

EASTREN PTY LIMITED

(Subsidiary of Allegiance Mining NL)

EL 5/2002 - EAST RENISON

ANNUAL REPORT

Year Ending March 2005

Prepared for:

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04 April 2005



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All coordinates are AMG in AGD66 Zone 55

1. EXPLORATION PHILOSOPHY and STRATEGY

EL 5/2002 is considered prospective for Avebury style nickel sulfide deposits; ie, nickel skarn deposits formed during the alteration of ultramafic formations by Carboniferous granite intrusions.

The combined results of high resolution airmag surveys, district mapping and local ground exploration surveys suggest the following deposit model factors occur within EL 5/2002:

- several shallow belts of altered ultramafics
- intrusion at a relatively shallow depth by a hydrothermally active granite ridge
- abundant faulting above this granite ridge
- known mineral deposits both in the altered ultramafics and the adjacent country rocks

Exploration strategy is to focus exploration along the faulted margins of the ultramafic formations (particularly in geochemically anomalous areas) and to get to the drilling stage as early as possible.

2. WORK COMPLETED 2004-2005

Because of its location between the major Renison and Rosebery Mines, a substantial amount of previous exploration has been completed on the area. The major part of this was directed at the tin and base metal sulfide potential of the Cambrian sediments, and not at the nickel potential of the ultramafics.

However, much of this previous data is useful in developing detailed geological and geochemical plans of the licence area at 1:5,000 and 1:10,000 scales. This substantial data collation work commenced in 2003-04 and was continued, but not completed, in 2004-05.

During 2004-05 work was concentrated on the Lynton Mine area. The Lynton Mine consists of a group of small workings developed on the western margin of the eastern ultramafic in the late 19th century. The target of this work was silver-lead mineralisation associated with barite veins in the ultramafic margin. Some nickel sulfides were reported from these workings.

Work completed included:

- upgrading of the access road to top of Colebrook Ridge
- cutting a walking track into the Lynton Mine
- locating and sampling the old workings
- collating previous exploration data in the vicinity of the workings

The road upgrade work was undertaken by Rob McKenzie and the access track cut by Ian Rogers.

The mine workings were located and sampled by Nick Turner assisted by Bill Cox. The results of this sampling are attached, together with a rough sketch of the workings derived from the Zinafex archives at Rosebery. Data collation over the Lynton Mine was also undertaken by Nick Turner but this task is yet to be completed.

Several of the samples taken contained significant Pb-Zn-S and anomalous nickel. Of special note was the sample from near the end of the main adit which assayed 0.6% Ni.

3. WORK PROPOSED 2005-2006

During 2005-06 it is recommended the following work be completed:

- further mapping and sampling around the Lynton Mine area (\$5,000)
- thorough data collation around Lynton Mine (\$5,000)
- helicopter supported core drilling near Lynton Mine (\$100,000)

A budget estimate for this work is \$110,000.

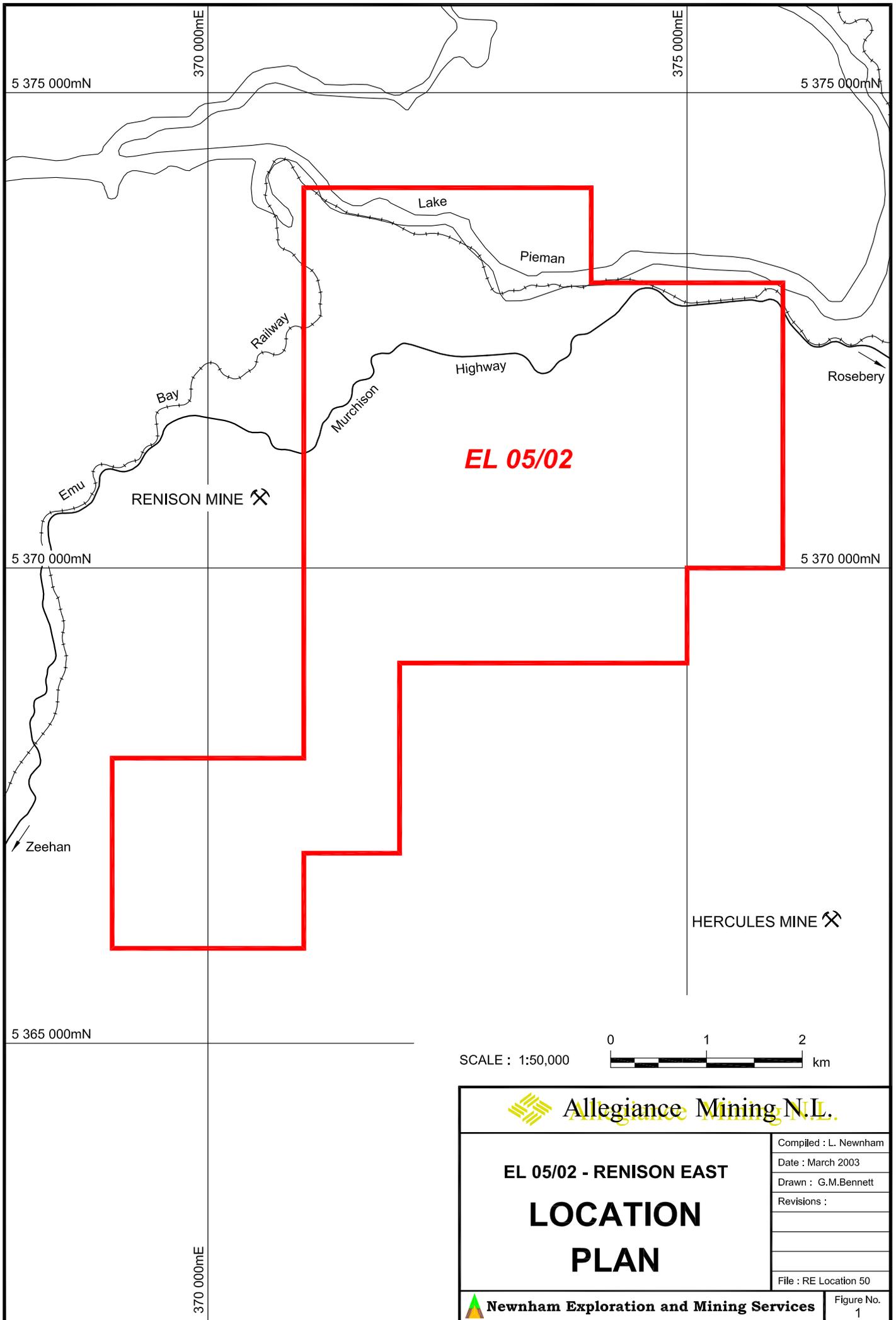
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Appendix:

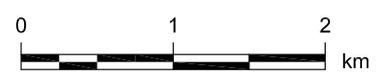
Lynton Mine Assay Data

90											
160205	N	E	Location	Rock Type	Ni	Cu	Pb	Zn	As	S	Au
UNITS					ppm						
DETECTION					10	25	25	25	50	250	0.01
METHOD					ICP42S	ICP42S	ICP42S	ICP42S	ICP42S	ICP42S	FAA505
COHOD"					ICP42S	ICP42S	ICP42S	ICP42S	ICP42S	ICP42S	FAA505
COHOD"					ICP42S	ICP42S	ICP42S	ICP42S	ICP42S	ICP42S	FAA505
39051	5369610	374400	pit	Serp, green-black, pit	2550	-25	-25	80	150	300	-0.01
39052	5369575	374335	Lynton adit ,5 m from face	lode material, Lynton Adit	6040	60	420	5240	-50	8500	-0.01
39053	5369576	374334	Lynton adit 6m from face	Sil lode, Lynton Adit	900	-25	2430	3260	-50	3100	-0.01
39054	5369567	374337	trench above adit	Ox lode, trench	320	-25	-25	340	-50	21800	-0.01
39055	5369534	374330	outcrop above adit	Serp,trench	2790	-25	320	120	70	400	-0.01
39056	5369712	374325	125m north of adit	limonitic serp	1560	60	680	500	-50	700	-0.01
39057	5369727	374325	145m north of adit	limonite, sil seams	660	-25	500	160	-50	400	-0.01
39058	5369715	374357	175m NE of adit	gray cryst. Material	1200	-25	6960	11000	-50	4900	-0.01
39059	5369715	374358	185m NE of adit	massive cryst serp	1480	-25	-25	120	-50	-250	-0.01
39060	5369705	374425	230m ENE of adit	massive serp	1220	-25	80	140	-50	900	-0.01
39061	5369730	374305	130m north of adit	sil serpentinite	820	-25	140	420	-50	-250	-0.01
39062	5369734	374285	130m NNW of adit	green serp	1880	-25	100	540	-50	-250	-0.01
39063	5369600	374300	Lynton mullock dump	altered ultramafic	700	-25	960	400	-50	400	-0.01
39064	5369600	374300	Lynton mullock dump	hornfelsed ultramafic	1640	-25	60	80	-50	400	-0.01
39065	5369600	374300	Lynton mullock dump	lode stuff, Lynton dump	1940	-25	2540	160	-50	5100	0.26
39066	5369600	374300	Lynton mullock dump	lode stuff, Lynton dump	500	-25	4000	3070	-50	4200	-0.01
39067	5369600	374300	Lynton mullock dump	lode stuff, Lynton dump	720	1400	-25	40	-50	1700	-0.01
39068	5369600	374300	Lynton mullock dump	serp, Lynton dump	1600	-25	80	140	-50	300	-0.01

**LYNTON MINE ROCK SAMPLING
EAST RENISON
January 2005**



SCALE : 1:50,000



 Allegiance Mining N.L.

EL 05/02 - RENISON EAST

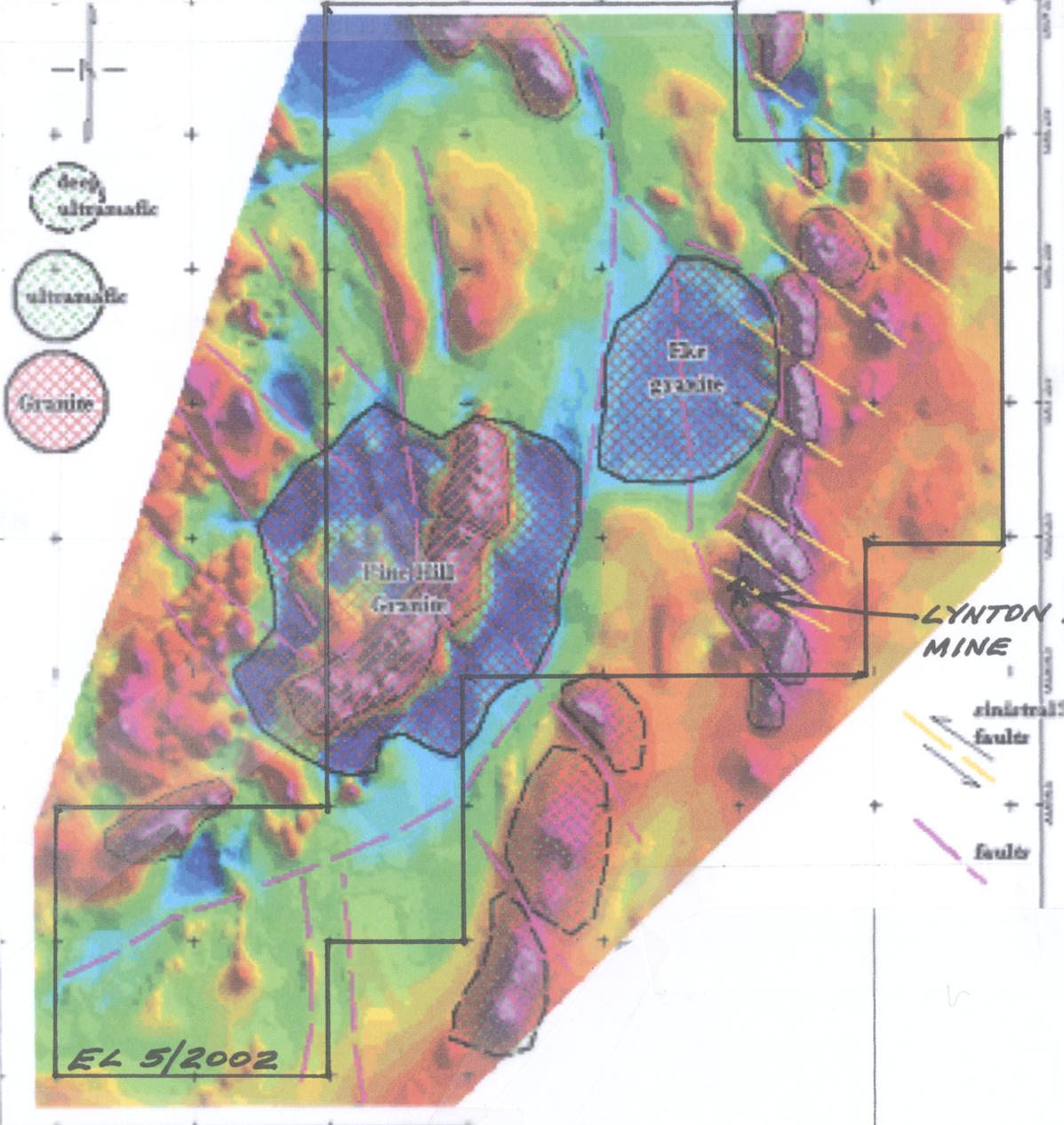
LOCATION PLAN

Compiled : L. Newnham
Date : March 2003
Drawn : G.M.Bennett
Revisions :
File : RE Location 50

5375000 N

370000 E

375000 E



5370000

5365000 N

EL 5/2002

NEWNHAM EXPLORATION AND MINING SERVICES

EL 5/2003- EAST RENISON
AEROMAGNETIC SURVEY

Scale: 1: 50,000	
Drawn: LAN	Date: 04 Apr 05
Fig: 2	

5,369,600N

39063
39064
39065
39066
39067
39068

Main Adit

39053
39052

Open cut
with lead
veins
39054
Open-cut
with lead
veins

5,369,550N

Small adit

x 39055

374,300E

Co-ordinates and details of workings approx only.
Taken from sketch in Zinafex files.

374,350E

NEWNHAM EXPLORATION AND MINING SERVICES

ALLEGIANCE METALS NL
EL 5/2002 - RENISON EAST
LYNTON MINE WORKINGS

Drawn: LAN

Date: Apr 05

Scale: 1: 500

Fig: 3