

TASMANIA MINES LIMITEDEXPLORATION LICENCE 17/68RELINQUISHMENT REPORT - MARCH 1991T A B L E O F C O N T E N T S

	PAGE NO
1. INTRODUCTION/SUMMARY	1
2. TENEMENT SITUATION	2
3. HISTORY - EXPLORATION PHASES	3
4. GENERAL SUMMARY - EXPLORATION	4
4A. Regional Geology	4
4B. Exploration Objectives	4 - 5
4C. Type of Work Completed	5 - 6
5. REVIEW - RELINQUISHED AREA	7
5A. Location	7
5B. Geology - Exploration Work	7 - 8
6. BIBLIOGRAPHY	9 - 13
FIGURE NO 1 - TASMANIA MINES LIMITED TENEMENT SITUATION	
PLAN NO 1/91 - KARA PROPERTIES EL 17/68 GEOLOGY SCALE 1:10,000	

1. INTRODUCTION/SUMMARY

Exploration Licence 17/68 covering 14km² south of Hampshire, NW Tasmania expired on 3 November 1990.

Prior to that date, Tasmania Mines Limited applied for a RETENTION LICENCE over a selective area of 8.15km² of this EL licence area, and relinquished tenancy of the remainder of the area previously covered by the licence.

This report documents and summarises the nature and results of exploration work carried out in the area relinquished.

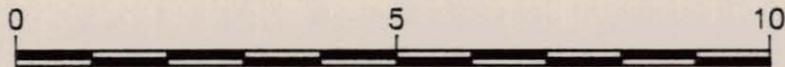
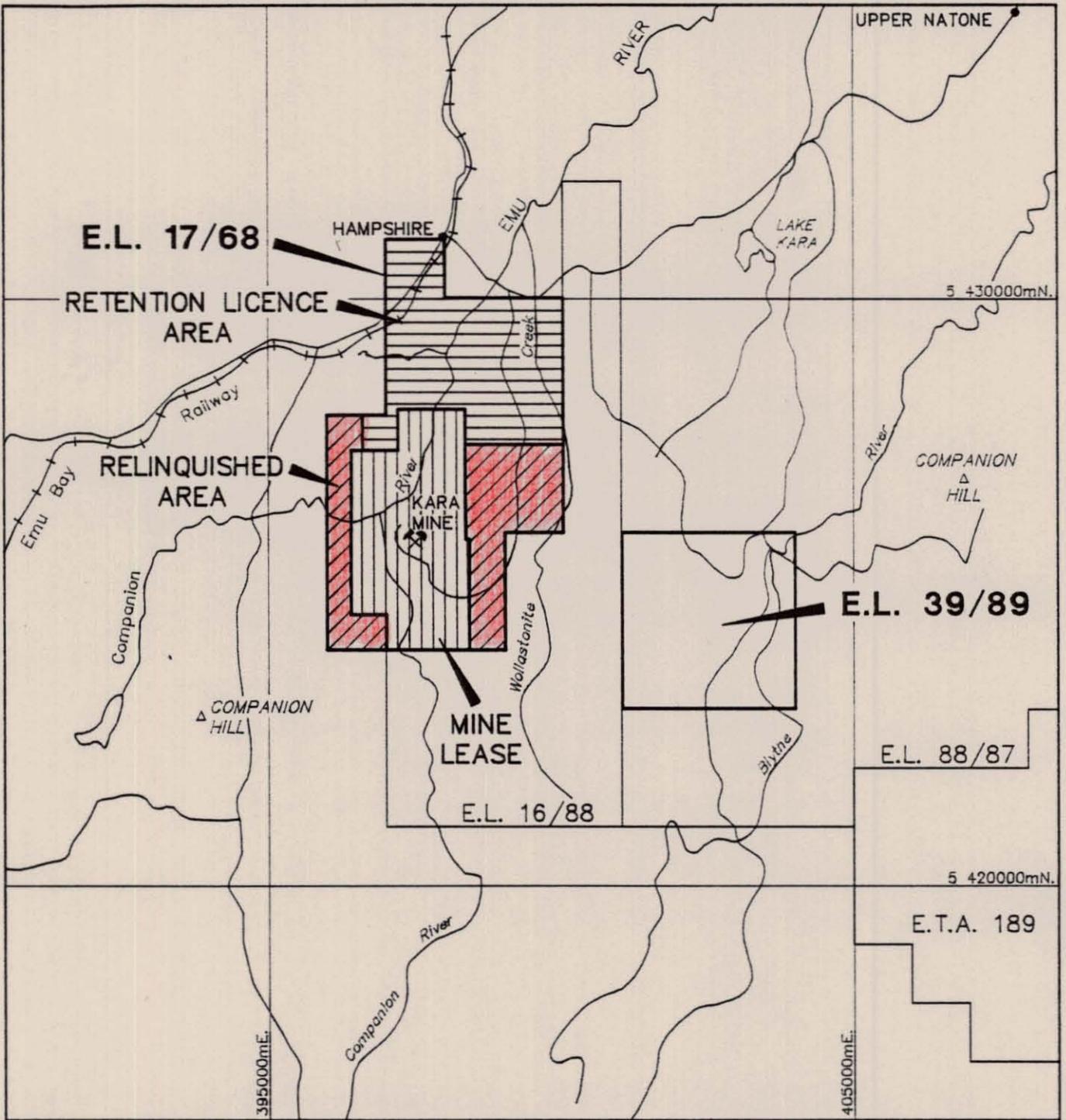
2. TENEMENT SITUATION

Exploration Licence 17/68 was first granted on 4 November 1968, and originally covered an area of 599km² centred around the magnetite deposits of Kara No 1 and Kara No 2.

Over the years, the licence area changed remarkably with the following reductions, and enlargements (by incorporating other licences).

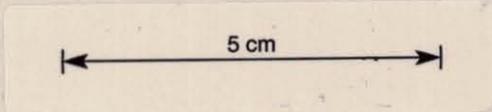
- On 4 May 1970, reduced to an area of 484km²
- On 4 Nov 1971, enlarged to an area of 630km²
- On 4 May 1973, reduced to an area of 425km²
- On 4 Nov 1975, reduced to an area of 150km²
- On 4 May 1977, reduced to an area of 75km²
- On 4 Nov 1987, reduced to an area of 21km²
- On 4 Nov 1990, reduced to an area of 14km²

During the final 3 year period of tenancy as an exploration licence, EL17/68 had been further reduced by converting part of the area around the Kara No 1 tungsten mine to a mining lease (Consolidated Mining Lease No 1371 P/M - 722 hectares) and also by successfully applying for an area of 8.15km² to be covered by a RETENTION LICENCE. The balance of the area - which is outlined in red on the accompanying Plan No 1/91 and Figure No 1 - was available for relinquishment.



SCALE 1:100,000

TASMANIA MINES LIMITED



3. HISTORY - EXPLORATION PHASES

The area relinquished formed part of a much larger area which was examined and investigated by the following parties.

- EL17/68 was originally granted to W.S. (Bill) Singline on 4 November 1968, and the ownership of the licence transferred to the name of Tasminex NL on 4 August 1969.
- Tasminex NL were the sole operators during the period 1969 to 1971 and 1974 to 1977.
- During 1971 to 1974, the operators of the area were Tasminex NL and ANZECCO in a joint venture arrangement. Anzecco were managers of the project, and were primarily interested in the tungsten potential of the EL area.
- During 1977 to 1985, exploration activities were again conducted under another J.V. arrangement between Tasminex NL and McIntyre Mines (Australia) Pty Ltd, with priority interest again centred around the areas tungsten potential.
- From 1985 onwards, the licence area has solely been under the jurisdiction of Tasminex NL/Tasmania Mines Ltd with the main interest centred around an evaluation of the areas tungsten, magnetite and wollastonite potential.

4. GENERAL SUMMARY - EXPLORATION

A general review of the regional geology, exploration objectives and work completed within the EL17/68 licence, including the area relinquished, is presented below.

4A. Regional Geology

Within the Kara district, sediments of Cambrian and Ordovician age have been intruded by Devonian/Lower Carboniferous granite members of the Husetop granite intrusive.

Within the contact aureole of the Kara granite stock, calcareous units of the Ordovician Transitional Series have been extensively metamorphosed/metasomatised resulting in the development of a number of magnetite skarn bodies. Some of these deposits contain good quality magnetite (Kara No 1, Kara North, Companion Skarn) and economic concentrations of scheelite mineralisation (Kara No 1, Kara North, Location L5, Kara South and Eastern Ridge).

The Kara No 1 tungsten deposit was originally developed by Tasminex NL in 1977 and is currently mined at the rate of 130,000 tonnes per annum.

4B. Exploration Objectives

W.S. Singline/Tasminex NL originally acquired EL17/68 to assess the potential of known magnetite resources at the Kara No 1 and Kara No 2 locations.

The 1971-74 Anzeco/Tasminex J.V. had the sole objective to locate and prove a viable tungsten deposit, or deposits, within the EL area.

The subsequent 1977-85 McIntyre Mines/Tasminex J.V. was again involved primarily with tungsten, the priority being to assess the economic viability of the open-pit mine development of the Kara No 1 and Kara North deposits. In conjunction the tungsten potential of other magnetite skarns identified within the licence area was extensively investigated.

Since 1985, Tasmania Mines Ltd have not only attempted to investigate the known tungsten and magnetite resources of satellite skarns around the Kara No 1 mine, but also extensively examined the wollastonite, tin and gold potential.

4C. Types of work completed

During 1971 - 74, ANZECO completed two types of work - namely REGIONAL EXPLORATION of the entire licence area (630km²), this work being reconnaissance geological mapping, regional pan concentrate sampling and airborne magnetics/radiometrics, plus DETAILED INVESTIGATIONS of known skarn zones of anomalous tungsten areas by trenching, drilling, mapping, extensive sampling, ground magnetics and bulk sample bench test work.

During 1977-85, McINTYRE MINES operating within a more reduced area of 75km² concentrated upon EVALUATION WORK of the Kara No 1 and Kara North deposit, this work involving reserve/resource definition, detailed metallurgical test work, mine planning/engineering studies and marketing assessments. More direct EXPLORATION work was carried out within the "outside sections" of the EL area, and this involved both detailed surface investigations and extensive "reconnaissance" diamond drilling programmes. Subsequent infill or evaluation drilling was carried out at four WOs bearing skarn zones within the EL - at Kara South, Eastern Ridge, Western Limb and Location L5.

During the final term of the EL, Tasmania Mines Ltd have continued both surface exploration work and drilling programmes (eg WOs exploratory drilling between Eastern Ridge and Location L5, north of Kara North and the Companion Skarn; magnetite exploratory drilling at Kara No 2, the Companion Skarn and Kara North; plus wollastonite drilling at the Limestone Creek area.

All the above exploration work within EL17/68, including the relinquished area in question has been systematically documented in the periodic (monthly, quarterly, bi-annual and annual) Department of Mines reporting requirements, and by means of Company "in-house" reports.

All relevant reports applicable to the EL17/68 exploration work are documented in the bibliography.

5. REVIEW - RELINQUISHED AREA

5A. Location

The EL17/68 relinquished area consists of two narrow tracts of land situated along the western and eastern margins of the Tasmania Mines Ltd Consolidated Mining Lease 1371 P/M covering the Kara No 1 tungsten/magnetite mine and satellite ore deposits.

5B. Geology/Exploration Work

The western strip of relinquished land extends for a N-S strike distance of 4kms and varies in width from 350m to 1,000m. All the ground except for the northern and south-eastern extremities are comprised of Devonian Granite forming part of the "Ringwood Granite" - a stock like intrusive of the main Housetop granite mass. At the N and S extremities, Cambrian sequences are exposed consisting chiefly of and volcanics and hornfels. One calcareous horizon within these sequences has been metamorphosed to a narrow skarn horizon known as Location L12. Detailed surface examinations of this skarn revealed no significant tungsten anomalism. The W strip has been geologically mapped and the drainage thoroughly investigated by pan concentrate geological sampling - this work primarily being undertaken by Anzeco (1972-1973). The area was likewise examined by McIntyre Mines (1978) when they completed detailed grid surveys across the Ringwood Granite (geol mapping, U.V. lamping, ground magnetic surveys, power auger drilling and sod sampling).

The eastern strip of ground extends for a distance of 3.5km along the east margin of 1371 P/M, and varies in width from 500m to 1,500m. Except for the north-western portion being masked by Tertiary basalt, the remainder of the ground is occupied by Ordovician Moina Sandstone and the Limestone Beds. Again all the drainage of this area was extensively sampled (pan concentrates) by Anzeco (1972-73) and thoroughly geologically mapped and ground magnetically surveyed by McIntyre Mines (Australia) Pty Ltd (1980-84).

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Since 1985, Tasmania Mines Limited included this area in part of their regional search for strike extensions of possible wollastonite mineralisation south of the known Limestone Creek deposits. Tertiary basalt cover severely downgraded this potential.

With the exception of Location L12 no zones of mineralisation or anomalism were encountered within either the eastern or western sections of the relinquished EL area.

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2.	4 Feb 1978	-	5 May 1978
3.	5 May 1978	-	4 Aug 1978
4.	4 Aug 1978	-	4 Nov 1978
5.	4 Nov 1978	-	4 Feb 1979
6.	4 Feb 1979	-	4 May 1979
7.	4 May 1979	-	4 Aug 1979
8.	4 Aug 1979	-	4 Nov 1979
9.	4 Nov 1979	-	4 Feb 1980
10.	4 Feb 1980	-	4 May 1980
11.	4 May 1980	-	4 Aug 1980
12.	4 Aug 1980	-	4 Nov 1980
13.	4 Nov 1980	-	4 Feb 1981
14.	4 Feb 1981	-	4 May 1981
15.	4 May 1981	-	4 Aug 1981
16.	4 Aug 1981	-	4 Nov 1981
17.	4 Nov 1981	-	4 Feb 1982
18.	4 Feb 1982	-	4 May 1982
19.	4 May 1982	-	4 Aug 1982
20.	4 Aug 1982	-	4 Nov 1982
21.	4 Nov 1982	-	4 Feb 1983
22.	4 Feb 1983	-	4 May 1983
23.	4 May 1983	-	4 Aug 1983
24.	4 Nov 1983	-	4 Feb 1984
25.	4 Feb 1984	-	4 May 1984
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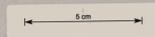
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91-3253.

-  RETENTION LICENCE APPLICATION AREA
-  EXISTING E.L. 17/68
-  RELINQUISHED AREA E.L. 17/68
-  CONSOLIDATED MINING LEASE 1371 P/M
-  EXPLORATION LICENCE 39/89



SCALE: 1:10,000

DATE: Oct, 1990



SCALE 1:10000

GEOLOGY		REFERENCE	
RECENT	Alluvium	River	
TERTIARY	Basalt	Creek	
	Gneiss and quartzite	Road	
DEVONIAN	Granite	Track	
	Limestone	Top Bench	
	Sandstone with calcareous nodules	Geological Boundary	
	Sandstone and quartzite		
	Gneiss and quartzite		
WERNFELS GROUP	Amphibole		
	Acid volcanic		
	Basalt gneiss		

Base Map enlarged from 1:50,000 Major M.T.M. Sheet 803 & Area. Photographs

