000

070001

EXPLORATION LICENCE 64/83

PROGRESS REPORT

FOR

YEAR 1985

G.B. BRINK.

CONTENTS

****

070003

1. INTRODUCTION

Abignano Limited hold title to E.L. 64/83 through their wholly owned subsidiary G. Abignano Constructions Pty. Limited. The E.L. area, which is considered prospective for tungsten, tin and copper minerals, is situated just north of the Interview River on the west coast of Tasmania.

Four mining leases are enclosed by E.L. 64/83.

2. PREVIOUS WORK

Exploration activities conducted by the Company have been described in previous progress report. The last report, for the year 1984, included details of two diamond core holes which were drilled near Cooney's shaft and adit in the northern portion of the mapped vein structure. However, at the time of reporting the analysis results were not yet available.

TCR 85-2320

3. DRILL CORE ANALYSES

Logging of the core resulted in the recognition of visibly altered zones in the lower parts of both holes. Sample numbers and intervals are noted on the logs included in Appendix 3 of the previous report.

Full testing procedures and results are described in Laboratory Report 85/170744, prepared by Warman International Ltd.

All samples were checked for UV-fluorescence and assayed for tin, tungsten, molybdenum, copper and gold.

...../2

4. DISCUSSION

Most of the sampled and analysed core can be regarded as being mineralised, but apart from sample 2 of DDH 2, all must be considered as sub-economic, given current commodity prices. The overall low order of the assays has resulted in the decision to defer further exploration activities on this property. However, the drilling has indicated the continuation of the mineralised quartz reef at depth, as well as a pervasive mineralisation over considerable width. If and when tungsten prices attain more favourable levels, serious consideration may be given to investigating the prospect as a potential low grade, large volume open-cut target; Mt. Carbine tungsten ore grades about 0.1% WO_3 and is being mined commercially.

Some of the gold values are in the significant category and also deserve further attention. Two drill holes are, of course, insufficient to appraise a prospect, especially a vein type where pinching and swelling may be expected, as well as zones of "ore shoots" and structural elements which may affect ore grade locally. However, the results obtained to-date do not warrant short term expenditure in this remote and therefore expensive area.

5. RECOMMENDATIONS

No immediate expenditure on additional exploration is considered warranted. However, retention of the area is recommended, as market forces may eventually place this prospect in a more favourable position. Access is expected to improve with the gradual southerly advance of the Forestry Commission.

...../3

6. EXPENDITURE

Expenditure during this year was mainly confined to finishing the drilling programme, assaying of core samples and management deliberations.

Estimates are as follows:

Staff Salaries	$ 3,000
Labour	$ 4,500
Equipment Mobilisation	$ 1,700
Camp Facilities	$ 600
Vehicles	$ 900
Fuel, Oil, Parts	$ 300
Travel, Accommodation	$ 700
Office Overheads	$ 800
Sundry Expenses	$ 500
	$13,000

7. PROPOSED EXPLORATION

Exploration procedures to further investigate the vein system between Kenny's and Cooney's Workings are anticipated to consist of a combination of geophysics and drilling. Based on the results of drilling to-date is considered possible that the type of mineralisation may respond to electrical methods. Some trial traverses would be run across the area defined by DDH 1 and DDH 2. If results are encouraging the traverses would be extended in an effort to accurately delineate the vein system and associated mineralisation.

Again, depending on results an extended drilling programme would be designed to intersect the vein system with angled holes at a variety of depths and hole spacings close enough to either define a resource or reject the prospect as a possible resource.

...../4

7. PROPOSED EXPLORATION (Cont'd).

The geophysical methods would entail no disturbance of flora and ground other than that caused by survey and marker pegs. Drilling pads generally need no or only minimal preparation as the topography is generally flat or nearly so.

Ingress of equipment would initially be from the north along the beach, while personnel and supplies would be flown in and out of the area by light aircraft, utilising the existing air strip.

Accommodation is already present to house up to six explorationists.

Existing test trenches may need to be resampled in the light of the presence of disseminated tungsten mineralisation, but will be backfilled during the next period of field activities. A small bulldozer is probably required to tow a drilling rig and initial supplies along the beach and prepare some drilling pads.

However, no field activities are anticipated until such times when commodity prices are conducive to the expenditure of exploration funds.

8. LABORATORY REPORT 85/170744.

003

070007

WARMAN INTERNATIONAL LTD.

(INCORPORATED IN QLD.)

TELEGRAMS & CABLES:
"WARMANCO" SYDNEY
PHONE: 436 6789
TELEX: AA20711

POSTAL ADDRESS:
P.O. BOX 51
ARTARMON
N.S.W. 2064
AUSTRALIA

LABORATORIES
18-26 DICKSON AVENUE
ARTARMON
SYDNEY
NEW SOUTH WALES

RESEARCH & DEVELOPMENT DIVISION

LABORATORY REPORT 85/170744

TITLE	ANALYSIS OF INTERVIEW RIVER DRILL CORE
CLIENT	Abignano Limited 19-23 Bridge Street PYMBLE 2073 Attention: Mr. A. Brink
OUR LABORATORY No.	4367 ORDER No. 113079
DATE RECEIVED	January 2 and January 8, 1985
MATERIAL AND IDENTIFICATION	10 core boxes containing drill hole 1 and 2 whole core
OBJECT OF TESTWORK	To prepare nominated sections of core for analysis. To assay for the elements tin, tungsten, copper, gold and molybdenum as nominated.
RESULTS	See over.

S.F. Rayner

January 23, 1985

SFR:sh
85/520

PROCEDURE

Two sets of drill core were received for analysis in labelled core boxes indicating meterage and assay sample intervals.

The intervals were coarse crushed to minus 20 mm in 200 mm runs with a portion of the crushed product returned to the core box as a mineral record. The assay portions were composited into the assay interval samples and further roll crushed to nominally 2 mm. These were then riffled to obtain a head sample for pulverising and assay.

For DDH 2 the core was photographed before crushing for inclusion in the drill log.

For DDH 1 a second sampling was undertaken on intermediate depth material, the samples in 2 m lengths between 48.6 and 59 m numbered 11 to 16 being assayed for tungsten only.

RESULTS

Quantitative data is presented in Table 1. Methods of analysis were;

tin, tungsten, molybdenum	x-ray fluorescence
copper	atomic absorption
gold	fire assay duplicates

The samples were all screened for scheelite with a UV light and although some minor fluorescence was noted as listed below it was not decisive that it was scheelite. DDH 2 which assay 0.42% WO_3 did not fluoresce.

Fluorescence Log

DDH 1 sample 3 - 47 and 47.5 m cluster fluorescence but no quantity.

sample 4 - white to pale yellow grains which were white and semi-translucent in normal light.

sample 5 - occasional cluster at 60.5 m.

sample 9 - isolated brilliant white fluorescence grains at 67.2-67.4 m.

DDH 2 sample 3 - occasional white fluorescence.

sample 9 - as above.

TABLE 1

sample DDH 1	% Sn	% WO_3	% Mo	% Cu	g/t Au	Sample Int. (m)
1	0.04	0.04	0.02	0.01	0.08	43.0 - 44.15
2	0.03	0.08	0.02	0.003	0.13	44.15 - 46.63
3	0.02	0.04	0.02	0.002	0.07	46.63 - 48.63
4	0.04	0.07	0.01	0.098	0.04	59.0 - 59.80
5	0.03	0.06	0.02	0.002	0.04	59.80 - 61.40
6	0.03	0.08	0.01	0.005	0.01	61.40 - 63.66
7	0.03	0.02	0.01	0.003	<0.01	63.66 - 64.80
8	0.03	0.07	0.02	0.003	0.06	64.80 - 67.34
9	0.03	0.08	0.03	0.003	0.06	67.34 - 69.17
10	0.03	0.08	0.04	0.004	0.03	69.17 - 71.00
11	-	0.08	-	-	-	48.63 - 50.0
12	-	0.07	-	-	-	50.0 - 52.0
13	-	0.06	-	-	-	52.0 - 54.0
14	-	0.04	-	-	-	54.0 - 56.0
15	-	0.05	-	-	-	56.0 - 58.0
16	-	0.05	-	-	-	58.0 - 59.0
DDH 2						
1	0.05	0.05	0.01	0.07	0.02	51.31 - 52.10
2	0.03	0.42	0.01	0.03	0.02	58.60 - 59.33
3	0.04	0.06	0.02	0.01	0.03	59.33 - 61.25
4	0.03	0.03	0.02	0.006	<0.01	53.00 - 53.30
5	0.04	0.09	0.01	0.52	0.04	53.30 - 53.80
6	0.05	0.05	0.02	0.03	0.01	53.80 - 54.83
7	0.09	0.09	0.02	0.05	0.01	54.83 - 55.77
8	0.05	0.06	0.02	0.08	0.02	55.77 - 56.71
9	0.03	0.11	0.02	0.01	0.06	56.71 - 58.60