494001

PROJECT NAME : SAVAGE RIVER PROSPECT

NATURE OF REPORT : FINAL (LICENCE SURRENDERED)

PERIOD COVERED : 5th May 1989 - 4th May 1990

TENEMENT : EXPLORATION LICENCE 15/89
SAVAGE RIVER, TASMANIA

TENEMENT HOLDER : MARK GARETH CREASY
8 LUTH AVENUE
DAGLISH WA 6008

OPERATOR : M G CREASY

AUTHOR OF REPORT : M G CREASY

DATE OF REPORT : APRIL 1990

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1. CONCLUSIONS

1. The 19 Mile Creek does not contain sufficient gravel volume to be worth sampling.

2. The Savage River has a maximum volume of gravels in the region, 10 - 20,000 cubic metres, most of the riverbed being exposed rock.

3. The entire bed of the Savage River within the licence area has been worked.

4. Considering the small volume of gravel the grade is too low to be economic.

5. Confirming early reports, there is little gold in this section of the river, gold apparently only predominantly over osmiridium below Burnt Spur.

6. There remains the possibility that if the high level terraces and the undisturbed bed-rock of the Savage River are included there may be sufficient osmiridium bearing material to make a mining operation feasible. However, present day environmental concerns would most likely disallow of such an operation and hence the expense of sampling same is not justified.

2. RECOMMENDATIONS FOR FUTURE WORK

No future work is recommended. The Licence should be surrendered.

3. TENEMENT INFORMATION

Exploration Licence 15/89 was granted to M G Creasy on the 5th May 1989 with an area of 6 km^2.

The land status within the licence mainly consists of non allocated Crown land. A description of the boundary is as follows :

Commencing at the southwest corner of the area applied for whose grid co-ordinates are 351,000 metres E. 5,406,000 metres N. thence grid north to 5,408,000 metres N. grid east to 353,000 metres E. again grid north to 5,409,000 metres N. again grid east to 355,000 metres E. grid south to a point on the Waratah Road thence by that road in a general southwesterly direction to grid 5,407,000 metres N. grid west to 353,000 metres E. aforesaid again grid south to 5,406,000 metres N. aforesaid thence again grid west to the point of commencement.

Area excluded 1.9 skm Mining Leases.

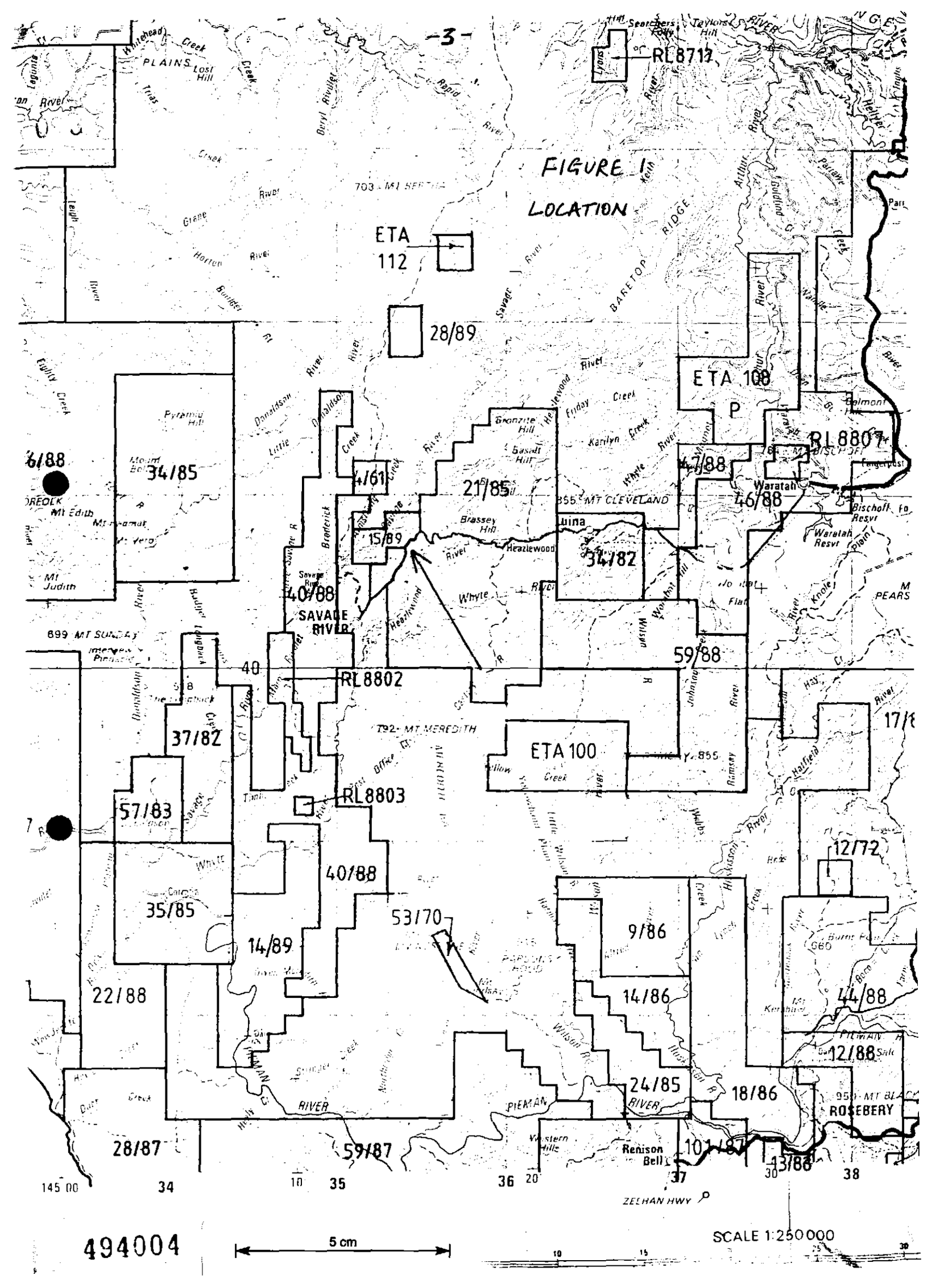
FIGURE 1
LOCATION
ETA 112
28/89
ETA 108
RL8712
RL8807
RL8802
RL8803
ETA 100
34/85
4/61
21/85
15/89
34/82
40/88
SAVAGE RIVER
59/88
37/82
57/83
35/85
40/88
53/170
14/89
22/88
9/86
14/86
24/85
18/86
12/72
44/88
12/88
28/87
59/87
101/87
13/88
46/88
47/88
699 MT SUNDAY
792 MT MEREDITH
855 MT CLEVELAND
950 MT BLACK
ROSEBERY
PIEMAN RIVER
ZEEHAN HWY
494004
5 cm
SCALE 1:250000

4. LOCATION AND ACCESS : FIGURE 1

The Licence is proximate to the Savage River townsite and mine.

The bitumen road from Waratah to Savage River forms part of the Easterly boundary of the Exploration Licence.

Access to the Savage River was gained by cutting a walking track of an approximate length of 1.5 km from this road.

5. PREVIOUS MINING ACTIVITY

Within the Licence area the whole length of the 19 Mile Creek and the Savage River below the junction with the 19 Mile Creek, was worked for alluvial osmiridium and gold from the turn of the century through to the 1930's.

According to old reports the 19 Mile Creek was worked several times with the entire bedrock area of the Creek being excavated to a depth of about 1 metre using explosives where necessary.

The Savage River was worked using a system of wing dams to divert the river to one side while the wash and bottom dirt were picked up and sluiced on the other.

6. EXPLORATION PHILISOPHY AND OBJECTIVES

The object of the exploration program was to explore the potential of what are essentially the tailings of previous mining operations for chromite, osmiridium and gold.

Chromite was not recovered by the original miners.

As regards osmiridium and gold, it was considered possible for quite considerable amounts of osmiridium and gold not to have been recovered for a complexity of reasons including the fragmentary nature of the original operations both in space and time, there being a large number of individual claims and mining often being disrupted by flooding or suspended due to low prices. Also poor recovery of fine grained osmiridium and gold in badly constructed and angled sluice boxes was remarked on in early reports.

In addition there was the possibility that deep sections of the river were never worked.

In designing the work program only previously mined areas were targeted. Early reports emphasised large quantities of unworked gravels in perched terraces. These were discounted for environmental reasons.

Further to this point, it was decided to test the gravels using a gravel pump/sluice combination, this being the only method for processing large samples without the necessity for constructing an access road for large machinery.

7. WORK PROGRAM

(i) Reconnaissance. Two one day examinations of the area were carried out by Rodger Poltock with the object of determining a suitable access route and to get a general impression of the licence area.

(ii) In early December a walking track was cut by contractors from close to the Savage River - Waratah Road to the Savage River near its junction with the 19 Mile Creek. For most of its length, it followed an old track. Only undergrowth and occasional lateral growth were removed.

(iii) First sampling program. This was carried out over three weeks by a two man team using a small 4" capacity dredge.

The Savage River gravels were sampled at four points - the mouth of the 19 Mile Creek and 100, 700 and 900 metres below the same.

These samples were deliberately sited in positions favourable to the deposition of heavies.

This dredge processed 100 kilograms per hour and at the four sites averaged a recovery of osmiridium of 0.3 grams/hour indicating a grade of 3 grams/tonne.

At this stage, a brief assessment of the possible maximum volume of gravel in the Savage River within the licence area was carried out and it was concluded with some surprise that there was no likelihood of there being more than 10 - 20,000 cubic metres, most of the riverbed being exposed bedrock.

Despite this potentially low maximum volume of gravel the result from the initial sampling program indicating high grades was sufficiently encouraging for a decision to continue sampling on a larger scale to be made.

(iv) Second sampling program. A 6" dredge was used in this program, capable of 10 times the throughput of the 4" dredge.

Numerous problems were experienced during this program due to flooding of the river and mechanical breakdowns and caused the program to be extended to six weeks.

Seven sites were sampled. These sites were in representative, non-biased positions and recorded an average grade of 0.5 grams/tonne, a six fold reduction from the grade obtained in the initial program.

This result demonstrates the absolute necessity of large samples when assessing alluvial grades.

Considering the low volume of gravel this grade was considered to be uneconomic.

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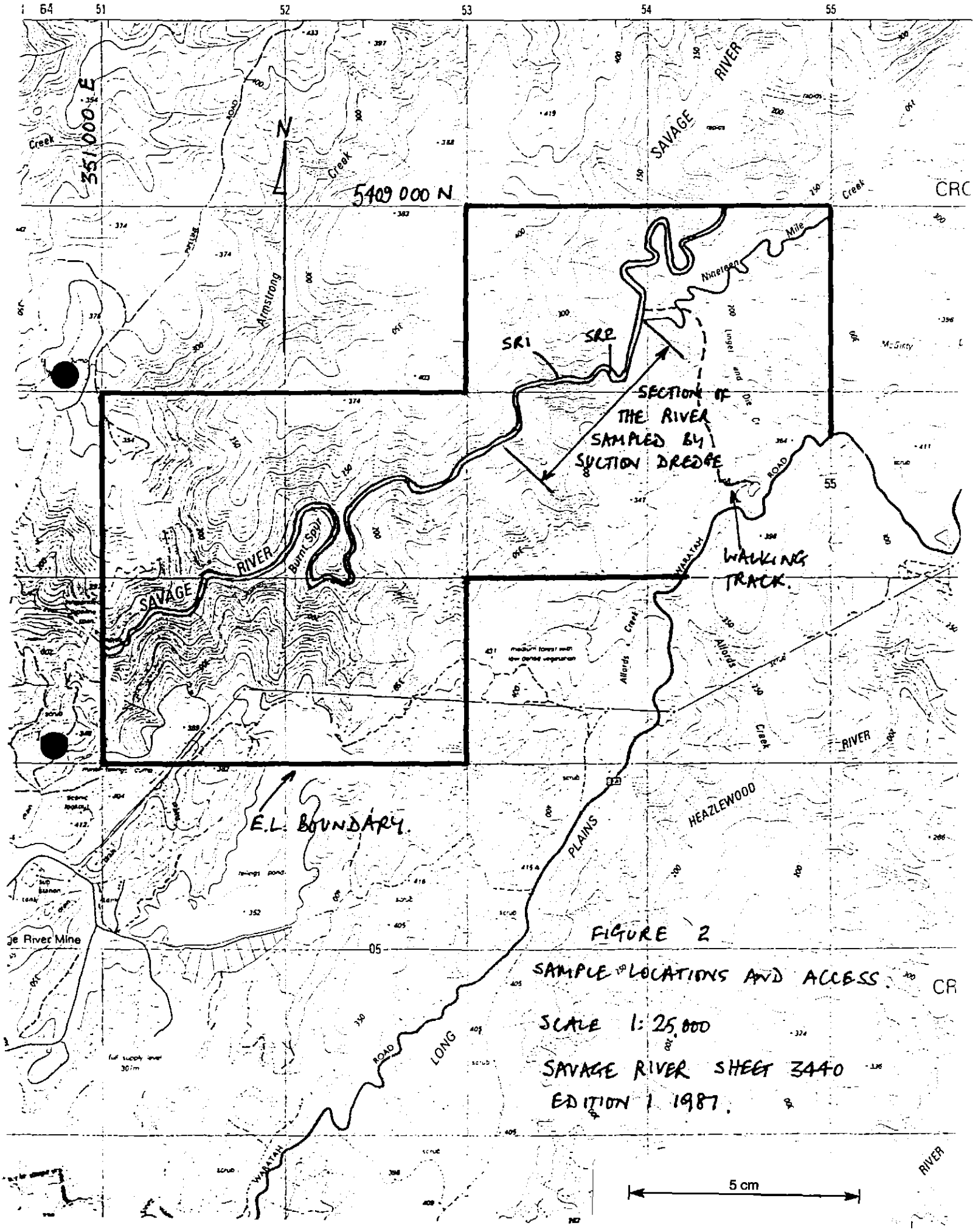

FIGURE 2

SAMPLE LOCATIONS AND ACCESS.

SCALE 1: 25,000

SAVAGE RIVER SHEET 3440

EDITION 1 1987.

As a final attempt to discover 'pay-dirt', a deep section of the river with a water depth in excess of two metres (during a dry period) was sampled. The gravel bottom was found to be loose and clay poor indicating previous working and to cap it all, on exposure of the bedrock a crevice traversing the river was found to be packed with clay and hessian sacking. Hence the possibility that sections of the river with deep water are unworked must be discounted, a tribute to the ability and determination of the miners of the Savage River.

8. GEOCHEMISTRY

At two sites sluice concentrates were preserved after removal of native osmiridium and gold and submitted for analysis.

This procedure was designed to check for the possibility of osmiridium encased in Chromite grains being present at a high concentration.

The results indicate that this is not so though two samples should not be seen as anything but indicative.

9. REFERENCES

1. Geological Survey Bulletin No. 17. The Bald Hill Osmiridium Field. W.A. Twelvetrees.

APPENDIX 1

CHROMITE CONCENTRATE ASSAY RESULTS

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GENALYSIS LABORATORY SERVICES PTY. LTD.

LABORATORY REPORT

17 DAVISON ST. MADDINGTON, W.A. 6109. P.O. BOX 144 GOSNELLS W.A. 6110
TELEPHONE (09) 459 9011, 459 2272. TELEX: GLS 96166.
FAX: (09) 459 5343.

KALGOORLIE SAMPLE PREPARATION DIVISION 12 KEOGH WAY KALGOORLIE W.A. 6430
P.O. BOX 388 KALGOORLIE W.A. 6430 TELEPHONE (090) 21 2881.
FAX: (090) 21 3476.

JOB INFORMATION

JOB CODE	:202.0/900440
NO. SAMPLES	:2
ELEMENTS	:16
CLIENT O/N	:LETTER
DATE RECEIVED	:14/02/90
DATE COMPLETED	:27/02/90

LEGEND

'X' = LESS THAN DETECTION LIMIT
'N/L' = SAMPLE NOT RECEIVED
'*' = RESULTS CHECKED
'( )' = RESULTS STILL TO COME
'I/S' = INSUFFICIENT SAMPLE FOR ANALYSIS
'E6' = RESULT x 1,000,000

COMMENTS : ATTENTION : ....
COMMENTS : CONC....

PLEASE NOTE:

COARSE REJECTS AND PULPS WILL BE STORED FOR 60 DAYS WITHOUT CHARGE. AFTER THIS TIME ALL COARSE REJECTS AND PULPS WILL BE STORED AT A RATE OF $1.20/cubic metre/day UNTIL YOUR WRITTEN ADVICE REGARDING COLLECTION OR DISPOSAL IS RECEIVED. EXPENSES RELATED TO THE RETURN OR DISPOSAL OF SAMPLES WILL BE CHARGED TO YOU AT COST.

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SAMPLE PREPARATION DETAILS

SAMPLE STATE(S) & SAMPLE PREPARATION(S)

(1.20Kg)DR,SSMG

Abbreviations used for Preparation codes :

CP	: Course Pulverise	CR	: Crush	DR	: Dry
CUT	: Diamond Saw Cut	FP	: Fine Pulverise	HM	: Hammer Mill
SSMG	: Single Stage Mix & Grind	MS	: Mix & Split	O	: Other
NR	: Not Required	QTZ	: Quartz Clean Between	COMPS	: Composite
2X	: Two Splits				

Abbreviations used for Sample States :

CONC	: Concentrates	COST	: Costeans	CRJCT	: Coarse Rejects
D/CHIP	: Drill Chip	D/CORE	: Drill Core	D/CUT	: Drill Cuttings
HMC	: Heavy Mineral Concentrates	PERC	: Percussion Chip	PISLIT	: Pisolite
RC	: Reverse Circulation	R/CHIP	: Rock Chip	SOLN	: Solutions
SOLN	: Solutions	STRSED	: Stream Sediments	UNSPEC	: Unspecified
V/CHIP	: Vacuum Chip	V/DRIL	: Vacuum Drill	XCRJCT	: Ex Coarse Rejects

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ELEMENTS	Cr	Fe	Au	Au-Rp1	Ru	Ru-Rp1	Rh	Rh-Rp1	Os	Os-Rp1	Ir
UNITS	%	%	ppb	ppb	ppb	ppb	ppb	ppb	ppb	ppb	ppb
DETECTION	0.01	0.01	5	5	2	2	1	2	2	2	2
METHOD	D/OES	D/OES	NIS*M	NIS*M	NIS*M	NIS*M	NIS*M	NIS*M	NIS*M	NIS*M	NIS*M
SAMPLE NUMBERS											
1 SR1	33.00	15.00	X		58		10		16		16
2 SR2	39.00	16.00	9400	15500	5600	5300	245	248	29500	32900	30000
Ch.0001(SR1)	34.00	16.00	X		56		10		18		20
STD: SARM 7.2			60		90		45		14		18
STD: PC01A		12.50									
STD: SARM8	34.80										

012

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ELEMENTS	Ir-Rp1	Pt	Pt-Rp1	Pd	Pd-Rp1
UNITS	ppb	ppb	ppb	ppb	ppb
DETECTION	2	2	2	2	2
METHOD	NIS*M	NIS*M	NIS*M	NIS*M	NIS*M
SAMPLE NUMBERS					
1 SR1		32		%	
2 SR2	28500	2050	2490	4	2
Ch.0001(SR1)		29		%	
STD: SARM 7.2		700		300	
STD: PC01A					
STD: SARM8					

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