



(A.B.N. 96 095 684 389)

P.O. Box 7996
Gold Coast Mail Centre
Queensland 9726
AUSTRALIA

Telephone: +61 (7) 5592 2274
Facsimile: +61 (7) 5592 2275
Email: info@tasgold.com.au
Internet: www.tasgold.com.au

EL20/96 – Elliot Bay

Annual Report to March 31 2005.

Robert Reid
Exploration Manager - Tasmania
TasGold Ltd.
April 15, 2004

Contents

Summary	4
Introduction.....	5
Location/Access/Weather	6
Land Status/Usage	8
Environmental Concerns.....	8
Tenure	8
Geology.....	9
Regional Geology	9
Geology - Wart Hill Area	9
Stratigraphy.....	9
CVC (?).....	9
Quartz-Biotite-Feldspar-Porphyry/Lava	10
Polymict Volcanics and Associated Lithologies.....	10
Siliciclastic Sediments	11
Basalts	11
Massive Sulphide	11
Quartz Porphyritic Rhyolite Lava, Hyaloclastite and Volcaniclastics.....	12
Upper Sequence Quartz-Crystal Rich Felsic Volcanics	12
Formational Sequence.....	13
Alteration	14
Silicification.....	14
Sericite	14
Chlorite	14
Carbonate.....	15
K-spar / Na alteration.....	15
Fuchsite.....	15
Structure - Wart Hill Area.....	15
Work Completed.....	17
V19 Drilling	17
Drill Hole Survey Data Analysis	18
Results.....	22
West Wart Drilling.....	31
V30 Drilling (2004 field season)	31
Digital Data Compilation.....	32
Drill Hole Data.....	32
Drill Hole Assay Data.....	32
Drill Hole Geology	32
Drill Hole Survey Data	33
Raster Data.....	33
Magnetics.....	33
Gravity	33
Sirotem.....	33
Vector Data.....	33
Geology Coverage	33
Soils Data.....	34

Stream Geochemistry	34
Proposed Exploration.....	34
Geochemistry	36
References.....	37
Appendices.....	38
Appendix 1: Environmental Survey Reports	39
Appendix 2: Drill Hole Logs	40
Appendix 3: Drill Hole Geology Legend.....	41
Appendix 4: Lithologies Lookup Table	42
Appendix 5: Geochemical Analysis.....	44
Appendix 6: Digital Data	45

List of Figures and Tables

Figure 1: V19 Long Projection	5
Figure 2: Location of EL20/1996	7
Figure 3: Interference weathering pattern S1,S2	16
Table 1: Summary of SMRV drilling	19
Figure 4: V19 trench geochemistry with surface and drill hole geology.....	20
Figure 5: V19 current drill hole locations.....	21
Figure 6: V19 Long Projection.	22
Table 2: WH4 Significant Intervals	23
Figure 7: Section 13180mN	25
Figure 8: Section 13205N	26
Figure 9: Section 13155mN	27
Figure 10: Section 13130mN	28
Figure 11: Section 13105mN	29
Figure 12: Section 13080mN	30
Table 3: Grid control point comparison for Wart Hill.....	32
Figure 13: Proposed drilling – Long Projection	34
Figure 14: Regional Targets.....	36

Coordinates are AMG in AGD66 Zone 55

Summary

The Annual Report for EL20/96 provides details TasGold's exploration progress for both the 2005 and the end of 2004's field program (from 31/3/2004).

A total of 13 drill holes for ~1875m have been completed on the V19 and West Wart Prospects during the 2005 summer field season. A further 3 drill holes the Pleiades (V30) Prospect were also completed during the 2004 field season, subsequent to submission of last years annual report. The Pleiades (V30) Prospect remains the most promising gold prospect of the Sassy Creek Gold Zone.

Drilling focused upon evaluating the resource potential of the V19 prospect has defined an extensive base / precious metal mineralised horizon with locally high grades, that show the prospect has excellent potential for a major deposit to be discovered. The continuity of base/ precious metal mineralisation has now been documented by drilling over a minimum 245m distance down the plunge on the host horizon, effectively from surface (Figure 1). The V19 mineralisation apparently plunges moderately to the south, on an overturned east facing and west dipping fold limb. Mapping indicates that the alteration over Wart Hill itself is located up dip and peripheral to the indicated mineralisation plunge.

High-grade massive sulphides have been intersected in 6 of the 13 holes drilled this year, normally in relatively narrow intervals. In addition, moderate and lower grade semi-massive and disseminated sulphides have been noted in a total of 10 of the 13 holes, with intersection widths up to 13.4m. The best assays (excluding WD002 and coming to hand at the time of writing) include 7m @55.6g/t Ag, 6.16% Zn, 3.33% Pb, 0.22% Cu & 1.81g/t Au from 197m in WD009.

TasGold have undertaken detailed surface geological / structural mapping and re-interpretation of all available information, substantially increasing the understanding of the mineralised system at Wart Hill, refining the mineralisation model and improving our drill hole targeting ability. This work to-date suggests that the massive sulphide hosting polymict epiclastic unit in the Wart Hill area probably lies at the equivalent of the MRV's (Mount Read Volcanics) Central Volcanic Complex – Tyndall Group boundary. Further, the host horizon is apparently regionally transgressive, extending south from V19 to the V24 and V30 area.

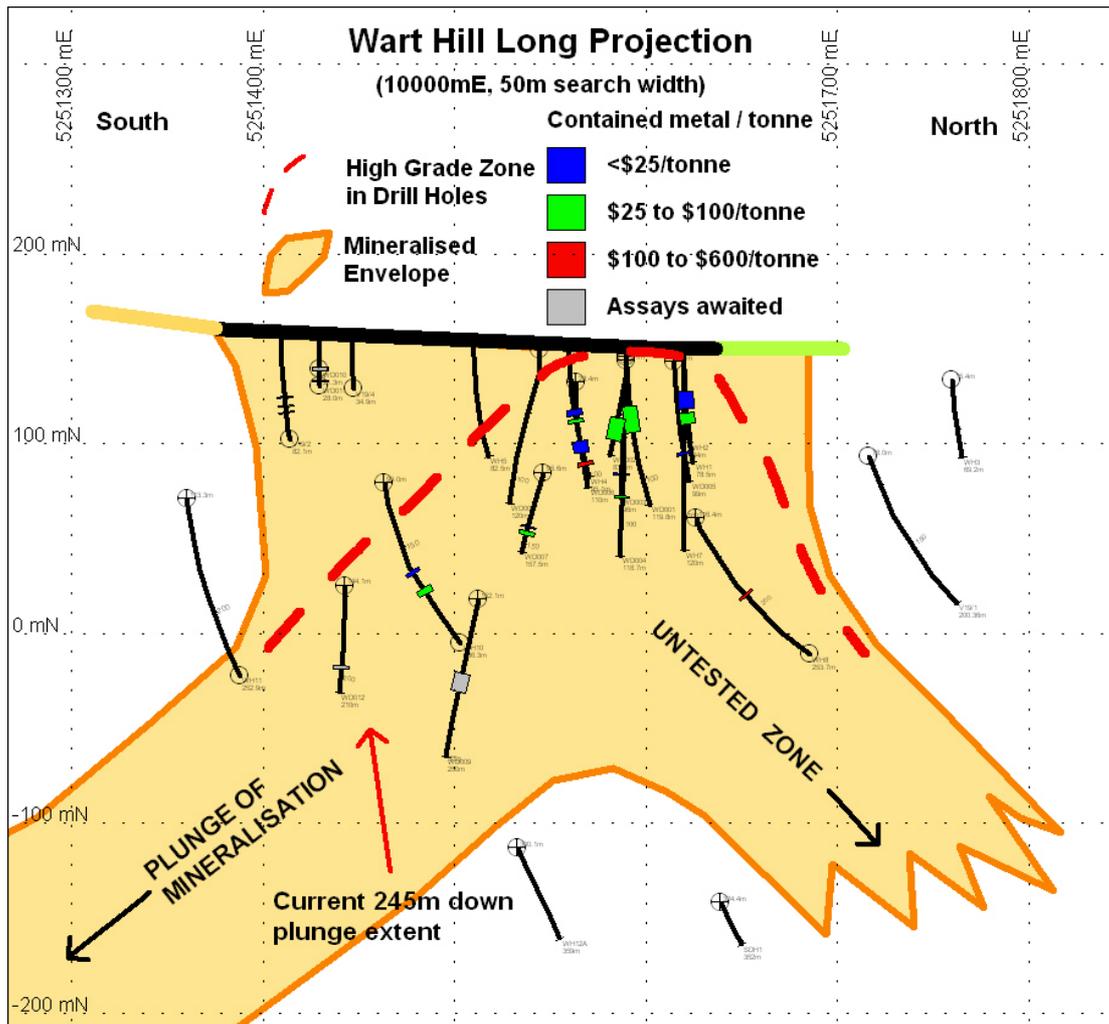


Figure 1: V19 Long Projection (50m search radius)

Introduction

The following report details various aspects of TasGold Ltd.'s exploration within EL20/1996, including digital data compilation, Wart Hill geology, the work program to-date and proposed exploration. This report is not comprehensive since exploration was ongoing at the time of writing.

TasGold's exploration within EL20/1996 is primarily focused upon resource definition at the V19 Prospect at Wart Hill, where drilling during the 2003/4 field season returned a significant Ag-Pb-Zn intersection (*3.9m at 124g/t Ag, 0.6g/t Au, 12.1% Zn, 7.3% Pb*). This result and subsequent on going work indicates that there was considerable continuity between base metal sulphide intersections. The current interpretation suggests that sulphides may plunge moderately to the south, beneath and through the known intersections. TasGold continues to test this interpretation during the 2005 field season that commenced in early January 2005.

Drilling has focused upon expanding the V19 inferred resource. Targets elsewhere in the Wart Hill area are under assessment via geological mapping, structural and GIS interpretation, ground magnetics and infill soil sampling.

Location/Access/Weather

EL 20/96 is located in the remote southwest of Tasmania (see Figure 1) around 40 kilometres west of Strathgordon and 70 kilometres south of Strahan. Access to the area is difficult as infrastructure is minimal to non-existent. The southwest of Tasmania is exposed to the roaring forties and is often windy and wet even in mid-summer.

A rough 4WD track (Low Rocky Pt Track) runs from the southern end of Birch Inlet (south-eastern corner of Macquarie Harbour) to the unmanned lighthouse at Low Rocky Point. The track was initially constructed by Exploration companies in the 1950's and 1960's but has been rarely used since. The need to barge heavy equipment across Macquarie Harbour to access the track has occurred successfully in the past. Previous exploration has seen bombardiers, excavators and drilling rigs (L38's) unloaded and driven down to the Elliott Bay area. 4WD bike and motorbike enthusiasts occasionally use the track.

The alternative access is by air. The Moores Valley airstrip (10 kilometres north of Mt Osmund) was constructed in the 1950's and is serviceable by light aircraft.

Previous exploration campaigns have accessed the area by helicopter and light plane either from Strathgordon or Strahan. Large equipment has been transported down the coast by boat or barge and airlifted from the deck whilst the boat/barge is sheltered in the mouth of the Mainwaring River or Cowrie Beach. TasGold's 2004 exploration campaign was mobilised in this manner.

A semi-permanent camp is located just south of Wart Hill. The Camp was first constructed by Geopeko Ltd. and is currently managed by Mineral Resources Tasmania. This facility was re-established by TasGold Ltd after it was vandalised and burned in 2003.

TasGold mobilisation for the 2005 summer drilling campaign commenced on 10/1/2005. Equipment and supplies were loaded in Hobart on the Hobart Ports barge "Kalundra" and unloaded inside the Lewis River mouth. The barge doors were lowered directly onto a sloping point, enabling egress for 4 quad bikes, 2 crawler dumpers, a trailer and an excavator. All other gear, including the company owned and operated drill rig, was sling loaded from the barge to camp and the Wart Hill drill site.

The crawler dumpers (one with 2.5tonne crane) and trailer were utilised for moving the drill rig between sites. The idea being to minimise the number of trips required, whilst significantly reducing helicopter expense. Quad bikes and trailers were used for personnel transport from camp to the drill sites. Vehicle movements were restricted to previously formed bombardier tracks as much as possible, with the rough main base line track from the camp to Wart Hill being improved for safety with the excavator. The excavator was utilised for drill pad and sump construction, as well as ongoing

drill site rehabilitation and track drainage maintenance. Most rig sites were located within 200m of formed tracks minimising environmental disturbance.

TasGold's exploration this reporting year was conducted during the periods March through May 2004 and January through March 2005 (on going). A continuous presence has been maintained during those periods with weekly crew changes and supply runs via helicopter. The company owned and operated drill rig is operated 24 hours a day (2 shifts) with drillers and offsidors on a 2 week on, 1 week off roster. Geologists and field hands have typically rotated on a 2 in / 2 out roster.

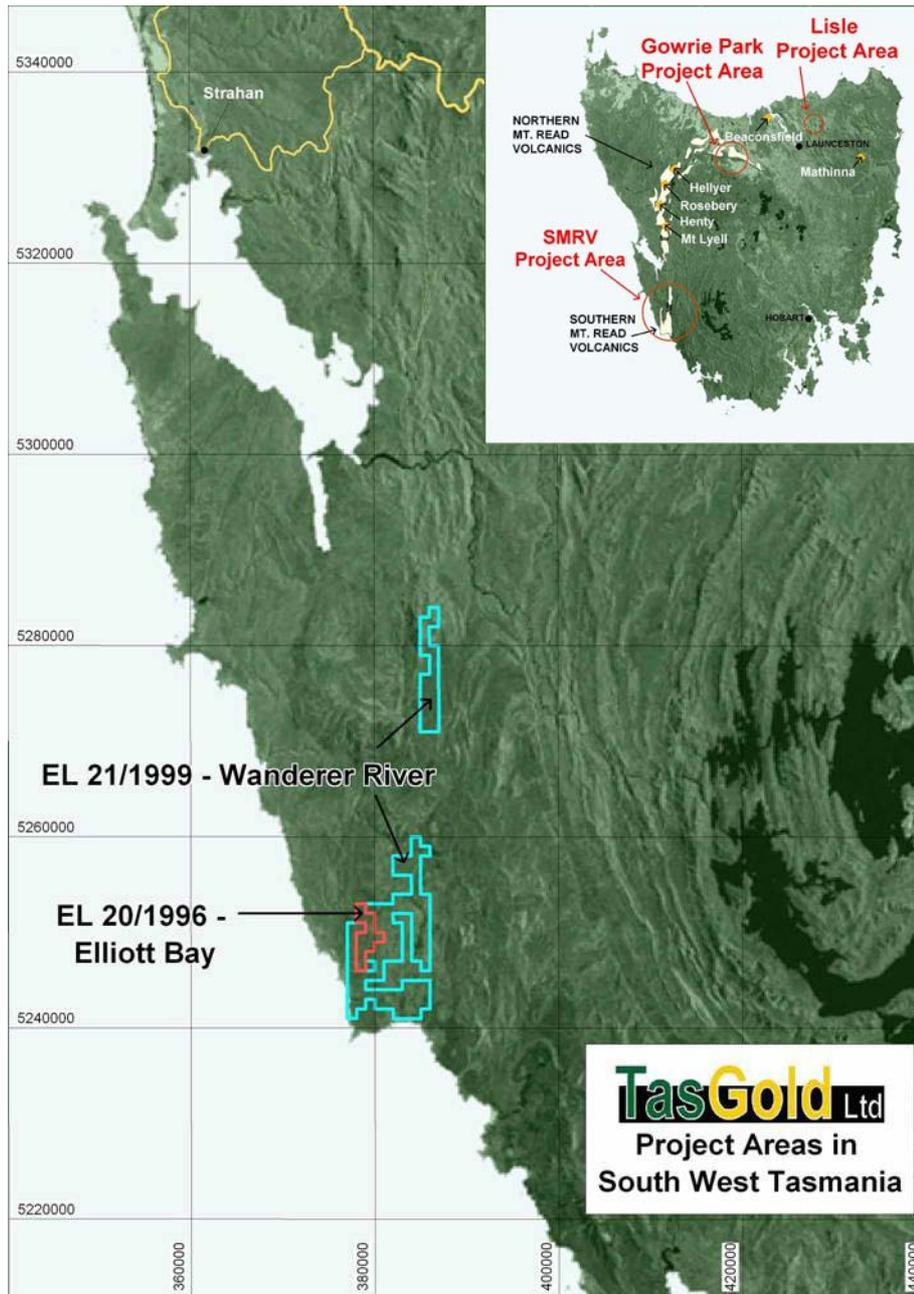


Figure 2: Location of EL20/1996

Land Status/Usage

Much of the southwest of Tasmania is listed as a World Heritage Area and the land tenure is classified as National Park. However the strip of land between Elliott Bay in the south and the southern shore of Macquarie Harbour to the north has been deliberately excluded from the World Heritage Area on the basis of its prospectivity (and lesser wilderness values).

The Elliott Bay area remains classified as Conservation Area and as such is open to mineral exploration. Tasmanian Government proclaimed the prospective rocks south of Macquarie Harbour to be within the Sorell Peninsula Prospectivity Zone, a recognition of the mineral potential of the area. Under this act any change in the status of the land within the zone requires the approval of both houses of the Tasmanian parliament with any affected party entitled to compensation (this does not cover any decisions of the Federal government).

Environmental Concerns

TasGold was required to undertake several environment surveys to comply with the requirements of the MEWG (Mineral Exploration Working Group). An Orange bellied parrot and wedge tailed eagle surveys were conducted by independent consultants from 28/12/2004 to 3/1/2005, investigating areas of planned exploration activity. An Aboriginal heritage survey by independent consultants from 19/12/2004 to 22/12/2004 investigated the proposed Lewis River landing and route to camp. Results of these surveys are appended.

Rehabilitation of drill sites is ongoing on a site by site basis.

Tenure

E.L. 20/96 was granted to Exploration and Management Consultants (EMC) in 1997. After reviewing the historic data, EMC joint ventured the EL to Fimiston Ltd in 1998 who completed two drill holes at Wart Hill and then withdrew from the JV in 1999. Much of the former EL20/96 has been relinquished (McNeil, 1999) with the current EL occupying a remnant 11 km². Much of the former EL has been acquired by TasGold Ltd as EL21/99. A term of extension for the remainder of EL20/96 was granted to TasGold Ltd on the proviso they completed expenditure commitments after capital raising on the share market. Presently Tasgold are the sole tenement holders in the Elliott Bay Region. EL20/96 is due for expiry in April 2005. A further request for a term of extension will be forwarded in the immediate future.

Geology

Regional Geology

The regional geology of the Elliott Bay area is discussed in Tasgold's Annual Report on Exploration for EL20/96 for 2004 (Callaghan, 2004).

Geology - Wart Hill Area

Geological mapping has been conducted over the Wart Hill area, linking the V19, West Wart, South Wart and the baseline area. Mapping and interpretation is on going with significant advances in the understanding of the geology providing confidence and direction for further exploration. This work to-date suggests that the massive sulphide hosting polymict epiclastic unit in the Wart Hill area probably lies at the equivalent of the MRV's (Mount Read Volcanics) CVC – Tyndall Group boundary. The V19 mineralisation apparently plunges moderately to the south, on an overturned east facing and west dipping fold limb. Mapping indicates that the alteration over Wart Hill itself is located up dip and peripheral to the indicated mineralisation plunge. The host horizon is apparently regionally transgressive, extending south to the V24 area.

This discussion outlines salient features of the current geological interpretation. More detailed description and characterisation of the volcanic facies in the Wart Hill area will be presented when the geology is fully compiled. Further detailed geology is given in Poltock (1989).

Stratigraphy

CVC (?)

The Central Volcanics Complex (CVC) has not been previously recognised in the SMRV in the past. However, volcanics of interpreted CVC-like affinities most likely exist in the Wart Hill area, given that feldspar-phyric clasts occur within lithic volcanoclastics at a few locations. CVC or near CVC boundary volcanics are possibly represented by green chloritic feldspar-phyric volcanoclastics, evident NW of Wart Hill. The chloritic alteration masks the true nature of these volcanics, with the feldspar – phyric domains possibly reflecting less altered lithics within volcanoclastics. These volcanics are typically quartz poor (< 5%), as compared to the more Tyndall-like volcanics in the region that typically contain >10% quartz phenocrysts.

In a regional sense, Cambrian-aged granite (Low Rocky Point Granite) outcrops east of the Wart Hill Camp and is overlain by the siliciclastic / epiclastic unit (Pemberton, et al., 1991). This relationship is evident elsewhere in the MRV, whereby at Mt Darwin, the Darwin Granite is eroded by and evident as clasts within the lower Tyndall Group. ie. A major hiatus in volcanism is evident between the CVC and Tyndall Group and a similar scenario presents in the SMRV.

Quartz-Biotite-Feldspar-Porphyry/Lava

Quartz-feldspar-biotite porphyry is inferred to lie toward the base of the volcanic sequence at V19, stratigraphically beneath or near the base of the polymict lithic volcanoclastic sandstones and breccias. Porphyry clasts evident within this unit indicate that the porphyry was exposed during deposition of the polymict unit. Porphyry contacts are commonly sharp with chilled margins not evident.

The quartz-biotite-feldspar-phyric felsic volcanics are commonly moderately foliated with homogeneous groundmass, but locally exhibit more coherent little foliated form such as north west of V19, where moderately jointed massive outcrop of the porphyry exists. In hand specimen, quartz phenocrysts comprise <5%, with a similar quantity of relict biotite? (commonly Fe-oxidised) with elongate platy form. Feldspar is most readily apparent in the less foliated varieties. Probable hornblende is locally evident, such as in WD002.

The porphyry (/lava?) is thin (<10m) to the NW of V19 and appears much thicker at the later and possibly even thicker at West Wart. Proximity to lava domes is a potential exploration vector for MS. The porphyry may have acted as a local topographic high in the V19 area, perhaps hosting a VHMS mound shedding angular Pb-Zn massive sulphide clasts into a dome complex proximal debris / mass flow environment.

Polymict Volcanics and Associated Lithologies

This unit envelops the V19 host horizon and is more widespread in the Wart Hill area than previously recognised. TasGold have identified a significant strike extend of the polymict breccia host horizon in the West Wart area.

The polymict volcanics are characterised by open framework lithic volcanoclastic sandstones with volcanoclastic breccia locally. Clasts include sub rounded quartz-crystal rich volcanic of presumably distal (to east) derivation, angular and irregular clasts of feldspar-phyric felsic volcanic and quartz-biotite-feldspar felsic (Dacitic?) lava/porphyry, which is likely to be of more proximal derivation. Rip up clasts of cream volcanoclastic siltstone are locally evident and may be derived from the interpreted footwall siliciclastic / epiclastics. The massive sulphide clasts within the polymict unit in the V19 vicinity are commonly angular in form and lack alteration haloes, suggesting proximal derivation from an exposed seafloor VHMS.

Basalt, massive sulphide, well sorted medium grained quartz-rich volcanoclastic sandstone, volcanoclastic siltstone, minor chert, shale and carbonate form horizons within the Polymict Sequence. Jasper zones and clasts within breccia are infrequently present.

Past explorer's have described the polymict unit as having epiclastic affinities (Poltock, 1989). Indeed, thin bedded moderately well sorted quartz grain rich portions of this unit appear to be of an epiclastic nature. Facies variations from basal breccia through moderate to weakly lithic volcanoclastic sandstones with finer grained and often thin bedded interbeds are features consistent with deposition from high density turbiditic mass flows with more proximal derivation of porphyry and massive

sulphide clasts, which are perhaps mass flow entrained from scouring local debris flow breccias and insitu VHMS.

Facing indicators suggest the sequence is overturned and east facing at V19, in agreement with Poltock's 1989 interpretation.

Siliciclastic Sediments

Units of mixed siliciclastic and epiclastic sedimentary affiliation are interbedded with the polymict volcanics in the Wart Hill area. The siliciclastics mostly comprise relatively well sorted, medium grained quartz sandstone in commonly laminated to thinly bedded, but locally massively bedded form. Interbeds of quartz crystal-rich volcanoclastic sandstone are uncommonly present. Based upon lithological similarity, these units are believed to be equivalent to the regionally transgressive siliciclastic marker horizon mapped by MRT (Pemberton, et al., 1991), extending south from Wart Hill to the V24 area.

Chlorite altered variants of this unit are locally evident in the West Wart area and between West Wart and V19, is a well sorted medium grained siliciclastic / epiclastic sandstone displaying strong chlorite alteration. Elsewhere, on the base line track, SE of West Wart, a couple of outcropping chloritic-pyritic volcanoclastic siltstones, may be equivalent to this unit.

In the V19 vicinity, limestone is also logged within siliciclastic / epiclastic sediments and at Lens B, thin bedded sericitic volcanoclastic siltstone is apparently conformable with the massive sulphide lens.

Basalts

Basalt is evident within the polymict unit, down hole from (/overlying) the dacite porphyry at V19. Basalt margins are commonly strongly carbonate altered. Irregular semi-pervasive vein-like apophysis, chilled margins and carbonate filled amygdales indicate that the basalts are possibly both extrusive and / or peperitic incursions into wet volcanoclastic sediment. Numerous basalts are logged as dykes in Cypress V19 drill logs and recent drilling has shown that basalt is also intrusive within the dacite porphyry. Elsewhere, MRT (Pemberton, et al., 1991) mapping shows 2 mafic (basalt) units outcropping in the West Wart Area, the presence of which is confirmed in WWD001 and WWD002.

Massive Sulphide

Massive sulphide is evident within polymict volcanoclastics below, but probably stratigraphically above and proximal to basalts at V19 (eg. Section 13180mN; Appended).

The presence of angular base metal sulphide clasts, without enclosing alteration haloes, in mass flows at V19 clearly demonstrates that a massive sulphide has been exposed at the sea floor in the area. However, textures in (permeable) epiclastic sandstones, host within the mass flows and displaying quartz grain-rich semi- and massive sulphide along with irregular chlorite and carbonate alteration fronts, also point to a contribution from replacement style mineralisation, probably formed following burial and erosion of an active VHMS mound. Support for this interpretation comes from Section 13180mN, which appears to illustrate alteration

zonation from base-metal sulphides with a chloritic halo, through peripheral carbonate alteration, accompanied by disseminated and laminated sulphides, with distal carbonate dominated alteration above basalt at depth in WD004.

Features present in the two principal known trench outcropping massive sulphide lens' A and B support a model of replacement of permeable quartz crystal rich epiclastics / siliciclastic units. These lens' are moderately foliated, rich in galena, sphalerite and pyrite and Lens' B in particular exhibits a curious granular weathered exterior highlighted by cream silica / quartz grains, suggesting a replacement origin, unlike typical relatively homogeneous textured "massive" sulphide. Alteration zonation along this unit is likely given that a similar medium grained epiclastic texture is locally apparent within strongly carbonate altered rock that appears like limestone (eg. in drill hole; WD012). Elsewhere on the host horizon, pervasive silica bears disseminated and laminated base metals and silica – pyrite (only) alteration, such as at West Wart in WWD002 in what is probably a more distal to mineralised source environment. These observations are consistent with features of low temperature (<200⁰C) sericite alteration dominated Australian Pb-Zn-Ag-rich VHMS, as described by Large (et. al. 2001). Comparison to the Hercules, Rosebery and Thalanga VHMS should be investigated further.

Structure may also be key to the localisation of massive sulphide, noting that several indistinct steeply south plunging parasitic folds at Lens B (~60⁰), could account for why V19/4 failed to intersect this lens when drilled directly beneath it. A subsequent short drill hole WD010 intersected approximately 4m of massive and disseminated sulphides of possible replacement origin, with a thinner intersection at depth in WD011, drilled directly beneath. Parasitic folds of a similar -42⁰ south plunge are evident near the Wart Hill summit, raising the possibility that the Lens B massive sulphide is localised within or near a south plunging parasitic fold hinge.

Quartz Porphyritic Rhyolite Lava, Hyaloclastite and Volcaniclastics

Poltock (1989) reports that pumice tuff overlies and has a gradational contact with polymict epiclastic unit and is intercalated with rhyolite porphyry, which is in turn overlain by the upper sequence of quartz crystal rich volcaniclastics and shale of the Waterloo Creek Group. Rhyolite porphyry and hyaloclastite breccia outcrops south of Wart Hill, but is apparently sparse at V19, where lithic quartz-phyric felsic volcaniclastics are most common. The intercalation of pumice "tuff" with quartz-rich volcaniclastics reported by Poltock (1989) is also evident at West Wart at depth in WWD002.

Poltock (1989) reports portions of this sequence display a blotchy "tiger stripe" like appearance. This is not unlike the Comstock Tuff of the Lower Tyndall Group in the Queenstown area.

Upper Sequence Quartz-Crystal Rich Felsic Volcanics

A sequence of quartz-feldspar porphyritic to locally crystal-rich and/or lithic felsic volcaniclastic sandstones and minor conglomerate forms the upper most volcanic sequence at Wart Hill. Facies variants include granule volcanic conglomerate, massive felsic volcaniclastic sandstones, thin bedded quartz crystal-rich volcaniclastic sandstone and minor lithic vitric volcaniclastic siltstone. In common with the

polymict unit, these features are consistent with deposition from high density turbidites / mass flows.

This sequence is logged at depth in the deeper V19 drill holes such as WH8 and 12A, with a further occurrence being the deepest intervals of WWD002 at West Wart. The basal unit in the northern most V19 drill hole WH9 is correlated with the Ordovician units to the east and notably silica-pyrite pod - bearing volcanoclastics outcrop immediately east of V19. The pods are clast-like, having sharp margins, and may represent footwall stringer silica-pyrite clasts derived from erosion of a seafloor VHMS. Similarly, clast compositions in the conglomeratic facies in WWD002, aside from volcanic components include chert, silica-pyrite, massive pyrite but no base metal sulphide.

Poltock (1989) reports the volcanics interdigitate with the Waterloo Creek Group sediments and local interbedded quartz-feldspar phyric lava or intrusive is noted in basal units by Pemberton (et. al., 1991). Thus volcanism is continuous and waning up into the basal Waterloo Creek Group.

Formational Sequence

- Deposition of (now poorly exposed) CVC-like, often chloritic, dominantly feldspar-phyric volcanics, followed by a hiatus in volcanism.
- Rift environment initiates with massive sulphide formation, located proximal to a dacite porphyry dome complex / feeder, possibly on a relative palaeo-topographic high, basal to and within polymict dominantly epiclastic sediments, largely sourced from the quartz-phyric felsic volcanic edifice and Tyennan block to the east.
- Polymict (/epiclastic) volcanic mass flow influx results in local erosion of exposed active sea floor VHMS with periodic migration of the VHMS horizon to higher levels. VHMS is partly forming via sub seafloor replacement of permeable quartz-grain rich epiclastic and polymict breccia units following fresh mass flow influx. An approximate mineralisation and alteration gradational sequence for the replacement mineralisation is evident as massive and semi-massive sulphides grading through pervasive silica with disseminated sulphide to pervasive carbonate with minor base metal sulphide.
- The mass flows are probably triggered by and accompany rifting (/crustal extension), reflected by extrusive and burrowing pepperitic basalt flows, which commonly underlie the massive sulphide horizon at V19.
- Cambrian folding of unclear character?
- Full onset of “Tyndall Group” quartz-feldspar phyric rhyolitic volcanism distally deposited via high density turbiditic mass flows as volcanoclastic conglomerates, massive quartz crystal volcanoclastic sandstones and thin bedded volcanoclastic sandstones.
- Deposition of the Cambro-Ordovician Waterloo Creek Group, comprising mostly siliciclastic sediments, with minor late stage felsic volcanics in the basal unit.
- Devonian deformation, resulting in tightening and overturning of the pre-existing Cambrian folds. The rheology of replacement sulphide mineralisation possibly results in localisation on the overturned, east facing, steeply west dipping limbs of an anticline at V19.

Alteration

Silicification

Silicification is evident in several forms; being grey semi-pervasive silica with wispy margins, pervasive cream / grey silica often accompanied by sulphides (base metals) and late stage Devonian brittle style milky buck quartz veins (+/-chlorite-carbonate-sulphides and trace fluorite). Much of the extensive pervasive silicification is interpreted as resulting from alteration in the footwall when the VHMS system migrates to a renewed seafloor, following fresh influx of turbiditic mass flows. Strongly silicified horizons are evident near / within high density turbiditic deposited unit tops, with local relict patches revealing the precursor lithology.

The existence of silica – pyrite, carbonate and silica-hematite (jasper) clasts in the polymict unit, suggests that relatively distal to VHMS exhalative horizons and / or silica cap may have been exposed on the sea floor. Drill hole WWD002, at West Wart, intersected a cherty silicified pyritic interval within the polymict unit, which could be interpreted as exhalite distal to a VHMS source. A chert clast bearing volcanoclastic sandstone and granule conglomerate is located further down hole, but higher in the stratigraphy. Sparse granules of massive pyrite and silica-pyrite, possibly eroded from a VHMS system, are evident within the volcanoclastic conglomerates. The sulphide clasts are sub rounded and this combined with their small size (<1.5cm) suggests they are of relatively distal derivation with respect to the angular and much larger base metal sulphide clasts found in drill holes at V19. Further evidence of erosion of exposed VHMS comes from large (to 1m) rounded clast –like zones of silica bearing abundant disseminated pyrite with sharp margins, lacking peripheral alteration, within quartz-crystal rich volcanoclastics, located to the proximal east of V19. These clasts could be derived from erosion of a VHMS down to footwall stringer level.

Sericite

Pervasive sericite, often accompanied by relict pyrite box work is evident in many outcrops in the Wart Hill area. Widespread sericite-pyrite alteration is mapped in the quartz-crystal rich volcanics over Wart Hill by MRT (Pemberton, et al., 1991). Similar alteration in conjunction with chlorite is also evident near the forested margins, west of V19 and extending south toward the Wart Hill Camp.

Chlorite

Chlorite, accompanied by disseminated pyrite is evident within the host horizon thinly bedded volcanoclastic siltstones along strike SE of West Wart and in a small creek outcrop between the latter and V19. Geopeko (Poltock, 1989) report chlorite-sericite-pyrite on the west side of lens A and as clasts intimately associated with massive sulphides in drill core. Elsewhere, chlorite is flecked to semi-pervasive within interpreted footwall (feldspar-phyric zone and clast bearing) volcanics, NW of V19 and within the polymict conglomerate/breccia, on Wart Hill and NW of West Wart. Weak pervasive silica is also evident at the latter.

Chlorite appears to be associated with carbonate in the (intra-pillow/flow?) sediments proximal and within the basalts, which are commonly moderately to strongly

chloritised. A couple of basalts logged by Cyprus distal to the V19 mineralisation are brown-grey (eg. WH9) and thus likely to be un-chloritised (Poltock, 1989).

Carbonate

Carbonate is evident as disseminated spots and matrix pervasive alteration, as well as brittle tan/cream veins. Pervasive carbonate alteration is evident at basalt margins.

K-spar / Na alteration

K-spar / Na alteration similar to that in the Red Hills and Henty areas is evident near the base line track, south of Wart Hill and along strike from West Wart.

Poltock (1988) reports “tiger striped” pervasive alteration within rhyolitic tuffs east of the massive sulphides in drill holes WH1 and 7. The description suggests close similarity to the Comstock Tuff of the Lower Tyndall Group in its type section at Comstock, Mt Lyell. Given the likely Tyndall correlation, exploration targeting hanging wall potassium highs in the radiometrics is warranted. A strong radiometric high evident over Wart Hill, south of V19, is drilled by V19/3 and SWD001.

Fuchsite

Minor fuchsite was located in WD002 and WD003 near the base of the porphyry and is sparse elsewhere. This mineral is a hanging wall alteration indicator at Hellyer, but at V19 is interpreted to be related to alteration of basalt proximal to massive sulphide mineralisation.

Structure - Wart Hill Area

The structure of the Wart Hill area is controlled by a complex interplay between probable Cambrian and Devonian deformational events. The latter being clearly evident in the MRT mapped (Pemberton, et. al. 1991) Ordovician Waterloo Creek Syncline. The Devonian influence apparently attenuates to the west, where Cambrian deformation becomes more evident. Cleavage intersections identified in the field show that the Devonian NNW cleavage overprints an earlier presumably Cambrian fold axial planar cleavage of WNW orientation (**Figure 3**). Mapping shows that to the west of Wart Hill, the Cambrian units are controlled by likely Cambrian deformation, evident as 290 to 300⁰ orientated cleavage. Further west, MRT mapping (Pemberton, et. al., 1991) reports a south east plunge for folding on this orientation, which supports the interpretation. Thus several now partially defined structural domains are apparent.



Figure 3: Interference weathering pattern S1,S2 near drill hole V19-5

Devonian deformation has resulted in overturned stratigraphy proximal to the west of the Waterloo Creek syncline. Facing indicators in drill core indicate the sequence is overturned and east facing at V19, in agreement with Poltock's 1989 interpretation. Current interpretation indicates that the V19 mineralisation plunges approximately 40° south on an overturned east facing and steep west dipping limb of an anticline, located within the porphyry immediately west of the prospect. Support for this model comes from silica-sericite-chlorite altered volcanics outcropping on Wart Hill which are locally thin bedded with mod tightness folds in S and Z form, plunging 43° to 170° . Elsewhere, in Lens B similar indistinct folds plunge 60° south. Lens B was drilled by WD010 and 011, based on these observations, with positive results.

The Wart Hill stratigraphy is further disrupted by Devonian WNW orientated dextral wrench faults, one of which offsets the massive sulphide hosting polymict unit north of WH1 & 2 and WD005. Poltock (1989) interprets this fault as a thrust of 45° dip, north block dextral offset east and up. These structures are apparently significant in the Wart Hill area, since they are clearly reflected in gridded MRT gravity data, which defines gravity lineaments of NW and WSW trend, in common with structural and stratigraphic observations. Offsets in the soil sample data are also consistent with wrench faulting of WSW strike.

Stereonet analysis of structural data is yet to be undertaken and compilation of the mapping to date will refine the structural interpretation.

Work Completed

TasGold's work on EL20/1996 during the current and end of 2004's field season has focused upon extending the V19 base-metal sulphide resource, where drilling during the 2003/4 field season intersected a significant Ag-Pb-Zn intersection (*3.9m at 124g/t Ag, 0.6g/t Au, 12.1% Zn, 7.3% Pb*). To-date 12 holes have been drilled for 1646m (Table 1). The drill logs appended (Appendix 2; with lookup tables in Appendix 3 & 4) include all holes completed during the past reporting year, with SC007 also included since analysis had not been returned at the time of the last annual report.

Geological mapping in the Wart Hill area during the 2005 field season has upgraded understanding of the areas geology. This interpretation has, in conjunction with drill core logging, provided focus for ongoing drilling. Presentation and compilation of this mapping is ongoing.

Limited soil sampling as infill and extension of existing grid lines is currently underway to test new hypothesis. A ground magnetics survey is also ongoing, infilling the existing Plutonic cover and focused upon defining magnetite alteration and basalt units. Digital compilation and validation of existing drill logs, geochemical analyses and geophysical data is ongoing to enhance GIS interpretation within the EL.

V19 Drilling

TasGold's drilling at V19 is on going, with exploratory drill holes elsewhere in the Wart Hill area being undertaken intermittently. Drilling to-date has proven the continuity of VHMS related mineralisation, defining a an extensive base / precious metal mineralised horizon with locally high grades, that shows the prospect has excellent potential for a major deposit to be discovered. The continuity of base/ precious metal mineralisation has now been documented by drilling over a minimum 245m distance down the plunge of the host horizon, effectively from surface (Figure 1 & 6).

High-grade massive sulphides have been intersected in 6 of the 13 holes drilled this year, normally in relatively narrow intervals. In addition, moderate and lower grade semi-massive and disseminated sulphides have been noted in a total of 10 of the 13 holes, with intersection widths up to 13.4m. The best assays (excluding WD002) coming to hand at the time of writing include 7m @55.6g/t Ag, 6.16% Zn, 3.33% Pb, 0.22% Cu & 1.81g/t Au from 197m in WD009. Results from significant intersections in drill holes WD009, WD010 and WD011 will be reported in due course.

Drilling during the 2005 field season initially focused upon section 13180mN, aiming to intercept mineralisation at 12.5m centres, following up significant results returned from drill hole WD001 during the 2004 field season. Initial drill holes were primarily planned to gain confidence in the continuity of mineralisation. Subsequently, the drilling spacing has been expanded to 25 and 50m centres, tracking the mineralisation to the south (Figures 4, 5 & 6). The base metal mineralisation is interpreted to have moderate southerly plunge, located on an overturned, east facing and west dipping fold limb.

Drill Hole Survey Data Analysis

Down hole survey data were analysed to assess drill hole deflection, assisting hole planning. Most previous explorers holes were drilled easterly and deviated 6.4° northward with a lift of 2.75° per 50m drilled. V19/1 is only west directed drill hole, with recorded survey data indicating 10 and -2 degree changes in azimuth and dip respectively over 50m intervals.

Down hole survey data was reviewed as the drilling program at Wart Hill progressed. The deviation of V19 east directed drill holes predicted from the initial inference was found to be approximately right. An initial strong southward deviation/drift in azimuth is observed for most 2005 drill holes (4 to $17^{\circ}/30\text{m}$), followed by a gradual drift back to the north (ranging from 0 to $6^{\circ}/30\text{m}$, average ~ 3). The deviations are apparently strongly influenced by the drill hole azimuth relative to the dominant foliation.

Hole_ID	Easting (AMG m)	Northing (AMG m)	RL (m)	Depth	Azimuth	Dip	Prospect	Date Commenced	Date Completed	Significant Intersections
WDD001	379380	5251590	154	120	90	-45	V19	10-Apr-04	20-Apr-04	7m @78g/t Ag, 7.8% Zn, 4.4% Pb & 0.4g/t Au from 55m 3.9m @123g/t Ag, 12.6% Zn, 7.2% Pb & 0.6g/t Au from 55m 1m @3g/t Ag, 0.1% Zn, 0.1% Pb & 4.9g/t Au from 105m
WDD002	379367.5	5251590	154	83.7	91	-42	V19	16-Jan-05	18-Jan-05	13.4m @54g/t Ag, 4.9% Zn, 2.7% Pb & 0.3g/t Au from 58.1m 2.8m @122g/t Ag, 10.5% Zn, 5.1% Pb & 0.3g/t Au from 65.7m
WDD003	379367.5	5251590	154	96	91	-55	V19	18-Jan-05	20-Jan-05	1m @8g/t Ag, 1.1% Zn, 0.5% Pb & 0.1g/t Au from 80m
WDD004	379367.5	5251590	154	119	91	-67	V19	20-Jan-05	24-Jan-05	5m @43g/t Ag, 0.8% Zn, 0.4% Pb & 0.1g/t Au from 84m 1m @82g/t Ag, 1.6% Zn, 0.8% Pb & 0.2g/t Au from 84m 6.8m @1g/t Ag, 0.3% Zn, 0.2% Pb from 101.2m
WDD005	379365	5251615	153	99	92	-45	V19	24-Jan-05	27-Jan-05	2.2m @52g/t Ag, 1.3% Zn, 0.6% Pb & 0g/t Au from 76m 1m @108g/t Ag, 1.9% Zn, 0.8% Pb & 0g/t Au from 76m
WDD006	379350	5251565	157	110	93	-45	V19	28-Jan-05	1-Feb-05	9m @14g/t Ag, 1.3% Zn, 0.7% Pb & 0g/t Au from 73m 2.5m @20g/t Ag, 2.8% Zn, 1.6% Pb & 0g/t Au from 76m
WDD007	379305	5251565	157	158	96	-47	V19	2-Feb-05	8-Feb-05	1m @53g/t Ag, 0.5% Zn, 0.2% Pb & 0.6g/t Au from 133m 1m @15g/t Ag, 1% Zn, 0.5% Pb & 0.1g/t Au from 137m 3.5m @49g/t Ag, 3% Zn, 1.9% Pb & 0.2g/t Au from 140.8m 1m @94g/t Ag, 4.6% Zn, 3.3% Pb & 0.3g/t Au from 141.8m
incl										
WDD008	379367.5	5251545	157	120	90	-45	V19	8-Feb-05	13-Feb-05	No Significant Intervals - Analysis Awaited
WWD001	379085	5251080	148	300	95	-60	West Wart	14-Feb-05	27-Feb-05	No Significant Intervals - Analysis Awaited
WWD002	379081	5251080	148	227	255	-45	West Wart	28-Feb-05	15-Mar-05	No Significant Intervals - Analysis Awaited
WDD009	379305	5251540	157	250	105	-60	V19	16-Mar-05	23-Mar-05	6m of massive & semi-massive base metal sulphides from 197.7m, Analysis awaited
WDD010	379455	5251430	159	32.8	90	-45	V19	24-Mar-05	25-Mar-05	2.2m of semi-massive and massive base metal sulphides from 22.6m, Analysis awaited
WDD011	379455	5251430	159	50.7	90	-58	V19	25-Mar-05	27-Mar-05	0.7m of massive base metal sulphides from 24.5m, Analysis awaited

Table 1: Summary of SMRV drilling to 28/3/2005

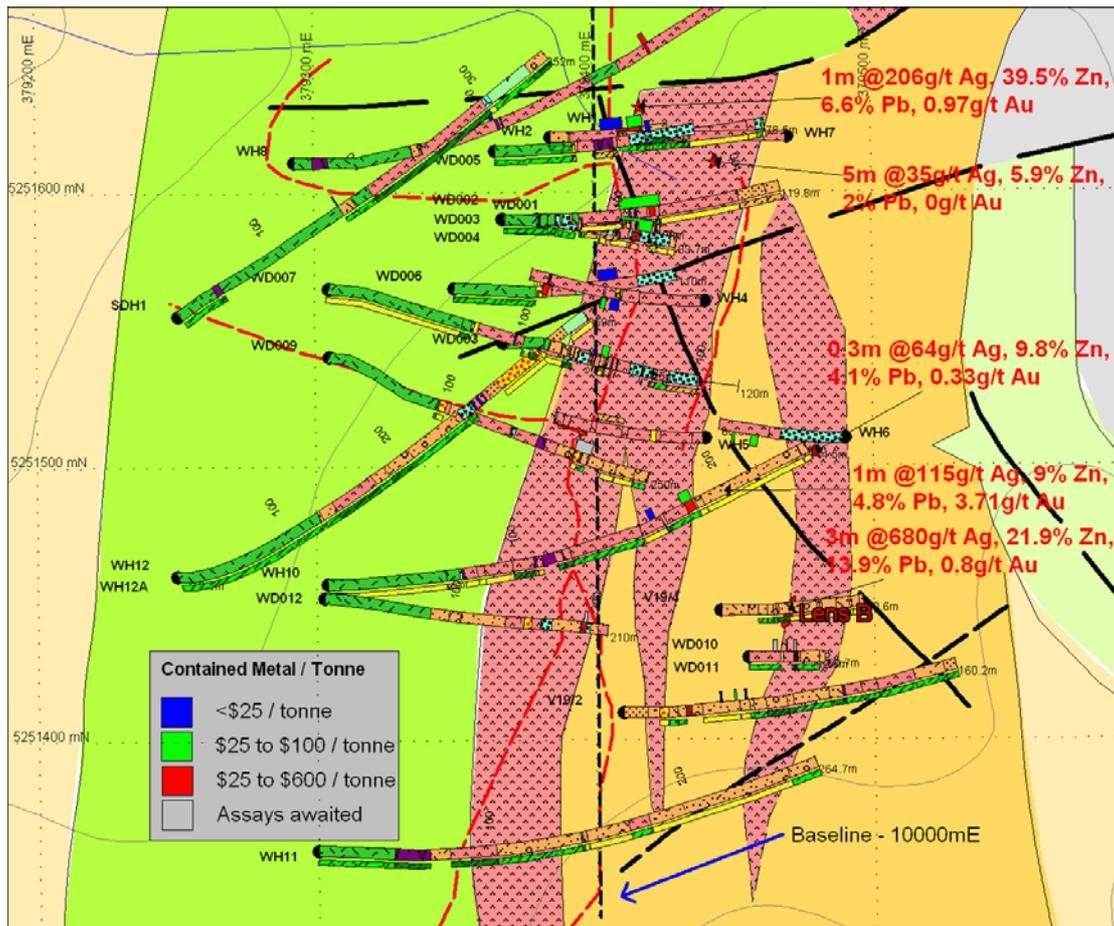


Figure 4: V19 trench geochemistry with surface and drill hole geology displaying contained metal in mineralised intercepts.

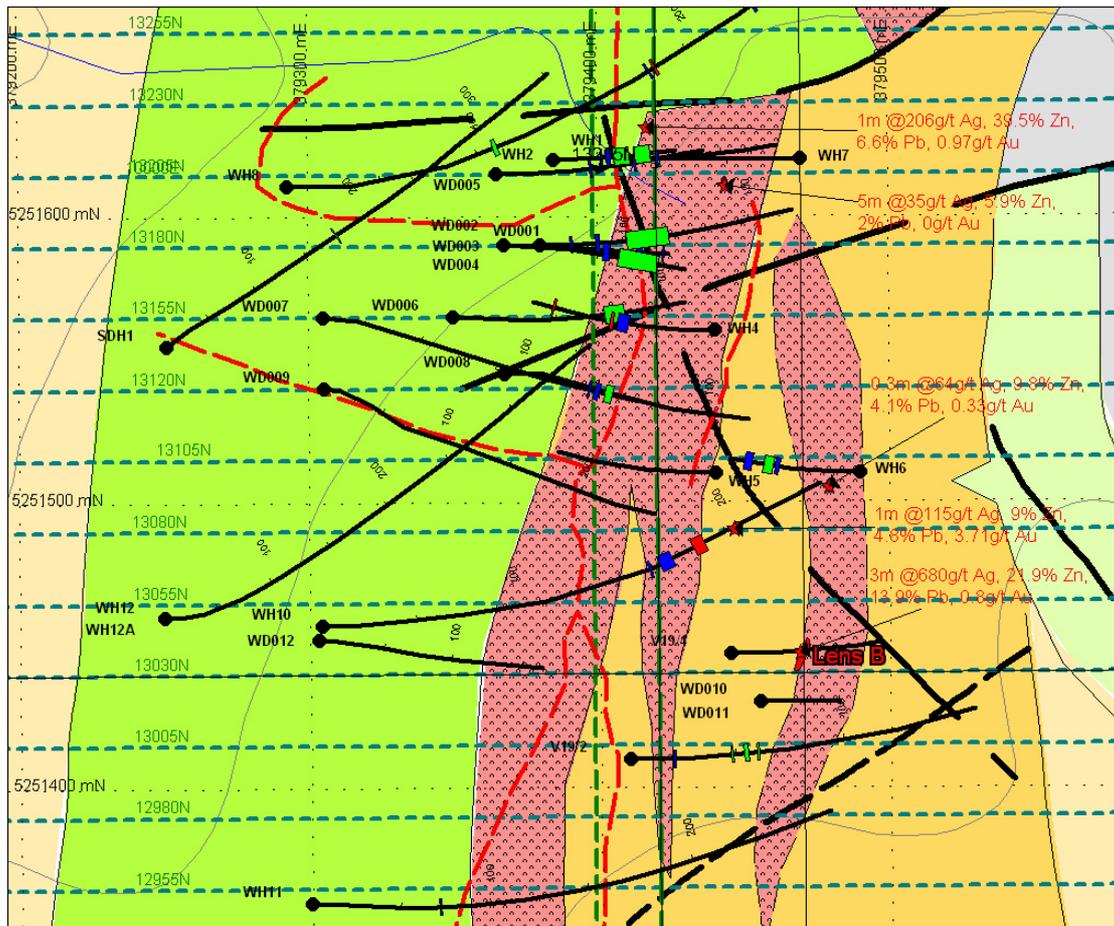


Figure 5: V19 current Drill Hole locations (NB: WD012 in progress; 3/4/2005), Surface trench geochemistry, Section lines and Zn composited intervals (blue 0.5 to 1%, green 1 to 5%, red >5%).

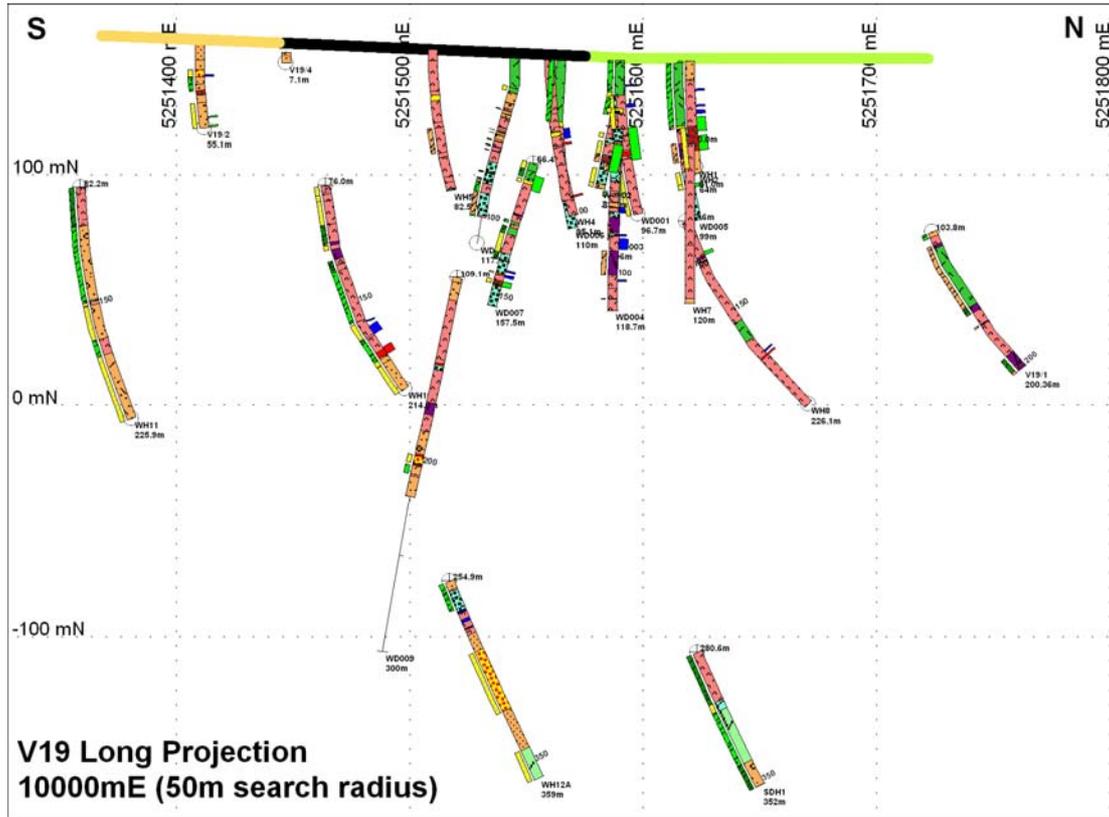


Figure 6: V19 Long Projection displaying geology, alteration and composited Zn intervals (blue 0.5 to 1%, green 1 to 5%, red >5%).

Results

Drill holes WD001 (from 2004) and WD 002, 003 and 004 were all drilled on section 13180mN (Figures 4, 5 & 7). Mineralisation was found to be continuous through all drill holes, being commonly hosted in fine grained volcanoclastic sandstones and mudstones in foliation parallel laminations and disseminations, as well as massive sphalerite and galena rich zones ~20cm thick. An indicated dip of approximately 80° west is evident. The mineralised intervals are enclosed by polymict lithic volcanoclastics, bearing massive sulphide clasts of local derivation. WD004 has galena and sphalerite at ~2% overall, but 20% from 86.6 to 86.65m. Interestingly, basalt displaying peperitic contacts, consistent with an extrusive origin, with strongly carbonate altered margins was intersected in WD003 and 4, but not in WD002.

WD005 was drilled on section 13205mN and mineralisation was encountered 76.2 to 78.2m down hole. The significant intersection encountered in WH2 (8m @ 25g/t Ag, 1.2% Pb and 3.1% Zn from 43m), immediately above WD005, was not repeated (Figure 8). Similar to section 13180mN, basalt was encountered at depth, adjacent to the WH2 intersection. The mineralisation was similarly missed in hole WH1 being collared too far east, but intersected at depth in WH8 (13245N: 1.1m of 10.4% Pb + 24.7% Zn + 123g/t Ag from 184.85m). Further deeper drill holes beneath the WD005 intersection is warranted. The hole log summary notes:

75.5 to 76m galena & sphalerite (5%) on fractures and laminations sub parallel to foliation.
 76 to 76.4m weak silicification, 2-5% galena, 2-5% sphalerite,
 76.4 to 77m 10% laminated galena & sphalerite, including @76.9m a 5cm band of 20%+ galena & sphalerite
 77 to 77.3m trace disseminated sulphide
 77.3 to 77.5m includes blotchy chlorite with irregular margins bearing 5% galena and 5% sphalerite.

Drill hole WD006 was drilled on section 13155mN, where two principal high grade intersections are reported from WH4 (Table 2). WD006 scissored these intersections, attempting to define whether they represent a fold closure, two distinct VHMS horizons, structure related veins or dextrally fault offset VHMS horizons (Figure 9). Further holes collared to the SW, were subsequently planned and given a folded scenario, were likely to trace widening limbs down dip, given that down hole lithologies through WH12, lying immediately off section to the south, possibly reflect intersection of the host horizon twice.

Hole_ID	From	To	Metres	Au_ppm	Cu_ppm	Pb_ppm	Zn_ppm	Ag_ppm
WH4	46.4	47.4	1	0.085	400	11900	25400	48
WH4	53.3	54.3	1	0.085	750	55300	111800	74
WH4	84	85	1	0.88	450	67000	120500	168

Table 2: WH4 Significant Intervals

WD006 apparently didn't repeat the better intersection from WH4 (Figure 9), but did return weak / moderate mineralisation as below:

75.5 to 78m: Mineralisation commences with 20cm high grade galena and sphalerite-rich massive sulphide, followed by altered volcanoclastic sandstone and mudstone with moderate chlorite alteration bearing semi-massive sulphide in parts; disseminated py to 10%, blebs galena 1-3mm, then broken ground.

The collar of subsequent planned WD007 moved slightly west to test the deeper WH4 intersection at approx 12.5m down dip, whilst also intersecting the good mineralisation from WD006 at depth. However, the hole deviated markedly south from the 96° azimuth collar, with the resulting intersection located 25m south, effectively drilling beneath WD008 and providing a good intersection proximal and similar to that in WH10 (Figures 1, 6 & 10). A summary of the intersection follows:

WD007

133-136.7m: grey chert, bearing laminated pyrite
 136.7 to 140.1m Polymict lithic volcanoclastic sandstone/breccia, Including 10cm of massive sulphide from 137.25m bearing galena(40%) and sphalerite(40%).
 140.1-140.4m chert and volcanoclastic sandstone

140.4-143.3m Semi-massive to locally massive sulphide, bearing approx 8% galena, 8% sphalerite & 10% py, locally chloritic in a silicified matrix.

WD008 did not appear to return any significant mineralised intervals. The mineralisation is now interpreted to plunge south beneath the WD008 intersection of the host sequence (Figures 1 & 6).

WD009 was targeted approximately 170m below surface, bisecting the deep intersections in WH08 and WH10 (Figures 11 & 12). Down hole surveys in WD009 indicate that the hole deviated further south than planned. This places the mineralised intercept approximately 45m deeper and immediately north (20m) of that in WH10 and 78.5m beneath and south of the intersection in WD007 (Figures 1 & 6). This hole successfully extended the depth potential of the system and in part the interpreted southerly plunge for mineralisation.

152.7 to 153m	Massive Sulphide comprising ~20% sphalerite & 8% galena
197.7 to 198.7m	Massive Sulphide, sphalerite(30%), galena(20%), chalcopyrite(3%)
198.7 to 202.4m	pervasive silicification(strong), sphalerite(2%), galena(2%), thin bands massive sulphide at interval end.
202.4 to 202.7m	volcaniclastic sandstone, sericite(strong)
202.7 to 203m	Massive Sulphide, sphalerite(30%), galena(15%)
203 to 203.85m	Semi-massive sulphide, sphalerite(10%), galena(10%)

Drill hole WD010 and 011 targeted the interpreted southerly plunge of the outcropping massive sulphide Lens B (Figure 4), which contained 3m of 680 g/t silver, 13.9 % lead, 21.9 % zinc and 0.8 g/t gold .Encouraging megascopic results were returned from both holes and results are awaited.

WD010

13 to 16.9m	massive sulphide clast bearing polymict lithic volcanic sandstone, including slabby MS clasts as well as jasper and carbonate clasts. The quantity of sulphide clasts apparently being significantly higher than in other polymict breccias logged at Wart Hill.
22.6 to 22.8m	galena(10%), sphalerite(5%), py(10%)
22.8 to 23.1m	galena(10-15%), sphalerite(10-15%), py(10-15%)
23.1 to 23.6m	broken and carbonate altered sediments, minor base metal
24.3 to 24.8m	Massive sphalerite-galena sulphide

Correlation of the massive sulphides with Lens B indicates a moderate westerly dip, which is supported by comparison with hole V19/2, located immediately south. Sulphide replacement textures are evident, as is also seen in Lens B at surface with the lens having a quartz granular texture.

WD011 testing the lens extension at an additional ~12.5m down dip intersected some significant mineralisation, but it was not located at the expected depth. The broken ground noted in hole may represent a fault explaining this discrepancy.

- 16 to 18.6m weak intermittent epigenetic semi-massive sulphide, py(10%), galena + sphalerite(<5%)
- 19 to 28.5m broken ground
- Incl. 24.5 to 25.2m galena(20%), sphalerite(10%)

WD012 was collared very close to the WH10 drill pad (Figure 4), thus reducing environmental impact by not creating a new track. This drill hole was planned to intersect the host horizon approximately 50m south of and at the same RL (-175m ASL) as WD009 and it successfully accomplished this.

- 97.7 to 100.7m strongly brecciated and weakly mineralised basalt
- 193.3 to 195.3m 2m of semi massive & massive base metal sulphides (sampling and analyses to be completed).

Hole WD 013 has been collared to test the plunge of the mineralisation an additional 75m vertically below and 50m horizontally further south of WD012.

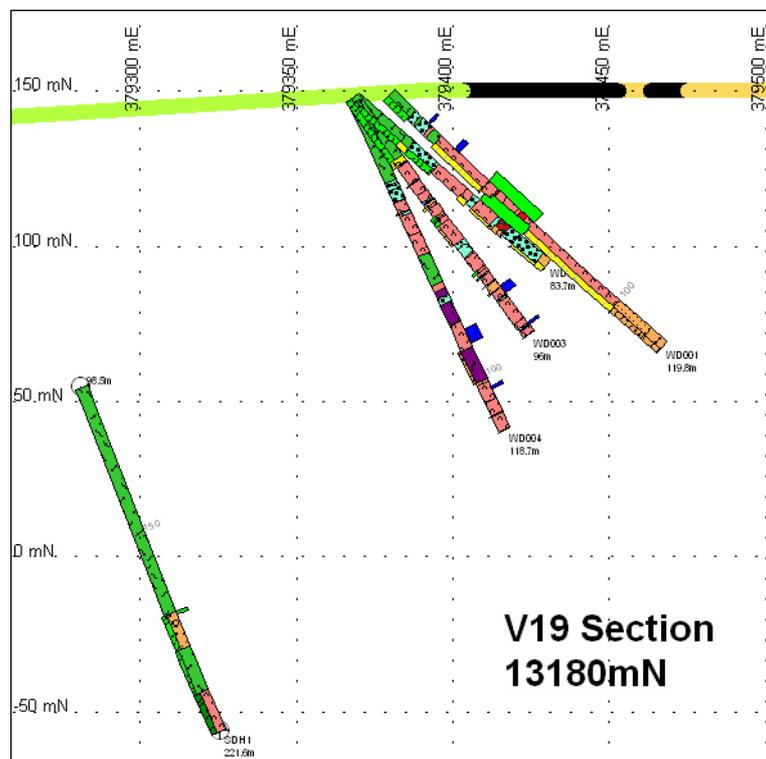


Figure 7: Section 13180mN

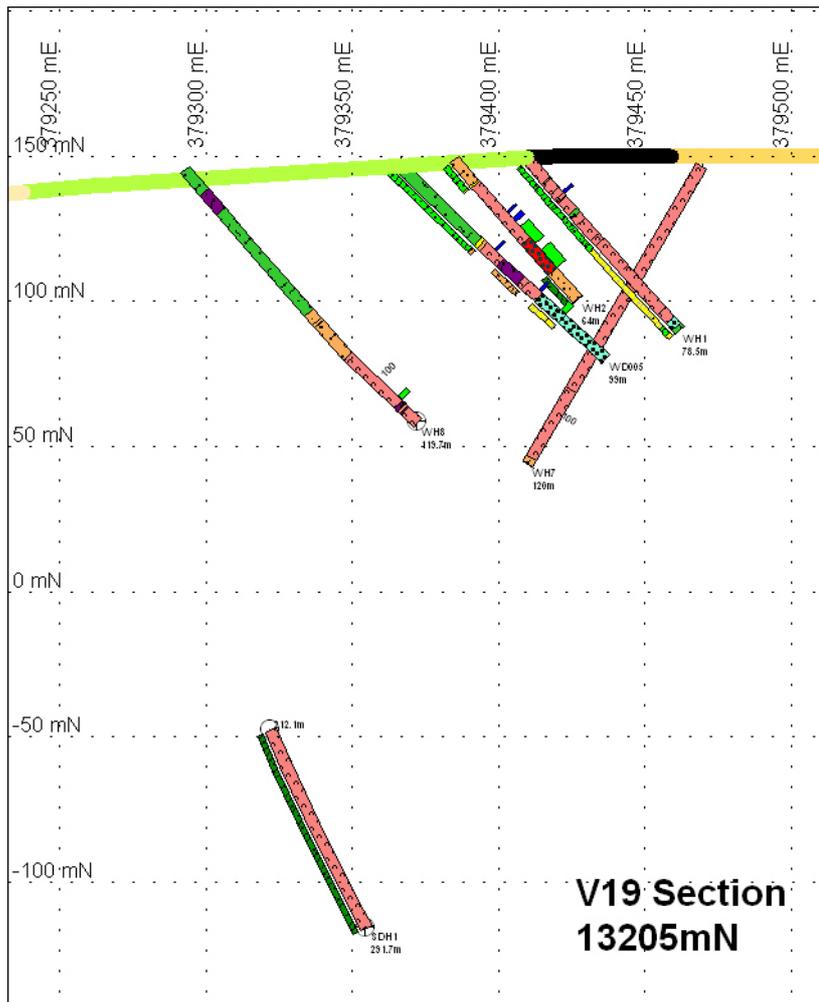


Figure 8: Section 13205N

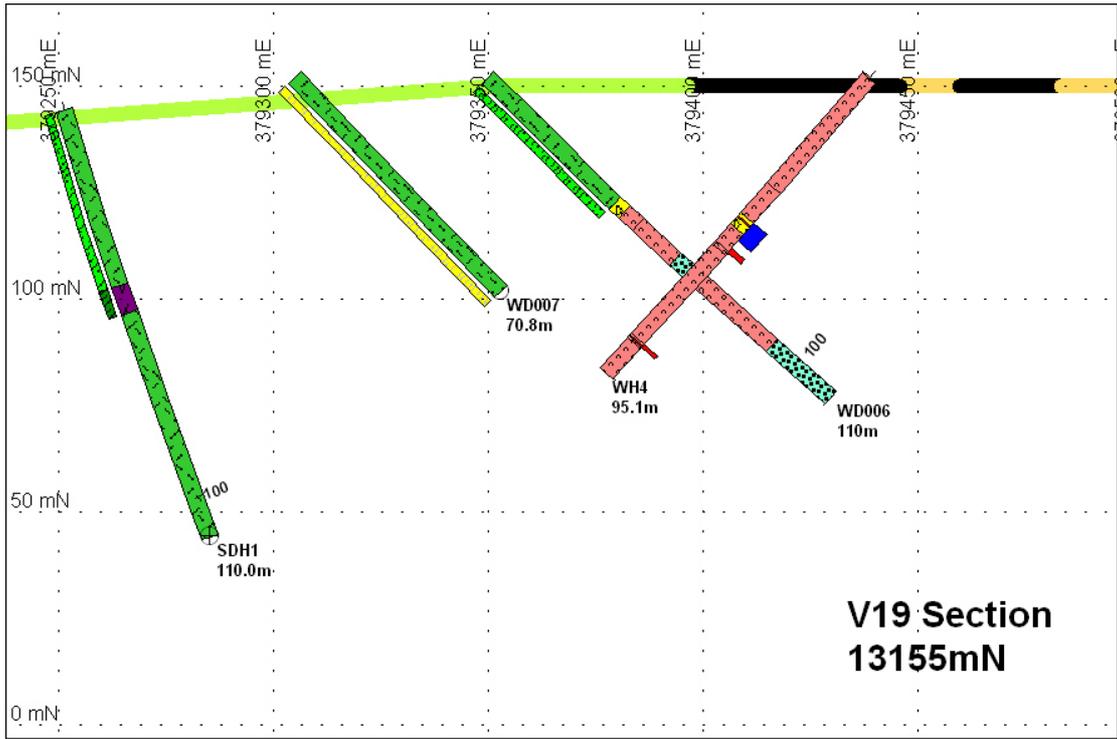


Figure 9: Section 13155mN

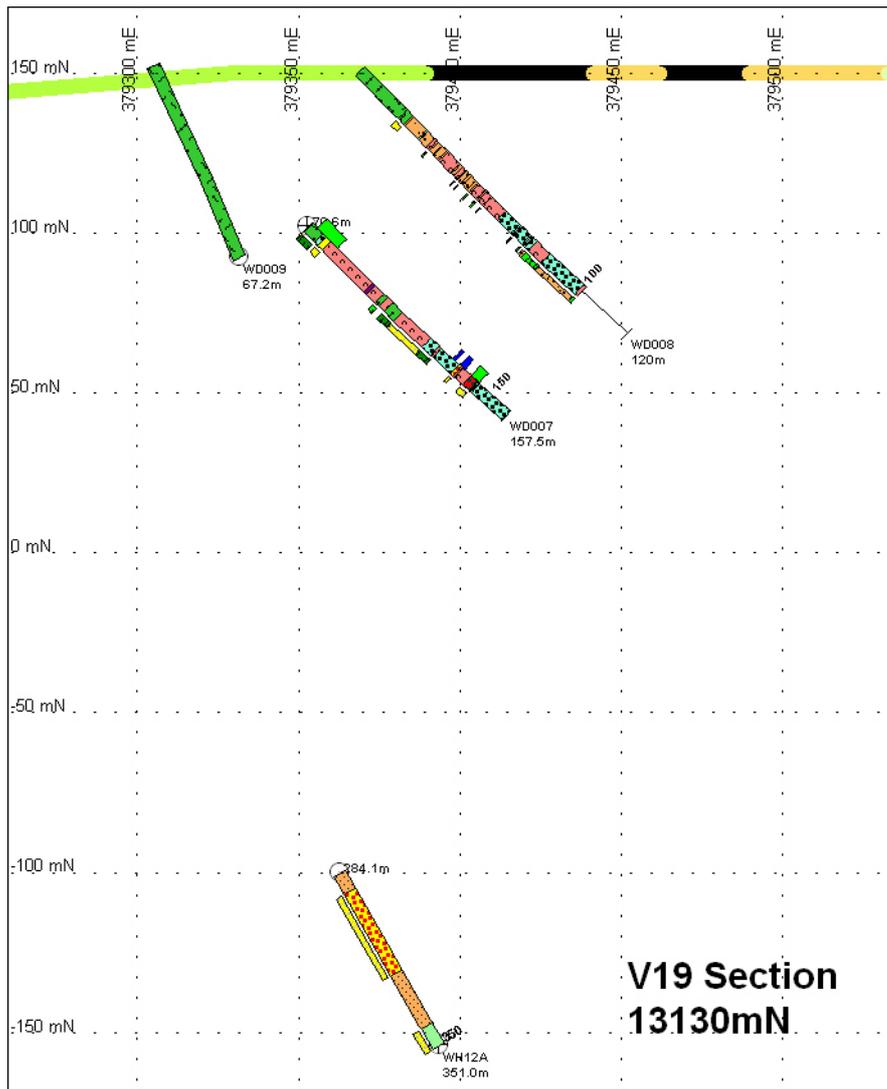


Figure 10: Section 13130mN

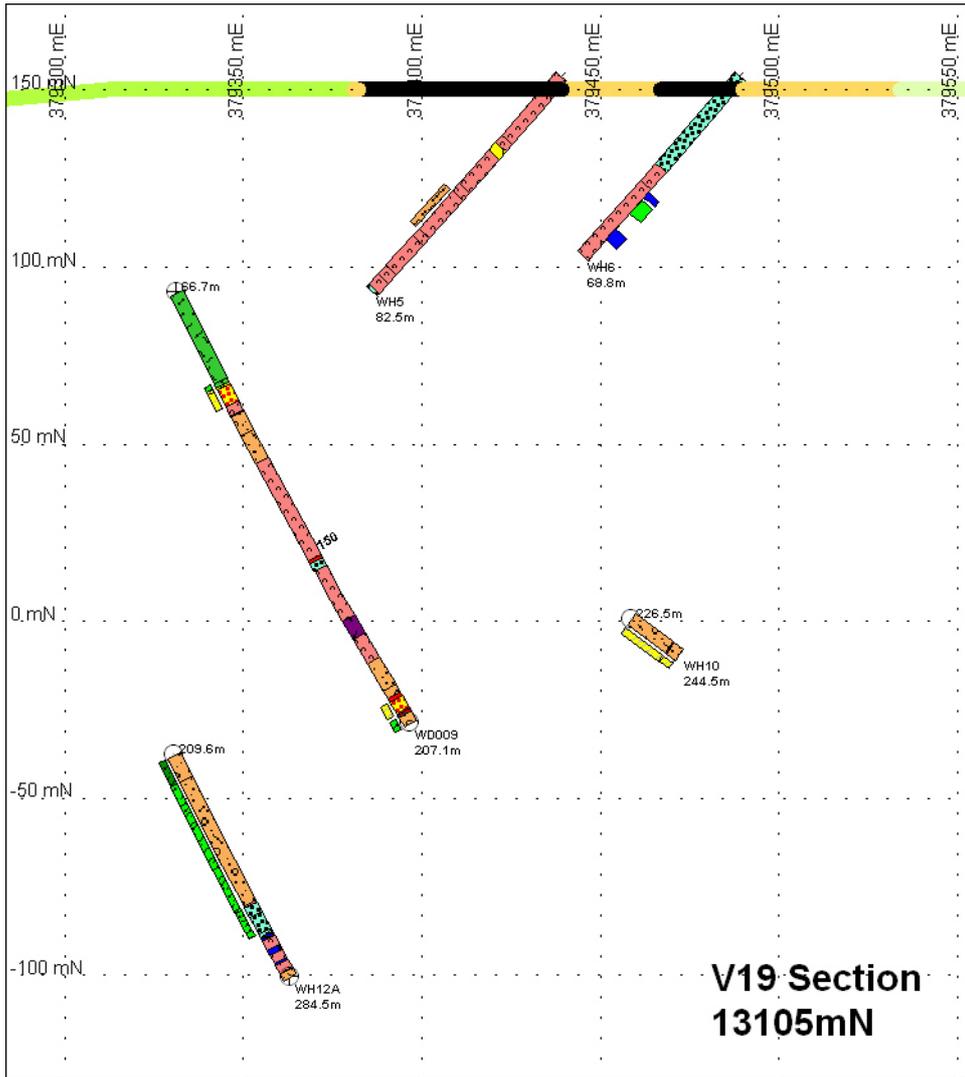


Figure 11: Section 13105mN

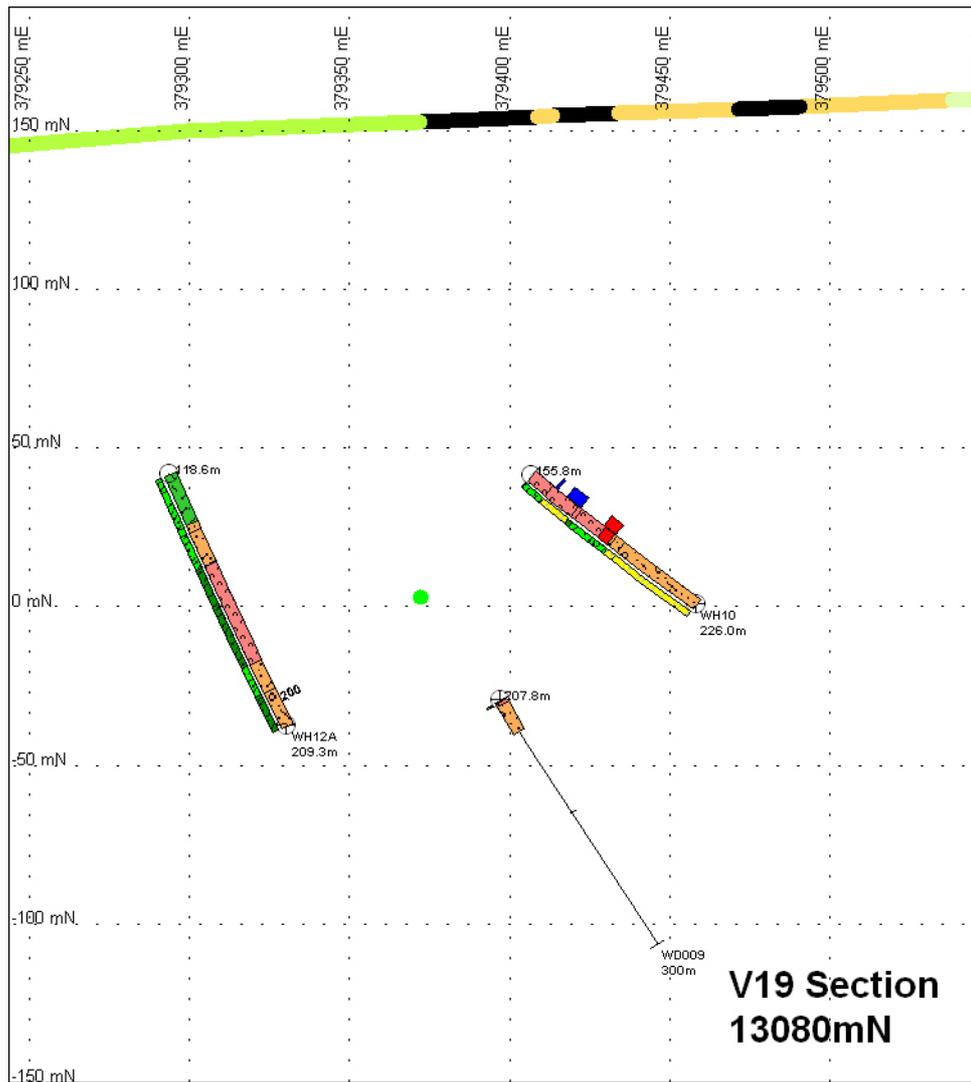


Figure 12: Section 13080mN

West Wart Drilling

Located 600m southwest of V19 and perhaps dextrally offset from it, West Wart has prospective geology, alteration and coincident geophysical (UTEM, VLF, Airborne EM, IP [chargeability and resistivity] and gravity) and lead + zinc soil anomalies. It was targeted by two relatively deep 'wildcat' holes that totalled 527.5m.

WWD001 was completed at 300m and WWD002 at 227.5m. No significant mineralisation was intersected, but both holes have resulted in significant advances in our understanding of the Wart Hill stratigraphy and aided in our on-going interpretations. The gravity anomaly appears to be explained by the basalt that was encountered (these basalts could be forming a cap to the mineralising system).

The West Wart Prospect also contains a two metre wide sulphide vein in a trench with 348g/t silver and 8.15% lead, outcrop assays to 620g/t silver, 1.46g/t gold, 16.18% lead and 13.28% zinc. This area is located >200m SE of the holes completed, has not been evaluated by drilling, is still a high priority for follow-up exploration and may be drilled this season subject to time constraints and relative objectives.

V30 Drilling (2004 field season)

Three drill holes were completed at V30 toward the end of the 2004 field season. Details regarding targets and interpretation are provided in Callaghan (2004), with drill logs for SC12, 13 and 14 appended. A drill log for SC007 is similarly appended, since analytical results were not available when reporting for the 2004.

Drill holes to-date have been testing this prospect on both sides of the fault. Drill hole SC006 intersected Henty style sericite-silica (MV) alteration adjacent to a major fault zone. The alteration contained similar low grade gold (2m @ 1.4 g/t Au) and base metal mineralisation as the MV alteration at Henty. The Pleiades (V30) Prospect remains the most promising gold prospect of the Sassy Creek Gold Zone. An honours project by CODES student Nathan Allen on the V24 and V30 prospects is expected to enhance the gold prospectivity in this area.

Digital Data Compilation

TasGold exploration and interpretation has to a large degree been GIS driven with exploration data displayed utilising Mapinfo and add-on Discover. Much digital data has been derived from Fimiston exploration work, which unfortunately relied upon some data derived from incorrectly referenced Geopeko plans. A comparison between company grid reference points is shown in Table 3. Fehlburg and Coxhell (1999) note that grid errors of +/-50m are possible for the Fimiston data, and that additional field work was required to check and more accurately define the grid conversion. Rectification of air photos over the Wart Hill area clearly shows that the Fimiston gridded data differs from the actual grid location.

Control Point Source (AMG)	LOCAL	Geopeko Plans	Fimiston Grid	TasGold Field Check
East	10000	379480	379480	379400
North	10000	5248370	5248370	5248410

Table 3: Grid control point comparison for Wart Hill.

The validity of georeferencing for located digital data has been assessed for numerous data sets, with comment made below. Checking and updating of this data continues. Further, the validity of pre-existing drill hole data has been assessed, but not completely validated. Results of this investigation are detailed below and extracts from the TasGold database, with newly generated exploration data, for EL20/96 are appended (Appendix 6).

Drill Hole Data

Drill Hole Assay Data

Drill hole assay data for Wart Hill was collated as a blend of TasGold and Fimiston's data, verified in some instances from the original reports. Significant assays in particular were validated, as were the start and end of sample runs within drill holes. Notably, no analyses have been conducted on WH3, which reportedly (TCR88-2853) contains no significant intersections. Data from a further 58 drill holes, largely outside the Wart Hill area will be collated and entered as time permits.

Drill Hole Geology

Digital drill hole geology has been captured for all Wart Hill drill holes (see DH_Geology; appended digital data), enabling tracking of the down hole geology. The geology has been categorised according to a "regional code" (Appendix 3), detailing a basic stratigraphic interval (modelled on MRT 1:25,000 [Pemberton, et al., 1991] and Geopeko codes) and lithology codes (Appendix 4). The two main alteration types for each logged interval are also listed. Drill logs from previous explorers have been interpreted from text reports and the DH_Geology table will evolve further following cursory re-logging by TasGold geologists.

Drill Hole Survey Data

Drill hole survey data were verified from the original drill logs, with numerous minor discrepancies corrected in the TasGold digital data (Appendix 6).

Raster Data

Available raster data includes MRT derived regional scale aeromagnetics and radiometrics. This data is valid considering that it's derivation is unrelated to ground based grids. Gravity data is derived from the union of MRT regional and grid-based company data; further comment is made below. Plutonic Sirotem data is grid based and requires further validation.

Magnetics

A regional scale aeromagnetics grid is available from MRT. The Plutonic ground magnetic data was re gridded for MapInfo display and differences between this and recently acquired TasGold data suggest the latter requires re-georeferencing.

Gravity

Residual gravity data available as a free download from MRT was gridded to assist exploration. This data combines both MRT and grid-based company data, which was re-gridded into a bouger anomaly image utilised by Fimiston. The gravity points derived from the detailed Wart Hill grid area maybe offset with the incorrect grid conversion and require re-georeferencing. The original report on gravity is to be reviewed to confirm gravity survey locations relative to the grid.

Sirotem

The Fimiston processed Sirotem image was found to be improperly georeferenced. Raw data generated by Solo Geophysics for Plutonic will be reprocessed in due course.

Vector Data

A variety of vector data in the form of geological and geophysical maps, compiled by Fimiston (through Southern Geoscience Consultants) is held by TasGold. Their data is poorly georeferenced, with their base line local grid to AMG conversion being some 100m different to that recorded and utilised by TasGold. This grid discrepancy is to be re checked in the field. A copy of the Fimiston data was re-georeferenced to conform to TasGold's field observations.

Fimiston's mis-referencing of data, means that their exploration targets may not have been comprehensively tested. Their targeting is to be re-evaluated. Fimiston's data includes topographic coverage sourced from the Lands Department.

Geology Coverage

The Geopeko 10K geology, which forms part of the TG database with an unknown source, appears accurate and was initially utilised for Wart Hill V19 interpretation. Modified geology coverages (TG_Geology fill.tab, TG_Geollines.tab and TG_Faults.tab) have been established and are currently being updated. The Fimiston V19 digital geology derived from Felberg and Coxhell (1999) is offset from the TasGold data (Geopeko 10K geology) and has not been utilised.

Soils Data

Most grid points have data for Cu, Pb, Zn, Fe and Mn. Au analyses are not worth gridding since gaps are common in the V19 soil data points. The TasGold soil geochemistry are apparently properly georeferenced.

Stream Geochemistry

Comparison of stream geochemistry data with hydrography shows a good match, indicating that data is correctly georeferenced.

Proposed Exploration

TasGold Ltd. plan to continue drill testing the V19 massive sulphides, following up highly encouraging results to-date. Current interpretation suggests that the mineralised zone and horizon plunges to depth at approximately -40° to the south (195 to 200°). Figure 13 illustrates roughly prioritised intersection points for proposed drill holes with the base line (10000mE) section / mineralised horizon. Priorities will evolve as new information and interpretation comes to hand and down hole EM surveys may be undertaken on recent deep TasGold drill holes (WD009, 12 and WWD001 & 2) in the future.

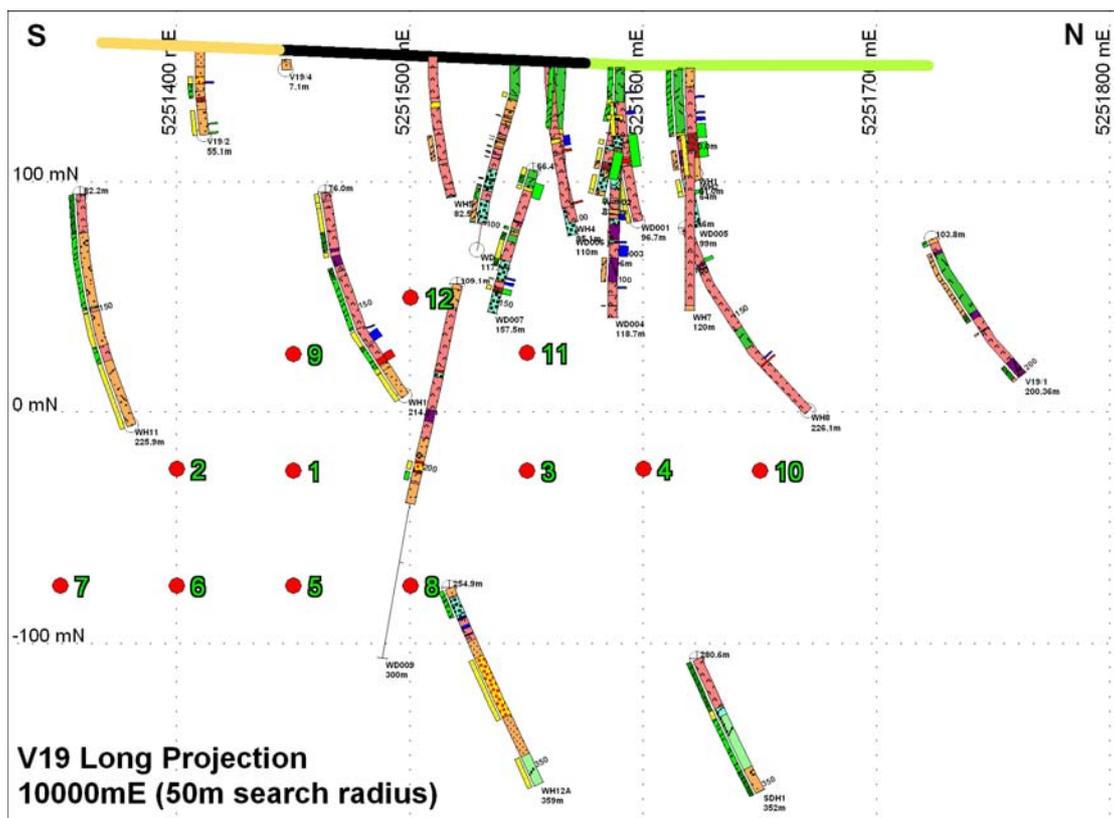


Figure 13: Proposed drill hole intersections with the mineralised horizon.
(Composited Zn mineralised intervals to right of DDH trace; blue 0.5 to 1%, green 1 to 5%, red >5%)

Further drilling will be undertaken on more regional prospects as warranted. One such target is the silver (380g/t) bearing trench on the SW flanks of Wart Hill, which lies within a mapped potential extension of the V19 host horizon, represented by medium quartz grain rich epiclastics. This potential drill target was described as a base metal bearing vein by Geopeko geologists and as such could represent a Devonian-related leakage anomaly from mineralisation at depth on the host horizon. Notably, fluorite possibly reflecting Devonian influence is evident in quartz veins at V19. However, given the extent of sericite-pyrite alteration on the nearby Wart Hill and stratigraphic position, the mineralisation could also be Cambrian aged.

Ongoing exploration will assess the Wart Hill area; V33, V34, V29 / East Camp, V9 and V19/5 drill hole (South Wart) areas are worthy of assessment, partly based upon the features presented in Figure 14. CODES Honours student Nathan Allen is undertaking a study of the Voyager 24 and 30 prospects, which is likely to define further targets at these prospects.

Soil sampling, based upon TasGold's new interpretation of the host horizon geology, targeting the epiclastic horizon, is currently underway to assess previously poorly tested parts of the stratigraphy and upgrade existing anomalous areas.

East Camp

The East Camp area hosting chlorite-pyrite alteration, located between rhyolite lavas and the interpreted siliciclastic sulphide host horizon is a current soil sampling priority, with encouraging chloritic alteration identified along a coherent zone to-date. Previous drill holes here (EC1 and 2) are likely to have targeted interpreted footwall to VHMS alteration. Further mapping and possibly drilling is warranted here.

South Wart

The mineralisation potential of the area south of Wart Hill is currently under review and interpretation around hole V19/5 suggests that an anticline plunges south through this vicinity. Notably Zn in soils anomalism also extends south of this drill hole. It is possible this deeper target will be drilled prior to cessation of exploration for the winter.

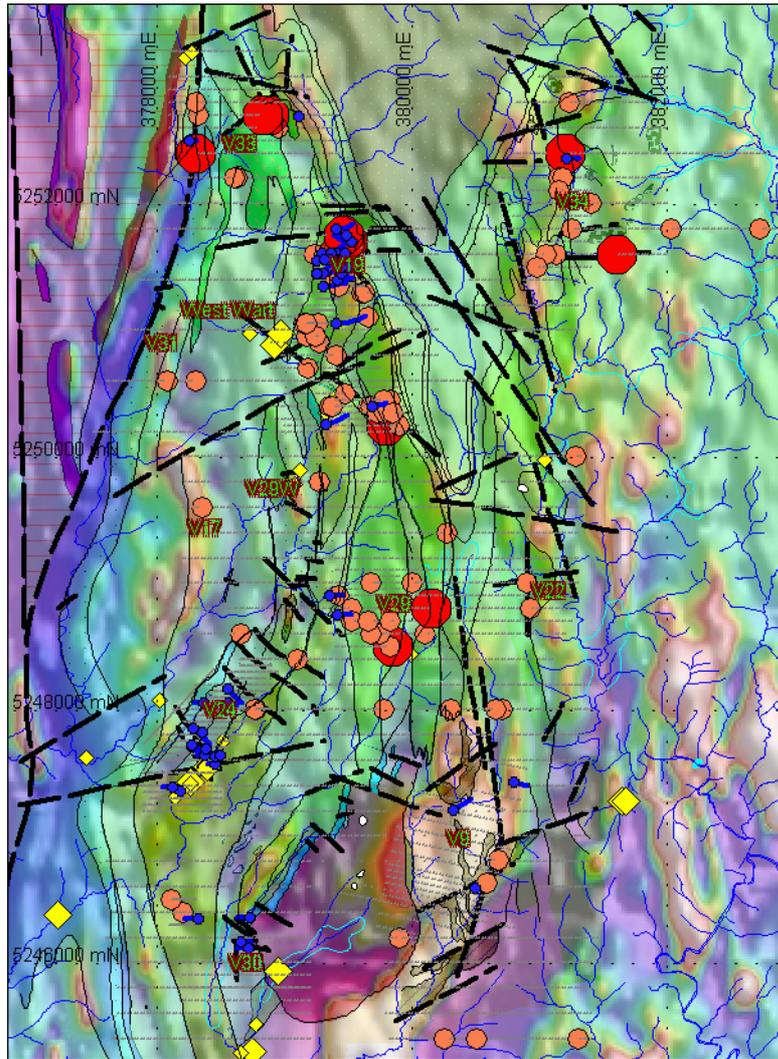


Figure 14: Regional Targets showing 1st Vertical Derivative Magnetics transparency over Geology with Zn in Soil (red circles) and -80# Au (yellow diamond) anomalies.

Geochemistry

Samples were submitted to SGS Burnie for analysis for Au via 50gram fire assay (Method FAA505) and base metals via AAS (Cu, Pb, Zn, As & Ag; Method AAS42S). Over range elements were analysed via method AAS43B as required.

Original laboratory analysis reports are appended (Appendix 5), along a digital compilation of TasGold's current drill hole analysis data for EL20/96 (Appendix 6).

References

- Felberg, B and Coxhell, S. 1999. Elliott Bay EL20/96 Data Summary and Compilation, Annual Report for EL 20/96. Fimiston Mining Ltd (TCR 99_4291).
- Callaghan, T., 2004. TasGold Annual Report on Exploration EL20/96 – Elliot Bay: Annual Report to March 31 2004.
- Large, R.R., (1988) Exploration models for gold bearing deposits in the Mount Read Volcanics. University of Tasmania Report to AMIRA, Project 84/P210.
- Large, R. R., McPhie, J., Gemmell, J. B., Herrmann, W and Davidson, G. J., 2001. The Spectrum of Ore Deposit Types, Volcanic Environments, Alteration Halos, and Related Exploration Vectors in Submarine Volcanic Successions: Some Examples from Australia. *Economic Geology* 96:913-938.
- McNeil, P A. 2000. EL20/96 Elliott Bay Southwest Tasmania. Annual report 12/4/99 to 11/4/00. Exploration and Management Consultants Pty Ltd.
- Pemberton, J, Vicary, M J, Bradbury, J and Corbett, K D. 1991. Mt Read Volcanics Project geological map series. Map 10. Geology of the Elliott Bay-Mt Osmund area. Division of Mines and Mineral Resources Tasmania.
- Poltock, R. 1989. Progress report, twelve months to June 1989, Exploration Licence 40/85, Elliott Bay, Tasmania. Cyprus Gold Australia Corporation (TCR89-3032).

Appendices

Appendix 1: Environmental Survey Reports

Appendix 2: Drill Hole Logs

Appendix 3: Drill Hole Geology Legend

V19 Drill Holes Geology Legend	
 Os Ordovician quartz sandstone	 Cvc Volcaniclastic Conglomerate (Cambro-Ordovician?)
 Cfl Quartz-feldspar-(biotite) porphyritic lava	 FALT Fault
 Ccb Basalt	 QVN Quartz vein (+/chlorite, carbonate & sulphides)
 Ccd Dolerite	 MEX Chert / Exhalative
 Csh Shale	 MSSX Massive base metal sulphide
 Cvl Limestone	 SMSX Semi-massive sulphide
 Cve Epiclastic Sandstones	 SISX Pervasive silica-sulphide
 Cqvs Quartz crystal-rich felsic volcaniclastics	 Si Pervasive silica alteration
 Cv Felsic volcaniclastics, variably quartz and feldspar phytic / crystal bearing	 Cb Carbonate alteration
 Cflq Quartz porphyritic lava	 Ch Chlorite alteration
 Cveb Polymict Lithic Volcaniclastic Sandstone and Breccia, commonly sulphide clast bearing	 Ser Sericite alteration

Appendix 4: Lithologies Lookup Table

Lith Code	Lithology	Lith_ID
	Clastic	
Sh	shale	1
Lmst	limestone	2
Mdst	mudstone	3
Slst	siltstone	4
Sst	sandstone	5
SSst	siliciclastic sandstone	6
Congl	conglomerate	7
ESst	epiclastic sandstone	8
VMdst	volcaniclastic mudstone	9
VSlst	felsic volcaniclastic siltstone	10
VSst	felsic volcaniclastic sandstone	11
VQFSst	felsic quartz-crystal-rich volcaniclastic sandstone	12
VFQSst	feldspar-quartz-phyric felsic volcaniclastic sandstone	13
VQFSst	quartz-feldspar-phyric felsic volcaniclastic sandstone	14
VPSst	felsic pumiceous volcaniclastic sandstone	15
VLSst	felsic lithic volcaniclastic sandstone	16
VLLSst	felsic lapilli lithic volcaniclastic sandstone	17
VBLSst	felsic block lithic volcaniclastic sandstone	18
VQQLSst	felsic quartz-crystal-rich lithic volcaniclastic sandstone	19
VPLLSst	polymict lapilli lithic volcaniclastic sandstone	20
VPBLSst	polymict block lithic volcaniclastic sandstone	21
VCPLSst	polymict carbonate clast-bearing lithic volcaniclastic sandstone	22
VMPLSst	polymict MS clast-bearing lithic volcaniclastic sandstone	23
VB	volcanic breccia (undifferentiated)	24
VH	felsic monomict volcanic breccia (hyaloclastite?)	25
VLB	felsic lapilli volcanic breccia	26
VQLB	felsic quartz-crystal-rich lapilli volcanic breccia	27
VBB	felsic block volcanic breccia	28
VQQB	felsic quartz-crystal-rich block volcanic breccia	29
VPB	polymict volcanic breccia	30
VPLB	polymict lapilli volcanic breccia	31
VPBB	polymict block volcanic breccia	32
VCPB	polymict carbonate clast-bearing volcaniclastic breccia	33
VMPB	polymict MS clast-bearing volcaniclastic breccia	34
VC	volcaniclastic conglomerate	35

Appendix 4: Lithologies Lookup Table (cont.)

Lith Code	Lithology	Lith_ID
	Coherent Rocks	
LR	felsic porphyry	36
LQR	quartz-phyric rhyolitic porphyry (/lava)	37
LQFR	quartz-feldspar-phyric rhyolitic porphyry (/lava)	38
LQFBD	quartz-feldspar-biotite-phyric dacite porphyry (/lava)	39
LQFHD	quartz-feldspar-hornblende-phyric dacite porphyry (/lava)	40
LB	basalt	41
IB	dolerite	42
IG	granite	43
	Undifferentiated	
UR	felsic volcanic (undifferentiated)	44
URQQ	quartz-crystal-rich felsic volcanic (undifferentiated)	45
URQ	quartz-phyric felsic volcanics	46
UFQR	feldspar-quartz-phyric felsic volcanics	47
UQFR	quartz-feldspar-phyric felsic volcanics	48
UB	mafic (undifferentiated)	49
	Structure	
FALT	fault	50
	Mineralisation and Alteration	
VN	Vein	51
QVN	quartz veining	52
SQV	sulphide-bearing quartz vein	53
MSSX	massive sulphide	54
SMSX	semi-massive sulphide	55
DSS	disseminated sulphides	56
Ch	chlorite	57
Ser	sericite	58
Si	silica - pervasive	59
Fk	Fuchsite	60

Appendix 5: Geochemical Analysis

Appendix 6: Digital Data

List of appended digital data files:-

EL201996_200503_01_Digital_Files
EL201996_200503_02_Report
EL201996_200503_03_Aboriginal Heritage Survey
EL201996_200503_04_Parrot and Eagle Survey
EL201996_200503_05_Drill_Logs
EL201996_200503_06_Analysis_Requisition_54to61
EL201996_200503_07_Analysis_Requisition_064
EL201996_200503_08_Analysis_Requisition_065
EL201996_200503_09_Analysis_Requisition_066
EL201996_200503_10_Analysis_Requisition_067
EL201996_200503_11_Analysis_Requisition_068
EL201996_200503_12_DH_Assay
EL201996_200503_13_DH_Collar
EL201996_200503_14_DH_lith
EL201996_200503_15_DH_Survey
EL201996_200503_16_GeolCode
EL201996_200503_17_LithCode