

Cuttack

MINING & EXPLORATION N.L. (Incorporated in Tasmania)
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REPORT on EXPLORATION

exploration lease no. 53/89

Alberton - Dan Rivulet area N.E. Tasmania

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Purpose of the Exploration Licence

This exploration licence was acquired in order for the Company to endeavour to ascertain potential in the area for:-

1. additional small high-grade reef systems such as to warrant expenditure on one central Processing Plant based on the current known reef material at O'Briens, and held under ML 51N/72.
2. Possible low-grade deposits of surficial material that could warrant heap leach, CIP or other treatment and which might also be combined with extraction of reef material from O'Briens.
3. to assess the potential for discovery of geological anomalies by combination of magnetometer data and satellite data with signatures offered by existing known reef localities, and thereby to ascertain the structure of the gold-bearing area in the north-east region as a whole.

Work Program and conclusions

1. Data were obtained from two main sources:

Tasmanian Department of Mines aero-magnetic survey of the area.

Landsat satellite data 7-band thematic mapper.

Analysis of these in combination with ground magnetometer readings taken across the known auriferous reef areas determined only that the broad magnetic variations in the locality are extremely complex and relate principally to the presence or absence of sub-basic igneous material; principally Jurassic dolerites and to the granitic masses.

The hand held magnetometer responded erratically to transverse of known reef linearities and was considered incapable of utility as a means of locating possible reef material.

2. All the known gold reef localities in the region were explored for structural evidence and assay samples taken. Attempts to locate details of previous assay work were not successful. Assays of all such material revealed the presence of small Au fractions from old workings but no significant leads such that would warrant further expense.

3. Disappointing results were also obtained from soil samplings with no indication of accumulations of gold in the surficial materials other than directly below old head workings and the like. These could be attributed to waste material from the time of working of the mines.

4. Attempts were also made to cross-correlate structural information from drill cores on Mining Lease ML51/72 (O'Briens) with observed structures in old drives and shafts on the other reef localities. These were unsuccessful with the only conclusion being again that the geology of the Mathinna beds is not conducive to consistent quartz vein occurrences.

Assays of drill stems at O'Briens also suggest that gold infusion into country rock in the Mathinna beds is extremely limited; values in host rock are typically .0001 g/t Au until the reef is approached within one meter where the assay values rise to an average of around 0.90 g/t Au. The conclusion is therefore that the only economic material in the region is that which constitutes quartz vein and carries gold at an average of 10.03/t or better.

0.1 ppb ?!

That such material exists there is evidence from O'Briens, but the location of sufficient such material is likely to require extensive high-risk drilling.

Costs of Program

Map and data acquisition	1350.00
On-site exploration	6500.00
Assays and related	2000.00
Overheads and Professional consultancies	2500.00

Reference:

It may be of interest to note the results of the detailed assay work carried out by:

Threader, U.M. Diamond and churn drilling in the Dans Rivulet valley, Tasmania Department of Mines, Unpublished Report 1987/54.

The current exploration Program did not attempt to investigate the possibility of a deposit of alluvial tin as indicated in this report. The current world outlook for tin has limited any interest in this regard, but future exploration in the region should pay some regard to this report.