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RECORDED

EXPLORATION LICENCE 34/86 - GLADSTONE

ANNUAL REPORT : YEAR 3
AND FINAL REPORT
(28 January, 1989 - 27 January, 1990)

89-3062

89-3062

MINES	
File Ref. EL 34/86	
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Action Officer	Initials
COVER	ON
FILE REFERS	
Resubmit to	Date

V. HOFTO

K.C. MORRISON

December 1989

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TENEMENT INFORMATION

Exploration Licence 34/86 is a 102 km² tenement in the Gladstone area, NE Tasmania (Figure 1 & Plan 1).

The licence was originally granted on the 26 January 1987 for an area of 97 km². A 126 km² extension along the eastern side of the EL was applied for in February 1988. This application was recorded as EL 3/88 and was incorporated into EL 34/86 on 20 November 1988. This extension was subsequently submitted for relinquishment on 23 February 1989. The reduction in area to the present 102 km² was approved by the Minister for Mines on 3 March 1989.

Five current Mineral Leases are wholly or partially enclosed by EL 34/86 (Plan 1). Fossicking Reserve No. 6 (Gladstone) occurs within the SW portion of the EL (Figure 2).

The area comprises (approximate only) : -

63%	Private Property
37%	Crown Land

and excludes (approximate only) : -

4.5 km ²	Mining Leases
0.2 km ²	Crown Reserves
0.2 km ²	Mt Cameron Water Race Exempt Area

The licence is owned 100% by Placeco Australia Pty. Ltd.

EXPLORATION PHILOSOPHY & OBJECTIVES

The primary objective is to explore for open cuttable gold and silver mineralisation in quartz veins, stockworks and in the Mathinna Group country rock. Such mineralisation is known to



Figure 1. Location Map, EL 34/86 - Gladstone.



5 cm

Figure 2. Fossicking Reserve No. 6 (Gladstone), Location Map - 1 : 100,000

exist around previously worked areas, and may also exist as blind deposits beneath the surficial cover. The exploration philosophy and method in this area is based on the fact that several known gold occurrences are adjacent to, or covered by, a veneer of Quaternary sand and that airborne geophysics and satellite photography have the potential to sense structural trends extending from known mineralisation under this surficial cover. Correct analysis of the structural leads gained from these data should detect mineralised ground as there is a clear structural influence in the location of known deposits.

SUMMARY OF WORK COMPLETED PRIOR TO CURRENT TERM

In Year 1 a detailed magnetic and radiometric survey was flown over the old 97km² block of EL 34/86. This survey resolved some structural trends within the Mathinna Group metasediments and the Devonian granitoids and defined boundaries of some of the rock units of the survey area. Significant variation in the magnetic properties of the Mathinna Group were demonstrated (Morrison & Davidson, 1987). A data base of magnetic and radiometric properties and structural trends over areas of known gold mineralisation was established. A grid was pegged over the old Portland workings and several exploration techniques were tested over this area.

An augered soil survey of the B horizon produced a strong arsenic and moderate lead, zinc and gold anomalies.

Magnetic, self potential and resistivity surveys correlated with magnetic susceptibility measurements of rocks on the mine dump. The survey suggested that magnetics and self potential respond to changes in lithology and perhaps to quartz veining. There is evidence that lithological layering and/or structural linears in the rock also produce responses.

No exploration was carried out on the EL in Year 2. On-going administration and planning costs were incurred.

SUMMARY OF WORK COMPLETED IN YEAR 3

Due to budget constraints, the exploration effort has been restricted to the area around the old Royal Tasman, Royal Mint and Royal Standard workings. A programme of mapping, sampling and airphoto interpretation of these workings commenced in the quarter ending 30 September 1989.

A large portion of the EL is submitted for relinquishment at the current renewal.

REVIEW OF EARLY MINING & CURRENT EXPLORATION

During the 1880's a number of gold reefs south of Gladstone in Fly-By-Night Creek were being worked with good values being reported, especially from Royal Tasman. In January 1882, the first clean up at the mine mill yielded 14.5kg of gold from 322 tonnes for an average grade of 45g/t. A second clean up later that year produced 18.9kg from 595 tonnes for an average yield of 32g/t (Twelvetrees, 1916).

In July 1883, the mine closed after gold grades had declined. Several smaller mines along Fly-By-Night Creek, including Royal Standard and Royal Mint then also languished.

In 1909 interest in the Fly-By-Night workings was revived by the Dreadnought Gold Mining Syndicate and the Gladstone Gold Prospecting Association. Later (circa 1910) Messrs. O'Halloran and Fleming gave fresh impetus to lode mining in the locality, working gold reefs on the old Royal Tasman section, and a wolfram lode which crosses the Royal Standard reef at the back of the township. Selected samples from a reef running roughly parallel with the Royal Tasman reef returned gold assays in the range 10-300g/t (Twelvetrees, 1916). These very high grades were apparently typical of the

small but rich reefs in the area. Although it was thought that this reef may be a fork or faulted extension of the Royal Tasman reef, Twelvetrees (1916) suggested that it was separate from it. The length and downward persistence of the shoot was not determined.

In 1915, approximately 200 kg of tin ore assaying 73.5% Sn, and around 100 kg of wolfram ore, assaying 72% WO_3 , was recovered from the tin-wolfram lode. Although this patch of the lode was worked out, Twelvetrees (1916) suggested that the lode, though narrow, is very persistent and that blanks may prevail for indefinite intervals.

In general, the early efforts on the Fly-By-Night workings indicated that exploration is likely to reveal rich, although discontinuous, shoots.

The 1987 Placeco aeromagnetic survey indicates that there is no immediately discernable response pattern or magnetic signature for the mineralised areas near Gladstone (Leaman, 1987). These mines lie in a region where the radiometric and magnetic responses are near background and the magnetics have been largely obscured by anomalies resulting from buildings in and around the Gladstone township.

By analogy with similar gold occurrences in NE Tasmania, it is likely that the mineralisation at Fly-By-Night Creek is in part structurally controlled, and these structures should be revealed by current field mapping and airphoto interpretation.

CONCLUSIONS & RECOMMENDATIONS

The review of previous work, together with current budget constraints, has resulted in a concentration of exploration emphasis on the Royal Tasman, Royal Standard and Royal Mint reefs south of Gladstone. As a consequence, Placeco Australia Pty. Ltd. has submitted approximately 103 km² of EL 34/86 for relinquishment (Plan 1).

PROPOSED FUTURE EXPLORATION

In Year 4, the programme of chip sampling and mapping which commenced in Year 3 will be completed over the Royal Mint, Royal Tasman and Royal Standard workings. The resultant assay data and structural interpretation will determine whether drilling is warranted. This work is being conducted jointly with the exploration of the Southern Cross target on EL 27/86 - Lyndurst, which is also held by Placeco Australia Pty. Ltd.

REFERENCES

LEAMAN, D.E., 1987. Acquisition Report, Airborne Geophysical Surveys - EL 34/86, Gladstone, *in*: Morrison, K.C. & Davidson, J.K., 1987. EL 34/86 - Gladstone, Annual Report : Year 1 (Placeco Australia Pty. Ltd.).

MORRISON, K.C. & DAVIDSON, J.K., 1987. EL 34/86 - Gladstone, Annual Report : Year 1 (Placeco Australia Pty. Ltd.).

TWELVETREES, W.H., 1916. The Gladstone Mineral District.
Tasm. Dept. Mines Geol. Surv. Bull. No 25.

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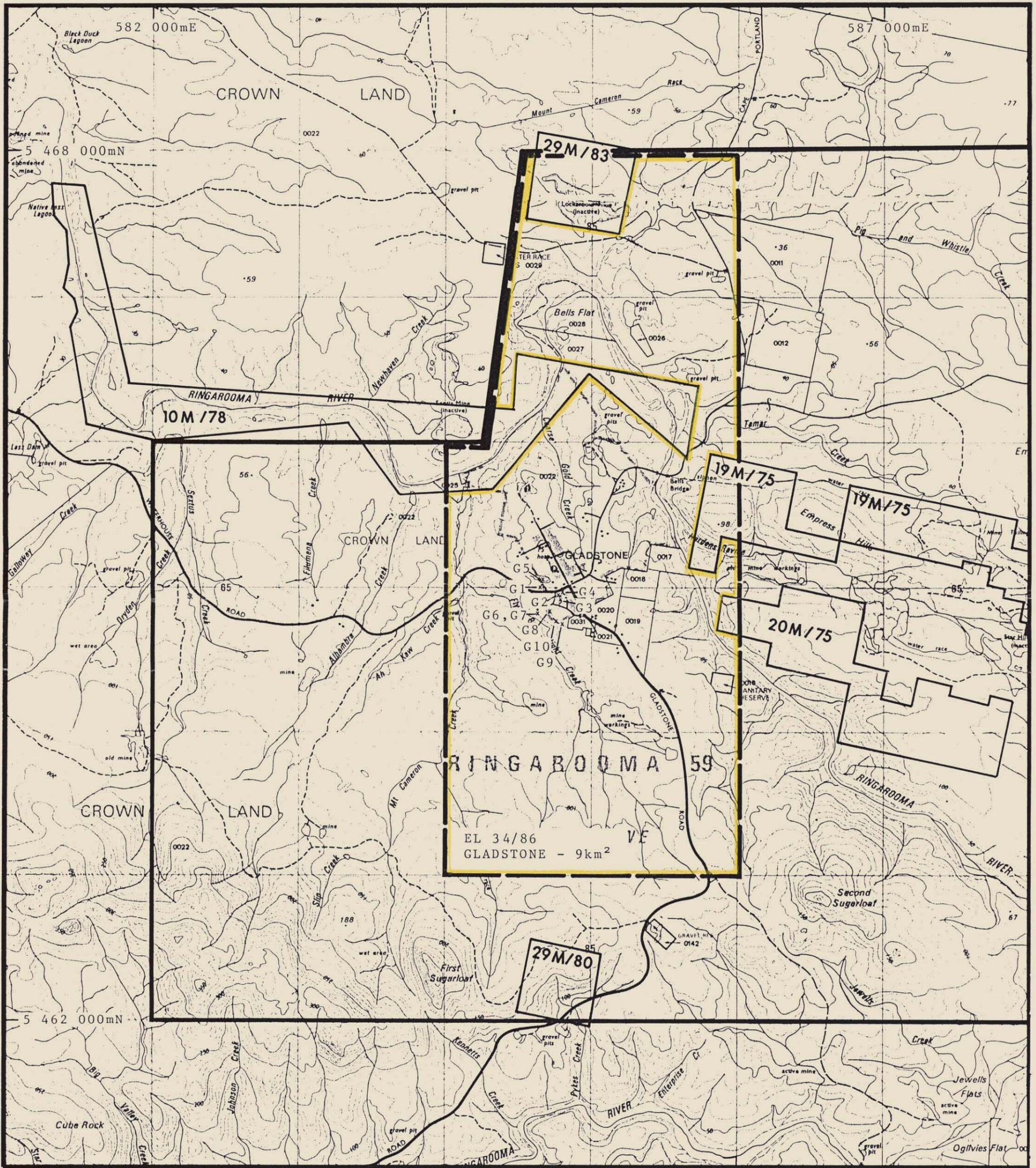
APPENDIX 1.

EL 34/86 - GLADSTONE

ROCK-CHIP SAMPLE DESCRIPTIONS

Sample No.	AMG Co-Ords	Description
G1	582 640mE 5 465 000mN	Composite sample of milky white vein quartz in 1.0m wide blocks around pushed in(?) workings. Probably same veins as G2 - G4.
G2	582 770mE 5 464 950mN	Major 4.0m wide quartz vein trending approx. 300° mag. Composite sample of milky white quartz and subordinate light grey - white marbled vein quartz.
G3	582 780mE 5 464 920mN	Composite sample of grey - grey/white silicified Mathinna sandstone host with common patches of white mica.
G4	582 790mE 5 464 970mN	NE contact of vein in G2. Sample from 0.2cm - 1.0cm quartz veins in sandstone host. Veins trending mainly 100°, 80° and 180° mag.
G5	582 650mE 5 465 060mN	Sample from covered-in workings along strike from main outcrop. Composite of mullock fragments of quartz showing grey banding and green alteration, patchy white mica and oxidised traces of sulphide.
G6	582 620mE 5 464 820mN	Sample from mullock around covered in diggings. Composite of silicified, grey - white quartz veins and Mathinna Beds.
G7	582 620mE 5 464 820mN	Mathinna sandstone with prominent green surface staining (arsenate?, sulphate?).

Sample No.	AMG Co-Ords	Description
G8	582 710mE 5 464 830mN	Composite sample of float grey - white vein quartz and minor silicified Mathinna sandstone around partially collapsed shallow diggings.
G9	582 800mE 5 464 750mN	Quartz greissen veins and minor grey quartz vein material in Mathinna sandstone.
G10	582 760mE 5 464 770mN	Composite sample of mullock fragments of vein quartz and silicified Mathinna sandstone.



EL 34/86 - GLADSTONE
 SAMPLE LOCATIONS - 1990 ROCK CHIP SAMPLING
 PLEASE NOTE: Area of 9km² for EL 34/86 based on
 previously proposed partial relinquishment.

ANALABS

A Division of Incharge Inspection and Testing Services Australia Pty Ltd.

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ANALYTICAL DATA

SAMPLE PREFIX REPORT NUMBER REPORT DATE CLIENT ORDER No. PAGE

999.24.08.07018

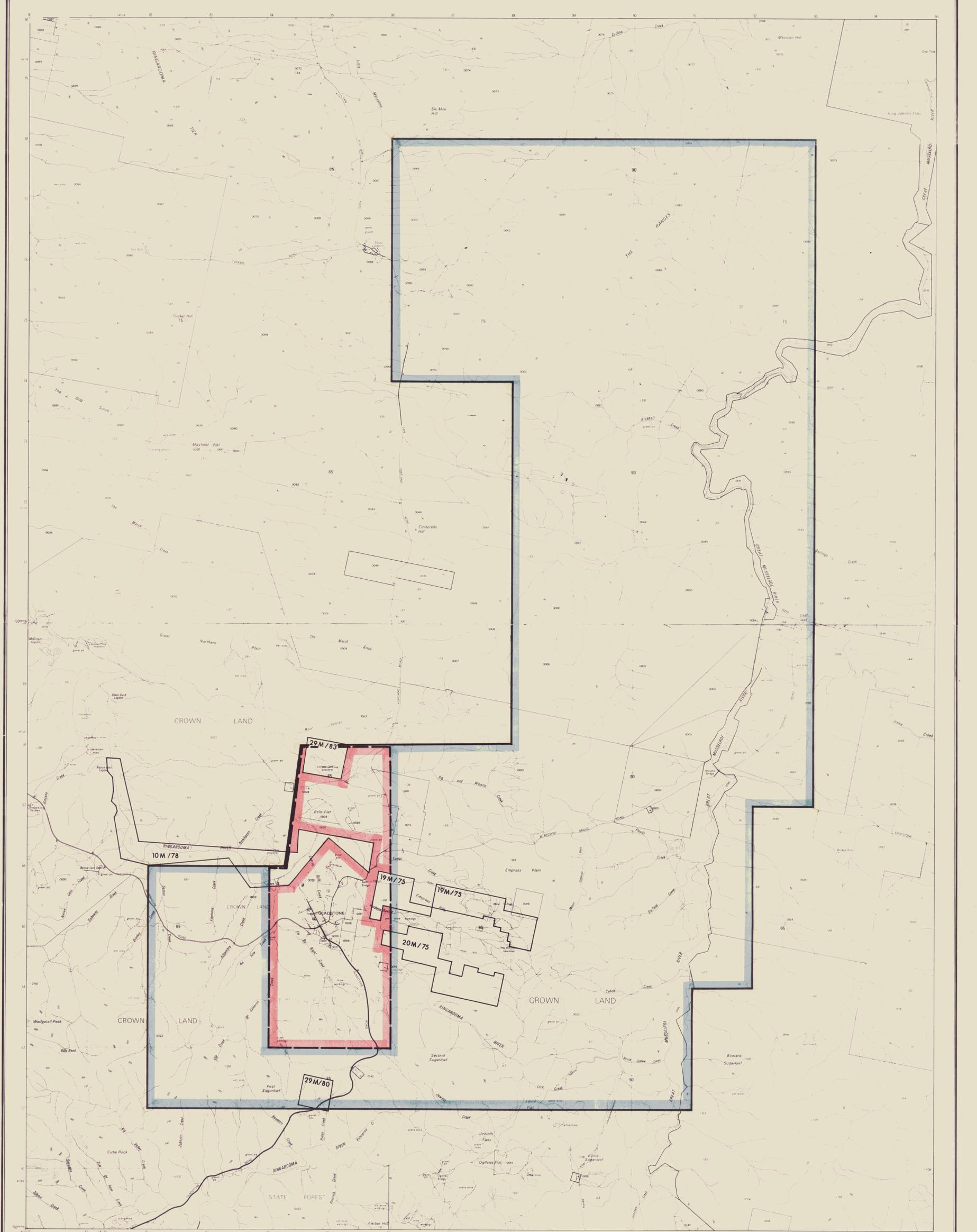
24/04/90

1 OF 1

TUBE No.	SAMPLE No.	AU	AuCHP	As						
1	601	0.011	0.013	35						
2	602	0.654	-	22						
3	603	0.015	-	6						
4	604	0.059	-	19						
5	605	5.110	4.970	27						
6	606	0.024	-	2						
7	607	0.026	0.018	3						
8	608	4.690	4.650	91						
9	609	0.024	-	2						
10	610	0.013	-	9						
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23	DETECTION	0.008	0.008	1						
24	UNITS	ppm	ppm	ppm						
25	METHOD	309	309	114						

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

AUTHORIZED OFFICER



LEGEND

- 5 cm
- SCALE 1:25 000
- Caravan park Camping ground
 - Rubbish disposal area Cemetery
 - Engineering station East elevation
 - Control with water Depression contour
 - Quarry or open cut mine
 - Broken rock surface
 - Dense forest Medium forest
 - Low dense vegetation Distinctive grass
 - Driveway Fire pit/structure
 - Windbreak
 - Swampy Land subject to flooding
 - Waterfall Rapids
 - Disturbance area in Roadbook Level
 - Tide marks or ledge Offshore rock
 - Lighthouse Signal tower
 - Sand Tidal reef
 - Saline coastal floor Tidal flats
 - Jetty Launching ramp
 - Private road
 - Secondary road Bridge
 - Minor road
 - Other road
 - Vehicle track Gate
 - Boundary
 - Man-made boundary
 - Water course
 - Plant boundary
 - Tree boundary
 - Transfer of boundary
 - Property boundary Land parcel boundary and number

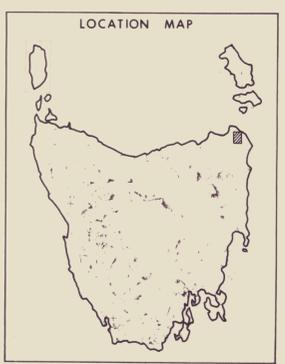
EXISTING EL 34/86

AREA PROPOSED FOR RELINQUISHMENT

PROPOSED EL 34/86 - approx 8.5 km²
(9.5 km² - 1.0 km² MLs)

MINING LEASES - EL. 34/86

M.L. No.	Owner	Address	Mineral	Area(ha)
19M/75	B.M.I. MINING PTY LTD	P.O. BOX 42, WENTWORTHVILLE, N.S.W. 2145	ALLUVIAL TIN & ASSOCIATED MINERALS	123
20M/75	B.M.I. MINING PTY LTD	P.O. BOX 42, WENTWORTHVILLE, N.S.W. 2145	ALLUVIAL TIN & ASSOCIATED MINERALS	100
10M/78	TRIAKO MINES N.L. and BUKA MINERALS N.L.	3rd FLOOR, 86 MURRAY ST, HOBART, TAS. 7000	ALLUVIAL TIN	205
29M/80	TRIAKO MINES N.L. and BUKA MINERALS N.L.	3rd FLOOR, 86 MURRAY ST, HOBART, TAS. 7000	ALLUVIAL TIN	25
29M/83	AUSTRALIAN ANGLo-AMERICAN PROSPECTING PTY. LTD	121, KING STREET MELBOURNE, VIC. 3000	ALLUVIAL TIN	30



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PLACECO AUSTRALIA PTY LTD

EL. 34/86 AND ADJOINING MINERAL LEASES (COMPETITOR) WITH PROPOSED PARTIAL RELINQUISHMENTS

No.	34/86-1
DATE	Nov 1989
COMPILED	V.H.
DRAWN	T.K.D.

TO ACCOMPANY: YEAR 3 ANNUAL REPORT