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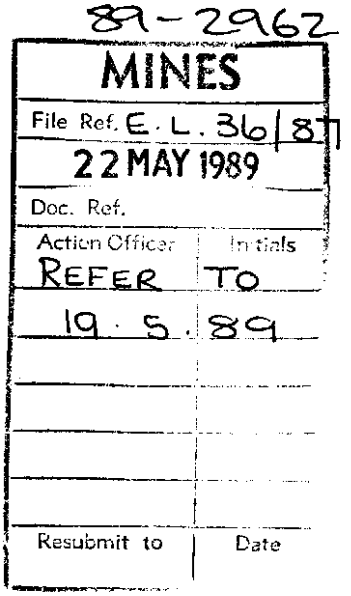
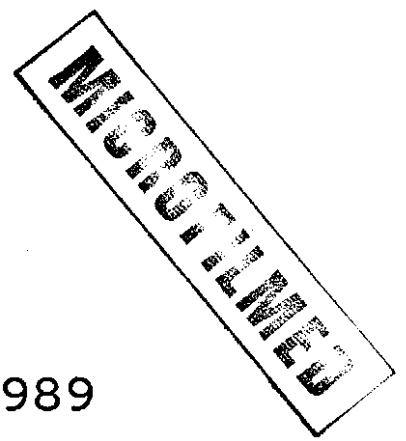
PROJECT A-83-123Q
GEO831

Cyprus Gold Australia Corporation





COMBINED FINAL REPORT

AND PROGRESS REPORT

TWELVE MONTHS TO FEBRUARY 1989

MT LINDSAY EXPLORATION LICENCE 87/87

TASMANIA

AMG REFERENCE POINTS ADDED

R POLTOCK FEBRUARY 1989 REPORT 647

CYPRUS

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DISTRIBUTION

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CONTENTS

AMG REFERENCE POINTS ADDED

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Project Location

SUMMARY

Exploration Licence 87/87 covers 13 square kilometers and was granted to Cyprus Gold Australia Corporation on March 5, 1988. The area is located 14 kilometers northwest of Renison Bell in western Tasmania and can be accessed by the sealed Lower Pieman Dam road from either Tullah or Zeehan.

The licence protects a 1 kilometer strike length of the Cambrian Success Creek Group carbonates, shale and cherts. This sequence has been equated with the Renison Mine Sequence. The tenement lies within the contact aureole of the Devonian Meredith granite.

Cyprus philosophy on acquiring the area was to explore the potential for gold in granitoid related skarn/replacement deposits. This style of mineralization contains economically significant amounts of gold at Moina in Tasmania, Sheahan-Grants in New South Wales and Red Dome in Queensland.

The aim of exploration was to evaluate previous companies geochemical data from surface sampling and diamond drilling, analyzing the skarn and hornfels intercepts for gold. Previous exploration within the current tenement by Aberfoyle, Renison and CSR was targeted at locating Renison and Cleveland style tin mineralization.

Due to lack of encouragement from the literature search and budget constraints the proposed Mt Lindsay program was not completed.

CONCLUSIONS AND RECOMMENDATIONS

Replacement style mineralization associated with the Meredith Granite is characterized by being associated with tin rather than gold. The main exception located in the literature search was the gold/bismuth skarns at Mt Ramsay (located east of EL 35/87).

Gold associated with skarns in the southern contact aureole of the Meredith Granite is not considered to be a prospective exploration model. Further work is not justified in EL 87/87 and the tenement will be surrendered.

HISTORY AND EXPLORATION TO DATE

Prospecting and alluvial mining for tin in the Mount Lindsay area dates from 1895. Since 1956 four companies have carried out extensive exploration targeted at replacement style tin mineralization. The companies included Rio Tinto, Aberfoyle, Renison Limited and CSR. Exploration methods included airborne EM, geological mapping, geochemistry, IP, magnetics and diamond drilling. Four holes have been drilled within EL 87/87 totaling 1730 meters, targeted at geochemical and geophysical responses. A detailed resume of exploration in the area is documented by Ellis 1986.

GEOLOGY OF THE PROPERTY

The tenement covers a narrow north-south section from the Precambrian Oonah Formation in the south through to the Eo Cambrian Success Creek Group and Crimson Creek Formation in the north. The sequence has been hornfelsed by the Meredith Granite which has been unroofed in the northern part of the licence area.

The Oonah Formation is comprised of tightly folded quartzite and slate. This formation is overlain by the Success Creek Group, a sequence of siltstone and dolomites which have been equated with the Renison Mine Sequence. This group is in turn overlain by the Crimson Creek Formation, a sequence of tuffaceous greywackes, siltstone, mudstone, chert and carbonates.

Structurally the area is located on the western limb of the Huskisson Syncline within the tenement. The sequence strikes northwest and dips steeply to northeast and faces east.

The above lithologies have been intruded by the Devonian Meredith Granite. The granite has been unroofed in the northern part of the tenement and is associated with extensive hornfelsing and metasomatism of carbonate horizons, producing pyrrhotite magnetite skarns with anomalous levels of tin and copper.

WORK CONDUCTED BY CYPRUS

Work by Cyprus during the 12 months was limited to a literature search targeted at the gold potential of magnetite pyrrhotite skarns in the area.

The literature search was part of a regional review of the Meredith Granite aureole which included the Savage River and Wilson River areas (EL 35/87) and Mt Ramsay. Indications of gold mineralization were located only at Mt Ramsay east of the Cyprus tenements.

Further exploration for this style of mineralization is not warranted.

Signed _____

R POLTOCK

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REFERENCES

Ellis, P D

Exploration Licence 31/82 Mt Lindsay, Tasmania, Final Report 1986, CSR Limited Mineral Exploration and Development Group

CYPRUS GOLD AUSTRALIA CORPORATION

MT LINDSAY EXPLORATION LICENCE 87/87

EXPENDITURE FOR TWELVE MONTHS TO FEBRUARY 5, 1989

	$
Salaries and Wages	1,560.00
Administrative Overheads	120.00
TOTAL	$1,680.00

C WILLIAMS
MANAGER - ACCOUNTING