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OPEN FILE

EXPLORATION LICENCE EL 35/86 - BURNS CREEK

ANNUAL REPORT : YEAR 2
(25 August, 1988 - 24 August, 1989)

and

FINAL REPORT

89-2992.

MINES	
File No	E.L. 35/86
19 JUL 1989	
Doc.	
Action Officer	Initials
Refer to	
Letter 18.7.89	
Resubmit to	Date

K. C. MORRISON

July 1989

89-2992

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TENEMENT INFORMATION

EL 35/86 is a 55km² tenement in the Burns Creek area, northeast Tasmania (Figure 1, Plan 1). The licence was initially granted on 28 August 1987 and was subsequently renewed at the end of Year 1 for a second licence year covering the period 25 August 1988 to 24 August 1989.

The licence is owned 100% by Placeco Australia Pty. Ltd. On 6 January 1987, Placeco entered an agreement with Bass Strait Oil & Gas (Holdings) N.L. whereby Bass acquired from Placeco a first right of refusal to enter into a joint venture to explore EL 35/86. On 7 September 1987, this option was exercised. Bass can earn a 20% interest in the licence by expending \$50,000 on exploration prior to 24 August 1988, and can earn an additional 30% interest by expending an additional \$150,000 on exploration within the licence area before 24 August 1990.

EXPLORATION PHILOSOPHY & OBJECTIVES

The aim was to study in some detail the geological controls on mineralisation at the only known gold occurrence within the EL, and use that data base to explore for replica deposits.

After 2 years of exploration the Company has concluded that the objective is not achievable on the budget available and consequently the EL is to be relinquished.

SUMMARY OF WORK COMPLETED IN YEAR 1

(25 August, 1987 - 24 August, 1988)

Composite rock chip samples were taken from various locations on, and adjacent to, the old hard rock workings at Golden Hill to determine grade and investigate whether or not the country rock was mineralised. Some structural trends in the old hard rock workings were also recorded in an attempt to define a relationship between the mineralised vein and major structural linears.

A study of fluid inclusions in samples from NE Tasmania was carried out in an attempt to differentiate between a magmatic and metamorphic source for the fluid depositing vein quartz in sites apparently removed from granite contacts and hosted in the Mathinna Beds.

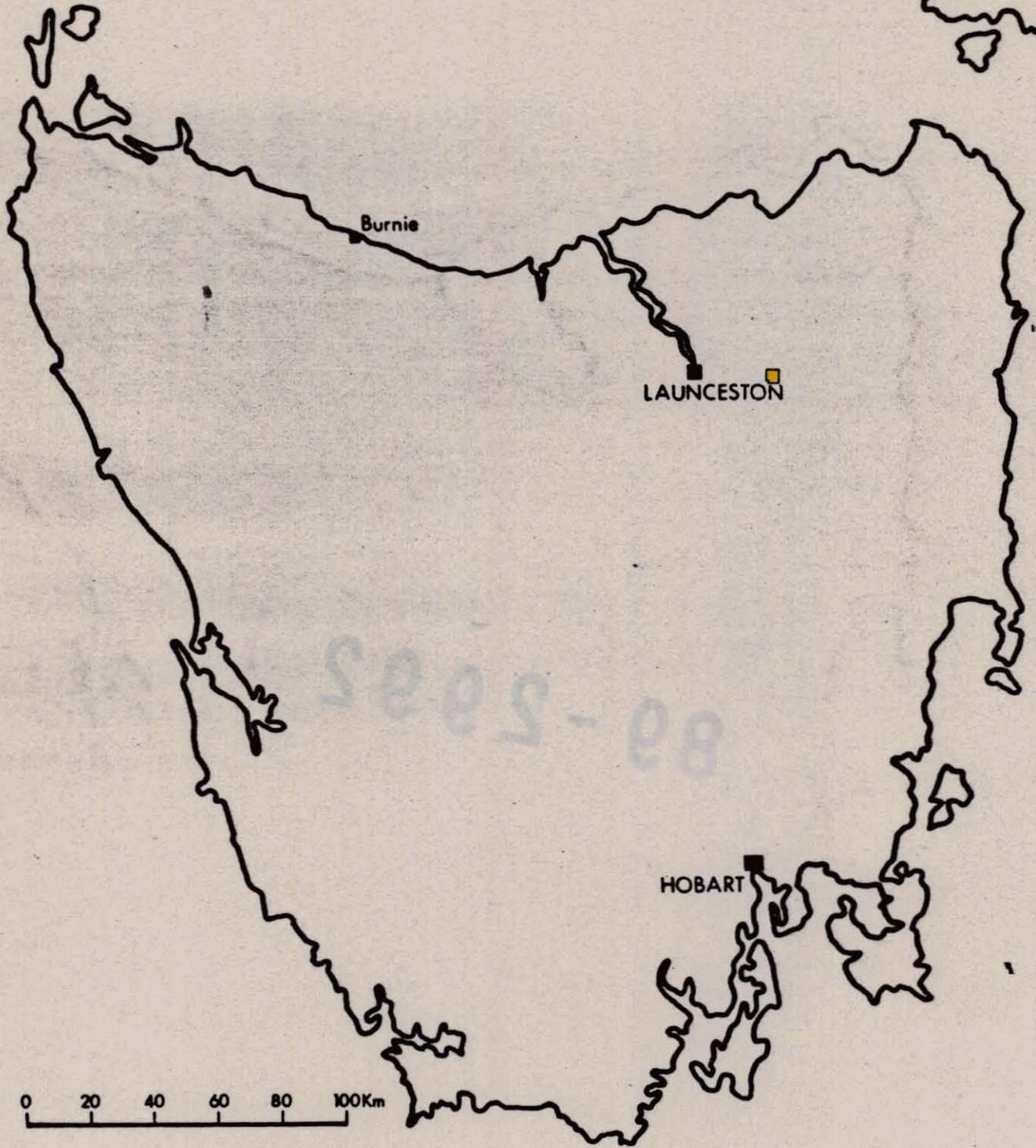
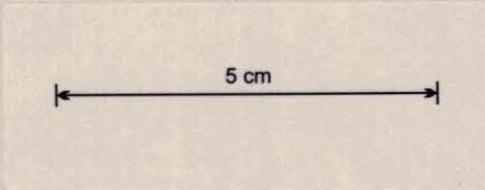
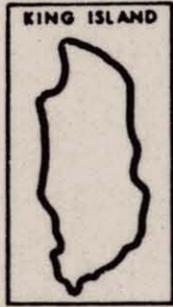


Figure 1. Location Map - EL 35/86, Burns Creek

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609006

WORK COMPLETED IN YEAR 2

SPECIFIC SURVEYS

Rock-chip Sampling, Burns Creek Target

An occurrence of outcropping and subcropping quartz veins, approximately 1km SSE of the Golden Hill workings was sampled. The larger veins strike 100° - 120° magnetic and were considered as a possible dextral offset from the main Golden Hill reef. A prominent NNE trending photo linear (Figure 2) appears to represent a structure which controls the course of part of Burns Creek and could account for the postulated reef displacement.

Nine composite chip samples were assayed for gold (fire assay fusion/AAS) and arsenic (vapour generation/AAS) by Analabs at Burnie. Sample locations are shown in Figure 2. Sample descriptions and assay results are enclosed as appendices 1 & 2 respectively and assay data from Year 1 are enclosed as Appendix 3.

Only one sample (BSC 3) recorded gold, at 1ppm, and arsenic ranged from 3 to 30 ppm. These samples are significantly depleted in gold and arsenic compared to the composite samples taken from the Golden Hill workings in Year 1 (Morrison & Hofto, 1988) and give no support to the fault displacement hypothesis.

CONCLUSIONS & RECOMMENDATIONS

Given the absence of a gold target with a reasonable chance of viability, and the financial constraints on the Company's exploration budget, the Company has decided to relinquish the EL.

*c.f. 36.1 g/t Au
from Golden Hill
dump detailed
in year 1 report
RW*

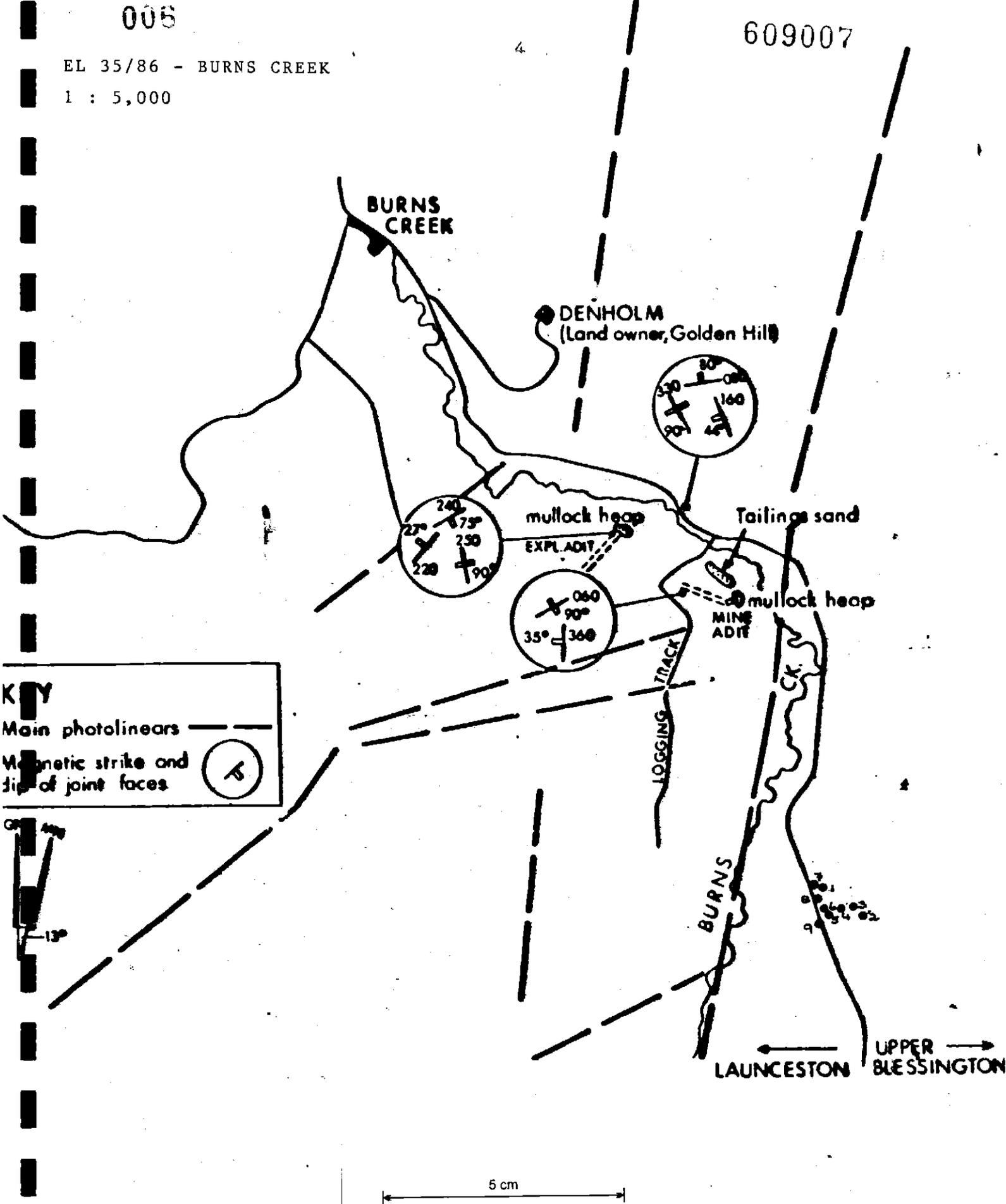
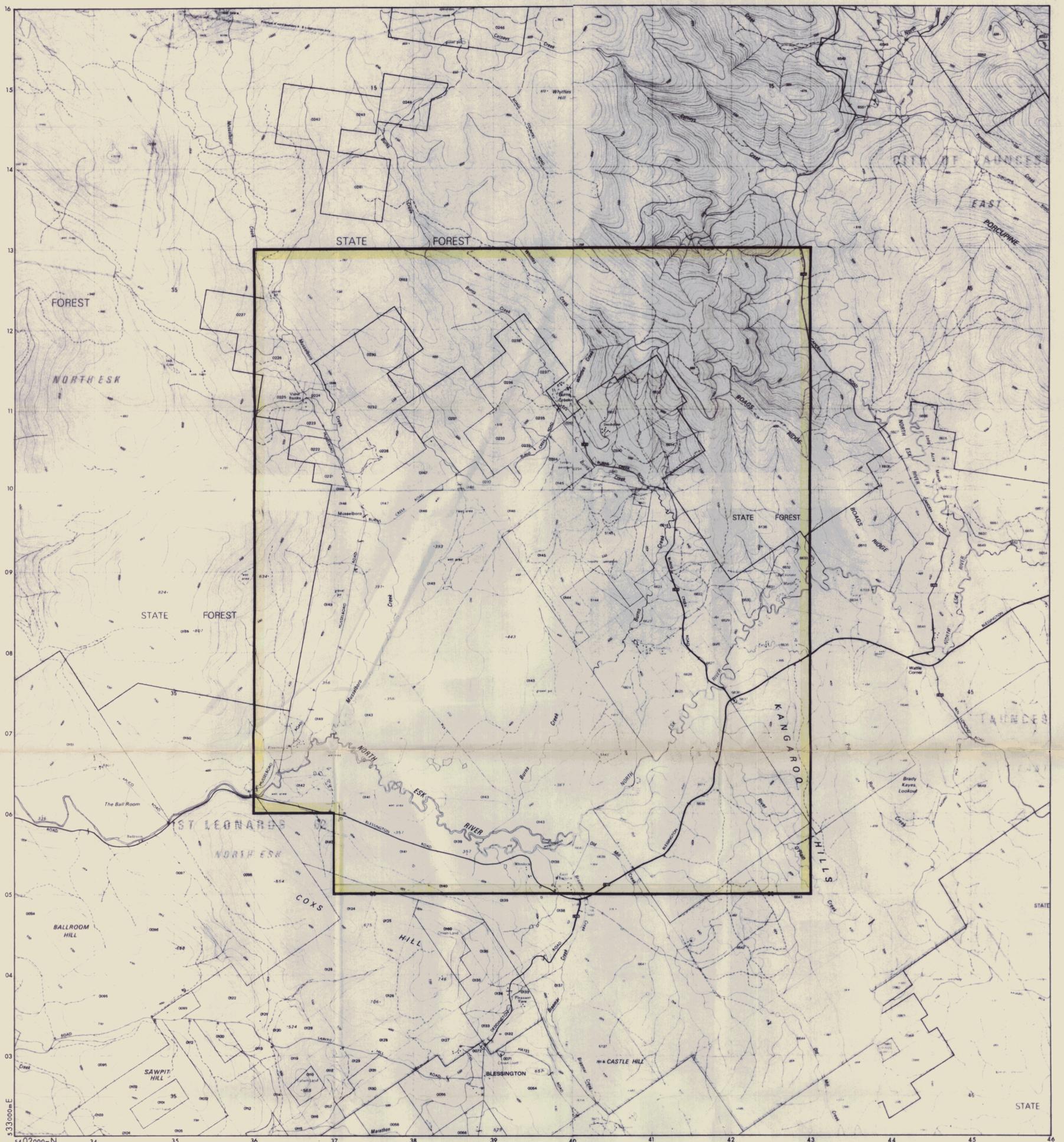


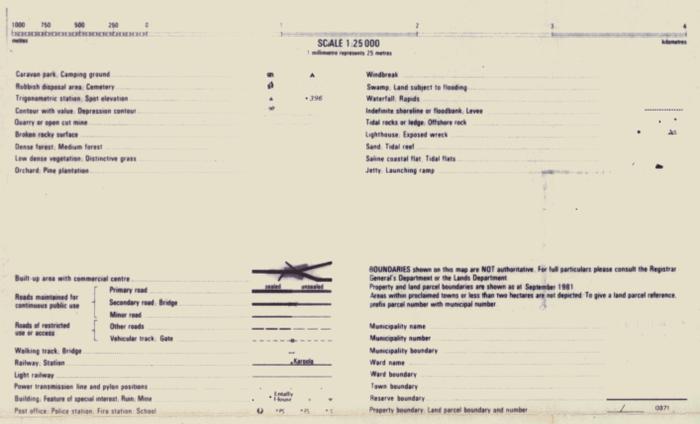
Figure 2. Rock chip sample locations - Burns Creek target.

BIBLIOGRAPHY

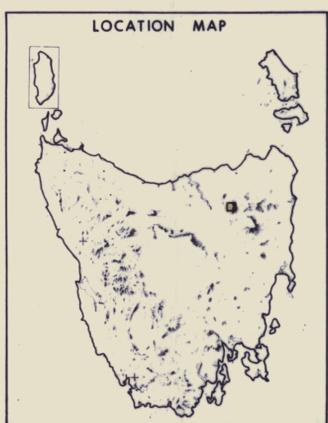
MORRISON, K.C. & HOFTO, V., 1988. *EL 35/86 - Burns Creek.*
Annual Report : Year 1.



LEGEND



PROJECTION: Universal Transverse Mercator (UTM)
HORIZONTAL DATUM: Australian Geodetic Datum 1966
VERTICAL DATUM: Australian Height Datum (Tasmania) excepting offshore islands whose datum is mean sea level
GRID: 1000 metre intervals of the Universal Transverse Mercator Grid, Zone 55 (Australian Map Grid). Australian National Spheroid Grid values are shown in full at the south-west corner of the map.
CONTOUR INTERVAL: 10 metres with 50 metre index contours
WORLD GEODETIC SYSTEM 1972: To convert co-ordinates from the system to Australian Geodetic Datum 1966, increase the value of latitude by 5.3" and decrease the value of longitude by 4.7". To obtain heights decrease sea-level heights by 2 metres.
MAGNETIC VARIATION: True, Grid and Magnetic North are shown diagrammatically for the centre of this map. Magnetic North is correct for 1971 and moves easterly about 0.1" every three years.



89-2992

PLACECO AUSTRALIA PTY LTD									
EL.35/86-LOCATION MAP	<table border="1"> <tr><td>No.</td><td>35/86-</td></tr> <tr><td>DATE</td><td>JULY 89</td></tr> <tr><td>COMPILED</td><td>VH</td></tr> <tr><td>DRAWN</td><td>J.M.T.</td></tr> </table>	No.	35/86-	DATE	JULY 89	COMPILED	VH	DRAWN	J.M.T.
No.	35/86-								
DATE	JULY 89								
COMPILED	VH								
DRAWN	J.M.T.								
TO ACCOMPANY: YEAR 2 & FINAL REPORT									

600009

APPENDIX 1.

EL 35/86 - ROCK CHIP SAMPLE DESCRIPTIONS

SAMPLE NO:	DESCRIPTION	As ppm	Au ppm
BSC1	Several 1-3 cm parallel quartz stringers in weathered sandstone and micaceous slate. Primary cleavage 350° mag.	10.0	<0.01
BSC 2	Float - subcrop fragments of vein quartz over 50m section of track. Mostly milky-white, massive, minor red-brown staining with minor pitting.	3.0	<0.01
BSC 3	Vein quartz. Float - subcrop composite. Quartz milky white, massive.	4.0	1.01
BSC 4	Vein quartz enrichment in locally silicified grey sandstone/quartzite. 2-5 cm veinlet and selvage quartz on fracture surfaces.	5.0	<0.01
BSC 5	Quartz reef in locally silicified grey quartzite. Reef strike 120° magnetic with local quartz blows, lenses and brecciated host rock. Secondary quartz crystals in places, with rough lamination and grey/white colour banding in part. Minor pitting, vuggy quartz, red-brown staining.	16.0	<0.01
BSC 6	As for BSC 5	30.0	<0.01
BSC 7	Composite of float/subcrop of vein quartz and host sandstone/quartzite. Quartz filling fractures in sandstone. Slightly vuggy in part.	6.0	<0.01
BSC 8	Irregular lumps of massive vein quartz in locally silicified, hard, brittle quartzite/sandstone. Vein exposed in road cutting has strike 120° mag.	7.0	<0.01
BSC 9	Quartz stringer zone in blue-grey quartzite. Alteration products in vein quartz - cavities, iron hydroxide deposits, secondary quartz. Vein strike 100° - 110° mag.	9.0	<0.01

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Telex AA92560

ANALYTICAL REPORT No. 599,29.08.06108

THIS REPORT MUST BE READ IN CONJUNCTION WITH THE ACCOMPANYING ANALYTICAL DATA

Placeco Australia Pty. Ltd.
11 Midland Hwy
Brighton
Tasmania 7030

ORDER No.	PROJECT
DATE RECEIVED	RESULTS REQUIRED
05/04/89	ASAP

No. OF PAGES OF RESULTS	DATE REPORTED	No. OF COPIES	TOTAL No. OF SAMPLES
1	13/04/89	1	9

SAMPLE NO.	SAMPLE NUMBER	PRE-TREATMENT							ANALYSIS				
		DRY	CRUSH	SPLIT	PLU-VERISE	SIEVE	OTHER SEE REMARKS	NONE	REFER TO ANALYSIS SECTION	PREPARATION	METHOD		
BSC 1/9		RC	Prep: 005,009,012,013,016									As/114	
BSC 1/9		RC										Au/309	

RESULTS TO

Placeco Australia Pty. Ltd.
11 Midland Hwy
Brighton
Tasmania 7030

RESULTS TO

REMARKS

STATE OF SAMPLES	ANALYSIS — PREPARATION	ANALYSIS — METHOD
whole core	perchloric acid A1	atomic absorption AAS
split core	hydrochloric acid A2	x-ray fluorescence XRF
cutting	nitric acid A3	spectrophotometry SPEC
bulk	aqua regia A4	colorimetry COL
slur	nitric-perchloric A5	chromatography CHR
water	HF mixture A6	titration TTN
fine	HF under pressure A7	other chemicals means CHEM
soil sediment	fusion A8	miscellaneous MISC
heavy mineral		fluorescence FLUOR
		inductively coupled plasma ICP

AUTHORISED OFFICER

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609013

ANALYTICAL DATA

SAMPLE PREFIX

REPORT NUMBER

REPORT DATE

CLIENT ORDER No.

PAGE

999.29.08.0610B

13/04/89

1 OF 1

TUBE No.	SAMPLE No.	As	Al						
1	BSC 1	10	<0.01						
2	BSC 2	3	<0.01						
3	BSC 3	4	1.01						
4	BSC 4	5	<0.01						
5	BSC 5	16	<0.01						
6	BSC 6	30	<0.01						
7	BSC 7	6	<0.01						
8	BSC 8	7	<0.01						
9	BSC 9	9	<0.01						
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23	DETECTION	1	0.01						
24	UNITS	PPM	PPM						
25	METHOD	114	309						

Results in ppm unless otherwise specified
 I = element present, but concentration too low to measure
 X = element concentration is below detection limit
 - = element not determined

AUTHORIZED OFFICER



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52 Murray Road, Welshpool, W.A. 6106

Telex AA92560

ANALYTICAL REPORT No.

999.29.08.05359

THIS REPORT MUST BE READ IN CONJUNCTION WITH THE ACCOMPANYING ANALYTICAL DATA

Placeco Australia Pty. Ltd.
11 Midland Hwy
Brighton
Tasmania 7030

ORDER No.	PROJECT
24152	
DATE RECEIVED	RESULTS REQUIRED
21/04/88	ASAP

No. OF PAGES OF RESULTS	DATE REPORTED	No. OF COPIES	TOTAL No. OF SAMPLES
2	03/05/88	1	36

SAMPLE NO.	SAMPLE NUMBERS	PRE-TREATMENT							ANALYSIS			
		DRY	CRUSH	SPLIT	PUL. VERISE	SIEVE	OTHER SEE REMARKS	NONE	REFER TO ANALYSIS SECTION	PREPARATION	METHOD	
BC 01/36		RO	Frep: 006,010,012,013,016							As/114		
BC 01/36		RO							Au, AuChk/309			

RESULTS TO

Placeco Australia Pty. Ltd.
11 Midland Hwy
Brighton
Tasmania 7030

RESULTS TO

REMARKS

STATE OF SAMPLES	ANALYSIS — PREPARATION	ANALYSIS — METHOD
whole core WC	perchloric acid A1	atomic absorption AAS
split core SC	hydrochloric acid A2	x-ray fluorescence XRF
drilling CU	nitric acid A3	spectrophotometry SPEC
fine Ro	agua regia A4	calorimetry CAL
SO	nitric-perchloric A5	chromatography CHR
pep PU	HF mixture A6	titration TTN
water WA	HF under pressure A7	other chemical means CHEM
fine TI	fusion A8	miscellaneous MISC
clay sediment SS		fluorescence FLUOR
heavy mineral MM		inductively coupled plasma ICP

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ANALYTICAL DATA

SAMPLE PREFIX

REPORT NUMBER

REPORT DATE

CLIENT ORDER No.

PAGE

999.29.08.05359

03/05/88

24152

1 OF 2

TUBE No.	SAMPLE No.	As	Al	AuChk					
1	BC 01	150	10.520	8.570					
2	BC 02	110	9.730	-					
3	BC 03	1000	0.576	-					
4	BC 04	830	0.504	-					
5	BC 05	590	0.528	-					
6	BC 06	180	6.140	-					
7	BC 07	180	4.730	-					
8	BC 08	200	3.850	-					
9	BC 09	16	0.018	-					
10	BC 10	22	0.009	-					
11	BC 11	14	0.008	-					
12	BC 12	11	0.009	-					
13	BC 13	910	7.600	-					
14	BC 14	730	17.300	13.670					
15	BC 15	10	0.014	-					
16	BC 16	10	0.012	-					
17	BC 17	8	<0.008	-					
18	BC 18	11	<0.008	-					
19	BC 19	21	<0.008	-					
20	BC 20	63	0.014	-					
21	BC 21	150	<0.008	-					
22	BC 22	130	0.023	-					
23	BC 23	170	0.029	-					
24	BC 24	140	1.132	-					
25	BC 25	240	23.100	32.770					

Results in ppm unless otherwise specified

T = element present, but concentration too low to measure

X = element concentration is below detection limit

- = element not determined

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