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CRA EXPLORATION PTY. LIMITED

(INC. IN N.S.W.)

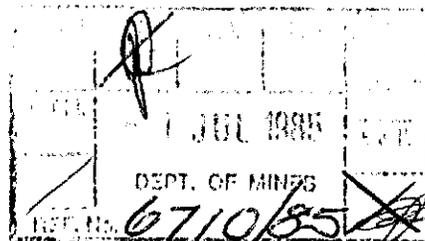
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IN REPLY PLEASE QUOTE

20th June, 1985

The Director of Mines,
Department of Mines,
P.O. Box 56,
Rosny Park, Tas., 7018.



PB.
~~D.A.C.P.D.~~

Dear Sir,

Relinquishment Report EL 30/79 - Heemskirk Falls

I refer to your letter of 23rd May, 1985, requesting additional information on the relinquishment of the above licence.

EL 30/79 Heemskirk Falls was granted on 15th November, 1979, and was taken to cover two distinct features:

1. An area of anomalous tin pan concentrate samples south of the Pieman River, and
2. A magnetic anomaly which was thought to be coincident with a small outcrop of Gordon Limestone adjacent to the large Dolerite sill

Both targets were investigated in 1980-1981. The source of tin being perched Tertiary gravels with alluvial cassiterite, while the aeromagnetic anomaly at Healey Creek was attributed to an "edge effect" of the dolerite sill.

The Gordon Limestone outcrop did contain some anomalous lead values, but the strike extent was severely limited, and no further work was carried out on it.

Following the Mines Department West Coast aeromagnetic survey, a number of magnetic anomalies were followed-up with gridding, ground surveys and limited geochemical sampling. Anomalies tested included:

- . An anomaly due to basalt in the south west corner of the EL
- . Anomalies on Piney Creek and Big Ben Creek
- . An anomaly at Stringers Creek
- . Anomalies along the Dunkleys Tramway, and

- . Anomalies adjacent to the Pieman River in the north east corner of the EL

At the same time, CRAE and competitor geochemical sampling was studied by computer to locate any additional anomalous areas.

In September, 1983, the old Mines Department Reserve sp 1974 No. 141 was incorporated into the EL and 18 previously untested airborne EM anomalies were checked by ground traverses and additional stream sediment sampling. The strongest geochemical anomaly was exposed by the new Hydro road and was shown to be due to weakly pyritic black carbonaceous shales within the Oonah Formation. One other anomaly returned low gold values and this was drilled in February, 1985, with negative results.

The work is detailed in the following CRAE reports:

1. CRAE Report No. 11693

Heemskirk Falls EL 30/79 - Geological Report for Year Ending 15th October, 1982 by T. W. Dickson

2. CRAE Report No. 12593

Heemskirk Falls EL 30/79 - Exploration Report for Year Ending 15th April, 1984 by T. W. Dickson

3. CRAE Report No. 12647

Heemskirk Falls EL 30/79 - Initial Geochemical Evaluation of 19 Aerial EM Anomalies - J. G. Purvis

4. CRAE Report No. 13263

Heemskirk Falls EL 30/79 - Progress Report to 15th May, 1985 - T. W. Dickson

Major conclusions from the work are:

- . Tin anomalies in central section of EL are shed from perched alluvial gravels along the Pieman River. The resource is small and uneconomic.
- . Aeromagnetic anomalies in the area are due to the Dolerite Sill, Tertiary Basalt or to weakly disseminated pyrrhotite enhanced by remnant magnetism. There is no coincident geochemical response.

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- EM anomalies throughout the eastern section of the licence are due to weakly pyritic black shale units within the Oonah Formation. Geochemical response from the anomalies is low and base metal and precious metal values from road cuttings and drill core are almost non-existent.
- A small 0.5m quartz-siderite vein was located in a small tributary of Big Ben Creek. Selected samples assayed 14% Zn, 0.33% Cu, 0.27% Pb, 0.07% Sn on 37 ppm Ag. A similar vein was drilled by the Mines Department 2.5km to the south-east in 1979. These veins indicate some minor potential for Zeehan style mineralisation within the area.
- Strong lead stream sediment values obtained by Pacminex along Big Ben Creek are due to contamination from tailings of the old Montana Mine which choke the upper reaches of this creek.

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~~Montana~~ Silver-lead
 Montana mine
 WPA 13/9/85

Drilling was carried out adjacent to a well established existing track and apart from stream sediment sampling, the only other land disturbance would be the cutting of grid lines by slash hook. The soil or land surface was not affected and the grid lines would be quickly grown over.

I trust this information covers the points raised in your letter.

Yours faithfully,


T. W. DICKSON

Chief Geologist