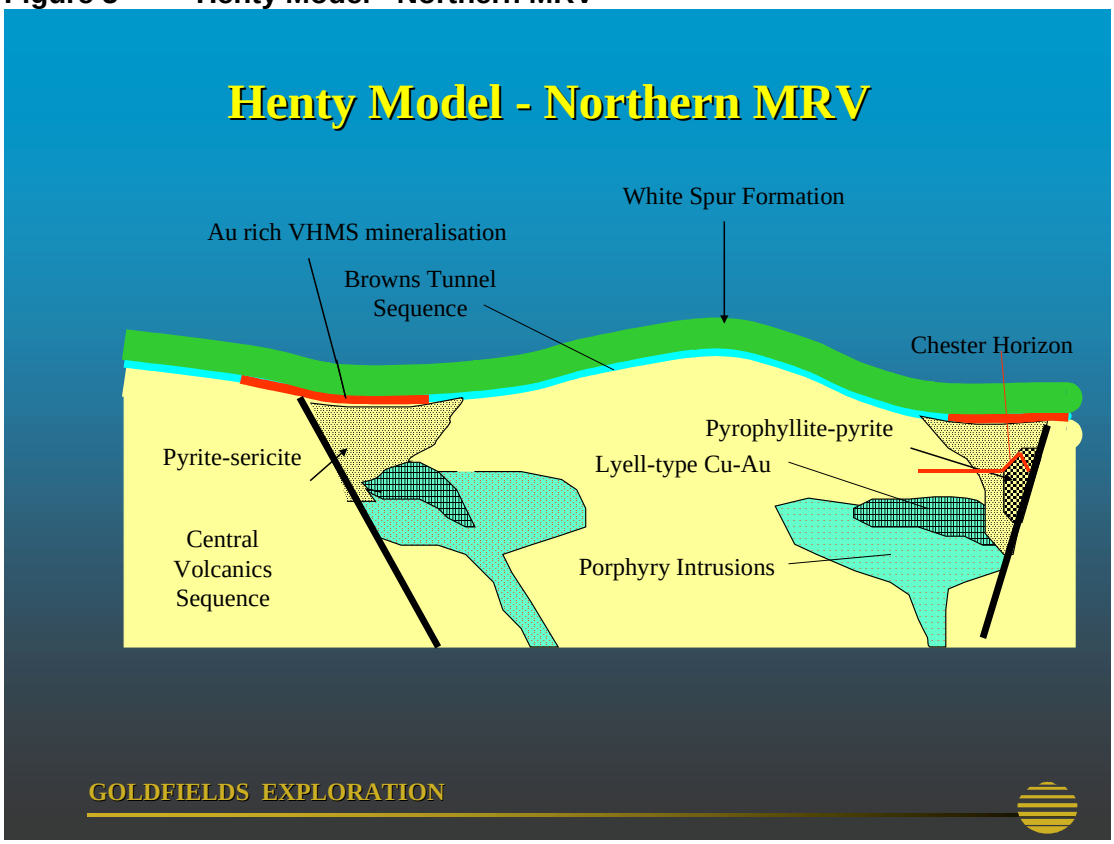


Figure 5 Henty Model - Northern MRV



2 PREVIOUS EXPLORATION

Exploration prior to June 2001 is discussed in detail in Murphy and Denwer 1998, Parfrey and Simpson, 1999 and McNeill 2001. The following summary is take directly from McNeill, 2001.

Table 1 Summary of Exploration completed on EL44/88

Year	Work Completed
1899	Discovery of alluvial gold in Marionoak River by Tom Strong. (Strong's Alluvial Workings)
1896	Discovery of Pinnacles Lodes by McGuiness Bros.
1899	Discovery of Chester by F Kershaw and H Sanderson (Kershaw's Iron Blow)
1899	Brown's Tunnel driven (Brown's Tunnel) est. production 300t @ 2%Zn, 2g/t Au, 44g/tAg.
1899	Southern Trenches est. Production 55t @ +10%Zn, +8%Pb, 8g/t Au, 38g/t Ag.
1899	Thomas' Tunnel driven (Thomas' workings) est. production 50t @ 4%Zn, 7%Pb, 1g/t, Au, 240g/t Ag.
1908	Mt Lyell Mining and Railway Co Ltd secured Chester Leases
1908-1913	Intensive exploration and mining development at Chester. Production 36 000t @ 37% S.
1918-1929	Minor production from Chester by Cuming Smith & Co. Production 700t @ +25% S.
1947-1959	Electrolytic Zinc Company created foot and vehicle access to the Pinnacles area. 14 small diameter diamond drill holes (PP31, 34, 36, 39, 40, 41, 42, 45, 46, 48, 50, 51, 52, 59) completed and workings and topography surveyed. Geophysical test surveys at the Pinnacles (SP, ground magnetics and resistivity)
1959-1960	Geochemical, geological and geophysical surveys over Pinnacles and Chester. Techniques included Sharp vertical loop EM, Turam, ground magnetics (vertical field), gravity. "The significant feature of this coverage is that Pinnacles Mine Mineralisation is non-conducting".

1968-1972 Initial phase of gridding, geochemical sampling, geophysics (IP and EM), mapping and 3DDH at Chester (CH1-3) by Comstaff

1973-1976 Second phase of gridding, geochemical sampling, etc. 10 DDH drilled (plus CP2 redrilled) at Pinnacles and 13 DDH at Chester (CP1-23). (New metric grid, new soil sampling, new IP). Airborne EM

1976-1979 Preussag entered into Joint Venture with Comstaff. Detailed mapping and structural synthesis completed. C horizon soil geochemistry, 2 DDH, (PIM1 & 2) trial PEM and IP over Leo's Find

1980-1983 Exploration of East Chester area. New grid, grid extensions, C horizon soil geochemistry, ground magnetics, IP, DIGHEM. DDH (EAB1-4) drilled at East Chester

1984-1985 New grid at Pinnacles (EAF) mapped, C horizon soil sampling, ground magnetics and UTEM. 19 DDH (ESB1 & EAF 1-18) with the discovery of small lenses of massive sulphides and patchy gold mineralisation. New geological interpretation

1986-1988 BHP entered Joint Venture. reinterpretation and compilation of exploration results. "Blanket" UTEM and downhole SIROTEM. New geological interpretation. Petrological studies. Wacker sampling

1988-1991 Pasminco-Noranda-Plutonic Joint Venture on new EL 44/88. Extensive geological mapping, re-appraisal of previous data, Wacker sampling, geochemistry, petrology, DHEM, CSAMT, DH-SIROTEM, Mise-a-la-Masse, aeromagnetic survey, regional and local gravity surveys, drilling of 12 DDH (BPD62-73). Rehabilitation of old tracks, costeans and workings

1991-1992 Pasminco-Noranda-Plutonic JV, exploration was managed by Pasminco and included drilling BPD74, 75, 76 geological mapping and re-logging drill core at Holloway and Summit, gravity infill and interpretation, ore/pathfinder/whole rock geochemistry, down hole EM in BPD69,71,75 and compilation/computerisation of historic geochemical data

1992-1993 Pasminco-Noranda-Plutonic JV, exploration was managed by Pasminco and included drilling holes BPD77-79 geological mapping and gridding at South Kershaw-Holloway, review and compilation of previous exploration, Dipole-dipole IP at South Kershaw-Holloway, soil geochemistry at South Kershaw and ore/pathfinder/whole rock geochemistry

1993-1994 Pasminco-Noranda-Plutonic JV, exploration was managed by Pasminco and included drill holes BPD80, BPD81 and EAF2, gridding, soil/rock geochemistry, DHEM, Mise-a-la-masse, ground magnetics and mapping

1994-1995 Pasminco-Noranda-Plutonic JV, exploration was managed by Pasminco and included drill holes BPD82 to 86 and extension of CP7, DHEM, gridding and geological mapping in the Holloway area

1995-1996 Pasminco-Noranda-Plutonic JV, exploration was managed by Pasminco and included diamond drill holes BPD 87 at East Holloway, BT1-4 at Browns Tunnel and RC holes STRC1-7 at Southern Trenches (reported in 1997 report); DHEM, geological mapping, ground magnetics and IP in the Holloway area; gridding, ground magnetics, soil sampling and trenching in Browns Tunnel-Southern Trenches area.

1996-1997 Compilation of previous work and entry of data into GIS format as part of the Western Tasmania prospectivity review.

1997-1998 MMI soil sampling and IP surveys at North Kershaw - Chester, resource definition drilling at Browns Tunnel and Southern Trenches followed by preliminary mining and metallurgical studies.

1998-1999 Mining and metallurgical studies on the known resources at Browns Tunnel and Southern Trenches.

1999-2000 MMI soil sampling, one exploration diamond drill hole and 5 resource infill holes (for 305.5m). Completion of BSc(Hons.) project on isotopic systematics of alteration at Southern Trenches.

2000-2001 Collection of 163 B Horizon partial leach soil samples and 6 rock-chip samples from Summit Prospect. Rehabilitation of 3.775 line km of grid. EL relinquished.

3 WORK COMPLETED

The exploration completed by AurionGold Exploration on EL 20/2001 to date is summarised below (Vicary, 2003):-

Geophysics	Reprocessing of old IP data (Inversion of data and production of level plans) Processing of WTRMP helimag, radiometric and HEM data
Access	~7.5 km of grid recleared and repegged
Geochemistry	167 C Horizon Soil Samples (Au, Cu, Pb, Zn, Ag, As)

4. DISCUSSION and RECOMMENDATIONS

Due to corporate uncertainties created by the merger of Goldfields and Delta to form AurionGold and the subsequent take over by Placer Dome Asia Pacific, only minimal exploration was completed in the Burns Peak area. The conceptual exploration targets developed for this and the adjacent Mt Kershaw EL remain to be tested.

Following a review of the Tasmanian Gold Exploration program by Placer Dome Asia Pacific in Late 2002, all non-mine lease exploration was suspended and several exploration tenements (including the Burns Peak EL) were recommended to be relinquished.

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