G.WIGGINS
EL 33/2003
3rd YEAR ANNUAL REPORT
2007

CONTENTS

Summary

2007 saw the end of the third year of the tenure of E.L. 33/2003. Totaling 8sq kilometers in area, the license has excellent road access with the Lake Margaret power station road running through the centre of it for 5 kilometers and several H.E.C. transmission line tracks cover the southern area.
There are several mapped gold prospects found throughout the area as well as one copper prospect although it is hard to find any recorded history of these old shows at all. Stubbs lode, McCuesick creek, Haneevers show + Swan creek gold mine are generally just names on old maps only dating back to 1898. McCuesick creek was pegged from 1900-1910 and good verbal information from respected West Coast prospector J.Smyth, has it that McCuesick creek was the only place north of Queenstown that crystallized gold had been reported, obtained from weathered andesitic clays.
Stubbs lode north of Penghana Hill, in the southern zone of the license was only found recorded on an old Mt Lyell mining field lease map and little physical evidence of its existence, except for the discoloration of old mullock.
Modern era exploration of the area only started in the mid 1960's, although the area had been known to support several alluvial beds which local Queenstown prospectors made use of over several decades.
The only worthwhile discoveries in a prospecting sense that were made over the last 40 years, were a 1 inch wide quartz vein with gold in it, that occurred in an old adit at 379500e-5345200n.A west striking diamond drill hole that hit a 1 meter wide zone of 1.7% copper with good silver assays at 379300e-5344200n at 40 meters vertical. Aside from geo chem analysis of several hundred samples that produced relatively minor lead/zinc soil anomalies over relatively large grid areas of approx 4sq km, the really

important work was the geophysical ground measurements carried out by Scintrex for Mt Lyell from 1976-1984 and which recognized half a dozen induced polarity anomalies , virtually all of which were never drilled by anyone since their recognition. These reports are all on open file and appear very accurate and professional in their interpretations and are signed by a young A Howland-Rose now of Allegiance nickel fame.

Two other mineral discoveries that I should not to forget was the -80 micron fine gold in stream sediments survey of the upper West Queen River (Poltock 86) which suggested that the fine gold observed in the sediments had shed from the western side of the creek over a strike area of approx 3 kms long.

The survey starts at the McCuesick creek branch on the west queen and heads north to the no.3 Mt Lyell dam.

The Tramway pyrite zone, is a 10ft wide massive pyrite outcrop found at 379300e-545000n during the construction of the Lake Margaret power station tramway from Penghana hill in 1912.

In 1983 Mt Lyell geologists assayed several samples for gold and gave comparison figures of the various Mt Lyell pyrite/gold contents found in the major ore bodies of the field mined to date. The tramway pyrite specimens reported an average gold content of 0.8 gpt, higher than all the other pyrite ore bodies that were tabled.

Mt Lyell drilled two holes to test the zone in 1984, West Sedgwick 1 & 2, off the same point, first at 90 meters long and 220 metres.

For some reason or other they never tested any of the core recovered for gold although mineralization was noted at various intervals of the longer hole.

As these were exploration holes the core is still intact at the core shed in Hobart, and it is planned to inspect them in the new year.

GEOLOGY AND GEOPHYSICS

It is been the case that the 8sq area is among the most all round well mapped parcels of land that any license holder would love to have access to.
The amount of geophysical images that have become available over the last three years include ,Hypospectral scanning, gravity worms, Shuttle based radar tomography, AGC magnetics, radiometrics and many more stream catchment flora and elevation glaciation. All in wide 50,000 regional scale.
It has been clear to me since first reading Howland-Roses 1976 report that Mt Lyell nor RGC who between them, controlled the license area for nearly 40 years, ever attempted to drill any of the implied induced polarity anomalies identified by Howland-Rose, I think this occurred only because the various geophysical and geochem survey reports came out over a period of a decade between 1975-85.Then nothing except finally DDH Penghana no.1 in 1993.
People move on and even though Mt Lyell or RGC held the ground they never actually spent any money exploring the anomalies that ten years of cutting grids and carrying out surveys had produced.
The money ran out, as for the lake Margaret road I.P. anomalies are concerned. And I know full well that new ore bodies tend not to get found if you don’t drill holes.
When a small diamond drill became available it was decided to drill a series of shallow diamond drill holes up to 100m long if conditions were favorable, over the surface expression of one of Howland-Roses interpreted shallow I.P. anomalies.
All holes drilled so far have proved difficult to drill, heavily weathered, and altered clays to siltstones before finally hardening up around the 20 meters vertical.Sevaral meters of core was lost in these fault zones.

It has also proved difficult to find an offsider whose schedule fits in with my own seven day work commitments with my employer Mine-Crete. When the day is fine and safe enough to drill on account of the nearby transmission towers.
I follow a strict protocol and stop drilling and pullout when in doubt because of the cost of drilling consumerables out weighs the risk of losing hard to source gear down the hole.

A lot of work has been done on this area studying all magnetic & I.P. data. Two area's tested by induced polarization (I.P.) showed one zone to have good readings of >40m/s 200m nth of the tramway pyrite zone. The zone is over 500m in length and nearly 200m wide. Most of the reports say the I.P response probably will be pyrite but with a lead zinc zone interpreted by soil assays just east of the I.P , the I.P zone needs to be drilled. The second I.P with not many results was diamond drilled. Hole (WS3) was drilled in the late 70's to see if that's where lead zinc might be coming from also there was a trench dug all with no results worth mentioning. The hole was drilled with no I.P or any encouraging data. No further work has been done.
With the position of the lead zinc zone and the zone with the IP response the IP had to be drilled.
Shale units are mapped all around the area also Andersites outcrop through the whole zone.
With all data collected and a lot of hours studying, plans where put into the mines department to diamond drill and source out what the IP is.
Rig is dead centre over the IP. The IP is bordering along a north strike to a high magnetic low reading. Depth to source should be 30ft – 100ft.

DIAMOND DRILL HOLE LM001

LM001:

BQTK bit 41mm diamond drill core 55 degrees at bearing 379508E – 5345999N in a sse direction
Hole drilled to 42.8m
Drill hole terminated in fine grained altered siltstone.

Drilling was through some very faulty ground. Core recovery was about 70%. Some core loss was due to pug between quartz faults.
Core starts into altered weathered andersites then into white clay then into altered siltstone at 30m deep.
A 3m intersection of altered classic coarse grained sandstone with a 1cm wide vein of zinc is seen at 30 meters depth.
Checking under microscope x20 sandstone seems to contain some very nice Chalcopyrite crystals and maybe some gold. Assays will be done as soon as core is logged and cut.
In most of the core, a black material is seen and under microscope looks metallic. Two samples of fine grained siltstone containing a fine to coarse grained black material, taken from 20m and 35m vertical, were identified as Magnesiochromite by x-ray diffraction tests carried out by the South Australian Museum. See results (fig 1&2).
Core seems to be riddled with what looks the same and is getting richer with depth. Not much more can be said until core assays are done. Core is being prepared for assay as we speak.


LM001
0-22m


LM001
22m-30m


LM001
30m - 36.3m


LN001
36.5 - 38.5


LM001
38.6 - 42.8m

DIAMOND DRILL HOLES LM002&LM003

LM002:

BQTK bit 41mm diamond drill core 55 degrees at bearing 379510E- 5345996N at sse direction.

Hole only drilled to a depth of 8m then stopped due to a change in drilling plans.

LM003:

BQTK bit 41mm diamond drill core 70 degrees at bearing 379510E-5345996N at east direction.

Hole drilled to a depth of 38m, and then stopped due to bit failure.

Drilling intersected altered siltstone at 3.5m in depth. Core also looks to contain magnesiochromite all the way through core.

Drilling problems where no water return and then damage to bit. Hole terminated at 38m.

Hole intersected a bad fault a 9m in both LM001 &LM003 which we lost water in and made drilling difficult.

Although drilling didn't get near the depth planned, drilling proved to be successful anyway with magnesiochromite being observed from the 3.5 m through to 42m, it validated the presence of a body of siltstone containing magnesiochromite over a true width of 30metres and at least 35metres deep and still open and depth.

Drill moved 50m to the south.


LM003
3m - 22.5m


LM003
22.5m – 30m


LM003
30m – 33m


LM003
33m - 36.5

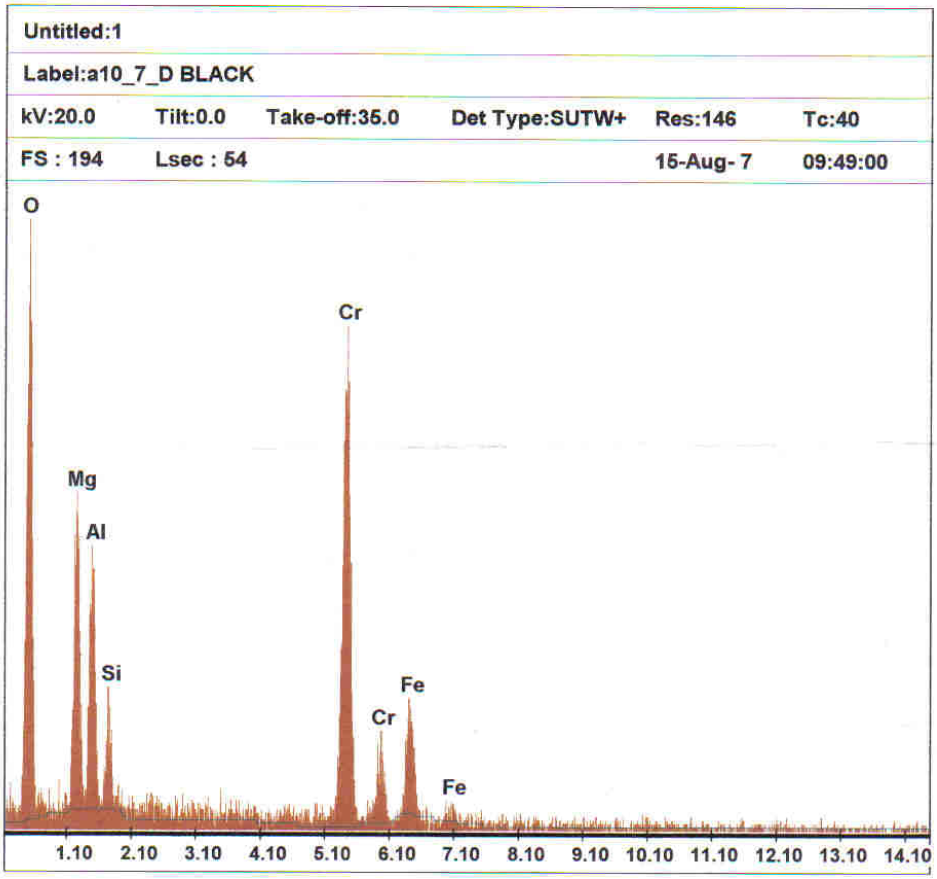
DIAMOND DRILL HOLE LM004

LM004:

BQTK 41mm diamond drill core 70 degrees at bearing 379528E – 5345955N at an east direction
Hole only down 10m so far with from the collar no core recovery, although fines have been collected. All fines so far appear to contain very small fragments of black magnesiochromite also.
LM004 so far seems to have just missed the fault which was the cause of the last 2 holes basically to fail.
LM004 will continue into year 2008 with the aim sourced at the theory of lead and zinc being present at depth, and to carry out a series along the N/S strike of the I.P. anomaly.

Fig.1

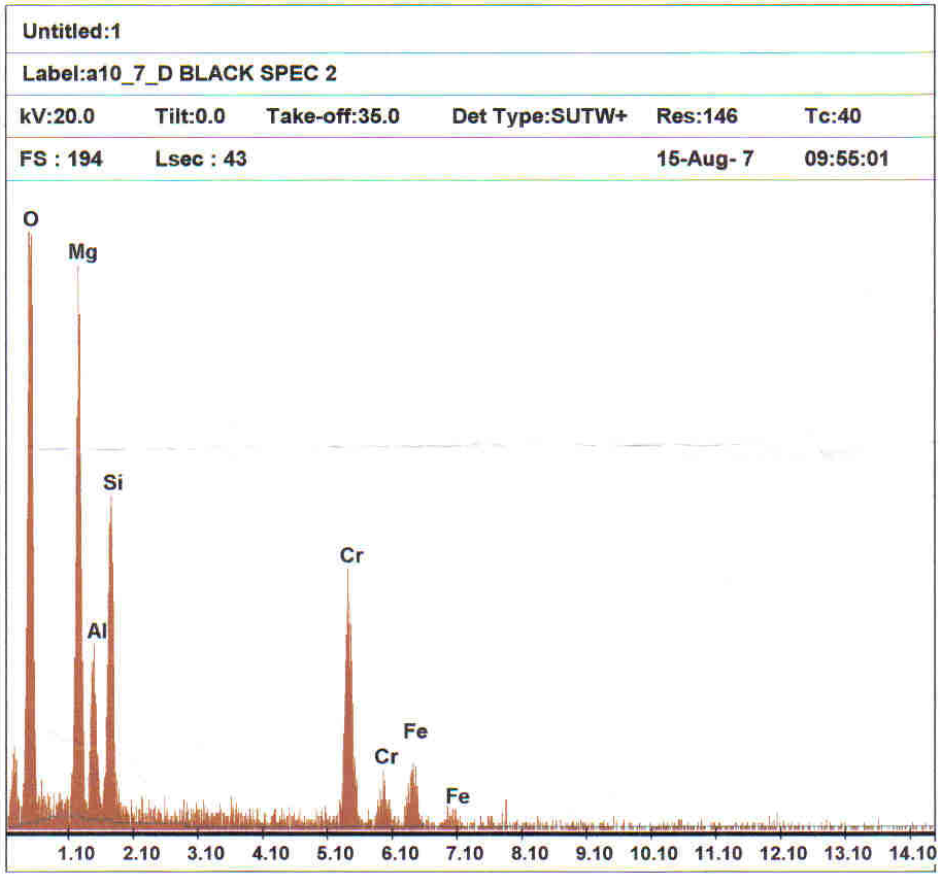
MAGNESIOCHROMITE.



EDAX ZAF Quantification (Standardless)
Element Normalized

Element	Wt %	At %	K-Ratio	Z	A	F
O K	27.92	47.52	0.1372	1.0812	0.4537	1.0018
MgK	13.87	15.54	0.0547	1.0368	0.3794	1.0025
AlK	10.99	11.09	0.0474	1.0062	0.4277	1.0014
SiK	3.43	3.32	0.0175	1.0354	0.4920	1.0011
CrK	32.84	17.20	0.3071	0.9181	0.9974	1.0212
FeK	10.95	5.34	0.0954	0.9182	0.9489	1.0000
Total	100.00	100.00				

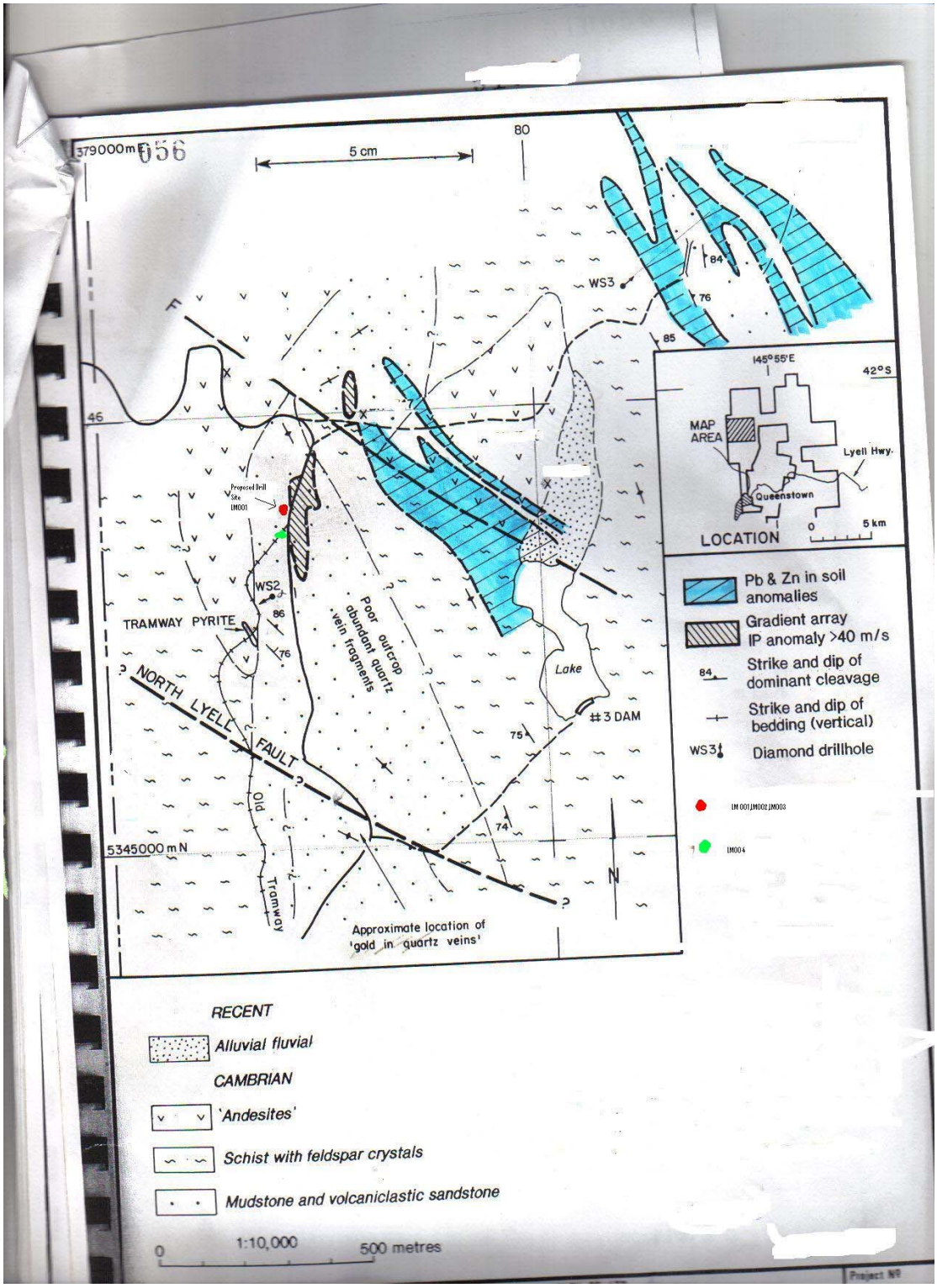
Fig. 2



EDAX ZAF Quantification (Standardless)
Element Normalized

Element	Wt %	At %	K-Ratio	Z	A	F
O K	35.67	52.67	0.1587	1.0542	0.4216	1.0012
MgK	20.01	19.45	0.0937	1.0112	0.4616	1.0032
AlK	7.35	6.43	0.0327	0.9814	0.4522	1.0034
SiK	12.56	10.57	0.0679	1.0100	0.5347	1.0006
CrK	17.65	8.02	0.1595	0.8936	0.9949	1.0163
FeK	6.76	2.86	0.0588	0.8931	0.9734	1.0000
Total	100.00	100.00				

Fig.3



Red dot diamond drill hole LM001,LM002,Lm003
Blue dot diamond drill hole LM004

Fig.4.

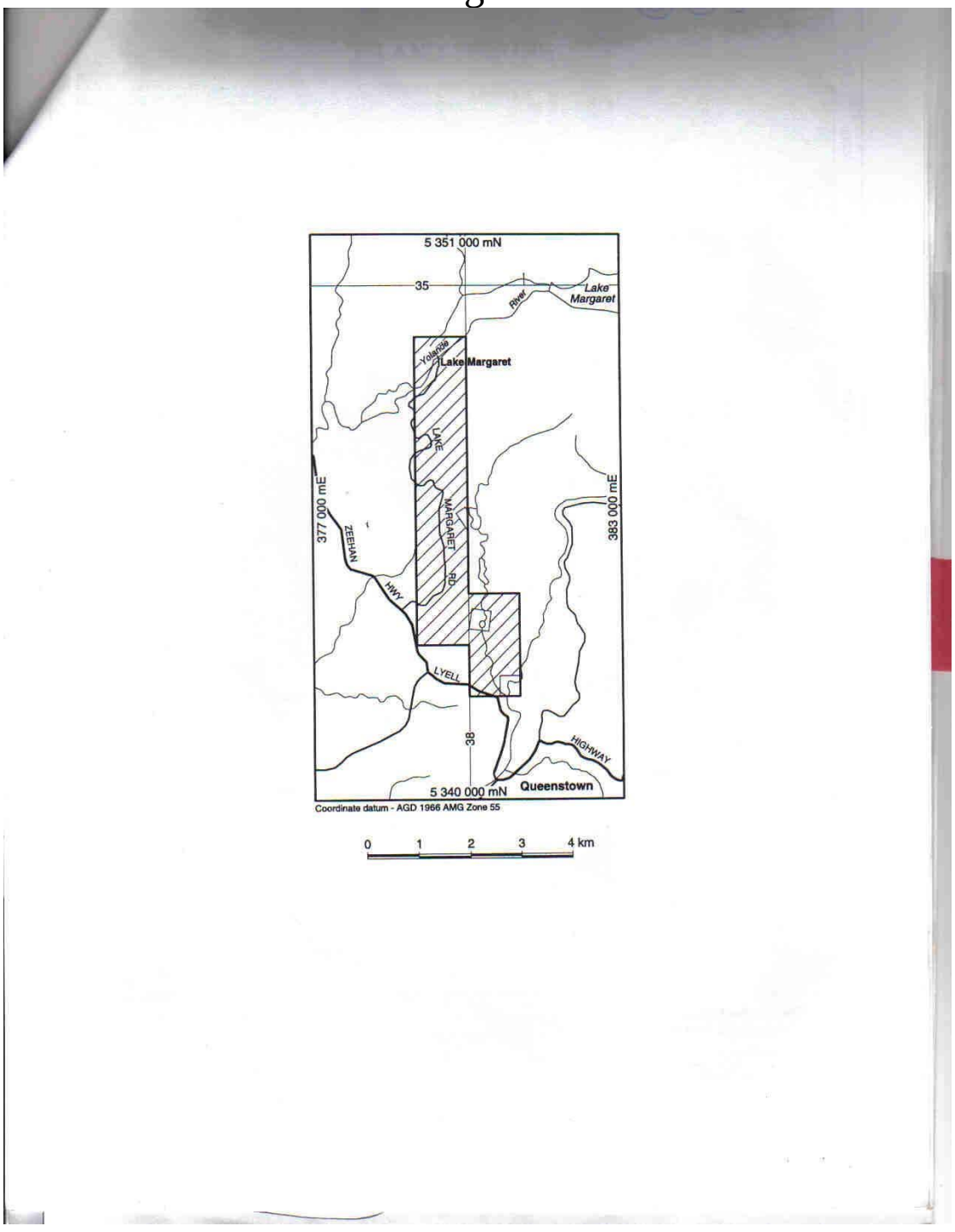
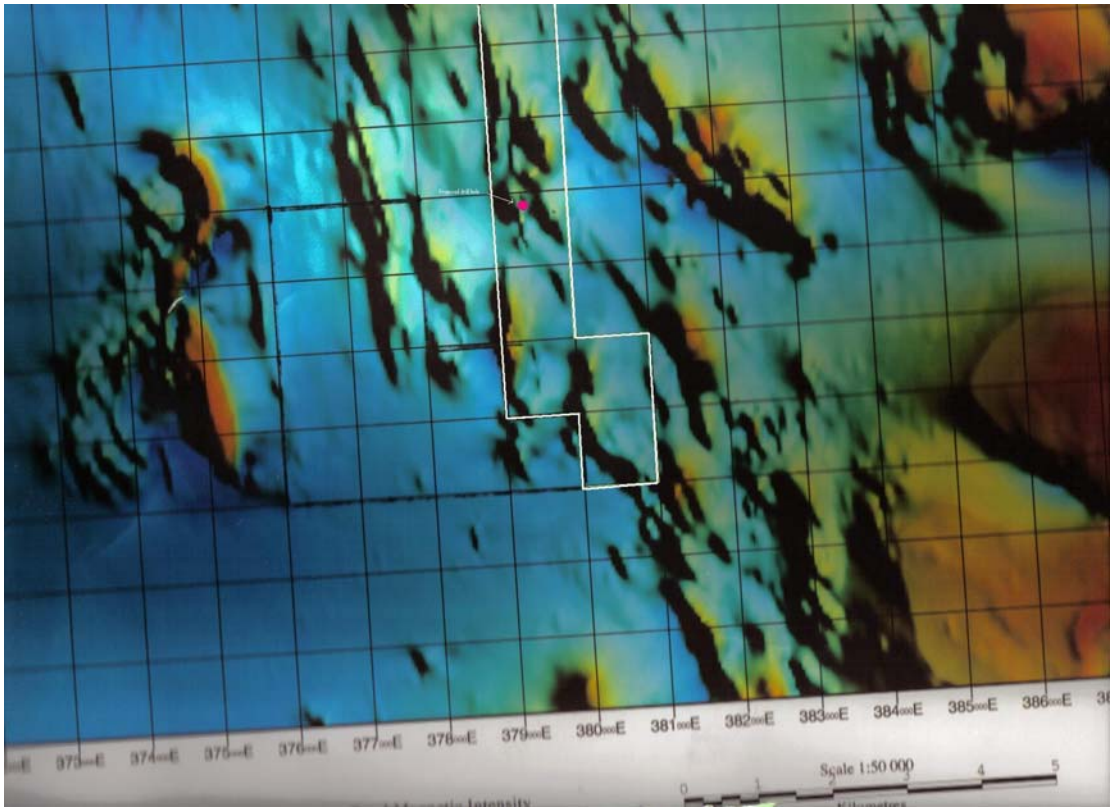

5 351 000 mN
35
Lake Margaret
River
Yolanda
Lake Margaret
LAKE
MARGARET
RD.
377 000 mE
383 000 mE
ZEEHAN
HWY
LYELL
38
HIGHWAY
5 340 000 mN
Queenstown
Coordinate datum - AGD 1966 AMG Zone 55
0 1 2 3 4 km

Fig. 5
Total Magnetic Intensity



Red Dot is drill site for LM001,LM002 & LM003

EXPENDITURE

FIRST YEAR	**$10,800**
SECOND YEAR TOTAL	**$9,950**
WAGES	**$13,970**
EQUIPMENT	**$1,400**
STATIONARY	**$300**
FUEL	**$1,330**
RENT	**$ 320**
REHABILIATION	**$200**
PUBLIC LIABILITY	**$1000**
TOTAL	**$39,270**

WORK PROGRAM YEAR 4

Work this year is to continue drilling I.P.
All core will be logged, cut and assayed. All assay results will be forwarded to the Director of mines. Further plans for more diamond drill sites are in progress as we speak and will also be forwarded. The main focus is diamond drilling all year and expenditure should be approx $40,000 for the year.