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Kingstream Resources N.L.

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MINES	
File Ref.	EL 59/87
10 FEB 1989	
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Action Officer	Initials
REG	
Resubmit to	Date

7th February 1989

Mr D R Burgess
Registrar for Mines
Department of Mines
PO Box 56
ROSNY PARK 7018

89-2915

Dear Mr Burgess

ANNUAL REPORT & EXPLORATION LICENSE 59/87

Since application for this Exploration License was made, Kingstream Resources N L has sent a geologist to Tasmania who carried out background research at the Department of Mines and visited the tenement for a visual inspection.

The company was preparing for Stock Exchange listing in October 1987, but following the stock market crash in that month, the listing was deferred. However since July 1988, the prospectus has been revised, rewritten and application made to the Australian Stock Exchange and the National Companies and Securities Commission for registration of the prospectus and listing on the Stock Exchange.

It had been anticipated that listing would have been completed by now, but it has been delayed and is now expected in March 1989. During the period of the prospectus, we have been unable to carry out work as it would have necessitated alteration of the geological reports.

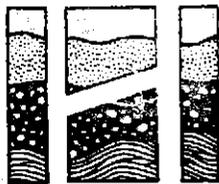
The total expenditure on and in respect of E L 59/87 by the company to date is A\$12,535.

Yours faithfully

Gregory H Brown

*licence document
with Registration*

OPEN FILE



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Our Ref:

EXTRACT FROM DRAFT PROSPECTUS BY A. C. A. HOWE AUSTRALIA PTY. LTD.

TASMANIA

WEST COAST TENEMENT

Introduction

One Exploration Licence (EL 59/87) is held in the west portion of Tasmania. It lies 5 km north of Zeehan. It is accessible by road, see figure 8.

Tenement

The tenement consists of Exploration Licence 59/87 (207 km²). It is held in the name of Kingstream Resources N.L.

Geology and Mineralisation

The tenement covers a portion of a major zone of polyphase deformation within the Rocky Cape Geanticline, a major elongate basement high extending across the northwest portion of Tasmania. The tenement is underlain by Precambrian sandstone and mudstone which is unconformably overlain by Carboniferous/Devonian sandstone, siltstone and mudstone. The older Precambrian sediments are intruded by Carboniferous/Devonian granite in the western portion of the tenement resulting in the formation of contact replacement zones hosting Sn mineralisation, see figure 8.

Previous Exploration

On the northern portion of EL 59/87 CRA completed regional geological mapping, stream sediment and rock chip sampling followed by one diamond drill hole. This work was completed in search of "Zeehan style" Sn, As, Pb and Zn mineralisation. Selected grab samples of a 0.5 m wide quartz siderite vein in the central portion of the EL assayed 14% Zn, 0.33% Cu, 0.27% Pb, 0.07% Sn and 37ppm Ag (Parvis, 1984).

A diamond drill hole was completed in the southeastern portion of the tenement to test an airborne electromagnetic conductor associated with anomalous gold stream sediment values (up to 0.085ppm Au). It intersected shales and quartzites over the target zone from 60m to 80m depth which contained 2-15% pyrite and 0.01 ppm Au over a width of 2m (Dickson, 1985).

The tenement was relinquished as CRA felt that all of the airborne electromagnetic conductors had been adequately tested (Dickson, 1985).

Aberfoyle Exploration completed detailed exploration on eight aeromagnetic anomalies. The target was Sn-Cu sulphide replacement zones. They delineated two zones containing Sn mineralisation. The first is a small area of iron staining at the contact between shale and quartzite. It contains quartz tourmaline veins of unreported width which assayed 150ppm Sn and tourmalinised shale which assayed 380ppm Sn.

The second zone consists of three parallel skarn zones ranging from 25 to 100 m in width with strike lengths of approximately 300 m. A limonite stained white clay bed occurs at the contact of shale and quartzitic sandstone. Grab samples from this zone assayed up to 140ppm Sn (Rombout, 1983).

Conclusions

The tenement is host to Sn, Pb, and Ag mineralisation in quartz veins and skarn zones.

The association of tin and gold mineralisation occurs in many mineral districts (ie. Scamander) and has yet to be fully evaluated in this tenement.

Recommended Programme

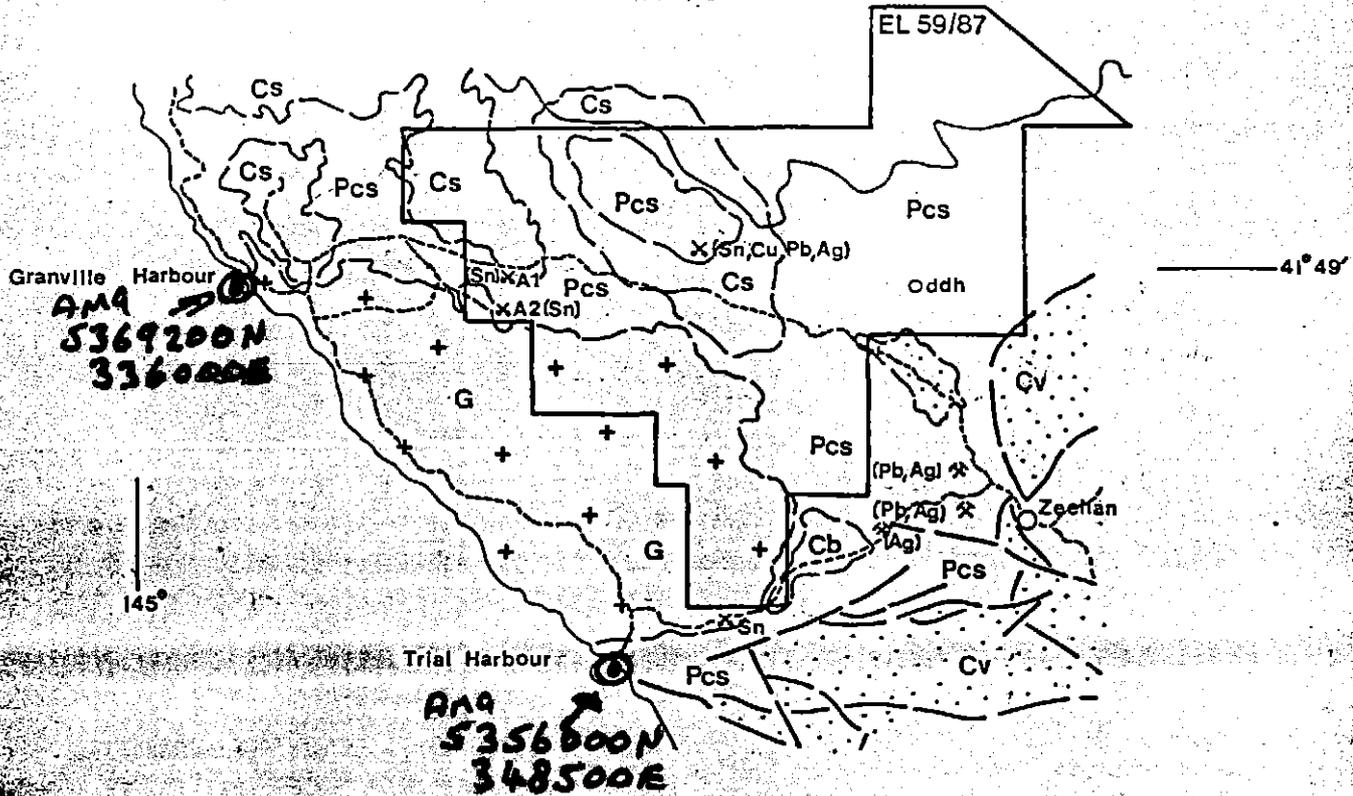
It is recommended to fully assess all of the electromagnetic conductors, magnetic anomalies and known mineralisation on EL 59/87 to determine whether they have potential to host gold mineralisation.

This programme is estimated to cost \$50,000.

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LOCALITY PLAN



LEGEND

CARBONIFEROUS-DEVONIAN

- G Granite
- Cs Sandstone, Siltstone, Mudstone
- Cv Felsic to intermediate volcanics

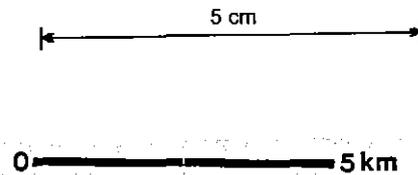
CAMBRIAN

- Cb Basic Intrusive

PRECAMBRIAN

- Pcs Sandstone and Mudstone

- Road
- ~~~~~ River
- ~~~~~ Geological contact
- ~~~~~ Fault
- o Oddh Diamond drill hole (CRA)
- A1 Aberfoyle Exploration 1st zone
- A2 Aberfoyle Exploration 2nd zone
- x Mine
- x Prospect



AMG REFERENCE POINTS ADDED

**WEST COAST TASMANIA
TENEMENT
AND
LOCATION PLAN**