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FINAL REPORT OCEAN BEACH STRAHAN TASMANIA

EL 1/86

1.4.1989 TO 15.12.1989

REPORT No.	:	409/113/90
TITLE	:	Final Report Ocean Beach, Strahan Tasmania
REPORTING PERIOD	:	1.4.89 to 15.12.89
TENEMENT(S)	:	Exploration Licence 1/86
TENEMENT HOLDER	:	Aztec Mining Company Limited 99 Shepperton Road Victoria Park WA 6100
LAND DISTRICT	:	Montague
MAPS	:	SK 55-5 Queenstown 1:250,000 7913N Strahan 1:50,000
AUTHOR	:	Dr Peter J. Woods Peter J. Woods and Associates
DATE	:	February 1990

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CONTENTS

FIGURE

1. INTRODUCTION

The heavy mineral (HM) occurrence on Ocean Beach has been investigated by a number of companies over the past 20 years. Over the past 4 years Aztec Mining Co Ltd has carried out work on the area, resulting in definition of an Indicated Resource of 2.1 Mt HM grading 9% HM along Ocean Beach, and identification of a large volume of sand (75 Mt) in the dune field inland from the beach containing an average of 1% HM.

Work during the current year was aimed at reassesing the data and attempting to engage a JV partner to carry out further work. Discussions were also held with State Government officials to assess the likely environmental constraints involved in carrying out further work. In the later stages of the exploration programme it became obvious from our enquiries that the probability of ever being able to mine the beach front at Strahan would be extremely low, even though the Exploration Licence was approved. Due to lack of interest from prospective joint venture partners, Aztec decided to relinquish the property with the loss of a considerable amount of exploration effort and expenditure.

2. SUMMARY OF PREVIOUS WORK

Following grant of the tenement in May 1986 a review of previous data on exploration in the area and an interpretation of colour air photography was carried out (Woods, 1987a).

Airborne magnetic data was purchased from the Mines Department and the data processed with the aim of locating concentrations of HM, however, the strong magnetic signature of the basement marked any such features.

A reconnaissance field trip to verify the photographic analysis and to select drill targets was carried out in mid 1987 (Woods, 1987b).

During February 1988 a drilling program comprising 180 holes (2,632m) was completed and selected samples analysed for % HM and % slimes (Woods, 1988).

Subsequently, a further 107 selected samples were analysed for % HM and five composite samples from the Ocean Beach deposit were prepared and the HM species determined (Woods, 1989).

As a result of this work the following resources have been identified.

2.1 Ocean Beach

An Indicated Resource in the area of 2.1 Mt grading 9% HM has been defined along the beach and beneath the immediately adjacent dunes (Plan 113-24). Based on analyses of the five composite samples, the following HM fraction is made as follows:

1.81% chromite, 0.80% ilmenite, 0.25% leucoxene, 0.50% leucoxene/rutile, 0.68% zircon and 0.03% monazite

with about 5% unsaleable species such as pyroxene, garnet tourmaline (total 9%).

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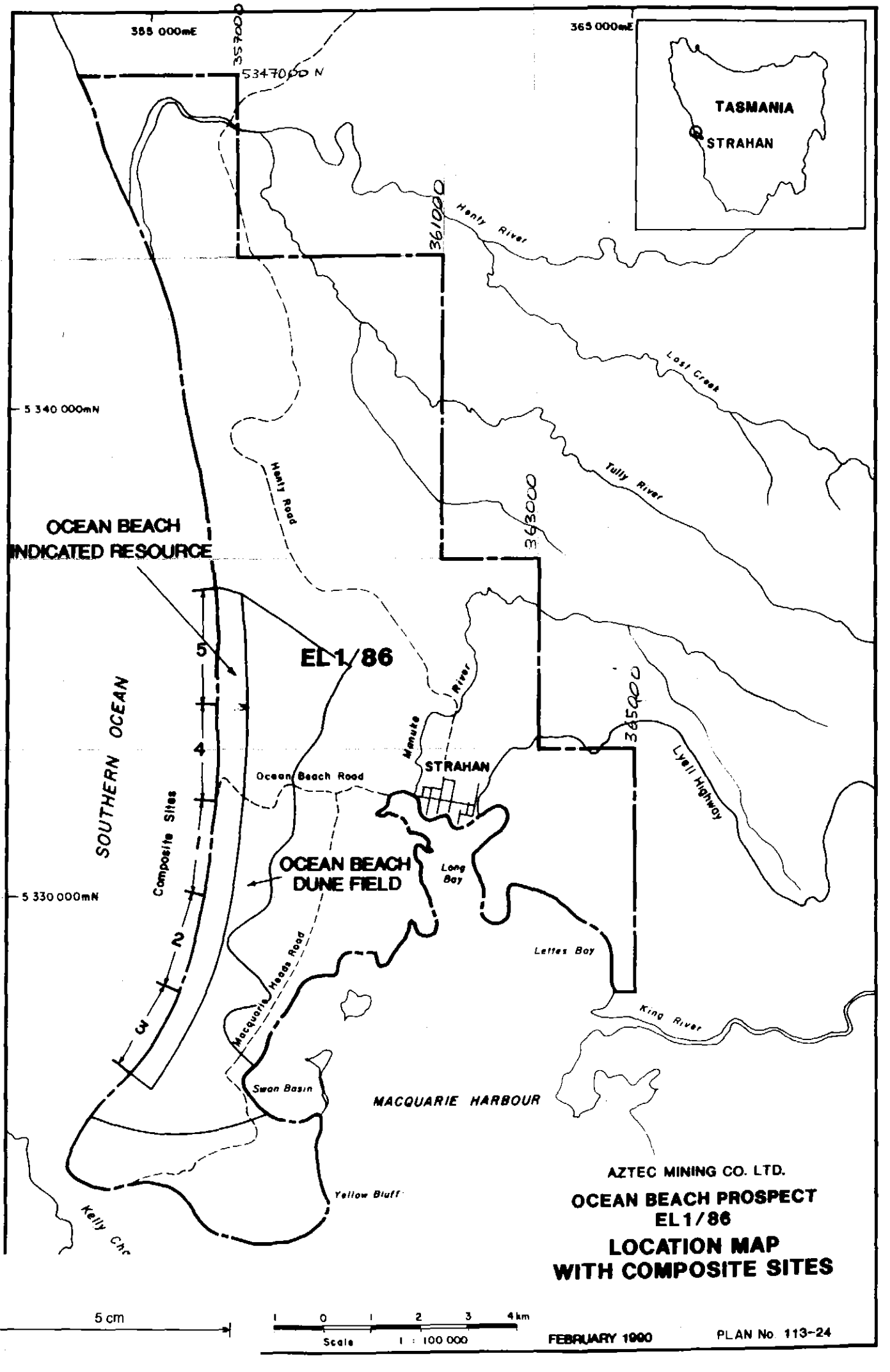
385 000mE
365 000mE
357000
5347000 N
361000
363000
345000
TASMANIA
STRAHAN
Henty River
Lost Creek
Tully River
Henty Road
5 340 000mN
5 330 000mN
OCEAN BEACH
INDICATED RESOURCE
EL1/86
SOUTHERN OCEAN
Composite Sites
5
4
3
2
1
Ocean Beach Road
Minuta River
STRAHAN
Lyell Highway
OCEAN BEACH
DUNE FIELD
Long Bay
Macquarie Heads Road
Lettes Bay
King River
Swan Basin
MACQUARIE HARBOUR
Yellow Bluff
Kelly Chr
AZTEC MINING CO. LTD.
OCEAN BEACH PROSPECT
EL1/86
LOCATION MAP
WITH COMPOSITE SITES
5 cm
1 0 1 2 3 4 km
Scale 1 : 100 000
FEBRUARY 1990
PLAN No. 113-24

Due to contamination of the first magnetic fraction, with chromium and garnet and pyroxene, the mineralogy of the ilmenite was not determined.

2.2 Ocean Beach Dunes

The dune fields inland from Ocean Beach contain a large volume of sand containing low grades of HM (i.e. estimated to be 75 Mt @ 1% HM). Several higher grade intersections (i.e. 2-10% HM) were encountered in the sequence raising the possibility that higher grade concentrations may be found with more intensive exploration.

3. WORK UNDERTAKEN

During the year discussions have been held with potential Joint Venture partners with a view to carrying out further work as recorded in Woods (1989), including defining the width and mineralogy of the HM deposit on Ocean Beach, and following up the higher grade intersections in the dune field inland from the beach.

As a result of these latter discussions, it is Aztec's view that further work in the area is not warranted given the severe environmental constraints imposed such as restrictions on clearing tracks and particularly the likelihood that any application to mine be refused. Accordingly preparations for further work and discussions with potential partners have ceased.

4. CONCLUSIONS

Despite defining an Indicated Resource and a large volume of sand containing low grade HM in the Ocean Beach area, further expenditure and work by this company cannot be justified due to the likelihood that permission to mine will not be granted.

Accordingly the tenement was relinquished on 15 December 1989.

5. STATEMENT OF EXPENDITURE

Total expenditure on the tenement was $120,000.

Expenditure for the reporting period was $15,000.

6. REFERENCES

WOODS, P.J. 1987a, Annual Report for Department of Mines, Exploration Licence 1/86, Ocean Beach Strahan: Report for Aztec Exploration Ltd, Perth, WA.

WOODS, P.J. 1987b, Recommendation for Exploration Targets at Ocean Beach, Tasmania, Exploration Licence 1/86: Report for Aztec Exploration Ltd, Perth, WA.

WOODS, P.J. 1988, Annual Report - Ocean Beach, Strahan, Tasmania, EL 1/86: Report for Aztec Exploration Ltd, Perth, WA.

WOODS, P.J. 1989, Annual Report - Ocean Beach, Strahan, Tasmania, EL 1/86: Report for Aztec Mining Co Ltd, Perth, WA.