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MINES	
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EL 2/74, FINAL REPORT
 KING RIVER DELTA
 MACQUARIE HARBOUR
 TASMANIA

REGISTERED

AMG REFERENCE POINTS ADDED

December, 1987

Cottesloe Corporation

001

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SUMMARY

In October 1986, Cottesloe Corporation was notified by the Tasmanian Department of Mines that Exploration Licence EL 2/74 (see Figure 1) had been transferred from Elisna Pty. Ltd. to Cottesloe Corporation.

From that time on, through the whole of 1987, Cottesloe Corporation in conjunction with Constellation Mining Corporation Pty. Ltd., part of the Planet Resources Group, commissioned detailed analyses of 2,300 kg. of sample collected by Constellation in 1986 from the Delta. Sample represents one meter intervals down 26 hand auger holes drilled in the "dry" delta, the inside fifth of the total sediment reserve.

Drill holes were designed to provide detailed data on gold distribution, and to provide a representative bulk sample. Samples were fire assayed for gold at the Tasmanian Mines Department, then a composite representing each hole was analyzed for gold, copper, lead, zinc, silver and cobalt at three other laboratories. Results are given in the next section of this report.

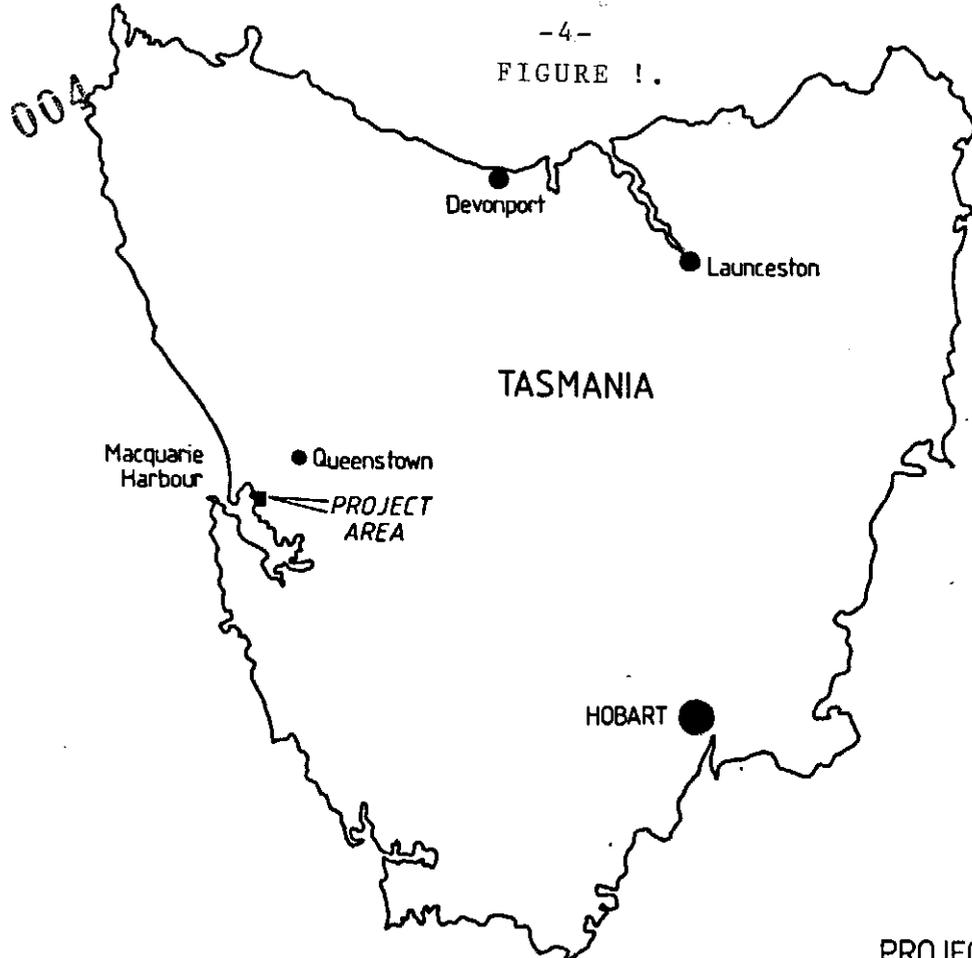
The major conclusions drawn from this work are:

- (a) Gold concentrations previously found over the entire delta surface, exposed and submerged, persist at depth.
- (b) The Mines Department gold assay results agree with the check determinations made at other laboratories.

- (c) The average grade of all sediment drilled is 1330 ppm Cu, 92 ppm Pb, 220 ppm Zn, 61 ppm Co, 2115 ppm Ba and 70 ppb Au.
- (d) About one third of the samples represent barren material underlying the delta. Grade of delta sediment alone is thus some 50% above the average of (c).
- (e) Further adjustment of gold grade upwards is necessary to offset losses of fine grade flatter flakes of native metal washed away when sample pumped from auger holes by Constellation's contractor.
- (f) Overall drop in gold grade with increasing depth shows losses rise as pumping time lengthens.

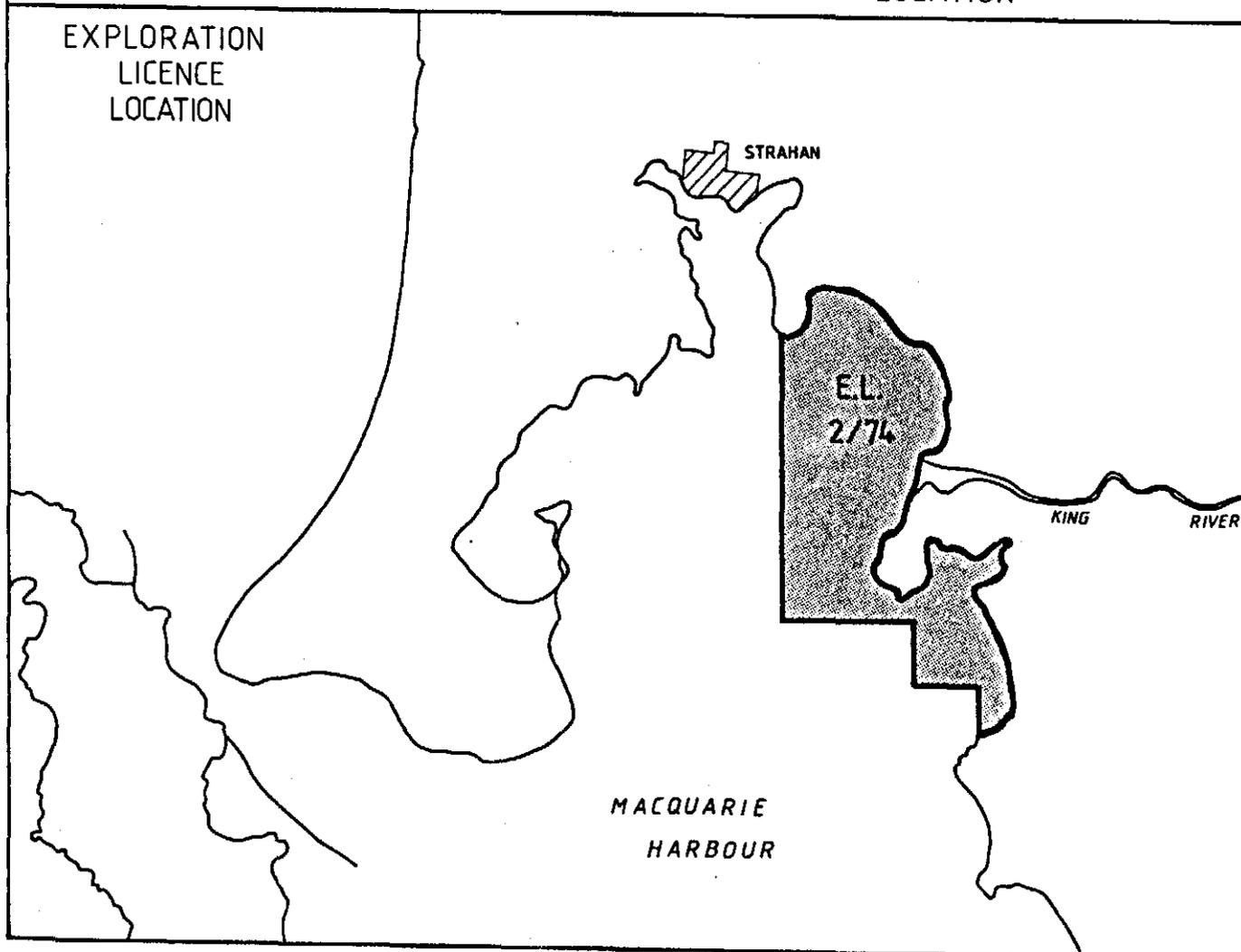
FIGURE 1.

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PROJECT LOCATION

EXPLORATION LICENCE LOCATION



005

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RESULTS FROM THE 1986 AND 1987 PROGRAM OF WORK

At the beginning of 1987 a composite sample for each hole was made from each of the 26 hand auger holes drilled in the dry delta in 1986. A split of each of the 26 samples was sent to three different Australian laboratories for assays to be made for Au, Cu, Pb, Zn, Ag, Co and Ba. The methods used at each laboratory are summarized below.

Australian Laboratory Services Pty. Ltd. (Brisbane)

Method G001 for Cu, Pb, ~~Zn~~^{Zn}, Ag, Co : 5 g sample digested in HClO₄ at 220 C, then AAS determinations.

Method XRF 1 for Ba - 15 g sample briquetted.

Method PM 210 for gold : 10 g sample, aqua regia digest, AAS finish.

AMDEL (Adelaide)

Method A1 for Cu, Pb, Zn, Co : 5 g sample digested in HClO₄ then AAS determination.

Method A2 for silver : 5 g sample - special precautions "to ensure the solubility of silver", AAS finish.

Method PM3/4 for gold : 50 g sample, fire assay with lead collection, solvent extraction and AAS determination of solvent.

SGS Pty. Ltd. (Sydney)

Method AAS for Cu, Pb, Zn, Co, Ag; XRF for Ba, fire assay for gold.

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In addition, a split of the 26 samples was sent to the Tasmanian Department of Mines Laboratory in Launceston for gold assaying.

Table 1 shows the results of the gold assays obtained from the four different laboratories. Table 2 shows the Cu, Pb, Zn, Co and Ba assay results obtained from the three commercial laboratories.

Constellation's plots of Au, Cu and Ba distribution are reproduced here as Figures 2 through 5. Contouring indicates higher values along present and past channels of the delta, but the distribution is not real. The pattern owes its origin to unjustifiable inclusion of assays of barren basal material in averages for drill holes bracketing the channels : samples from drill holes in channel contain little or none of these barren sediment.

TABLE 1

Au Results for four Laboratories as listed:

LABORATORY AU RESULTS

Drill hole/ Sample No.	Launceston Tasmanian Mines Dept. Average over hole - g/ton	ALS ppm	AMDEL g/ton	SGS ppm	Mean for each DDM (4 Labs) (\bar{x})		
	Range of Values						
1	870423	0.085 - 0.15	0.135	0.15	0.085	0.14	0.13
2	24	0.01 - 0.11	0.096	0.11	0.075	0.01	0.07
3	25	0.01 - 0.05	0.03	0.05	0.030	0.01	0.03
4	26	0.01 - 0.07	0.05	0.07	0.04	0.01	0.04
5	27	0.07 - 0.19	0.10	0.19	0.11	0.07	0.12
6	28	<0.01 - 0.05	0.05	0.04	0.035	<0.01	0.03
7	29	0.01 - 0.03	0.03	0.03	0.03	0.01	0.03
8	30	<0.01 - 0.03	0.02	0.03	0.025	<0.01	0.02
9	31	0.01 - 0.03	0.03	0.03	0.03	0.01	0.03
10	32	<0.01 - 0.04	0.03	0.04	0.03	<0.01	0.03
11	33	0.03 - 0.11	0.08	0.09	0.11	0.03	0.08
12	34	0.05 - 0.09	0.09	0.08	0.07	0.05	0.07
13	35	0.03 - 0.082	0.07	0.07	0.082	0.03	0.06
14	36	0.06 - 0.11	0.08	0.11	0.065	0.06	0.08
15	37	0.06 - 0.12	0.12	0.12	0.11	0.06	0.10
16	38	0.06 - 0.12	0.11	0.12	0.10	0.06	0.10
17	39	0.08 - 0.11	0.07	0.11	0.08	0.03	0.07
18	40	0.04 - 0.08	0.07	0.08	0.06	0.04	0.06
19	41	0.07 - 0.12	0.07	0.12	0.07	0.07	0.08
20	42	0.02 - 0.12	0.07	0.12	0.06	0.02	0.07
21	43	<0.01 - 0.11	0.11	0.08	0.05	<0.01	0.06
22	44	0.02 - 0.06	0.05	0.06	0.03	0.02	0.04
23	45	0.02 - 0.05	0.05	0.04	0.03	0.02	0.04
24	46	0.02 - 0.07	0.05	0.07	0.045	0.02	0.05
25	47	0.05 - 0.08	0.05	0.08	0.05	0.06	0.05
26	48	0.115 - 0.16	0.14	0.16	0.115	0.13	0.14
Mean (\bar{x})			0.07	0.08	0.06	0.04	

008

TABLE 2

COMPARISON OF Cu, Pb, Zn, Co, Ba RESULTSCOMPARISON OF Cu (ppm)

Drill hole/ Sample No.	ALS	AMDEL	SGS	Mean for each Drill hole (\bar{x})	
1	870423	2000	1900	2060	1987
2	24	1100	1140	1390	1210
3	25	600	660	760	673
4	26	850	860	990	900
5	27	2500	2560	2200	2420
6	28	650	650	820	706
7	29	440	480	570	497
8	30	370	405	510	428
9	31	280	265	234	260
10	32	200	220	216	212
11	33	2800	2920	2620	2780
12	34	2300	2440	2160	2300
13	35	1400	1520	1610	1510
14	36	1800	1820	1730	1783
15	37	1500	1780	1710	1663
16	38	1400	1560	1610	1523
17	39	1500	1820	1750	1690
18	40	1300	1420	1540	1420
19	41	1350	1460	1480	1430
20	42	1500	1640	1880	1673
21	43	620	630	680	643
22	44	620	650	760	677
23	45	660	690	780	710
24	46	1700	1200	1320	1240
25	47	2100	2320	2030	2150
26	48	2300	2420	2370	2363
Mean (\bar{x})		1282	1324	1376	

009

COMPARISON OF Pb (ppm)

Drill hole/ Sample No.	ALS	AMDEL	SGS	
1	870423	140	135	121
2	24	130	135	100
3	25	60	54	48
4	26	50	48	41
5	27	135	120	105
6	28	130	125	120
7	29	30	18	24
8	30	30	16	18
9	31	35	22	22
10	32	30	18	20
11	33	120	110	92
12	34	100	88	64
13	35	140	135	109
14	36	95	70	49
15	37	115	100	66
16	38	65	50	40
17	39	210	205	156
18	40	185	180	144
19	41	75	56	50
20	42	240	220	170
21	43	35	28	14
22	44	35	28	21
23	45	50	42	28
24	46	130	130	119
25	47	165	190	147
26	48	145	155	126
Mean (\bar{x})	103	95	77	

010

COMPARISON OF Zn (ppm)

Drill hole/ Sample No.	ALS	AMDEL	SGS	
1	870423	300	375	400
2	24	230	315	366
3	25	120	160	154
4	26	120	135	137
5	27	220	250	296
6	28	240	320	311
7	29	90	100	94
8	30	65	60	68
9	31	60	56	56
10	32	65	62	75
11	33	310	365	396
12	34	230	275	291
13	35	210	230	230
14	36	200	220	213
15	37	165	190	195
16	38	170	160	158
17	39	175	205	212
18	40	290	370	372
19	41	145	145	170
20	42	280	300	325
21	43	115	110	113
22	44	90	84	92
23	45	110	125	121
24	46	250	330	331
25	47	400	530	510
26	48	400	495	484
Mean (\bar{x})	194	229	237	

011

COMPARISON OF Co (ppm)

Drill hole/ Sample No.	ALS	AMDEL	SGS	
1	870423	115	115	125
2	24	65	58	68
3	25	30	26	18
4	26	40	36	34
5	27	95	88	84
6	28	30	26	24
7	29	25	22	29
8	30	20	18	22
9	31	25	24	17
10	32	25	22	23
11	33	85	86	84
12	34	75	70	47
13	35	60	58	48
14	36	80	72	43
15	37	90	94	67
16	38	100	105	71
17	39	80	80	53
18	40	45	40	37
19	41	80	82	61
20	42	60	54	59
21	43	70	64	51
22	44	30	28	11
23	45	45	36	36
24	46	45	38	28
25	47	65	56	53
26	48	210	220	181
Mean (\bar{x})	68	61	53	

012

COMPARISON OF Ba (ppm)

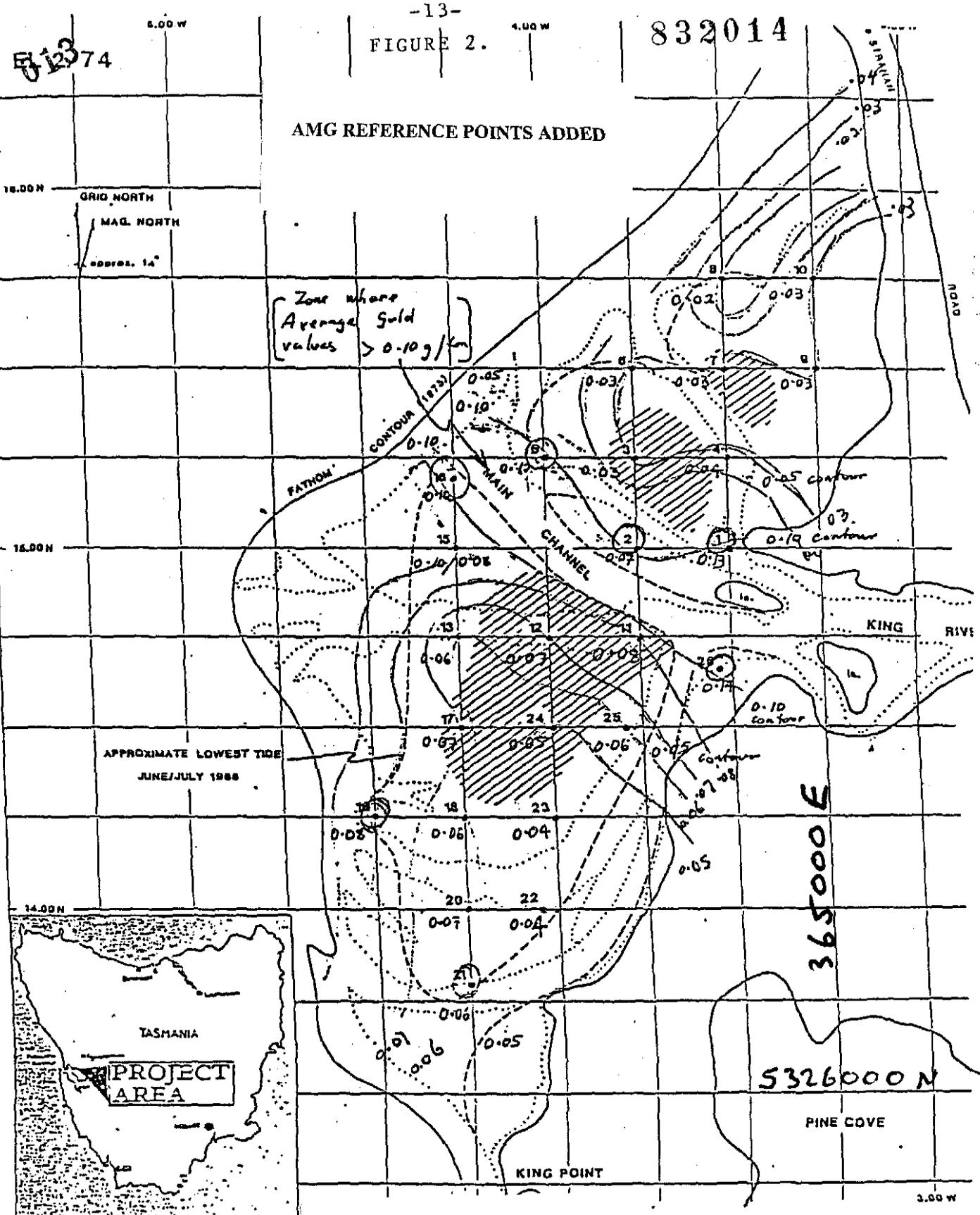
Drill hole/ Sample No.	ALS	AMDEL	SGS	Mean of Drill Holes (\bar{x})	
1	870423	3000	2620	2700	2773
2	24	2350	2000	2100	2150
3	25	1050	880	1100	1010
4	26	1100	970	1200	1090
5	27	3800	3560	4000	3787
6	28	130	1140	1300	857
7	29	700	600	730	676
8	30	910	770	930	870
9	31	900	810	930	880
10	32	850	770	910	843
11	33	2650	2420	2400	2490
12	34	2700	2520	2600	2606
13	35	3600	3380	3600	3526
14	36	2900	2500	2600	2666
15	37	4200	3840	3800	3946
16	38	2950	2640	2700	2763
17	39	3250	3080	3200	3177
18	40	1800	1700	1900	1800
19	41	3200	3000	2900	3033
20	42	2400	2160	2400	2320
21	43	1500	1360	1600	1486
22	44	940	850	1100	963
23	45	840	820	970	877
24	46	2050	1880	1900	1943
25	47	2400	2180	2300	2293
26	48	4550	4040	3900	4163
Mean (\bar{x}) =	2181	2019	2145		

EL 2/74

AMG REFERENCE POINTS ADDED

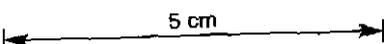


Zone where
Average Gold
values > 0.10 g/t



LEGEND

- 18 HAND DRILL HOLE
- CHANNEL/BANK BOUNDARY
- FORMER BANK BOUNDARY
- EXTENT OF DRY OXIDIZED SURFACE CRUST GENERALLY ABOVE HIGH TIDE
- Average of 4 Labs for each drill-hole*
- 0.10 ppm Total Gold Values.*



PLANET RESOURCES GROUP N.L.

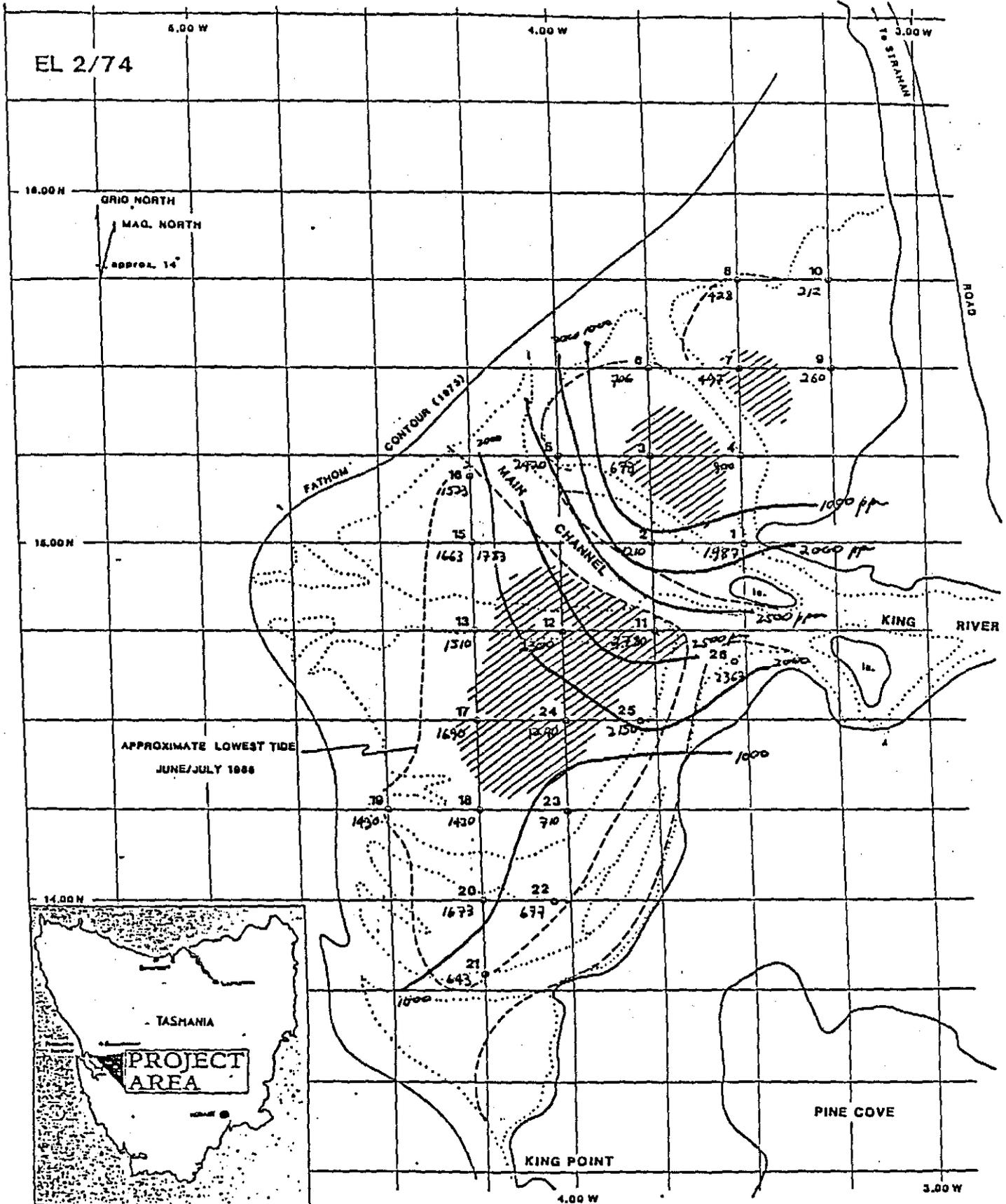
EL 2/74 KING DELTA TASMANIA

HAND DRILL HOLES LOCATION PLAN

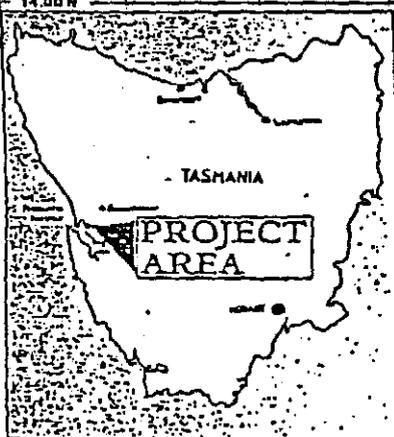


Prepared by J.K. COUPER

014



APPROXIMATE LOWEST TIDE
JUNE/JULY 1988



LEGEND

○ 18 HAND DRILL HOLE

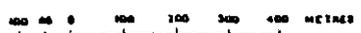
Total Auger Drill Hole Arranged for Cu (ppm)

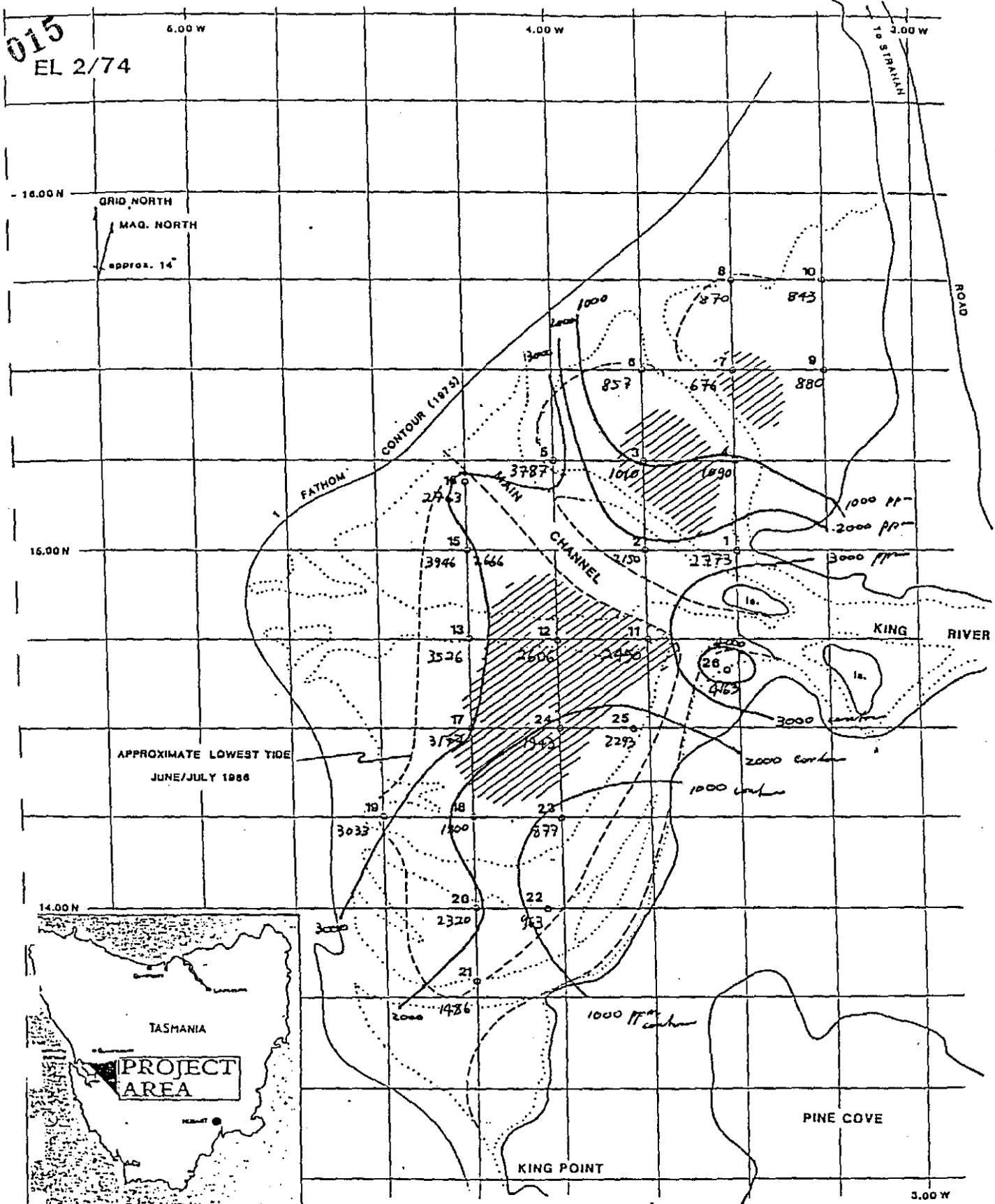
- CHANNEL/BANK BOUNDARY
- FORMER BANK BOUNDARY
- EXTENT OF DRY OXIDIZED SURFACE CRUST GENERALLY ABOVE HIGH TIDE

PLANET RESOURCES GROUP N.L.

EL 2/74 KING DELTA TASMANIA

**HAND DRILL HOLES
LOCATION PLAN**

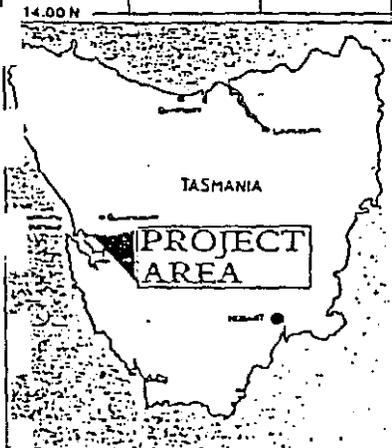




015
EL 2/74

GRID NORTH
MAG. NORTH
approx. 14°

APPROXIMATE LOWEST TIDE
JUNE/JULY 1988



LEGEND

○ 18 HAND DRILL HOLE
*Total
Auger Drill Hole
Averages for
Ba (ppm)*

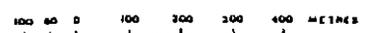
- CHANNEL/BANK BOUNDARY
- FORMER BANK BOUNDARY
- EXTENT OF DRY OXIDIZED SURFACE CRUST
GENERALLY ABOVE HIGH TIDE

5 cm

PLANET RESOURCES GROUP N.L.

EL 2/74 KING DELTA TASMANIA

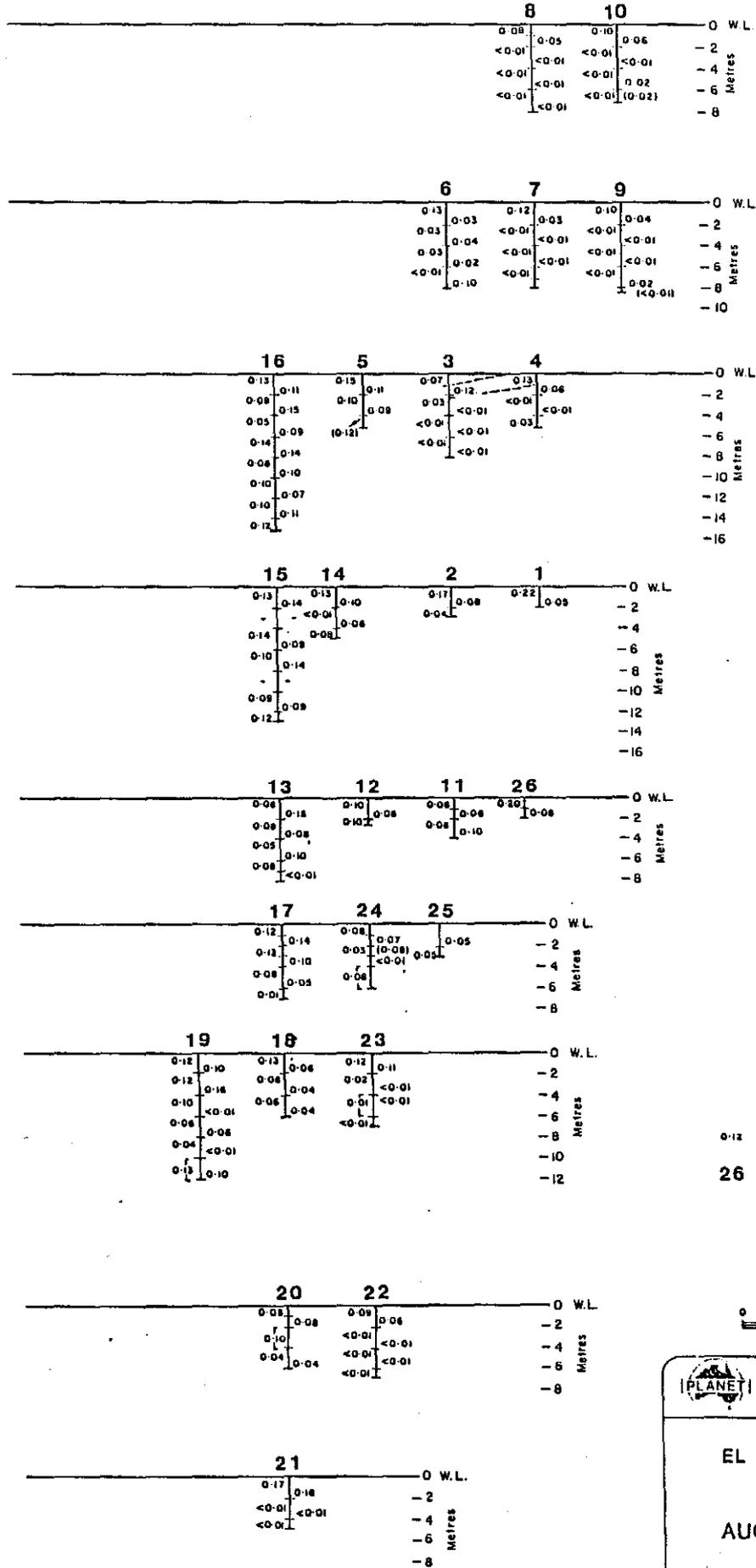
HAND DRILL HOLES
LOCATION PLAN



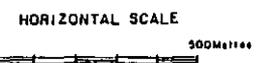
WEST
016

FIGURE 5.

EAST



0.12 Gold assays in g/l
 26 Auger Drill Hole number



PLANET PLANET RESOURCES GROUP N.L.

TASMANIA
 EL 2/74 - KING DELTA

SECTION OF
 AUGER DRILL HOLES

DATE: APRIL, 1987

017

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REHABILITATION

From October 1986 when EL 2/74 was transferred to Cottesloe Corporation until the present, Cottesloe Corporation, Constellation Mining Corporation and the various contractors that have been employed to work on the exploration licence EL 2/74 have been extremely careful to cause no physical damage in the licence area. Any holes made have been filled in and wherever necessary rehabilitation has been completed.

LIST OF PREVIOUS REPORTS

EL 2/74 Progress Report for Quarter ending December 31, 1986.

Submitted by Constellation Mining Corporation Pty. Ltd.
April 10, 1987

- Describes preliminary gold assay results and their significance.

EL 2/74 Annual Report 1986.

Submitted by Constellation Mining Corporation Pty. Ltd.
November 24, 1986

- Reports on 1986 Auger Drilling of 26 holes totalling 174 meters and of preliminary assay data obtained therefrom.

EL 2/74 Progress Report for Quarter ending March 31, 1987

Submitted by Constellation Mining Corporation Pty. Ltd.
April 10, 1987

- Lists detailed gold assay results and describes assay techniques used by Tasmanian Department of Mines Laboratory and three independent laboratories.

EL 2/74 Progress Report for Quarter ending June 30, 1987

Submitted by Constellation Mining Corporation Pty. Ltd.
October 7, 1987

- Provides detailed assay results for Au, Cu, Pb, Zn, Ag, Co and Ba.

EL 2/74 Progress Report for Quarter ending September 30, 1987

Submitted by Cottesloe Corporation
November 20, 1987

- Results of drilling and assaying done earlier were analyzed.