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## 1. SUMMARY

Exploration Licence 9/84 covers an area of 27 square kilometres near Lynchford, south of Queenstown. It is held by Montroyal Mining N.L., a wholly owned subsidiary of Goldstream Mining N.L. and is explored in joint venture with Titan Resources N.L.

\$515,000 has been spent on the Licence area, principally in the last five years, on a systematic sequence of exploration programs with the objective of locating gold deposits in a geological environment previously not widely regarded as having high mineral deposit potential on the basis of traditional Tasmanian geological thinking.

This innovative exploration succeeded in defining a series of three major gold-arsenic anomalies occurring in a sequence of structurally deformed lower Palaeozoic sediments.

The southern most of these anomalies, known as the Coupon Deposit, has subsequently been explored in greater detail, culminating in an RC drilling program, and two programs of core drilling in the past 18 months.

Results of these drilling programs have been encouraging, particularly those of hole LYN 004 completed in February of this year, which intersected a 70m zone of intensely leached, limonitic sandstone which was generally Au and As anomalous. Two intervals which assayed 8m 1.24g/t Au and 5.5m 0.75 g/t Au possibly correlate with similar intersections obtained in previous RC drilling and surface sampling programs.

As a result of this recent exploration, the **Coupon area is considered to have high potential for the development of fine grained sediment hosted gold deposits - a geological model not previously recognised in Tasmania.**

During the next year, it is proposed to further evaluate this potential by undertaking the following programs:

- deeper core drilling the Coupon deposit
- shallow non-core drilling the Coupon deposit and its likely strike extensions.

This work will cost approximately \$212,000 and take four months to complete.

If results of these Coupon programs are encouraging, it is further proposed (also during the next 12 months) to undertake a helicopter supported drilling program on the other two major Au-As anomalies north of Coupon, costing an estimated \$53,000.

To facilitate such substantial further evaluation of this new discovery, the joint venture partners should apply to Mineral Resources Tasmania for a special extension of the Exploration Licence, over the eastern 10 square kilometre section of the current area.

It is recommended that the remainder of the EL be relinquished.

## 2. INTRODUCTION

Traditional exploration in western Tasmania has been directed principally at the base metal potential of the Mount Read Volcanics and the tin - tungsten deposits associated with Devonian granitic intrusions.

It is only in recent years that an increasing, but still small, effort has been directed towards the search for gold deposits. Conceptualisation of new and different deposit models has been slow to evolve in the shadow of traditionalist thinking. Even the discovery of the Henty deposit has not stimulated a major gold exploration push.

Montroyal Mining N.L., a wholly owned subsidiary of Goldstream Mining N.L., was in many respects, a pioneer in Tasmania in the search for gold deposits occurring in environments which did not conform to traditional geological thinking.

Over a ten year period, Goldstream (recently in association with Titan Resources N.L.) has persevered with a gold search program on EL 9/84 at Lynchford, in a sedimentary environment which few would have considered to have significant gold potential. This perseverance has recently been rewarded with several very encouraging drill hole intersections which clearly point to the substantial gold potential of this new environment.

### 3. LAND TENURE AND CLASSIFICATION

EL 9/84 was granted to Trikon International Pty. Limited on 18 July 1984, in respect of a 56 square kilometre area south of Lynchford near Queenstown.

It was transferred to Montroyal Mining N.L., a wholly owned subsidiary of Goldstream Mining N.L., in October 1987. Montroyal subsequently reduced the area to 27 square kilometres in May 1989.

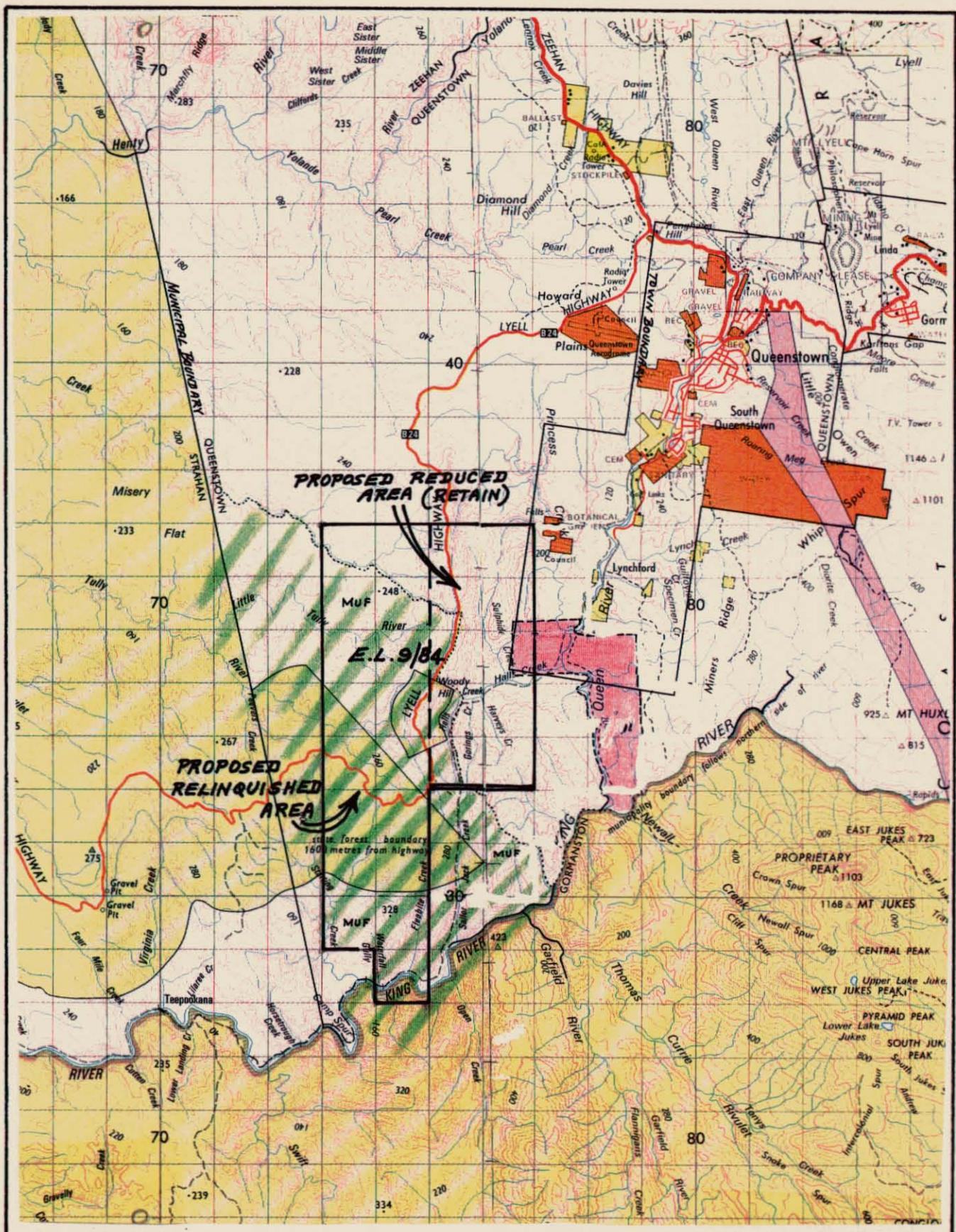
In 1993, Goldstream entered into a Joint Venture agreement with Titan Resources N.L. to fund further substantial exploration work on EL 9/84.

Latest Annual Reports and Company profiles of Goldstream and Titan are attached as Appendix A.

The current Licence is 10 years old on 18 July 1994 and as such is due for relinquishment.

However, in view of the fact that a significant discovery has been made on the Licence area in the final years of tenure, application will be made to extend tenure over a 10 square kilometre area to enable this discovery to be further evaluated by way of substantial exploration programs.

The proposed reduced Licence area for special extension is shown on Figure 2.



- Uncommitted Crown Land admin. by Dept. Environment and Planning
- Land administered by Hydro Electric Commission
- Multiple Use Forest Land/State Forest admin. by Forestry Comm.
- Conservation Area admin. by Dept. Parks, Wildlife, Heritage
- Crown Reserve admin. by Dept. Environment and Planning

**NEWHAM EXPLORATION AND MINING SERVICES**

**E.L. 9/84**

**TITAN - GOLDSTREAM**

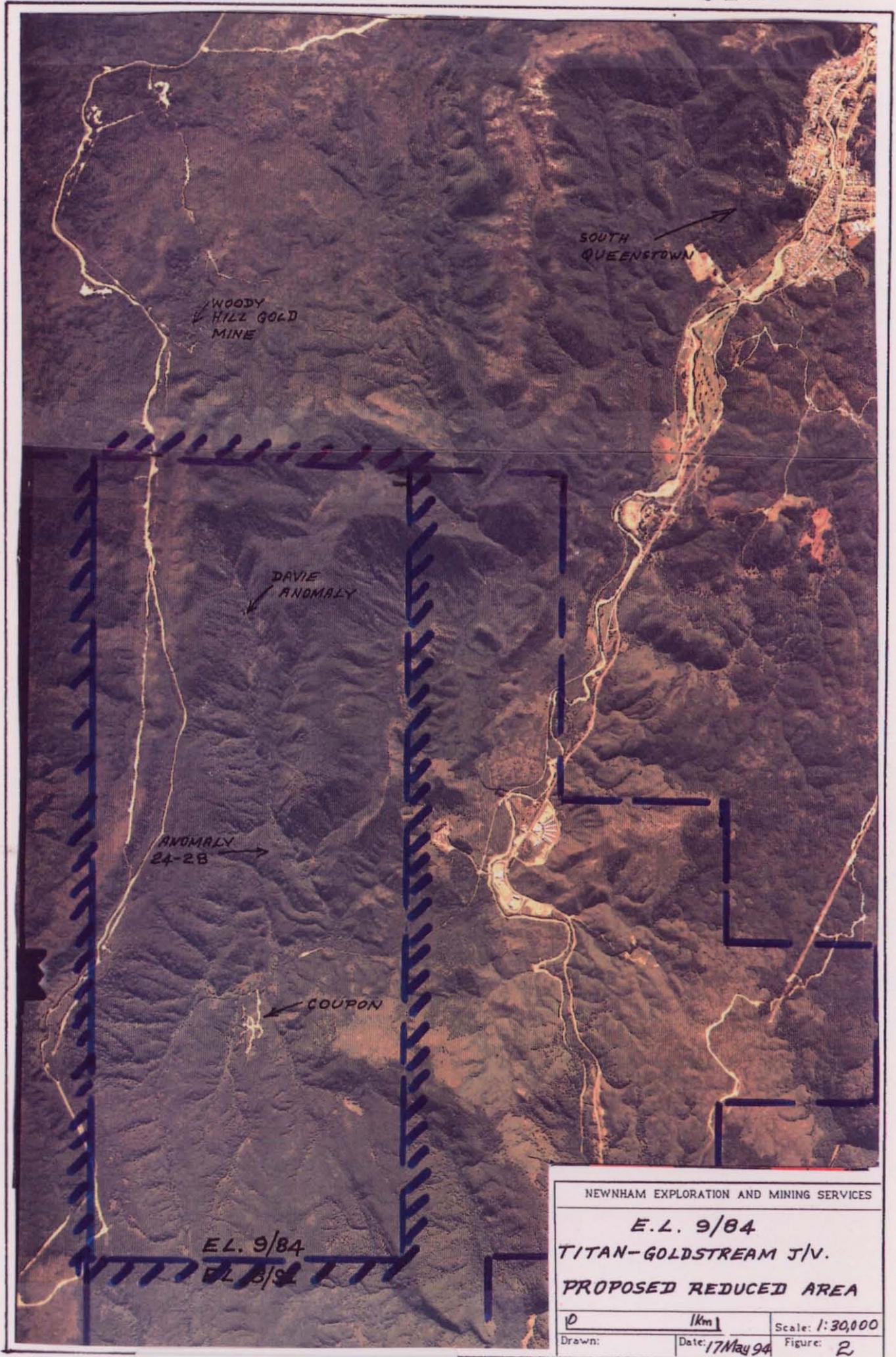
**LOCATION and LAND CLASSIFICATION**

DRAWN	L.A. Newham
TRACED	
DATE	27 APR 94
SCALE	1: 100,000

0 1 6km

5 cm

**Figure 1**



5 cm

## 4. PREVIOUS EXPLORATION

Exploration on the area now covered by EL 9/84 has taken place over two widely spaced periods:

- 1890 to 1920:** A period of early prospecting and production by way of shallow adits and shafts.
- 1965 to Present:** Contemporary exploration by various organisations including Pickands-Mather, EZ., Trikon, Cyprus, Perilya-Noranda and Montroyal (Goldstream) - Titan.

This work included various geological mapping, geochemical, geophysical and drilling programs.

### 4.1 Early Prospecting Work

Following discovery of the Mt. Lyell deposits in the 1880's, prospecting of the general Queenstown area for gold and base metals was intense. This work was facilitated and encouraged in the current Licence area south of Lynchford by the completion of the railway between Strahan and Queenstown.

Alluvial gold was panned in many of the streams in the Lynchford area, and rapidly traced back to prospective source rocks, which were further explored and tested by shallow shafts and tunnels.

Records of this work are uncharacteristically poor but the approximate locations of the principal workings are shown on Figure 5.

Main data sources on these workings are:

- Queenstown 1:50,000 metallogenic map.
- Secretary of Mines Quarterly Reports 1894-1913.
- Mine plans held at DMMR, Hobart.

**Woody Hill Gold Mine** (1,2) adjacent to the Harvey's Creek Fault immediately north of EL 9/84, was worked intermittently from 1887-1907. Recorded production was 4.6kg. gold from 265 tonnes ore at an average recovered grade of 17.6 g/t, produced from two adits driven WSW on narrow quartz veins in Florence and Crotty Quartzites. Green (1) suggested the mineralisation might represent material remobilised from deposits in underlying Cambrian rocks.

The **Davie Workings** (2) approximately 1.25 kilometres south of Woody Hill along the Harvey's Creek Fault consisted of several shafts and adits developed on quartz reefs which produced encouraging assay

results of up to 14 g/t gold at surface. From the brief records, these workings appear substantial and have probably not been re-located by the contemporary exploration work.

The **Coupon Workings** (2) lie south of the Davie Workings, a further three kilometres along the Harvey's Creek Fault. At least six tunnels together with shafts and winzes have prospected auriferous limonitic zones crosscutting a prominent north-south ridge between Harvey's and Gorings Creek.

Little is recorded about these workings. However in 1913, 32 tonnes were mined at an average grade of 12 g/t gold.

The **Rinadeena Reward Claim** was prospected for antimony (2,3). An adit was driven 120m, largely in black pug, from which samples containing stibnite nodules were obtained.

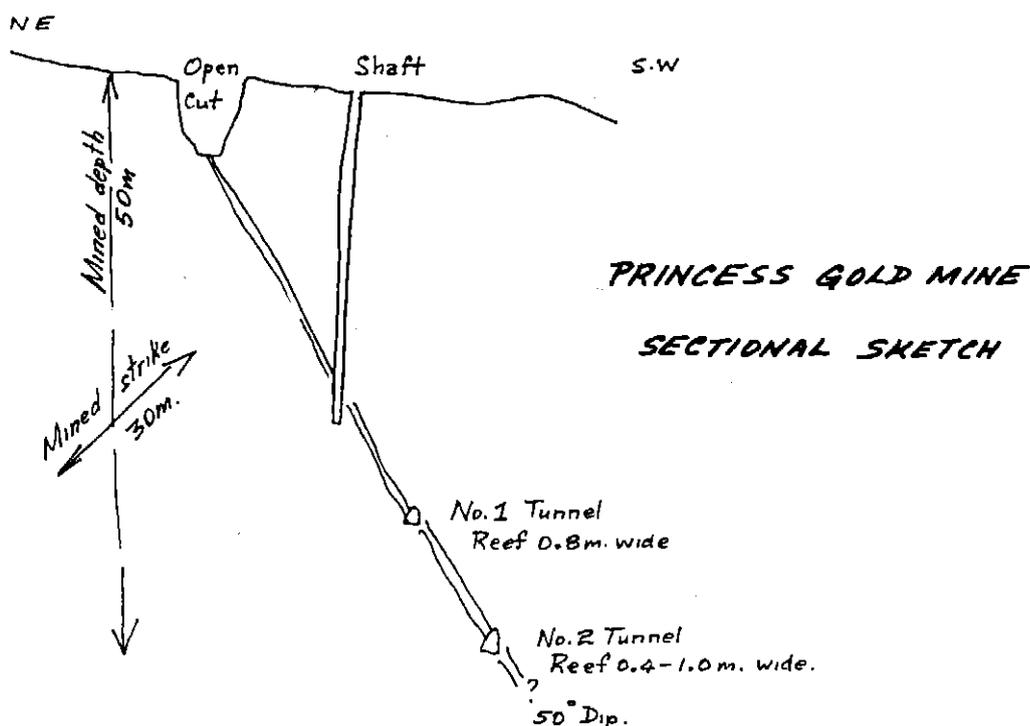
The exact location of this adit is not known but it was described as being near Halls Creek at the saddle of the Abt railway. The fact that it was in black pug and cavernous ground suggests to this writer that there is little doubt it was driven in limestone, probably on the western flank of the Coupon Anticline in the vicinity of Gorings Creek.

Because the stibnite was high in lead, it was virtually unsaleable in those days, so development work was not persisted with. However, the presence of antimony in calcareous rocks is of great significance in evaluating this region for sediment hosted gold mineralisation.

The **May Gold Mine** (DMMR Mine Dwg. 117,2,4) lies immediately north east of EL 9/84 and adits at two levels were developed on quartz veins striking 106° (mag) in Silurian - Devonian quartzites. In 1904, 52 tonnes quartz were mined at an average grade of 16 g/t gold.

The **Princess Gold Mine** (DMMR Mine Dwg. 205-01) was developed on a quartz reef striking south east, dipping approximately 50° south west in Ordovician sediments striking north east and dipping north west. The reef was 0.5-1.0m wide and was developed by a shallow open-cut, shallow shaft and two tunnels. It was stoped for 30m strike length over a vertical depth of 50m.

No production records could be found.



No records of the **Lynchford Copper Mine** or the **Lynchford Silver Reward Mine** could be located but it is instructive to note that they are shown on the metallogenic map as occurring in Gordon Limestone.

A thorough search of the archive records of the Mt. Lyell Mining and Railway Co. Limited might reveal information on these mines.

In summary, known former mine workings within and adjacent to EL 9/84 suggest widespread gold and possible base metal sulfides are present in both structural settings and carbonate stratigraphy adjacent to major fault zones.

## 4.2 Contemporary Exploration 1965-91

### 4.2.1 Pickands-Mather 1965-68

In 1965-68, Pickands-Mather International undertook a stream sediment survey through this area as part of a major regional exploration program in western Tasmania. Only those streams cut by the Abt Railway were sampled and assayed for copper, lead, zinc and nickel. No anomalies were defined.

Interestingly, they did define a significant geochemical anomaly in Bell Shales near the Queenstown airport, north of EL 9/84, close to where a number of old gold workings occur. Subsequent grid based soil sampling highlighted several strong arsenic anomalies but it would appear that the anomaly was never explained (5).

#### **4.2.2 Cyprus**

In the early 1970's, the area was covered by EL 47/70 held by Cyprus Mines Corporation. They undertook some regional traverse mapping, but no specific work was undertaken in the current Licence areas. (6,7,8).

#### **4.2.3 Mines Department 1981**

In 1981, the area was the subject of a regional aeromagnetic survey completed by the Department of Mines (9). Two unexplained anomalies were defined south of EL 9/84 (10). These were later examined in detail by Trikon and Norgold respectively.

#### **4.2.4 E.Z.-Trikon 1981-83**

The area currently held as EL 9/84 was acquired in March 1981 as Special Prospecting Licence 806 by Trikon International Pty. Ltd., who entered into a Joint Venture with the Electrolytic Zinc Company of Australasia Limited to further explore the area.

EZ. considered the area had potential for:

- a) vein style tin deposits of the Queen Hill type
- b) disseminated gold deposits of the Carlin type
- c) base metal mineralisation of the Mississippi Valley type.

They undertook some regional mapping, rock chip and stream sediment sampling.

Reports are sparse (11,12) and contain little detailed information.

One interesting aspect of their stream sediment samples was that many of them were tungsten anomalous. This may either reflect an analytical problem or be real. If the results are real, it is significant because a common feature of gold deposits in structurally active sedimentary basins is their tungsten anomalism. However, this writer suspects analytical problems.

SPL 806 was allowed to lapse but was re-issued to Trikon in 1984 as Exploration Licence 9/84.

#### **4.2.5 Norgold (EZ.) 1984-85**

As part of a major exploration effort for Irish style base metal deposits, Norgold acquired EL 31/83 over much of the Eldon and Henty Basins.

Part of EL 31/83 known as "Macquarie", covered the Harvey's Creek-Garfield River Fault extension south from the Coupon Workings on the adjacent EL 9/84.

In order to follow up the southern most of the two unexplained airborne magnetic anomalies defined in 1981 by the Mines Department they established a small 8 kilometre grid, known as the Rinadeena Grid, of five east west lines and one base line.

On this grid area, they undertook mapping, rock, soil and stream geochemical surveys, and ground magnetic surveys (14).

Stream sediment and hand-augered soil sample results were low order. Three rock chip samples were gold anomalous, but re-sampling could only reproduce one of these anomalies. The anomalous results were from sediments and volcanoclastics in the general region of the Harvey's Creek-Garfield Fault zone.

Ground magnetic results were noisy and appeared to suffer from instrument problems.

Geological mapping suggested the aeromagnetic anomaly was caused by a tuffaceous conglomerate unit, probably of the Tyndall Group.

They concluded gold anomalism in the area was due to quartz veining in siliceous sediments.

Norgold was uncertain whether the siliceous siltstones and sandstones outcropping to the west of the fault were Rinadeena Mudstone and Crotty Quartzites (above Gordon Limestone) or Moina Sandstone (below Gordon Limestone).

#### **4.2.6 Trikon 1984-87**

Trikon, initially undertook a stream sediment and reconnaissance mapping program on EL 9/84. A number of gold anomalies were defined in tributaries of Halls Creek (15).

In 1985-86, the source of the northern most of the two unexplained aeromagnetic anomalies defined in 1981 by the Mines Department, which occurred in the south east corner of EL 9/84, was investigated. Grid based mapping, soil geochemistry and magnetics located a small wedge of Cambrian volcanoclastics. Geophysical modelling combined with geological interpretation led to the recognition of the major Harvey's Creek Fault.

In 1986-87, this grid was extended to cover a five kilometre section along the Harvey's Creek Fault Zone (17). Grid lines were widely spaced at 200-1,000m intervals.

This grid was soil sampled at 10 or 20m intervals, with B or C horizon samples taken with either a hand auger where the profile was thin or a Wacker drill where it was thick. In all, 155 samples were collected and analysed for Cu, Pb, Zn, Au, As, Sb.

A number of rock chip samples were also taken.

During the cutting of this grid, the Coupon Mine workings were located and sampled where accessible. A total 180 channel samples over 2m intervals were taken.

The soil sampling indicated several substantial Au-As anomalies adjacent to the Harvey's Creek Fault zone over a three kilometre strike length. The principal anomalies were named the Coupon, 24-28, and Davie anomalies (Figure 5).

Samples of limonitic quartz veined float at line 2400 N/000E assayed 16 g/t Au and 0.44% As. Several rock chip samples near the Coupon workings returned values between 0.11-4.00 g/t Au and generally in the vicinity of 0.1% As. Quartz veined siltstones at 1415N/180W assayed 3.48 g/t Au and 0.62% As.

Sampling of the four main adits produced encouraging results in adits 2,3,4(Figure 7):

Adit 2: 6m 1.4 g/t Au including 2m 3.46 g/t

Adit 3: A broad zone of patchy anomalous gold including 2m 1.84 g/t

Adit 4: 14m 0.28 g/t

All intersections occurred in sheared and veined sediments with high As values.

#### 4.2.7 Cyprus Joint Venture 1988-89

In October, 1987, Montroyal Mining N.L., acquired EL 9/84 from Trikon and subsequently negotiated a joint venture agreement with Cyprus Gold Australia Corporation in May 1988 to continue exploration under the management of Cyprus (18).

Cyprus considered the area had potential for:

- sediment hosted disseminated gold of the Carlin type
- vein styled Beaconsfield gold
- structurally related gold of the Henty type.

Cyprus undertook the following major works programs:

- a) infilled the Harvey's Creek Fault grid, and completed further soil and rock chip sampling programs. In total, 600 hand augered soil, 31 bedrock Wacker and 41 rock chip samples were collected.
- b) constructed 800m of drill access roads on the Coupon Workings, which were mapped and chip sampled.
- c) completed 13 reverse circulation drill holes totalling 737m and ranging in length from 25-82m
- a) **Grid based soil and rock sampling** confirmed and detailed the existence of the three major Au-As anomalies indicated by previous surveys along the Harvey's Creek Fault zone (Figure 5)

The Coupon Anomaly (Figure 6) extended over a 400m x 150m area with soils generally in excess of 0.1 g/t Au and 100 p.p.m As. Float samples assayed up to 21 g/t Au and chip samples from outcrop to 2.5 g/t Au.

Anomaly 24-28 (Figure 6) was gold anomalous over 250m x 50m with values to 0.24 g/t and arsenic anomalous over 400m x 75m with values to 460 p.p.m. Limonitic float assayed up to 16 g/t Au and 0.44% As.

Davie Anomaly was gold anomalous over 250m x 75m with values to 0.07 g/t and arsenic anomalous over 400m x 100m with values to 0.56% As. Outcrops assayed up to 0.76 g/t Au and 0.65% As and selected samples from the old workings assayed 14 g/t Au.

- b) **Systematic sampling and mapping of the drill access roading** over the Coupon anomaly highlighted widespread anomalous gold and arsenic in intensely fractured and veined

sediments. Often, but not always, anomalism was associated with limonitic weathering, probably after pyrite and arsenopyrite.

Of particular interest is the high grade zone along roads in the vicinity of Line 15N, where most five metre samples assayed in excess of 1 g/t Au and up to 2.5 g/t. (Figure 7).

- c) **The reverse circulation drilling program** was hampered by technical and ground condition problems and few of the holes reached their target depths. However, several significant gold and arsenic anomalous intersections were obtained (Figure 7,8).

Because stratigraphy and structures in this area are steeply dipping, drill widths shown on Figure 7 are approximate **horizontal** widths.

Best results were:

CRC 3:	Basically Au anomalous from 0-54m but including:		
	0-8m: 8m	0.31 g/t Au	0.15% As
	26-38m: 12m	1.7 Au	0.38 As
	48-54m: 6m	0.7 Au	0.26 As
CRC 4:	24-30m: 6m	0.44 Au	low As
	50-54m: 4m	0.43 Au	
CRC 5:	12-24m: 12m	0.34 Au	0.1 As
CRC 8:	72-78m: 6m	0.11 Au,	possibly stopped in anomalous zone
CRC 11:	42-46m: 4m	0.2 Au,	possibly stopped in anomalous zone
CRC 13:	22.25m: 3m	0.53Au,	stopped in anomalous zone.

Cyprus withdrew from the joint venture in 1990 (19).

In July 1989, EL 9/84 was reduced by 50% to 27 square kilometres, which is a statutory requirement for Licences reaching their fifth anniversary.

#### 4.2.8 Perilya-Noranda Joint Venture

In 1991, Montroyal entered into a joint venture agreement with the Perilya Mines N.L.-Noranda Pty. Limited consortium to continue exploratory work (20).

During the first half of 1991, Perilya completed the following work:

- i) additional grid line cutting, mapping, and sampling over the three major anomalous areas along the Harvey's Creek Fault zone.
- ii) additional detailed mapping and sampling of roads, adits and RC chips in the Coupon Mine area.
- iii) core drilling of one hole LT91-1.
- iv) surveying.

**i) Additional Grid Work**

Infill lines were cut between 9N and 40N and C-horizon soil sampled every 25m.

This meant that a four kilometre length of the Harvey's Creek Fault was now covered by grid lines no more than 200m apart and soil sampled every 25-30m.

Over the Coupon Workings, the line spacing was reduced to 50m or 100m.

In addition to the obvious major anomalism at the Coupon Workings, Perilya confirmed the existence and substantial nature of the Davie and 24-28 Anomalies.

Sampling of an old adit just south of Line 24 located in a major ferruginous shear zone returned results up to 0.4 g/t Au and 0.05% As.

Ferruginous float on Line 24N returned 1.656 g/t Au and 0.15% As, whilst ferruginous sandstone on 26N gave 0.145 g/t Au and 0.12% As.

Results on lines between anomaly 24-28 and the Davie anomaly to the north, and the Coupon Workings to the south were generally low in both Au and As.

Results from lines south of the Coupon Workings were encouraging and indicated a long narrow Au anomalous zone with soil values up to 0.17 g/t Au extending for up to 300m south of the main workings.

## ii) Additional Mapping and Sampling at Coupon Workings

All drill access tracks and adits were re-mapped and further chip sampled. Reverse circulation chips were logged and several additional close spaced grid lines were soil sampled.

This work confirmed the broad, high amplitude Au-As anomalism of a zone at least 400m x 150m, and possibly extending further south.

**However, the detailed stratigraphic and structural interpretation of the Coupon area by Perilya was substantially different from that of previous workers and is generally supported by this writer.**

They interpreted the area as being underlain by a series of steeply east dipping quartzites and siltstones occurring on the eastern flank of the north west trending anticline (Coupon anticline), and severely disrupted by a number of north west trending shears and faults dipping 30-80° to the north east.

The sediments have been strongly sheared and quartz veins developed parallel to schistosity. Abundant flat dipping quartz veins infill brittle fractures in quartzites, and limonite, probably after pyrite and arsenopyrite, and are developed along shear zones.

Perilya believed most of the mineralisation was confined to these north west trending fault and shear zones with lesser variable mineralisation in adjacent rocks, principally in quartz veined units.

Additional rock chip sampling along roads confirmed the earlier Cyprus results and tended to expand and heighten some anomalous areas. Significant zones were:

- 5m 5.76 g/t Au near CRC 2 collar
- 8m 2.32 Au on the access road to CRC 10
- 25m 2.00 Au on the access road to CRC 10  
(oblique section)
- 10m 1.45 Au access road to CRC 11
- 5m 1.61 Au access road to CRC 11
- 5m 1.49 Au near CRC 7 collar

Studies of rock chips from the broad Au anomalous zone in CRC 3 indicated disseminated pyrite and arsenopyrite in quartz veins within a grey siltstone and shale sequence.

### iii) Core Drilling

To test one of the predicted mineralised shear zones, Perilya drilled a cored hole LT91-1 from the lower access road just north of Line 15N (Figure 7).

The planned 80m hole was abandoned at 61m because of drilling problems.

Perilya's summary of the hole is:

0-46m	Gordon Limestone, present as black-orange clay and pug. Fault.
46-61m	Rinadeena Mudstone present as weathered shales, siltstones, sandstones and quartzites.

**Of special note, is the gold anomalism in the weathered limestone, which from 10.3-19.0m assayed 0.19 g/t Au, including 1.0m 0.74 g/t Au, and from 39.0-41.0m assayed 0.12 g/t Au, both units also having elevated As values. Core recoveries were however poor.**

Also of note is the interpretation that the hole passed through a fault and into Rinadeena Mudstone not Moina Sandstone.

Gold anomalism of this magnitude in the Gordon Limestone is exceedingly rare in Western Tasmania.

### iv) Surveying

Perilya re-surveyed all existing tracks and workings in the Coupon area, presumably with tape and compass. This highlighted several differences with the earlier data presentation of Cyprus.

However, significant discrepancies in data presentation remain between drawings at various scales and it is difficult to know which is correct.

Such discrepancies can have a significant impact on the interpretation of existing detailed stratigraphic, structural and assay data and the problem requires clarification.

At the conclusion of the above work program, Perilya-Noranda concluded that the potential of the area did not conform with their exploration objectives and they withdrew from the joint venture.

#### 4.2.9 Goldstream-Titan 1991-93

Following withdrawal by Perilya, and prior to the current year, Goldstream has undertaken programs of data review, further surface mapping and sampling of roads over the Coupon Area, and a three hole core drilling program (21-26).

The thorough review of existing data (21) highlighted the spatial magnitude and substantial amplitude of the Au-As anomalous zone in tectonically disrupted lower Palaeozoic sediments adjacent to the Harvey's Creek Fault zone.

Subsequent mapping and surface sampling programs at Coupon were designed to clarify certain geological aspects and to infill gaps in previous sampling programs. This work demonstrated the Au-As anomalism of a sequence of limonitic sandstones and limestones on the eastern side of the Coupon ridge.

Three cored holes totalling 536 metres were drilled in 1993. Two of these holes LYN 001 and LYN 002 were drilled either side of the previously drilled RC hole CRC 3, which intersected 12 metres 1.7 g/t Au within a 54 metre (drill width) strongly Au-As anomalous zone.

The third hole LYN 003 was drilled to further test the Au anomalous limonitic sandstones exposed in several adits and intersected in RC holes CRC 5 and 11.

**LYN 001 and LYN 002 failed to intersect any Au or As anomalism in the siltstone-limestone sequence adjacent to CRC 3, thereby casting some doubt on the correct plotting of CRC 3. However, they did intersect a Au-As anomalous leached and friable limonitic sandstone unit close to their collars. Recoveries through this critical unit was unfortunately very poor (26).**

LYN 003 intersected a wide limonitic sandstone unit which was As and weakly Au anomalous. Again recoveries in this very friable and disaggregated sandstone were poor.

This drilling program highlighted three important points:

- a) maximum interest lies in the limonitic sandstone-limestone sequence on the east side of Coupon ridge where there has been very little drilling,
- b) core drilling at **shallow** depths into this unit of maximum interest is difficult and core recoveries are poor,

- c) **it is probable that the drill hole locations for CRC 3 and CRC 10 were inadvertently interchanged during the RC drilling program in 1989.**

It was recommended at this point that a further two cored holes be drilled to further test:

- i) the limonitic Au anomalous sandstone-limestone sequence,
- ii) the plotted location of the Au anomalous zone in CRC 3.

## 5. EXPENDITURE

Expenditure on EL 9/84 to end 1992-93 was \$439,103. Total estimated expenditure to end 1993-94 is \$514,782.

This represents a substantial commitment by the tenement holders to the high risk search for a commercial gold deposit in a previously untested geological setting.

It is important to note that most of this expenditure has been incurred in the last five years of tenure on a reduced area of 27 sq. kilometres.

It is also important to appreciate that the advanced exploration programs completed in this latter five year period in the Coupon area have been restricted by the adverse terrain. The region is rugged and intensively underlain by deep clays developed on shales and limestones. In combination with high rainfall, these factors make the movement of drill rigs extremely difficult for much of the year, if environmental impacts are to be minimised.

## 6. GEOLOGICAL SETTING

### 6.1 Regional Geology (Figures 3,4)

EL 9/84 covers a region of lower Palaeozoic sediments on the eastern margin of the Henty Basin.

The Henty Basin is a 250 square kilometre area of Palaeozoic sediment lying west and south-west of Queenstown. The stratigraphic column consists of Denison Group conglomerates and sandstones overlain by Gordon Group limestones, mudstones and shale. The Gordon Group is possibly transitional with the over lying Eldon Group shales, quartzites and siltstones. The full stratigraphic column is generally 3,000-4,000 metres thick.

The basin margins are strongly faulted by the Firewood Siding Fault to the north, Teepookana Fault to the south and Harvey's Creek Fault to the east. The latter fault is poorly understood and may in fact be a series of faults along a subsiding basin margin, and could be interpreted as offset or detachment faults from either the Firewood Siding Fault or the Great Lyell Fault which are adjacent long lived regional faults.

The basin is underlain by Mount Read Volcanics which outcrop to the north, east and south east, and it has suffered two periods of folding. The first produced a series of upright north west trending folds plunging 30° NW, and the second produced shallow west, north west folds. Two cleavage directions have resulted.

### 6.2 Local Geology (Figures 5,6)

EL 9/84 is underlain by a generally N-S striking sequence of Paleozoic sediments, regionally dipping west.

Hence the western part of the licence is underlain by Devonian Bell Shales and Florence Quartzites, and the eastern part by Silurian and upper Ordovician sediments, principally quartzites, shales and limestone of the Rinadeena and Crotty Formations

These eastern sedimentary formations have been tightly folded and faulted against the postulated Harvey's Creek Fault. It is within this tectonically disturbed zone adjacent to the fault that a number of small gold deposits have been mined and Goldstream-Titan have defined a series of major Au-As anomalies.

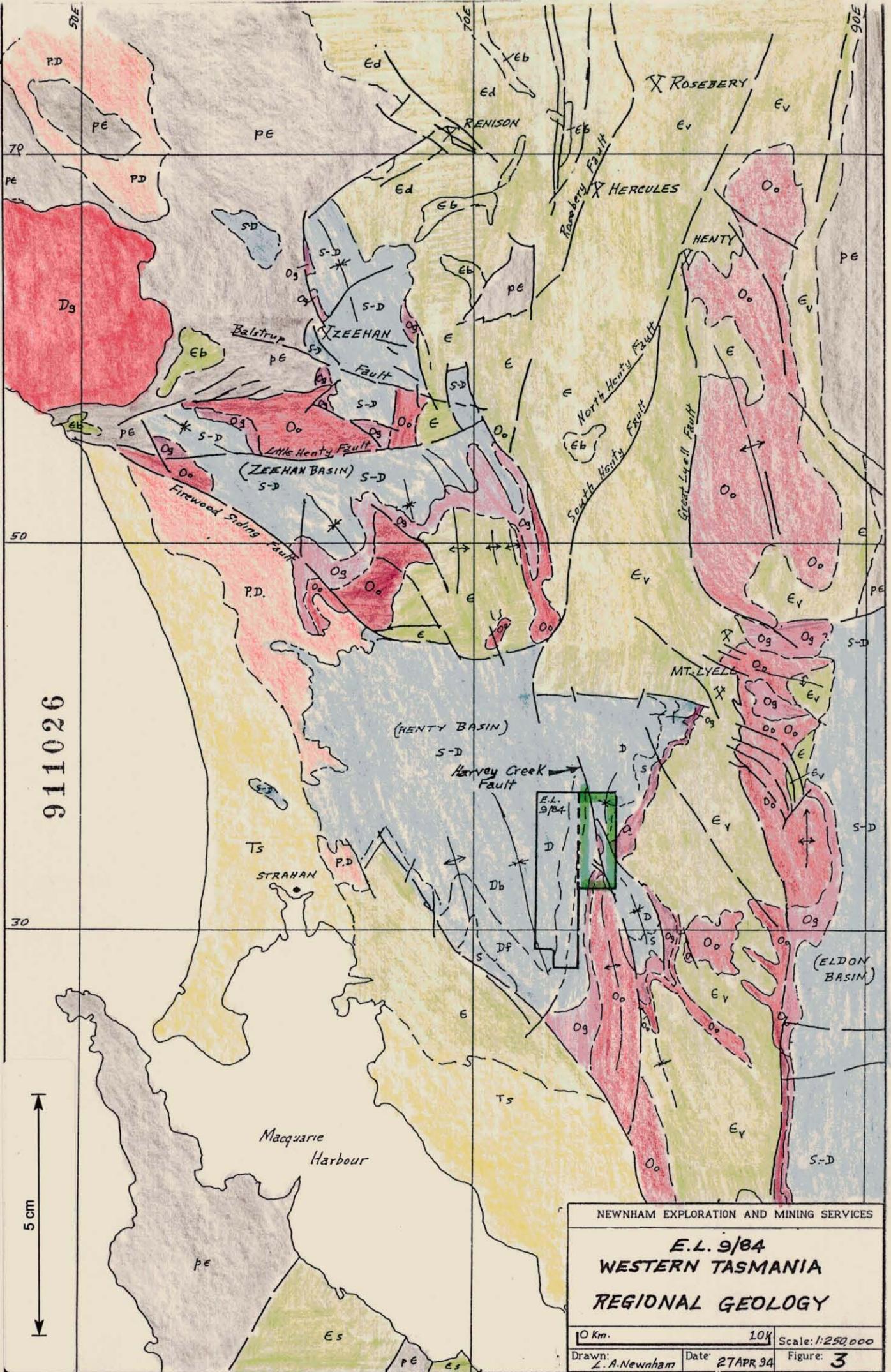
The stratigraphy in this eastern zone of interest is difficult to interpret- a problem exacerbated by the combined factors of poor outcrops and massive hill slumping of soft sediments.

GEOLOGICAL KEY

The following symbols have been variously used  
on geological drawings in this Report

TERTIARY	<span style="border: 1px solid black; padding: 2px;">Ts</span>	Sediments	
	<span style="border: 1px solid black; padding: 2px;">Pd</span>	Undifferentiated Post-Devonian sediments	
DEVONIAN	<span style="border: 1px solid black; padding: 2px;">D</span>	Undifferentiated sediments	
	<span style="border: 1px solid black; padding: 2px;">Dg</span>	Granite	
	<span style="border: 1px solid black; padding: 2px;">Db</span>	Bell Shales	
	<span style="border: 1px solid black; padding: 2px;">Df</span>	Florence Quartzite	Eldon Group
SILURIAN	<span style="border: 1px solid black; padding: 2px;">S</span>	Silurian sediments undifferentiated	
	<span style="border: 1px solid black; padding: 2px;">Sc</span>	Crotty Quartzite	
ORDOVICIAN	<span style="border: 1px solid black; padding: 2px;">Or</span>	Rinadeena Formation	Junee Group
	<span style="border: 1px solid black; padding: 2px;">Ors</span>	sandstone	
	<span style="border: 1px solid black; padding: 2px;">Orm</span>	Shale	
	<span style="border: 1px solid black; padding: 2px;">Og</span>	Gordon Limestone	Denison Group
CAMBRO-ORDOVICIAN	<span style="border: 1px solid black; padding: 2px;">Om-Oo</span>	Moina Sandstone-Owen Conglomerate and equivalents	
CAMBRIAN	<span style="border: 1px solid black; padding: 2px;">E</span>	Undifferentiated	
	<span style="border: 1px solid black; padding: 2px;">Ed</span>	Dundas Group	
	<span style="border: 1px solid black; padding: 2px;">Ev</span>	Undifferentiated Mt. Read Volcanics	Mt. Read Volcanics
	<span style="border: 1px solid black; padding: 2px;">Et</span>	Tyndall Group	
	<span style="border: 1px solid black; padding: 2px;">Ec</span>	Central Volcanic Complex	
	<span style="border: 1px solid black; padding: 2px;">Ew</span>	Western Sequence	
	<span style="border: 1px solid black; padding: 2px;">Ep</span>	Porphyritic Intrusives	
	<span style="border: 1px solid black; padding: 2px;">Eb</span>	Gabbroic and ultramafic complexes	
PRECAMBRIAN	<span style="border: 1px solid black; padding: 2px;">pe</span>	Undifferentiated	

TABLE 1



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5 cm

NEWHAM EXPLORATION AND MINING SERVICES

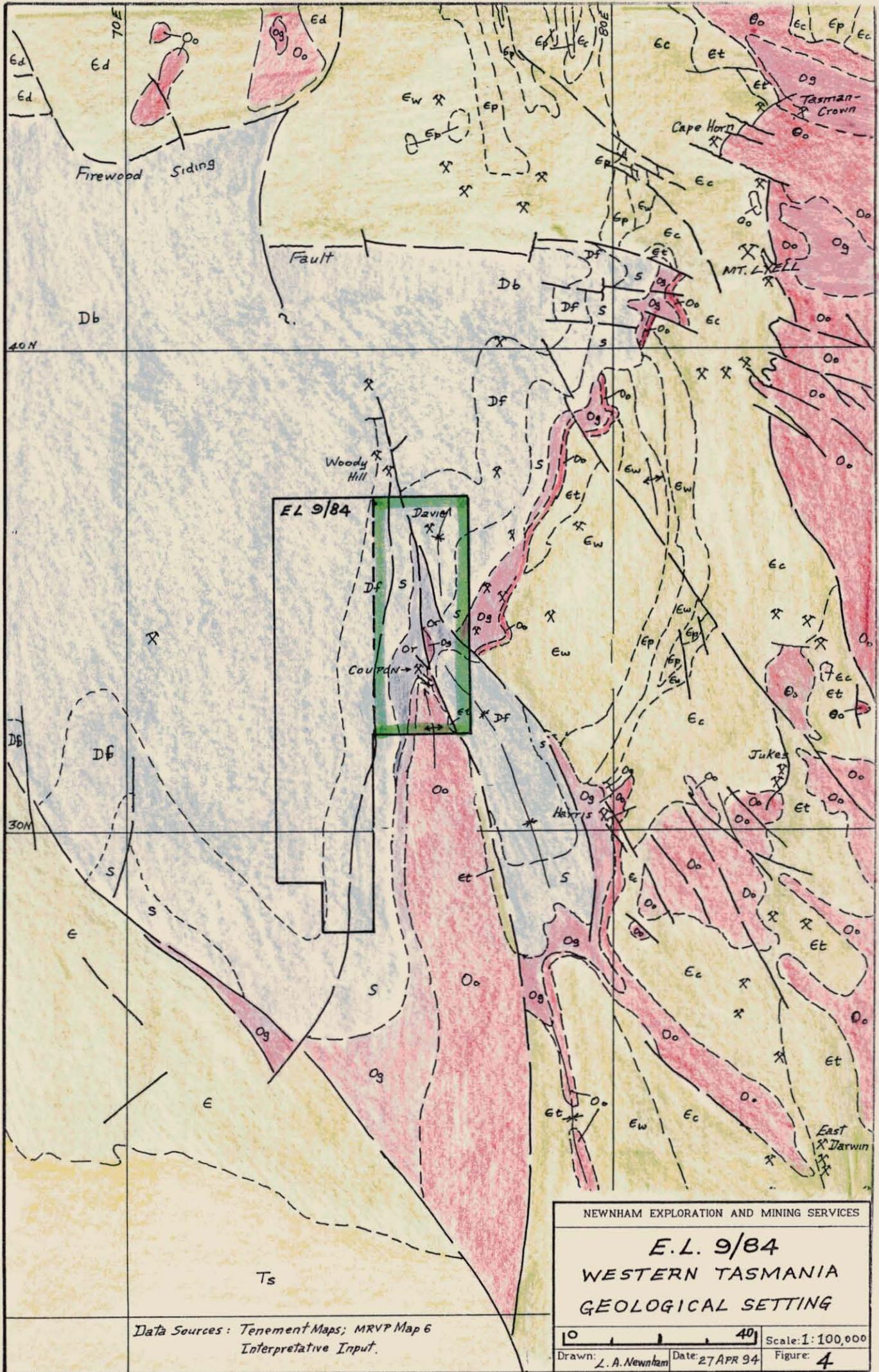
**E.L. 9/84**  
**WESTERN TASMANIA**  
**REGIONAL GEOLOGY**

0 Km. 10 Km. Scale: 1:250,000

Drawn: L.A. Newham Date: 27 APR 94 Figure: 3

Data Sources: E.L. Mapping; Queenstown 1:250,000 Map Sheet; MRVP Map 6, 1:100,000  
 Minor interpretation by author

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In the Coupon Mine area, core orientation suggests the sedimentary sequence has been tipped into a near vertical position. From east to west, the following units have been recognised from a combination of core and road outcrops:

- a light grey mudstone sequence exposed on the road to LYN 003.
- limonitic sandstones interbedded with thin siltstone and limestone beds. The sandstone is extremely friable and often disaggregated, making core recovery difficult. Small brachiopods and crinoid fragments are present in core and outcrops.

Limestone beds are present as yellow, brown and black clays- a phenomenon common in western Tasmania and attributed to total decarbonatisation of limestone resulting from circulating (leaching) acidic ground water.

It is this unit that is typically Au-As anomalous.

- interbedded shales and limestones with minor siltstone. The lower section of this unit is calcite veined, with veins restricted to shale and siltstone members.
- interbedded crinoidal limestones and calcite veined shales and siltstones.
- mudstones containing small brachiopods as exposed on CRC 6 drill site.

Facing is difficult to determine with confidence, but it is possible the above sequence faces east, which is counter to the regional trend.

The Coupon Mine area is disrupted by several (?) east-west faults which have the effect of offsetting the sequence on the northern end of the Coupon ridge to the west relative to the southern section.

Mineralisation is restricted to pervasive very fine grained disseminated pyrite and coarser aggregates of pyrite throughout the shale-limestone sequence on the western side of the Coupon ridge. This pyrite is probably syngenetic.

Minor pyrite-arsenopyrite (?) veinlets are observed in the eastern sandstone-limestone sequence in drill cores and it is probable that the anomalous Au-As values throughout this unit were derived from the leaching/weathering of sulfides - probably arsenopyrite and pyrite.

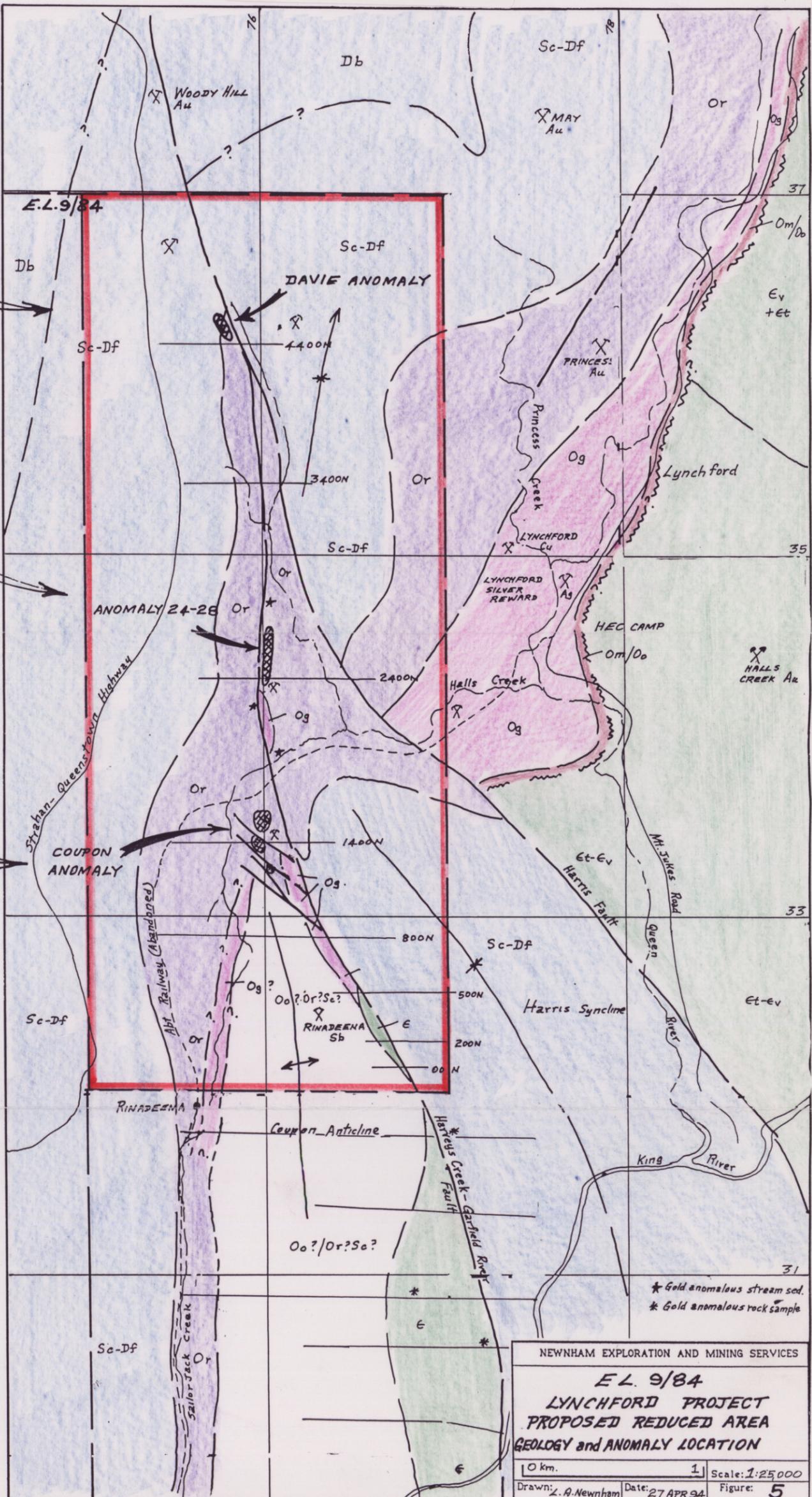
5 cm

DAVIE Au-As ANOMALY  
INITIAL PROGRAM SHALLOW  
CORE DRILLING PLANNED IF  
DRILLING AT COUPON ENCOURAGING

ANOMALY 24-28  
INITIAL PROGRAM SHALLOW CORE  
DRILLING PLANNED IF DRILLING AT  
COUPON ENCOURAGING

COUPON DEPOSIT  
PROGRAM SHALLOW RC OR  
AIR CORE DRILLING  
14 HOLES - 1700m.

DEEPER CORE DRILLING TO  
TEST DEPTH EXTENSIONS OF  
DEPOSIT.



\* Gold anomalous stream sed.  
\* Gold anomalous rock sample

NEWHAM EXPLORATION AND MINING SERVICES

**EL. 9/84**  
**LYNCHFORD PROJECT**  
**PROPOSED REDUCED AREA**  
**GEOLOGY and ANOMALY LOCATION**

0 km. 1 Scale: 1:25000

Drawn: L.A. Newham Date: 27 APR 94 Figure: 5

Data Sources: Norgold, Trikon, Perilya, Cyprus, DMMR Mapping. Minor interpretation by writer.

911029

## 7. WORK COMPLETED 1993-94

Principal activities during 1993-94 were:

- completion of a three hole core drilling program, commenced late in the previous year, and the reporting of results from this program.
- completion in the second half of the year of a two hole core drilling program designed to further evaluate previous drill intersections in the Coupon Mine area.

### 7.1 Results of First Drilling Program

Results of this program have already been presented (26). Two holes were drilled to further test the 54 metre Au-As anomalous zone in CRC 3 which contained 12m 1.7 g/t Au, 0.38% As and 6m 0.7 Au, 0.26 As.

LYN 001 was drilled only 30m north of CRC 3 but failed to intersect any anomalous Au or As in the corresponding zone to CRC 3. It did however intersect a 45m Au-As anomalous zone in strongly leached limonitic sandstones from 0-45m.

Similarly, LYN 002 was drilled only 15m south of CRC 3 and failed to intersect any anomalous Au or As in the corresponding zone to CRC 3. Again it intersected a Au-As anomalous interval of deeply leached limonitic sandstones and shales from 0-40m.

LYN 003 was drilled further south to test at depth the Au bearing sandstone unit exposed in several of the Coupon Adits and on the top road, and intersected in CRC 5 (12m 0.35Au). Strongly As and weakly Au anomalous sandstones, shales and minor limestones were intersected from 0-70m.

On the basis of the results from this program, it was decided to drill a further two holes to test:

- a) the possibility that the intersection in CRC 3 was in fact related to an east-west fault and not stratabound, in which case it would not have been tested by LYN 001 and LYN 002.
- b) the Au-As bearing eastern sandstone unit north of LYN 003 closer to the postulated east-west fault and beneath an interval of Au bearing surface rock chip samples.

### 7.2 Results of Second Drilling Program

The two proposed holes described above were completed in January-February (logs presented in Appendix B).

LYN 004 intersected from 0-77m a leached limonitic sandstone-siltstone-limestone sequence which was As anomalous throughout and which contained several zones of significant Au mineralisation including:

14-22m:	8m 1.24 g/t
25-30.5m:	5.5m 0.75 g/t

The hole passed through a "gossanous" breccia/fault zone from 70-76m into a sequence of siltstones and limestones. This striking breccia, which was Au and As anomalous, has not been recognised in any previous holes.

LYN 005 was drilled sub parallel to the strike of the stratigraphy beneath the Au anomalous zones in CRC 3 and on the access road to CRC 3. A monotonous sequence of siltstones and limestones was intersected which contained no visible mineralisation other than fine grained syngenetic pyrite. No evidence of an east-west trending fault zone was seen.

Individual sections of these holes are attached to the logs, and they are also presented on the geological and assay plans and composite sections of the Coupon Mine area (Figs 7,8,9).

Again a disturbing feature of this drilling program was the significant core losses in the sandstone unit of prime interest in LYN 004. This was despite the drillers exercising extreme care and drilling HQ.

### 7.3 Discussion of Results

The summation of all work completed to date at Coupon has highlighted several important factors:

- a) the potential gold resource is largely restricted to an intensely leached and friable sandstone-limestone-siltstone unit which appears to be striking north-south, steeply dipping, possibly 30-40 metres wide, and disrupted by cross faulting. The unit is strongly Au-As anomalous, probably derived from the leaching of pyrite and arsenopyrite.

It has been exposed in three adits, several drill road exposures and intersected in the top sections of cored holes LYN 001, 002, 003, 004 and LT91-1. It was also intersected in RC holes CRC 1, 2, 3, 4, 5, 11.

The strike length of the unit is unknown at this stage but is at least 150 metres.

Similarly, depth extent and changes in mineralogy with depth are unknown. All drill intersections to date have been relatively shallow (<70m beneath crest of the ridge).

- b) problems have been experienced in drilling this unit, both with RC and core.

The RC program completed in 1989 clearly had problems with sample recovery, judging from the variation in sample size in bags on the drill sites. This problem was probably severe in the soft puggy limestone-siltstone units.

The three core drilling programs have all suffered from severe core loss due to puggy limestone beds and totally disaggregated sandstones, now present as running sands. **These disaggregated sandstones are of particular concern because surface sampling suggests these zones can carry the better Au grades.**

- c) RC hole CRC 3 which intersected a major Au-As zone has probably been plotted incorrectly. This writer suggests it has been interchanged with CRC 10.

CRC 3 and CRC 10 were drilled in opposite directions from the same site. Drilling practice suggests the samples from CRC 10 may have been placed adjacent to the collar of CRC 3 and vice versa. When subsequent sampling took place, the samples may have been attributed to the wrong holes.

Descriptions of chips and assay results strongly suggest that the results from CRC 10 are in fact the results from CRC 3 and vice versa.

**Therefore, this writer has taken the liberty in this report of interchanging CRC 3 and CRC 10.** By doing this, the results of LYN 001, 002 and 005 are better explained and the results of CRC 3 and CRC 10 fit other observed data much better.

## 8. MINERAL DEPOSIT POTENTIAL

Potential exists on the eastern section of EL 9/84 for the following gold resources:

- a) leached open - cuttable deposit in a sedimentary unit which outcrops on the crest and eastern side of Coupon ridge.
- b) depth extensions of this deposit into a primary sulfide body.
- c) analogues of the above at the Davie and 24-28 Anomalies to the north of Coupon.

Exploration completed on the Coupon area has located an auriferous sandstone-limestone unit within a series of folded and faulted lower Palaeozoic sediments adjacent to the Harvey's Creek Fault. This unit has been exposed in adits, on roads, and intersected in RC and cored drill holes. Data acquired suggests it is approximately 30-40 metres wide, and dipping near vertical or steeply east. It has only been tested to a vertical depth of 70 metres, and along strike for 150 metres.

The unit is characterised at these shallow depths by intense leaching of the sandstones and limestones. Sulfides (probably arsenopyrite and pyrite) have been totally degraded to limonite and arsenates and limestones have been completely decarbonatised to clays.

As a guide only to resource potential, a zone 30 metres wide, 100 metres deep, 200 metres long would contain 1.2M. tonnes.

The unit is open along strike both north and south and open at depth, where primary mineralisation could be anticipated. Also the potential of the zone is open to the east. Drilling to date to the east has been confined purely by the location of existing roads (eg) LYN 004 actually collared in the limonitic Au-As anomalous unit.

Likely gold values in the shallow intensely leached zone are difficult to quantify because of severe core and cuttings losses during drilling.

Historical records report that in 1913, 32 tonnes were mined at Coupon at an average 12 g/t. The source of this material is not known but it may have come from selective mining in the middle adit.

Drill road sampling demonstrated extensive 0.2-1.0 g/t Au material along the outcrop of the unit of interest. Best results were obtained from the drill access road to CRC 3 which intersected 25 metres 2 g/t Au (five samples), an area around the collar of CRC 2 which contained values to 5.9 g/t and an area near the collar of LYN 004 with values to 1.6 g/t.

The best drill results were in CRC 3 and LYN 004:

CRC 3 - 12m 1.7 Au ( within a 54m Au-As anomalous zone  
6m 0.7 Au (

LYN 004 - 8m 1.24 Au ( within a 70m wide Au-As anomalous zone  
5.5m 0.75 Au (

Intervals 0.2-0.5 Au were widespread in all holes which intersected this unit.

It is distinctly possible that drill holes completed to date are underestimating Au values because of severe core losses in friable, disaggregated sandstone beds.

On the basis of data available to date it is reasonable to suggest that this sedimentary unit may average 1-3 g/t Au.

It is difficult to postulate whether the deeper primary zone would be higher or lower grade than the shallow leached zone.

Little is known of the two Au-As anomalies called 24-28 and Davie which lie north of the Coupon Mine adjacent to the Harvey's Creek Fault. However, their geochemical signature is very similar to that of the Coupon Mine area, and mine development records, particularly at Davie, suggest they may have similar potential to Coupon. Clearly if Coupon continues to deliver encouraging results, then these two northern anomalies must be further tested.

The physical and geographical location of the Coupon deposit and its possible extensions are extremely favourable to low cost development.

The shallow leached section occurs on the eastern flank of the Coupon ridge close to the ridge crest. The mineralised zone is extremely soft. Open-cut development would be ideal and low cost.

Underground decline access to deeper primary mineralisation would be facilitated by the rugged nature of the surrounding country.

Infrastructure support for any operation in this general area is ideal with existing adjacent water, power, road access and workforce availability.

## 9. PROPOSED WORK

The Au deposit potential of the eastern section of EL 9/84 is substantial and further more aggressive exploration is warranted in the form of:

- i) non-core drilling of the upper sections of the Coupon deposit,
- ii) deeper core drilling of the Coupon deposit,
- iii) shallow core drilling of the Davie and 24-28 Anomalies.

The locations of the proposed drill holes at Coupon are shown on Figures 6, 8 and 9, whilst the Davie and 24-28 drill holes are shown on Figures 10,11. The above three programs are described in greater detail below.

### 9.1 Non-core Drilling of Coupon Deposit

Drilling to date on the Coupon deposit has been confined to the central section of the deposit and has suffered through poor recoveries of both cores and percussion chips, especially through the important target zone.

The next phase of drilling into this zone should be designed to:

- extend knowledge of the deposit along strike to the north and south,
- infill the existing drill pattern with drilling techniques designed to achieve a better sample recovery.

It is therefore recommended that 14 non-core holes totalling 1,700 metres be drilled using either an air-core drill or an RC rig with a face sampling hammer.

Two holes would be drilled from each of seven sites - one hole at a shallow angle, the other at a steeper angle. The seven sites would be spaced at 50 metre intervals along the strike of the deposit. Eight holes from four of these sites would test the northern strike extension, and two holes from one site would test the southern strike extension. The remaining four holes would further test the known deposit area.

The southern two holes would require a 70 metre road extension and several of the other sites would require road widening.

Because of the nature of this type of drill rig, and the difficulties of sample collection in heavy rain, it is recommended that the drilling be conducted in summer.

A cost estimate for this program would be:

Drilling 1500m at \$30 per metre	\$45,000
Road development and excavator hire	5,000
Sample collection	2,000
Assaying	10,000
Management (incl travel and accommodation) - 8 weeks	15,000
	<u>\$77,000</u>

## 9.2 Deeper Core Drilling of Coupon Deposit

Information on the attitude of the Coupon deposit is sparse and little is known about its mineralogical and grade character with depth. This is principally because the only available drill access road to date has been very close to the deposit, thereby restricting the depth of effective drilling.

It is recommended that a new 300-400 metre road be developed closer to the Harvey's Creek Fault and that four cored holes totalling 1000 metres of HQ-NQ core be drilled from this road.

The holes would each be approximately 250 metres long and would test both the known deposit and its north and south strike extensions at a vertical depth of approximately 150 metres.

Optimisation of core recovery would be a high priority, and there would be some advantage in using the same rig as that doing the air core drilling.

The new road would have to be developed at a low gradient because of the soft and clayey nature of underlying sediments. Provided the road construction was done properly, there is no reason why this core drilling could not be undertaken at any time.

In conjunction with this drilling program, it is recommended that all existing drill roads and drill sites be professionally surveyed and plotted with Surpac (or similar).

A cost estimate for this program would be:

Drilling 1,000m at \$85 per metre	\$85,000
Road development and rig movement	10,000
Sample collection and processing	5,000
Assaying 250 x \$20	5,000
Surveying	10,000
Management (all inclusive) - 10 weeks	20,000
Estimated Total	<u>\$135,000</u>

### 9.3 Evaluation of Northern Anomalies

The 24-28 Anomaly and Davie Au-As anomalies lie one and three kilometres north of the Coupon deposit respectively. They are major anomalies associated with a series of old workings, and are very similar in nature to the original Coupon anomaly.

They both occur in a rugged, heavily timbered area which is currently accessible only on foot.

The anomalies have been described in detail in a previous report (21) and are at the stage where further evaluation should be by shallow drilling. **However, because of access difficulties, this drilling should only be undertaken if results of the two drilling programs at Coupon (detailed above) are encouraging.**

It is recommended that this initial phase of drilling be with a small man portable rig capable of drilling to 50 metres. The proposed program would involve two holes at Davie and three at 24-28 (Figures 10,11). The rig would be located initially on each site with a helicopter and the drill crew would walk in and out each day. Whilst this drilling was in progress, the geologist could further map and surface sample each area.

If a small rig of this type was not available, a larger rig (L38 or similar) could be used to drill fewer, but longer holes.

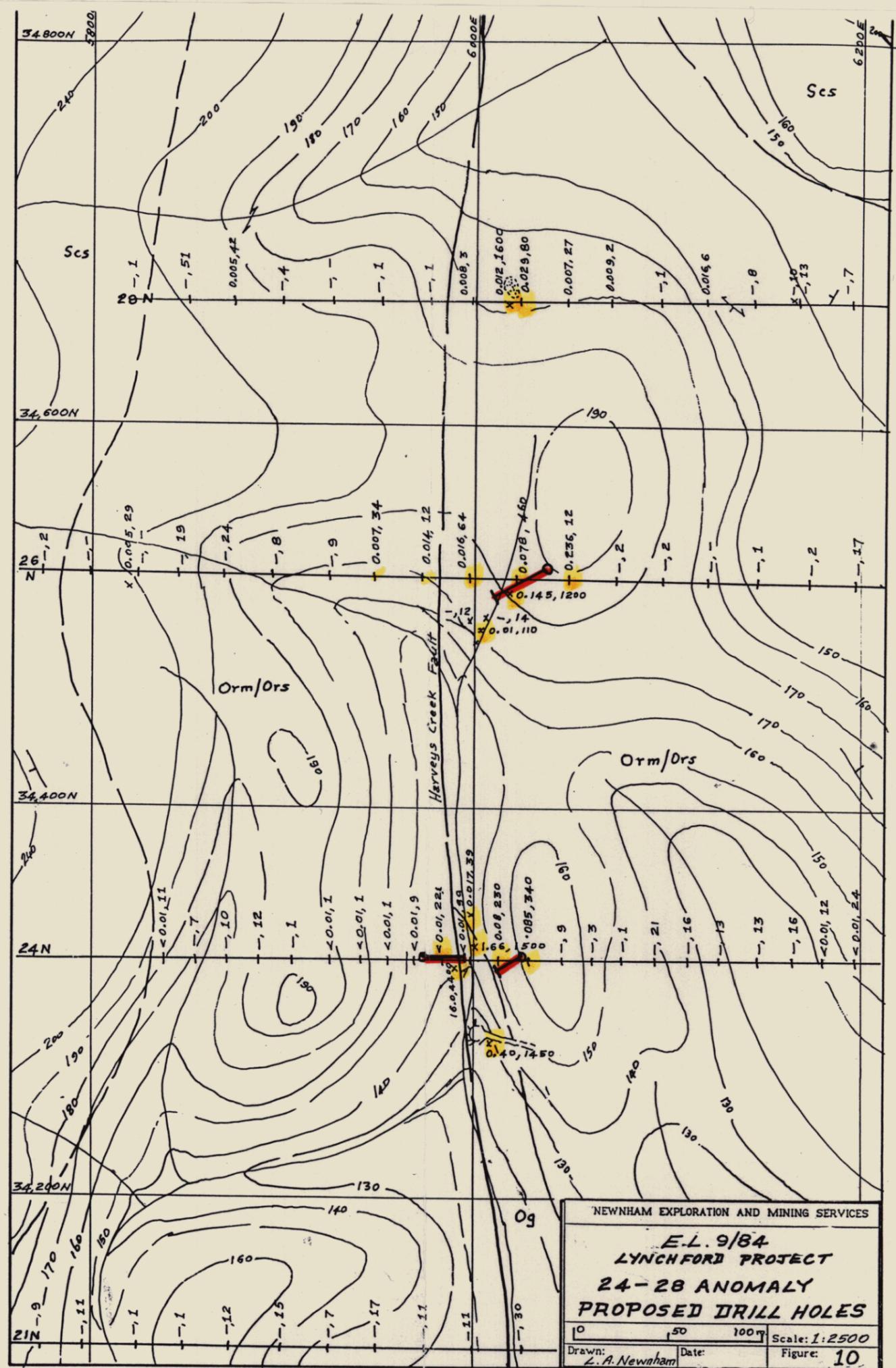
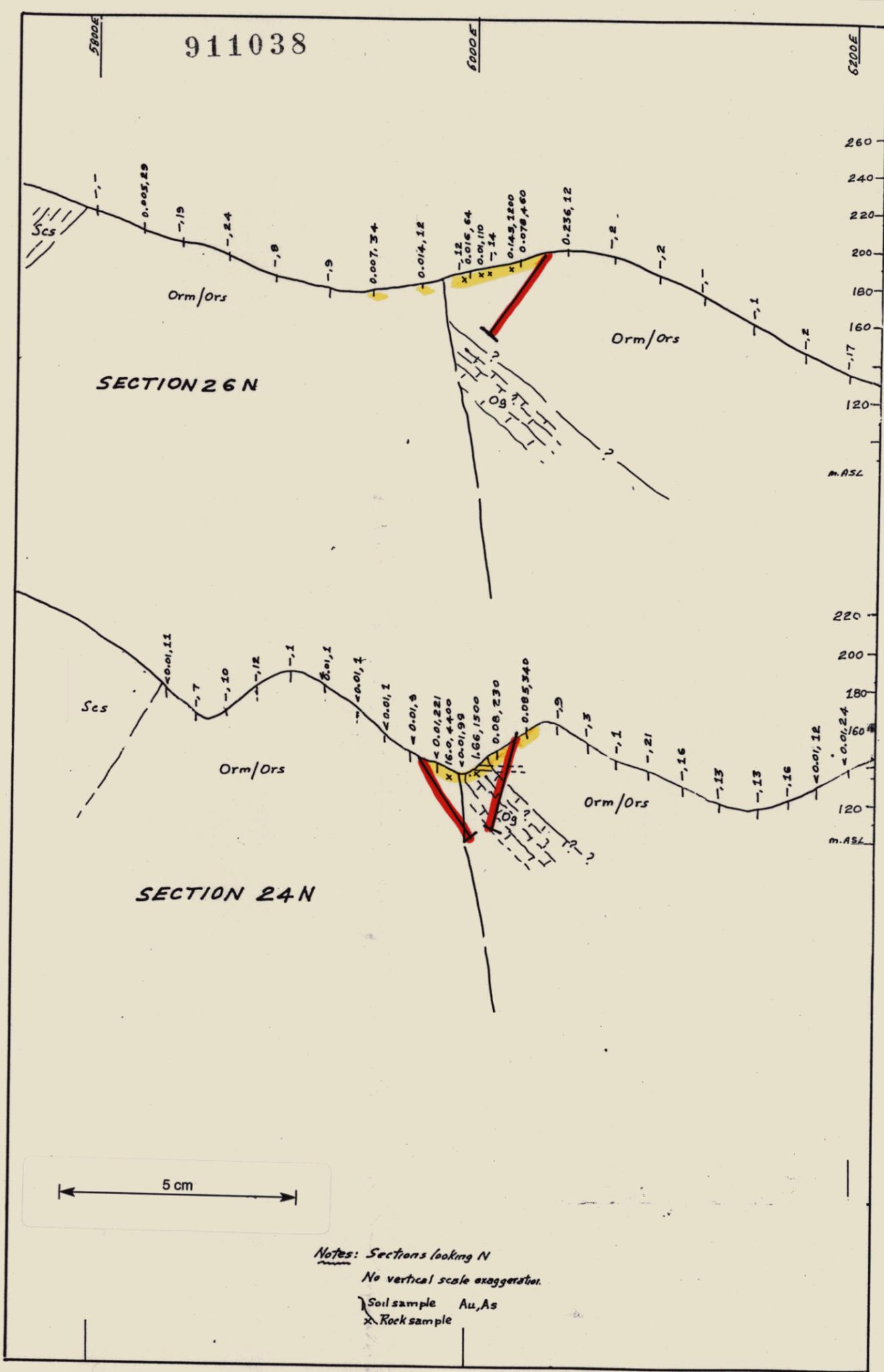
This type of drilling is expensive but is recommended as a way of gaining some initial encouragement which would justify the road development necessary for more advanced drill evaluation.

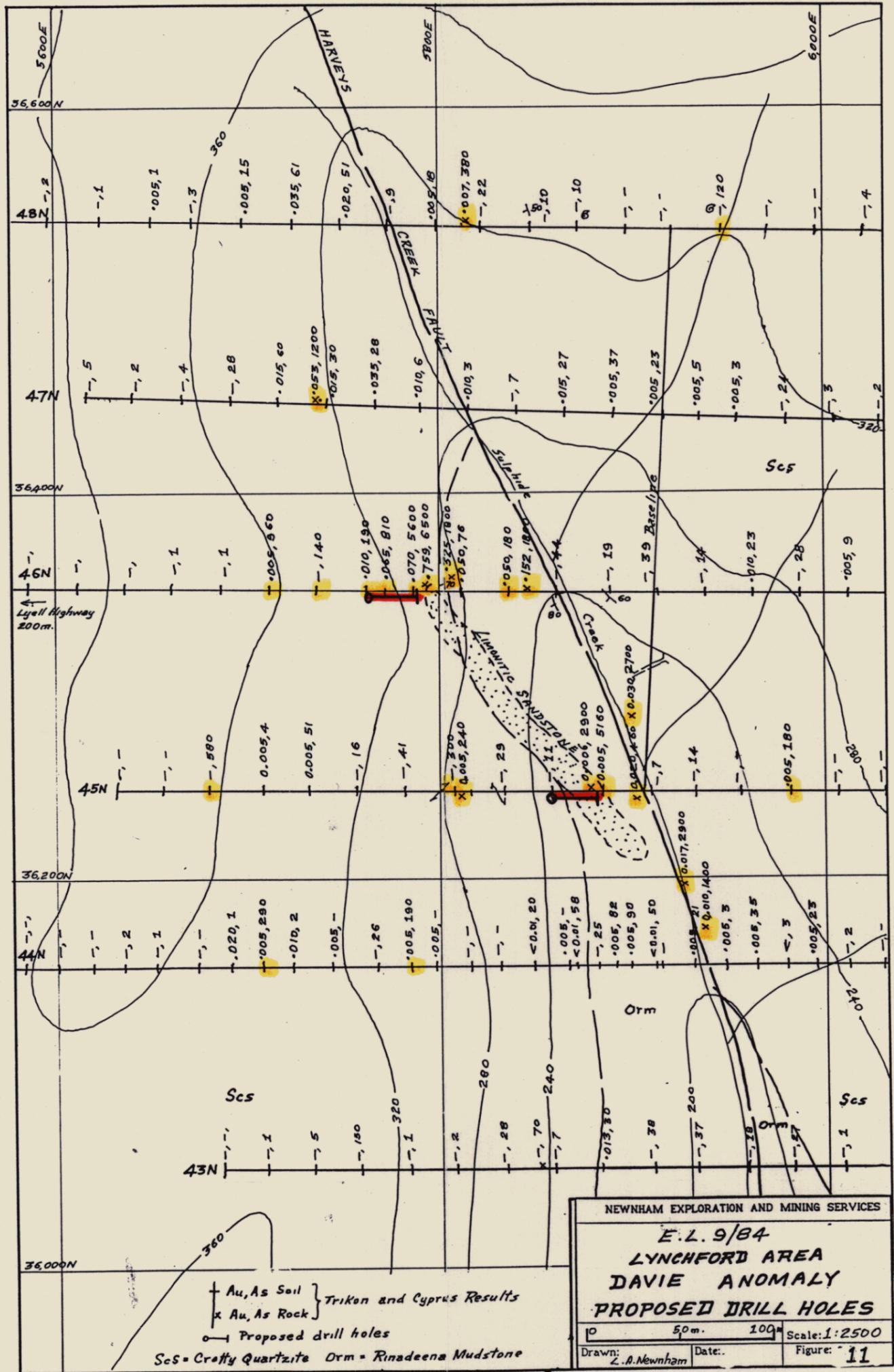
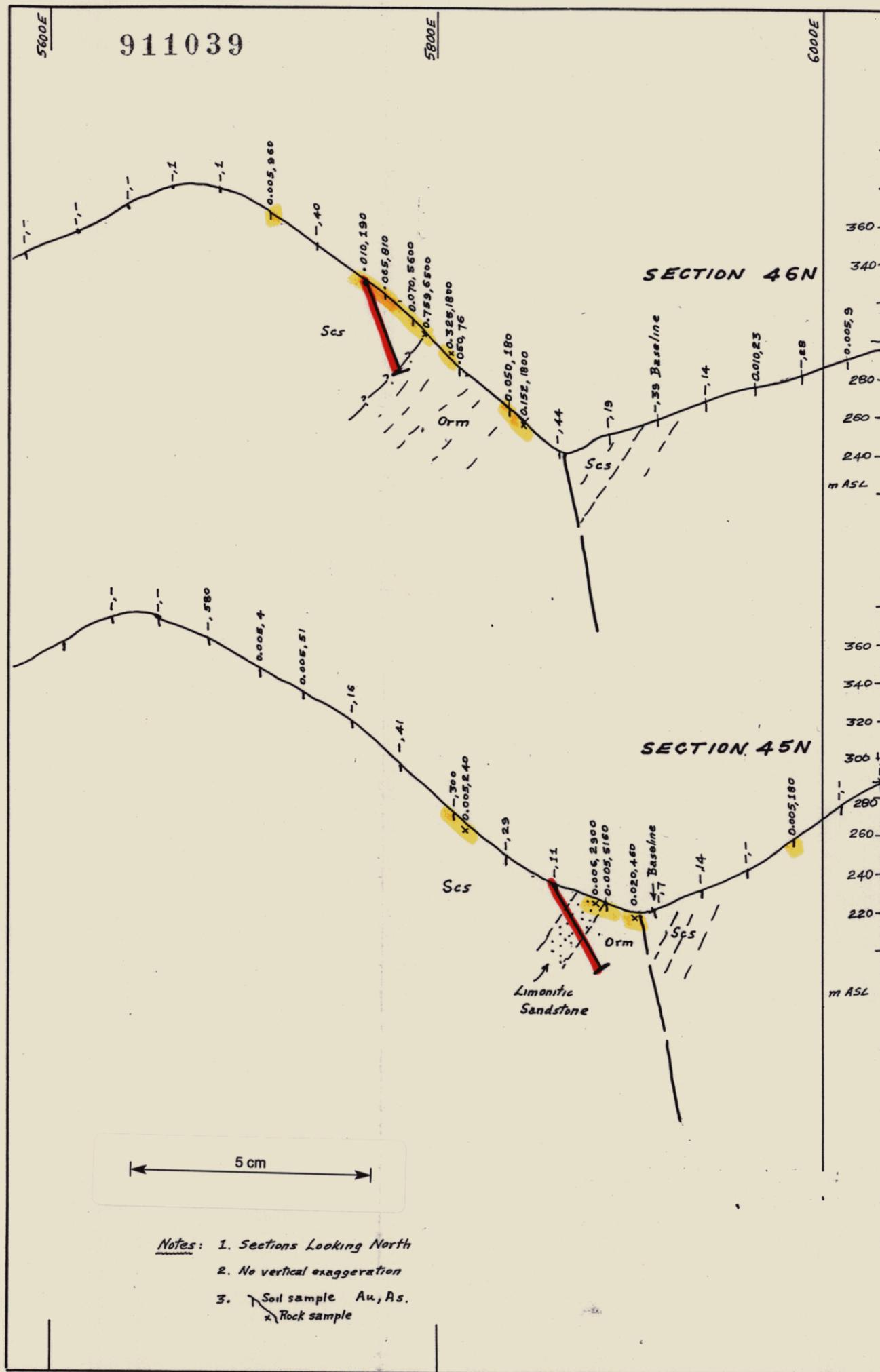
A cost estimate for this program would be:

Drilling 250m at \$70 per metre	\$18,000
Track cutting (access and helipads)	10,000
Helicopter hire	15,000
Sample collection	2,000
Assaying	2,000
Management (4 weeks)	6,000
Estimated Total	<u>\$53,000</u>

### 9.4 Program Schedule

Now that the potential importance of the Coupon deposit and the analogous northern anomalies has been recognised, it is important to advance exploration at an accelerated rate.





It is proposed that application be made to reduce EL 9/84 to 10 square kilometres (Figure 2) and that it be subject to special extension to facilitate accelerated on-going exploration.

A program schedule for 1994-95 is presented below:

<b>PROGRAM 1994-95</b>	<b>JUL-SEPT</b>	<b>OCT-DEC</b>	<b>JAN-MAR</b>	<b>APR-JUN</b>
Coupon deep drilling Core				
Coupon shallow drilling core				
Northern anomaly drilling				
<b>Expenditure</b>	-	<b>135,000</b>	<b>97,000</b>	<b>33,000</b>

This total program would cost \$265,000 during 1994-05. However, the \$53,000 northern drilling program should only be completed if the Coupon deposit drilling programs produce encouraging results.

The schedule above assumes the same drilling contractor would do both drilling programs at Coupon. If this was not possible, then it would be possible to do the deeper core drilling program slightly earlier, possibly September-October.

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**APPENDIX A**



911044  
94-3574

## Titan Resources N.L.

A.C.N. 007 247 154

### WA Gold producer sets new targets

With the Titan group firmly entrenched as a medium-sized gold producer, the company has set its sights on becoming a successful mine operator within the next five years. The company has excellent exploration targets with potential in both gold and base metals.

The jewel in the company crown has been the Marymia gold project, which in its first year of operation provided net earnings equivalent to 10 cents a share. By being among international producers in the lowest quartile in terms of the cost curve, the mine provides Titan with an undertone of confidence in terms of future profitability.



Managing director Bill Ryan

The recent merger with Mt. Martin Gold has brought with it a 20% stake in the New Celebration mine, which is shaping up as a significant longer term resource. This follows successes notched up by the operator, Newcrest Mining Ltd., with exploration from underground accesses at the mine. Signs that gold prices will continue to strengthen in the next years further brightens the outlook for New Celebration.

Reserves at both mines are adequate to sustain Titan's share of gold production at about 50 000 ounces a year for the next five years after discounting the significant exploration potential at both properties. In the medium term the company could conceivably lift production to around 100 000 ounces a year.

Analysts have suggested that following the Mt. Martin takeover Titan is well primed for a re-rating by the market. Net asset valuation has been assessed as representing 71.6 cents a share. A modest 30% premium enjoyed by nearly all gold producers, would value Titan at close to 93 cents a share.

Titan's A\$70 million market capitalisation is one of the lowest for any company which produces more than 50,000 ounces of gold a year. Its joint venture partners in each of its producing mines are among the highest capitalised gold companies with Resolute Resources — group production 120,000 ounces this year — worth A\$500 million and Newcrest Mining — output of 735,000 ounces — worth A\$1.4 billion.

In pursuit of the goal of becoming a mine operator, Titan has budgeted to spend at least A\$1.5 million a year on projects outside the two existing mine sites.

### The Marymia story -- building on success

**Titan Resources N.L.**  
Ground Floor  
24 Outram Street  
West Perth 6872  
Western Australia

Located 200 kilometres northeast of Meekatharra, the Marymia gold project has been one of the country's significant success stories in recent years. Although currently on a smaller scale than the Plutonic mine 40 kilometres to the south west, Marymia has helped to outline the northern extremities of a mineralised zone in the Greenstone Belt where no previous gold exploration had occurred.

P.O. Box 1073  
West Perth 6872  
Western Australia

The fly-in, fly-out mining operation employs 36 people; the mining contractor, Eltin Pty. Ltd., has 61 people on site in addition to service functions provided by another 20 contractors.

Tel: (09) 481 6040  
Fax: (09) 481 6035

Titan (25%) and its joint venture partner, Resolute Resources Ltd. (the operator), began exploring in June 1988. The Keillor 1 deposit was discovered the following year and Keillor 2, one kilometre to the south, was found in 1990.

## The Mining Operation

A feasibility study was completed by Resolute in 1992 based on simultaneous mining of both open pit deposits. Capital cost for an operation producing 60 000 ounces a year was A\$12 million. This involved the use of a re-located treatment plant from the Kurara gold mine, with an additional A\$5 million for exploration and pre-production costs.

The four-year-old treatment plant was completely refurbished during reconstruction. It consisted of a single stage jaw crusher, variable speed semi-autogenous grinding (SAG) mill and a carbon-in-leach recovery circuit.

The development phase commenced in January 1992 with Minproc Engineers as prime contractor. Processing of ore began six months later with the first gold pour on 1 July 1992. Total gold production at Marymia in 1992-1993 amounted to 77 926 ounces of gold.

## Pouring low-cost gold

By 23 November 1992 the mine had produced its first tonne of gold. The second tonne followed less than five months later on 13 April 1993 with the third tonne poured on 11 October 1993.

In the meantime Titan and Resolute made an outright purchase of the Triple P deposit, at the adjoining lease, from Battle Mountain Gold and entered into a joint venture to explore the surrounding area. In December 1993 the initial ore was mined at Triple P.

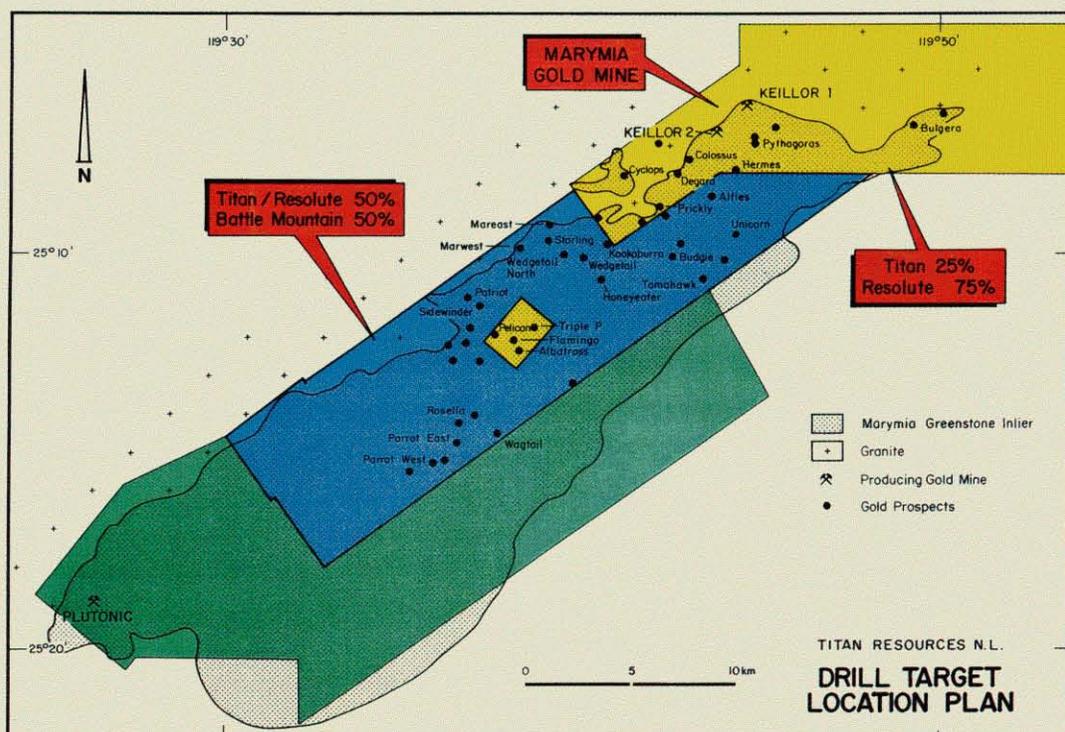
Marymia's financial success was adequately reflected in Titan's maiden year of production. In the year ending 30 June 1993 Titan reported a net profit of A\$3.2 million. Titan's maiden profit marks the evolution of the company from a small exploration company to a successful and efficient gold producer.

Titan's share of production amounted to 19 482 ounces of gold. Cash operating costs, at A\$237 an ounce, made it one of the lowest cost gold producers in the country.

## Exploration pointers to future prosperity

Exploration at Marymia recommenced in earnest in February last year following the earlier focus on plant construction and commissioning.

The portents are extremely good for a significant upgrading in reserves. Proven, measured and indicated resources totals 2.9 million tonnes at an average grade of 3.18 grams of gold a tonne. This is the equivalent of 295 350 ounces of contained gold which could provide at least four years reserves at the current rate of production.



---

But successes notched up during 1993 provide confidence about the potential for further discoveries in the 180 square kilometres joint venture area, which had no previous history of gold exploration. High grade mineralisation has been encountered in four reverse circulation holes drilled below the Keillor 2 pit, including 5 metres at 13.6 grams per tonne and 3 metres at 22.2 g/t. Deeper mineralisation will be tested with diamond drilling at two of these holes.

While the Keillor 1 pit is scheduled to be mined out in March, drilling to the north west has intersected open pitable ore in a number of discontinuous lenses. Grades were of the order of 2 g/t to 4 g/t over 1 metres to 4 metres intervals, with one hole striking an excellent 79 g/t grade in the final 2 metres to 60 metres. Relatively shallow mineralisation has also been intersected to the north of Keillor 2, along strike towards Keillor 1.

### **New exploration targets**

About a dozen other geochemical anomalies need to be drilled in the Marymia Greenstone Inlier with resource definition already occurring on four prospects.

At the Prickleys Prospect, about 8 kilometres south west of Keillor 2, one zone of mineralisation over a 300m strike length has an indicated resource of 231 000 tonnes grading about 3.8 g/t to a depth of 75 metres. Two diamond drill holes have been completed to confirm two earlier intersections of 21 metres at 2.4 g/t and 14 metres at 13.8 g/t.

At Apollo, about 1 kilometre from the Marymia mill and along strike with the Pythagoras and Hermes prospects, significant gold intercepts have been located over a 700 metre strike length. The gold is associated with quartz-sulphide veined felsic intrusives.

At Bulgera, about 8 kilometres to the east of Keillor 1, reverse circulation drilling is underway to upgrade the existing resource of 80,000 tonnes at 2.1 g/t. An infill drilling program to an average depth of 80 metres has already yielded an indicated resource of 335,700 tonnes at 2.57 g/t.

At Mercuri, a gold anomaly southeast of the Bulgera Shear Zone, significant mineralisation has been intersected over 100 metres of a 200 metre tested strike length. As at Bulgera, mineralisation again appears to be structurally controlled in a highly weathered quartz veined felsic sequence.

## **Outlook for the New Celebration mine**

The budget output for Titan's 20 per cent share this year is 32,095 ounces of gold. Total mine output in 1993 was a record 166,731 ounces with output in the final quarter, prior to the Mt Martin takeover, at an average cost of A\$373 an ounce.

Titan's share of remaining reserves and resources at New Celebration totals about 260,000 ounces.

Emphasis at the mine is changing with production moving from open cut to underground mining. The underground Hampton-Boulder operation produced 41,500 tonnes at 7 g/t during the December quarter. This result, some 70% better than earlier forecasts, was due to the discovery of a new ore zone as well as better than expected grades and widths.

The underground operation is yielding an estimated 2,000 ounces per vertical metre to place the ore body between the Bounty mine (1,600oz) and Kanowna Belle (3,600oz) in terms of overall yield.

## **Exploration properties targetted for future growth**

Outside of the gold producing Marymia and New Celebration project areas, Titan has significant exploration ventures in Western Australia and Tasmania as well as a major gold play in Tanzania.

**The Bulong Anticline/Lake Randall** area will see a first round of exploration drilling commence in March. Located about 50km east of Kalgoorlie, the area covers some 320 sq km just south of the Curtin deposit. Much of the area is covered by soil and alluvium which several explorers in the general Kalgoorlie region have had significant success in penetrating with the use of modern exploration techniques.

Titan's Curtin deposit already contains 2.5 million tonnes at an average grade of 2.3 g/t for an insitu resource of 187,300 ounces. A major effort to bolster the size of this resource will get underway with drilling to be carried out under five large high-order geochemical anomalies.

The indicative prospectivity of the area is shown by the existence of major gold producing centres at Mt Monger to the west, Randalls in the east and Transfind to the north.

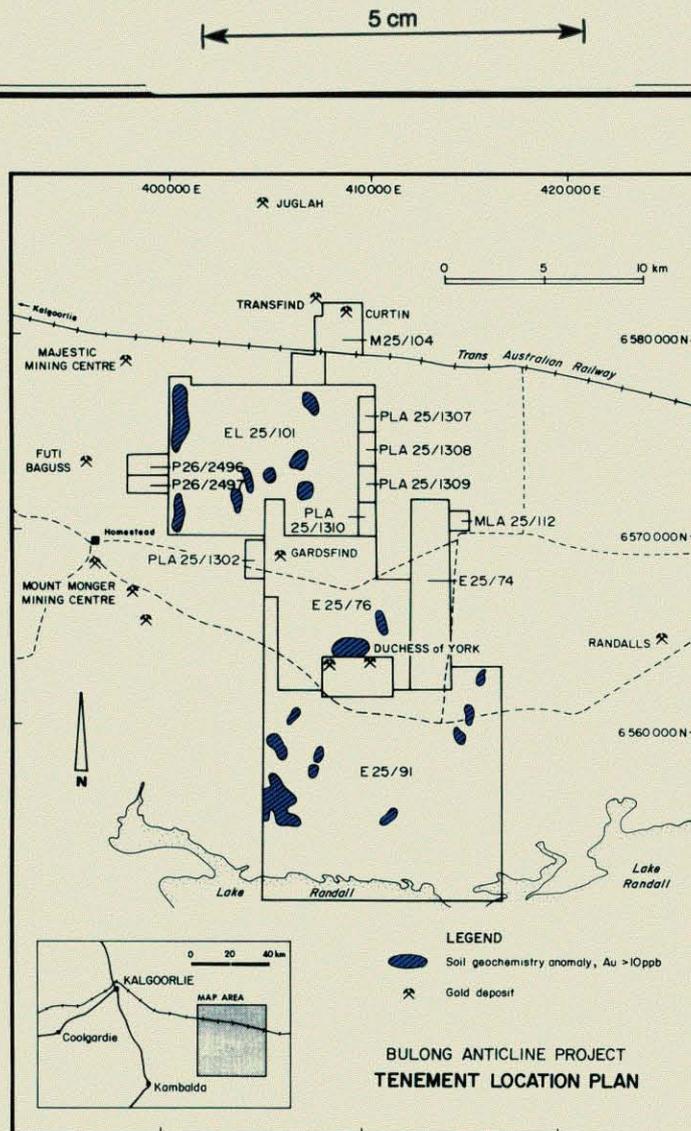
Other targets include:

- **Moina, Tasmania** - A zinc and gold prospect, where drilling will commence in April on a previously inferred 500,000 tonne resource with an average grade of 10% zinc and 1 g/t gold. Located about 60 km south southwest of Devonport, the 24 sq km area encompasses a mineralised skarn known as the Huge Skarn.

- **Ruby Well, Western Australia** - A shallow geochemical drilling program has been carried out and results are awaited. However, drilling activity is expected to be accelerated in pursuit of geochemical and structural targets. A mineralised zone 200 metres by 60 metres has been delineated with one of the deepest intersections turning in a best value of 47.5 g/t over 1m.

- **Jaurdi Hills, Western Australia** - Two areas of mineralisation have been delineated in this area, 35km northwest of Coolgardie. Owned 45% by Titan, the first, known as Jaurdi Mining Centre, has measured, indicated and inferred resources totalling 458,600 tonnes at 3.97 g/t while the second, known as Black Cat, has 322,000 tonnes at 3.38 g/t.

- **Buhemba Project, Tanzania** - Grant of the title to the 150 sq km prospecting licences around the old Buhemba mine is believed to be imminent. Titan and joint venture partner, Seamet Limited, have formed an equally owned Tanzanian subsidiary, Zanzibar Minerals Limited, to explore and develop mineral projects in this African nation. The Buhemba mine, in the north west of the country near Lake Victoria, has a recorded production history of 393,000 ounces of gold produced from ore with an average grade of 12.6 g/t.



## Management: Strategies and Personalities

Despite its relatively short history, Titan has established a reputation as a lean and well focussed operator. This has been a hallmark of the rationalisation efforts that have followed the takeover of Mt Martin. Combined overheads, which prior to the merger totalled about A\$1.2 million, have been slashed by more than a third.

The key driving force behind Titan Resources is its Managing Director, Bill Ryan, who initially pegged the ground at Marymia well before the Plutonic discovery had put the entire region in the national spotlight.

Mr Ryan has 28 years experience in the mining industry, including senior management experience with a number of mining and exploration companies. He is Chairman of Seamet Limited, and a Director of Goldstream Mining NL and Mineral Commodities NL. He holds a Master of Engineering from the University of Adelaide and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The exploration thrust of the enlarged Titan Group will be directed by Robin F.C. Morrith, who until recently was Senior Exploration Geologist for Western Mining at the Leinster and Kambalda nickel operations. He also worked for Western Mining at its overseas offices in Michigan, Denver, Reno and in Canada.

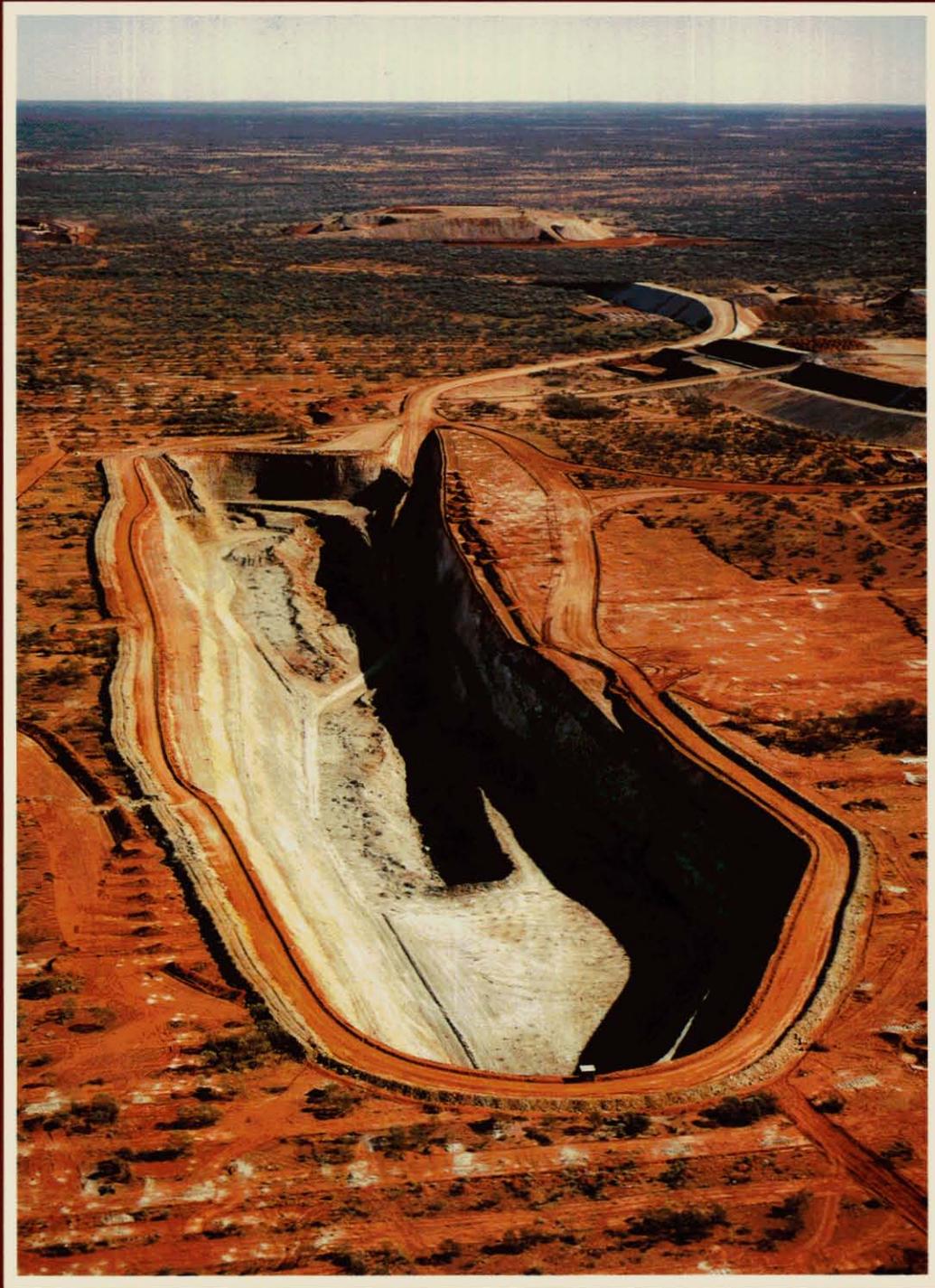
With a Doctorate in geology from Queen's University in Ontario in Canada, he has extensive knowledge of the geology of Australia, the US, Canada, Brazil and Chile as well as a working knowledge of the geology in Egypt, Arabia, Iran, Afghanistan and India. Dr Morrith, whose geological expertise extends from ore deposits, structural geology and tectonics to sedimentary basin analysis and remote sensing, also has some familiarity with Brazilian Portuguese and the Russian language.



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TITAN RESOURCES N.L.



ANNUAL REPORT 1993

# PROXY FORM

The Secretary  
Titan Resources NL  
PO Box 1073  
WEST PERTH WA 6872

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Titan Resources NL and entitled to \_\_\_\_\_ votes

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 24 November, 1993, and at any adjournment thereof in the manner indicated below or in the absence of an indication, as he/she thinks fit.

Proxies lodged in favour of the Chairman which do not indicate a vote against the resolution will be used to vote in favour of the resolution.

### SPECIAL BUSINESS

#### Special Resolutions

- |  | For                      | Against                  |
|--|--------------------------|--------------------------|
| 1. That the Articles of Association be amended by deleting the existing Article 119 and inserting new Article 119. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. That the Articles of Association be amended by inserting new Article 119A.                                      | <input type="checkbox"/> | <input type="checkbox"/> |

#### Ordinary Resolution

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 1. To approve, confirm and ratify previous issues and allotments of shares and to renew the Directors authority to place up to 10% of the issued capital of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|

### ORDINARY BUSINESS

#### Ordinary Resolutions

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 1. That the reports and audited accounts be adopted.                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To elect Directors —<br>That Mr I G Muir be re-elected as Director of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. That Mr M Dagul be re-elected as Director of the Company.                          | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 1993

Signature of Shareholder(s): \_\_\_\_\_

#### NOTE:

A Member of the Company entitled to attend and vote at the above Meeting is entitled to appoint not more than two proxies (who need not be members) to attend and vote on his/her behalf. Where more than one proxy is appointed, each proxy must be allocated a specified proportion of the Member's voting rights. The Proxy Form must be lodged with the Company, Ground Floor, 24 Outram Street, West Perth, Western Australia, 6005, not less than forty eight (48) hours before the time of holding the meeting. A proxy shall be signed by the appointor, or if a corporation, under its common seal, or under the hand of an authorised officer or attorney.

(A.C.N. 007 247 154)

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## COMPANY DETAILS

### Directors

W J Ryan B.E., M.E. F.A.I.M.M. (Chairman)  
 G S Kenway B.Sc.  
 P E Maher (Alternate G J Wallace)  
 I G Muir B.A. (Econ.)  
 M Dagul FFA.

### Secretary

G J Wallace FCPA FTIA

### Registered Office

Ground Floor  
 24 Outram Street  
 West Perth WA 6005  
 Telephone: (09) 481 6040  
 Facsimile: (09) 481 6035

### Auditors

Clarke & Company  
 114 William Street  
 Melbourne VIC 3000

### Share Registry

Security Transfer Registrars Pty Ltd  
 Level 1, 168 Adelaide Terrace  
 Perth WA 6000  
 Telephone: (09) 221 4200  
 Facsimile: (09) 221 1581

### Bankers

Commonwealth Bank of Australia  
 1254 Hay Street  
 West Perth WA 6005

### Company Information

The Company is a public company incorporated in Victoria and listed on the Australian Stock Exchange Limited.

### Notice of Meeting

The Fifth Annual General Meeting of Titan Resources NL will be held at The Celtic Club (Inc.) 1st Floor, 48 Ord Street, West Perth, on Wednesday the 24th day of November 1993 at 10.00am.

## STATEMENT BY CHAIRMAN

Dear Shareholders

Titan Resources NL has had its first profitable year since formation, recording a pre-tax profit of \$3.2 million thanks to the excellent performance of the Marymia joint venture gold mine in which we hold a 25 per cent equity.

The mine commenced production 1 July 1992 and yielded a total of 77,928 ounces of gold for the twelve month period of which Titan's share was 19,482 ounces. The average cash cost of production for the year was A\$237/ounce.

During the year we expanded our interests in the Marymia region in joint venture with Resolute Resources Limited by purchasing a Mining Lease covering the Triple P gold deposit located some 15kms south west of the Marymia treatment plant and negotiated the right to earn a 50 per cent equity (Titan 12.5 per cent) in the large area of prospective ground held by Battle Mountain Gold Inc. located between our Marymia tenements and the Plutonic mine further to the south-west.

The Company made a placement of 3,160,000 fully paid shares at 70 cents per share during the first half of 1993 to raise \$2,212,000. This placement created a substantial share premium reserve. As most shareholders had no opportunity to participate in this placement, directors declared a bonus issue of one new fully paid share for each existing ten shares held to all shareholders registered on 27 August 1993.

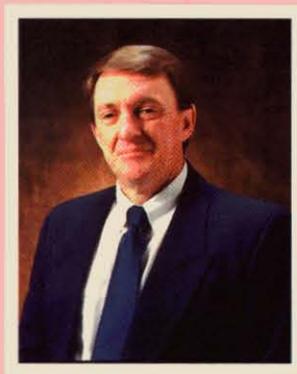
You should also be aware that Titan announced on 6 August 1993 that it would bid for the entire issued capital of Mt Martin Gold Mines NL on the basis of five new Titan shares (post bonus issue) for each six existing Mt Martin shares. This takeover merger is conditional upon acceptances of Mt Martin shareholders as to 90 per cent by value and 75 per cent by number, the conditions required for complete acquisition of the Company. This takeover will result in Mt Martin's largest shareholder, Southend Property Holdings PLC of London, becoming a 30 per cent shareholder in Titan. As Southend is deemed an Associate of Titan, shareholder approval is required. This approval was given at a General Meeting on October 13th.

Your Directors believe this merger will be a major step forward in the growth of Titan into a medium sized producer with substantially greater gold production. The major asset of Mt Martin is its 20 per cent equity in the large New Celebration gold mine near Kalgoorlie (in joint venture with Newcrest Mining Limited). In addition, it holds large prospective exploration areas and owns 48% of listed explorer, Noble Resources NL. The currently scheduled output for the coming year from a combination of the Group's share of Marymia, New Celebration and the Mt Martin mine would be around 60,000 ounces per year.

Your directors are confident that Titan will enjoy another successful year in 1993/1994 and hold high hopes for expansion of the Company's prospects in the exciting Marymia region and elsewhere.

I take advantage of this opportunity to thank on your behalf our hard working staff and consultants and the employees of the Marymia Mine for their excellent performance during the year, our joint venture partners, Resolute Resources Limited and our long term shareholders who have supported the Company in difficult times and whom, I hope, will enjoy the fruits of our success.

W J Ryan  
CHAIRMAN



## REVIEW OF OPERATIONS

### Marymia Gold Project — Western Australia (Titan Resources NL 25%)

The Marymia gold project is a joint venture between Titan Resources NL with 25 per cent equity and Resolute Resources Limited, the operator, with 75 per cent.

Marymia is located some 200km north of Meekatharra and some 50km north east of the Plutonic Mine.

Within the designated mining area, the joint venturers, prior to commencement of production, had established mining reserves of 1.66 million tonnes at an average grade of 4.1 grams of gold per tonne in two ore zones, Keillor 1 (K1) and Keillor 2 (K2).

A secondhand treatment plant was purchased in early 1992 and relocated to site. First gold was poured on 1 July 1992.

#### Production

The production statistics for the 1992/1993 year for the Marymia joint venture are summarised below:

Ore Mined	644,349	tonnes
Ore Processed	602,183	tonnes
Gold Produced	77,926	fine ounces
Recovered Grade	4.02	gm per tonne

The production for the year was significantly above the original budget projections due principally to increased mill throughput and ore grade.

Ore was mined concurrently from the K1 and K2 pits which advanced in depth to 45m and 50m respectively.

In January the stage 2 cutback in K1 was commenced and by June was completed. The K2 pushback was initiated in April and was scheduled to be completed by December 1993. It is likely that the completion of this cutback will be deferred due to the development of the Triple P deposit.



Marymia Treatment Plant

## REVIEW OF OPERATIONS *continued*

The plant operated at 97 per cent availability and satisfactory metallurgical recovery of better than 93.5%. Mining at K1 and K2 has now moved from the oxide zone into transition ores although some oxide ore is being sourced from the pit cutbacks. The plant is presently processing a blend of oxide and harder transition ores. The contribution of softer oxide ore from Triple P will allow the project to maintain the existing ore blend and production for 1993/1994 is projected to be around 70,000 ounces.

Minor modifications to the plant are to be undertaken shortly to streamline the grinding circuit and optimise mill performance. This will provide greater grinding flexibility with harder, primary ores that may be treated in the future. Feasibility work has indicated that plant capacity can be increased up to double its current throughput with only moderate capital expenditure.

### **Sales**

Gold sales for the twelve months to 30 June 1993 totalled 19,482 fine ounces grossing \$9.7 million. Most sales were made into deferred delivery contracts established prior to commencement of production although 1,500 ounces were sold into the spot market in May and June.

The forward sales position as at 30 June 1993 stood at 16,000 ounces at an average price of A\$493.83 per ounce. This has been reduced subsequent to the end of the fiscal year.

### **Resources**

Total resources within the Marymia-Titan joint venture areas including the Triple P East mineralisation at 30 June 1993 amount to 2.6 million tonnes at 3.31 grams per tonne gold (263,300 ounces). Within the K1 and K2 and proposed Triple P pits there are proven mining reserves of 1.34 million tonnes at an average grade of 3.77 grams per tonne (162,400 ounces). Exploration is anticipated to upgrade a significant proportion of these resources to mineable status in the current year.

## EXPLORATION

Exploration work for additional reserves, which had been a low priority during feasibility and in the early stages of production, recommenced in early 1993.

### **Mine Environs**

Limited drilling in the vicinity of the K1 and K2 open pits has, to date, delineated an additional 140,000 tonnes of mineralisation which can at present be classified variously as probable reserves and inferred and indicated resources. Work is continuing and will be the focus of a major campaign in 1993/94.

### **Triple P**

In the Triple P Mining Lease, Resolute have recently completed resource definition drilling on the Triple P East deposit to a depth of 100 metres. A measured resource of 814,000 tonnes grading 3.15 grams per tonne gold has been established. The mineralisation dips flatly west and plunges to the north where it is terminated by an east-west fault.

The Triple P East deposit recently acquired from Battle Mountain (Aust.) Inc. will be mined concurrently with K1 and K2 and provide oxide ore to blend with the harder transition ores. Mining is expected to commence in November 1993.

Exploration elsewhere on the Triple P gold-arsenic geochemical anomaly, defined by a five square kilometre mining lease purchased from Battle Mountain, has discovered new zones of high grade oxide gold mineralisation. These are hosted by a number of differing geological settings and orientations (Pelican, Triple P Extension, Albatross, Flamingo Prospects). It would appear likely that new mineable oxide, oxide/laterite, and laterite orebodies may result from this ongoing work.

The geological features of the Triple P deposit are structurally very complex and exploration has indicated possible negotiations with almost no surface expressions. This area holds excellent potential for additional ore to be defined with further drilling over the coming year.

### **Regional**

Regional exploration for gold within the various joint venture tenements progressed during the year but is still at a very early stage. The Marymia-Plutonic greenstone belt holds great potential for further gold discoveries in the future and justifies a major exploration effort.

Numerous new targets were identified in 1993. A number of partly tested prospects were advanced towards a decision to mine and the Triple P East orebody was drilled out. In the general area of the Triple P gold-arsenic geochemical anomaly, additional zones of high grade gold mineralisation have recently been discovered and hold promise for the coming year.

Exploration in the vicinity of the K1 and K2 orebodies has added to reserves from a number of positions and these have been evaluated over the past six months. The new zones, together with the resources at K1 and K2 remain open along strike and down dip. They are all structurally complex and generally have short dip and strike lengths. The zones are cross

folded and have a strong elongation down a flat lying north or south plunge. Stacking of ore zones is common at K1, K2 and the adjacent areas. Consequently, these areas of mineralisation require more detailed drill assessment to prove mineable reserves and work is continuing to upgrade the known zones.

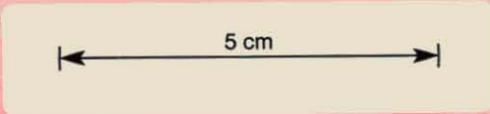
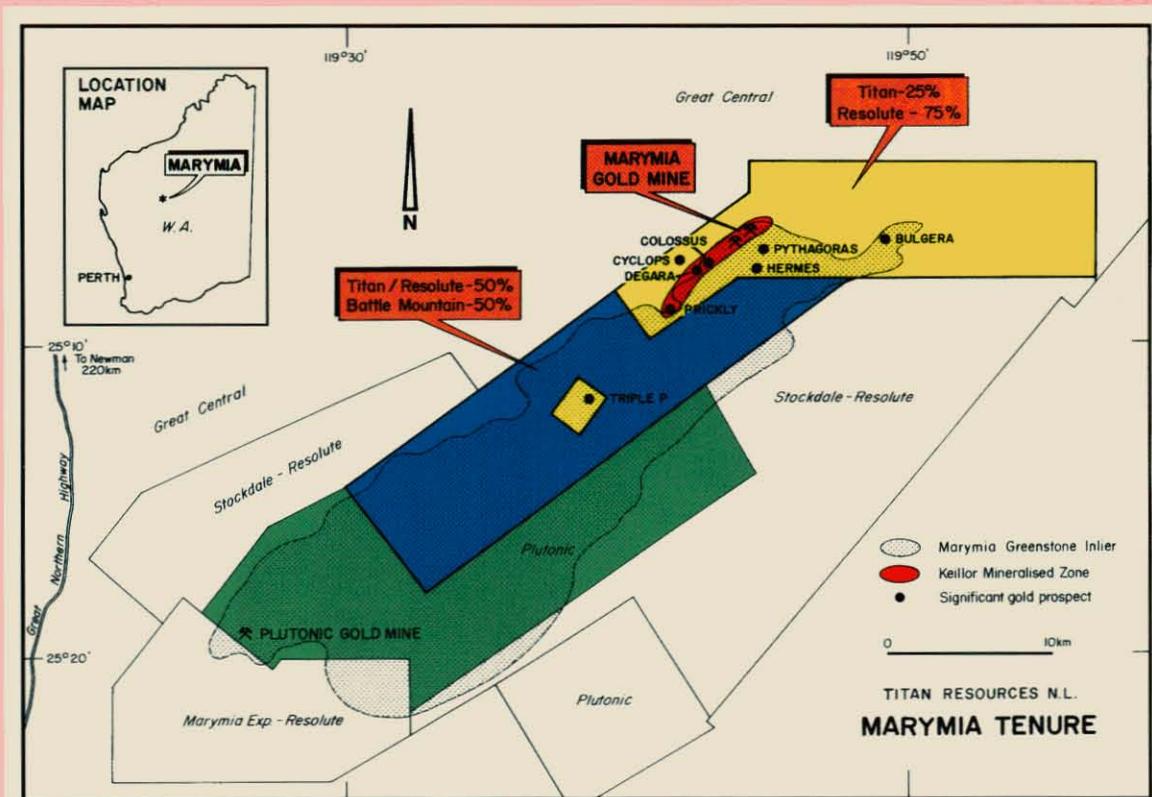
Within the Titan-Resolute Joint Venture area, comprehensive geochemical surveys were carried out before mining of the K1 and K2 orebodies. This allowed subtle geochemical gold anomalies to be identified before soil contamination from mine dust neutralised this approach. A number of targets have been identified and are being investigated.

The large Prickley's geochemical anomaly was RAB drilled and several zones of good grade oxide gold mineralisation outlined. These were verified by RC drilling and currently await definition of their strike extensions. Resumption of evaluation at the Degara Prospect, between Prickley's and K2 pit has led to this being considerably upgraded. Further RAB follow-up drilling programs are scheduled for Prickley's, Degara, Pythagoras and Apollo prospects. RC drillouts will follow, along with the resumption of evaluation at Bulgera, north-east of the Marymia Mine where the partially tested, mafic-hosted prospect has been considerably re-rated on stratigraphic and structural grounds.

**Plutonic Bore Joint Venture**

During 1993, agreement was reached with Battle Mountain (Aust.) Inc. for Titan and Resolute to explore their highly rated tenure, located along strike from the Marymia and Plutonic gold mines. Titan and Resolute are to earn a combined 50% equity by spending \$5 million over four years. The agreement provides for Battle Mountain to assume management of any stand alone gold deposits that are discovered by the joint venture (+300,000 ounces) and allows for smaller deposits to be treated through the Marymia Gold Project.

Initial joint venture exploration has focussed on establishing continuity of host mafic stratigraphy from Plutonic's Salmon gold deposit north-eastwards into the adjacent Plutonic Bore joint venture tenure. Commencement of a major drillout of several of the many gold targets in this tenure is planned for the near future.



## REVIEW OF OPERATIONS continued

### Ruby Well Joint Venture — Western Australia (Titan Resources NL earning 25%)

This project is a joint venture between Titan, Seamet Limited and Mt Martin Gold Mines NL, each of whom is earning 25 per cent, and Ruby Wells NL, the original titleholder, which is carried for the first \$900,000 of expenditure. The tenements are located 80km north of Meekatharra at the southern margin of the Glengarry Basin and cover approximately 265 square kilometres.

Detailed geological mapping and BLEG (bulk leach extractable gold) soil sampling delineated a number of gold anomalous targets.

A first pass drill program at Ruby Well involved the completion of 105 RAB holes for 2684 metres of drilling. This shallow RAB drilling tested three separate geochemical target areas over a 2.5km strike defined by previous soil sampling surveys.

Promising results have been obtained from drilling at Curleys Prospect, an east-west trending fault zone located at the contact between Thaduna Formation greywacke sediments and Narracoota Formation mafic volcanics.

Encouraging results from this shallow RAB drilling in a zone 200 metres long by 60 metres wide includes:

Hole No.	Northing	Easting	From/To (m)	Interval (m)	Gold Grade (g/t)
CX95	684800	7130700	3-4	1	4.3
			14-15	1	1.16
			23-24	1	1.24
			25-26	1	1.36
CX100	684895	7130615	20-21	1	2.90
CX115	684995	7130615	14-16	2	2.38
CX116	684853	7130612	16-21	5	1.76
CX118	684858	7130642	25-27	2	1.20
CX119	684860	7130661	14-15	1	1.68
CX120 includes	684865	7130673	6-12	6	2.07
			11-12	1	6.65
			15-16	1	1.60
CX121	684867	7130688	22-23	1	1.01

All holes were drilled at 60 degrees declination at azimuth 180 degrees.

These values are associated with a zone of quartz stockwork veinings within the shear zone. There is a broad halo of strongly anomalous gold values of between 0.1 and 1.0 g/t around the intersections given above. The zone is open at depth and along strike.

Geochemical evidence suggests that near surface leaching has depleted gold values in the oxidised zone.

In July 1993 a 1027 metre reverse circulation program centred on Curleys prospect was completed.

Sample recovery was poor in some water saturated zones, but the best results are listed in the table below:

Hole No.	Northing	Easting	From/To (m)	Interval (m)	Gold Grade (g/t)
RX1	684800	7130750	36-39	3	1.45
RX2	684800	7130725	25-31	6	1.9
			41-44	3	2.6
			19-20	1	1.44
RX3	684800	7130707	27-28	1	1.24
			33-34	1	4.8
			38-39	1	3.3
			63-64	1	1.7
RX4	684800	7130775	12-14	2	2.70
RX5	684865	7130675	24-25	1	1.41
			32-34	2	2.80
			26-31	5	1.00
RX6	684868	7130696	47-48	1	1.9
RX9	684904	7130704	70-71	1	47.5
RX10	685000	7130670	78-82	4	2.2

All holes were drilled at 60 degrees declination at azimuth 180 degrees.

The drilling was designed to test a north dipping fault zone at the contact between mafic and sediment rock types, a highly prospective contact zone in the Peak Hill district.

The 20 to 30 metre wide fault zone is marked by quartz stockwork veining, with individual gold mineralised lenses up to six metres wide. The mineralised zone is 200 metres long, is open at depth and also open along strike to the west.

The best values of 47.5g/t have been obtained from the deepest intersection.

Further drilling to outline the extent of gold mineralisation and location of high grade zones is warranted.

**Narracoota Joint Venture — Western Australia**  
(Titan Resources NL 50%)

Titan holds a 50 per cent equity in Exploration Licence E52/426 located immediately to the south of Peak Hill in central Western Australia. The other 50 per cent is held by Curtin Mining NL, a subsidiary of Mt Martin Gold Mines NL.

Afmeco Pty Ltd, a subsidiary of the French Group, Cogema Limited, may earn 50% in this licence by sole funding the first \$300,000 of exploration work.

Work has commenced and a modest drill program has been completed. To date the results have been indifferent.

**Parker Hill Prospect — Western Australia**  
(Titan Resources NL 50%)

Titan holds a 50 per cent interest, in joint venture with Goldstream Mining NL, in Exploration Licence E15/177. The area is situated 30km east of Kambalda and encloses a sequence of interpreted ultramafic and basic rocks on the flanks of a granitoid intrusion.

Western Mining Corporation Limited conducted exploration under a farm-in arrangement during 1992 but withdrew in early 1993 and retains no equity.

The partners are considering their position in respect of this tenement.

**Lynchford Prospect — Tasmania**  
(Titan Resources NL earning 51%)

The Lynchford prospect consisting of Exploration Licences 9/84 and 8/91, is situated 10km south-south-east of Queenstown in western Tasmania. Titan may earn 51% equity by sole funding \$520,000 of exploration expenditure.

Previous exploration has generated several gold-arsenic anomalies in sequence of lower Paleozoic age sediments (siltstones, sandstones and shales) interpreted as affected by major faulting. Drilling confirmed the anomalous nature of the sediments and demonstrated potential for fine grained "Carlin Style" gold mineralisation in calcareous and carbonaceous siltstones and shales. Three diamond drill holes were completed in the June 1993 quarter to test this potential. One hole returned an intercept of two metres from 18 to 20 metres of 4.2g/t Au in a fractured sandstone unit but the results were generally disappointing. It is possible that the anomalous gold-arsenic-antimony zone, which is the focus of exploration, may result from gold mineralisation associated with fractured sandstones rather than calcareous/carbonaceous fine grained sediments.

Additional drilling comprising two more cored holes is planned for early 1994.

**Moina Prospect — Tasmania**  
(Titan Resources NL 50%)

The Moina prospect consists of Exploration Licence 20/92 of 25 square kilometres encompassing a group of abandoned workings for various minerals near the old mining town of Moina, some 50 kilometres south of Devonport.

The Exploration Licence has potential for modest sized gold deposits with bismuth credits in the vicinity of the old Stormont Mine in the western portion of the area.

The Licence encloses Retention Licence 8810 held by the Shell Company of Australia Limited and CRA Exploration Pty Ltd which protects a fluorite resource previously delineated by them. The Retention Licence and that portion of the EL to the east has potential for zinc mineralisation. Previous work has indicated potential for a modest sized zinc deposit (of the order of 0.5 million tonnes at 10% Zn with gold credits) in the Hugo Skarn unit. There is potential for repetition of this Skarn unit to the north and east, within the Exploration Licence.

Titan and its joint venture partner has negotiated a farm-in arrangement with CRA and Shell whereby Titan et al can earn 50 per cent equity in the zinc potential of the Retention Licence by sole funding the first \$600,000 of expenditure. Titan and its partner are committed to a \$75,000 drilling program in the first twelve months. This work is planned for late 1993.

Drilling at the Stormont gold-bismuth target is also planned for the next year.

## REVIEW OF OPERATIONS continued

### Davenport Range — Northern Territory (Titan Resources 50%)

At the Davenport Range Prospect south east of Tennant Creek, Titan hold a 50% interest in Exploration Licences 7461, 7467 and 7468 with Goldstream Mining NL over an aggregate 486 square kilometres of Proterozoic sediments. The areas have been selected to explore for base metals and gold on the basis of favourable structural and stratigraphic features with suggested analogies with other Proterozoic provinces in Australia which contain substantial ore bodies.

Reconnaissance exploration has confirmed the regional prospectivity of the areas.

A helicopter assisted stream sediment and mapping program has recently been completed and results are awaited.

### Tanzania — East Africa

In joint venture with Seamet Limited (50%), Titan Resources has formed a Tanzanian subsidiary company, Zanzibar Minerals Limited (ZML) whose purpose is to explore for and develop mineral projects within Tanzania.

In pursuit of this objective, ZML has applied for a 150 square kilometre Prospecting Licence over the old Buhemba mine in the north west of the country near Lake Victoria. An unlisted Australian Company (which has no connection with the directors of Titan), Vigilant Oil NL, has an 8% equity in this project, free carried for the first A\$3 million of expenditure.

The Buhemba mine has a recorded production history of 393,000 ounces of gold at a grade of 12.6 grams per tonne.

ZML has signed a Heads of Agreement with the Government Agency, Suma Corporation Limited, whereby ZML sole funds all exploration and Suma, as the national equity holders, receives a 20% free carried interest to completion of feasibility of the main hardrock gold mineral potential and 50% free carried interest to production of gold from 1.3 million tonnes of tailings, if viable.

The Prospecting Licence has been provisionally granted to ZML pending the resolution of a dispute between the Tanzanian Government and the former licence holder. This dispute is scheduled for settlement in late 1993 and formal grant of the PL to ZML awaits final resolution.

## DIRECTORS' REPORT

The Directors present their report on the financial statements of the Company and controlled entities for the year ended 30 June 1993 in accordance with a resolution of the Directors.

### DIRECTORS

**William James Ryan B.E., M.E.F.A.I.M.M.**

**Chairman and Managing Director**

Mr Ryan has 28 years' experience in the mining industry, including senior management positions with Endeavour Resources Limited and Bond Resources Limited. He is principal of the mining consultancy, Rytech Pty Ltd, Chairman of Seamet Limited, and a Director of Goldstream Mining NL and Mineral Commodities NL.

He holds a Master of Engineering from the University of Adelaide and is a Fellow of the Australasian Institute of Mining and Metallurgy.

**George Spencer Kenway B.Sc.**

**Director**

Mr Kenway is a geophysicist with 26 years experience in oil and mineral exploration in Australia, Africa, the Middle East and South East Asia. He was formerly Exploration Manager for Balmoral Resources NL and has wide general experience in the exploration industry. He is also Chairman and Managing Director of Goldstream Mining NL and a Director of Seamet Limited.

**Peter Edward Maher**

**Director**

Mr Maher is a journalist based in Melbourne. He has had over 22 years experience in the resources and exploration industries as a journalist and in the management of resource companies. Mr Maher is currently a director of several mining, petroleum and publishing companies.

**Irvin Graham Muir B.A. (Econ.)**

**Director**

Mr Muir graduated from the University of Western Australia with a degree in economics. Prior to moving to Kalgoorlie in 1974 to take up the position of Secretary to the Chamber of Mines, he was employed in the securities industry. In 1979 he became a full-time prospector and mining economist. He is a Director of Noble Resources NL and Managing Director of Mt Martin Gold Mines NL, a substantial shareholder of Titan.

**Malcolm Dagul FFA**

**Director**

Mr Dagul is the Chairman of Southend Property Holdings PLC, Mt Martin Gold Mines NL's UK-based parent company. Mr Dagul has considerable business experience in the United Kingdom. He is also a Director of Mt Martin Gold Mines NL and Noble Resources NL.

**Geoffrey Joseph Wallace FCPA FTIA**

**Alternate Director and Company Secretary**

Mr Wallace is a Fellow of the Australian Society of Certified Practising Accountants and a Fellow of the Taxation Institute of Australia. He has 25 years' experience in the mining industry.

### Principal Activities

The principal activities of the economic entity during the year were mineral exploration and production and sale of gold. There were no significant changes in the nature of that activity during the year.

### Operating Results

The Economic Entity profit from operations was \$3,204,254 after abnormal items and eliminating outside equity interests for the year ended 30 June 1993 (1992 loss \$1,422,596).

### Review of Operations

A review of the Economic Entity's operations during the financial year and the results of these operations are set out in the section entitled "Review of Operations".

### Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Economic Entity during the financial year, not otherwise dealt with in the annual financial statements.

### Likely Developments

In the opinion of the Directors it would prejudice the interest of the Economic Entity to include additional information, except as reported in this Directors' Report, which relates to likely developments in the operations of the group and the expected results of those operations in financial periods subsequent to 30 June 1993.

### Meetings of Directors

The following table sets out the numbers of meetings of the Company's directors held during the year ended 30 June 1993 and the numbers of meetings attended by each Director.

	Full Meetings of Directors	Circular Resolutions
Number of meetings held	7	1
Number of meetings attended by:		
W J Ryan	6	1
G S Kenway	5	1
N M Holt	3	1
P E Maher	5	1
I G Muir	6	1
M Dagul (appointed 24/12/92)	—	1
G J Wallace (Alternate for P E Maher)	1	—

## DIRECTORS' REPORT continued

### Subsequent Events

On 18 August 1993 300,000 share options were exercised at 27 cents each for 300,000 fully paid ordinary shares of 20 cents each.

On 31 August 1993 300,000 share options were exercised at 20 cents each for 300,000 fully paid ordinary shares of 20 cents each.

On 31 August 1993 3,574,478 ordinary fully paid shares were issued following a one for ten bonus issue from the Share Premium Reserve account.

On 1 September 1993, Mr N M Holt resigned from the Board of Directors.

On 17 September 1993, the Company agreed (without admitting any liability) to pay CLM Australia \$95,000 and the latter company agreed to withdraw all legal proceedings relating to monies contributed by CLM to the Bet Bet Project in Victoria in 1986.

On 21 September 1993 the Company made a takeover offer (by way of Part A takeover scheme) for all of the issued shares of Mt Martin Gold Mines NL on the basis of five Titan Resources NL shares for every six Mt Martin Gold Mines NL shares.

On 12 October 1993 the Company extended the period during which the offers to Mt Martin Gold Mines NL shareholders will remain open for acceptance until midnight (Perth time) on 4 November 1993.

On 13 October 1993, at an Extraordinary General Meeting of Members of the Company, the following resolution was unanimously passed:

"That for the purposes of Rule 3J(3) of the Official Listing Rules of Australian Stock Exchange Limited and all other purposes, the proposed acquisition by the Company of fully paid ordinary shares in Mt Martin Gold Mines NL under the terms of a takeover scheme, details of which are contained in the letter to shareholders which accompanied the Notice convening this Meeting, be and it is hereby approved."

On 15 October 1993 the Company was entitled to 41,989,942 ordinary shares of 30 cents each fully paid in Mt Martin Gold Mines NL.

### Directors Benefits

No Director of the Company has received or become entitled to receive a benefit while a Director other than:

- a) a benefit included in the aggregate amount of emolument received or due and receivable by Directors shown in the accounts;
- b) a fixed salary as a full time employee of the company save and except for:

fees paid to mining consultancy firm, Rytech Pty Ltd of which Mr W J Ryan is a principal and Director for consulting services at commercial rates under a contract terminable at six months notice.

SIGNED for and on behalf of the Board in accordance with a resolution of the Directors this 15th day of October 1993.

W J Ryan  
CHAIRMAN

G S Kenway  
DIRECTOR

**PROFIT AND LOSS ACCOUNT**

for the year ended 30 June 1993

	NOTE	ECONOMIC ENTITY		CHIEF ENTITY	
		1993	1992	1993	1992
		\$	\$	\$	\$
Operating Profit/(Loss)	2	3,201,200	(1,434,225)	(559,641)	(440,020)
Income Tax attributable to operating Profit/(Loss)	3	—	—	—	—
Operating Profit/(Loss) after tax		3,201,200	(1,434,225)	(559,641)	(440,020)
Minority shareholders' interest in the losses of controlled entities		3,054	(11,629)	—	—
Profit/(Loss) for year attributable to members of chief entity		3,204,254	(1,422,596)	(559,641)	(440,020)
Accumulated losses at the beginning of the financial year		(4,579,128)	(3,156,532)	(3,545,966)	(3,105,946)
<b>ACCUMULATED LOSSES AT END OF FINANCIAL YEAR</b>		<b>(1,374,876)</b>	<b>(4,579,128)</b>	<b>(4,105,607)</b>	<b>(3,545,966)</b>

The accompanying notes form part of the financial statements.

## BALANCE SHEET

as at 30 June 1993

	NOTE	ECONOMIC ENTITY		CHIEF ENTITY	
		1993	1992	1993	1992
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash		4,432,378	1,579,389	2,144,450	816,578
Receivables	4	187,132	61,876	136,418	18,957
Other	5	689,849	5,918	3,222	5,918
Inventories	6	484,348	405,544	—	—
<b>Total Current Assets</b>		<b>5,793,707</b>	<b>2,052,727</b>	<b>2,284,090</b>	<b>841,453</b>
<b>Non Current Assets</b>					
Receivables		—	—	1,553,314	1,193,472
Investments	7	263,885	223,735	638,151	620,704
Property, Plant and Equipment	8	2,658,550	3,074,121	110,589	124,108
Other	9	3,374,490	3,381,379	346,352	103,481
<b>Total Non Current Assets</b>		<b>6,296,925</b>	<b>6,679,235</b>	<b>2,648,406</b>	<b>2,041,765</b>
<b>TOTAL ASSETS</b>		<b>12,090,632</b>	<b>8,731,962</b>	<b>4,932,496</b>	<b>2,883,218</b>
<b>Current Liabilities</b>					
Creditors and Borrowings	10	3,745,465	4,444,607	90,936	74,352
Provisions	11	31,843	5,810	8,346	5,810
<b>Total Current Liabilities</b>		<b>3,777,308</b>	<b>4,450,417</b>	<b>99,282</b>	<b>80,162</b>
<b>Non Current Liabilities</b>					
Creditors and Borrowings	10	757,072	1,539,899	26,047	28,248
Provisions	11	18,354	—	—	—
<b>Total Non Current Liabilities</b>		<b>775,426</b>	<b>1,539,899</b>	<b>26,047</b>	<b>28,248</b>
<b>TOTAL LIABILITIES</b>		<b>4,552,734</b>	<b>5,990,316</b>	<b>125,329</b>	<b>108,410</b>
<b>NET ASSETS</b>		<b>7,537,898</b>	<b>2,741,646</b>	<b>4,807,167</b>	<b>2,774,808</b>
<b>Shareholders Equity</b>					
Share Capital	12	5,247,117	4,235,117	5,247,117	4,235,117
Reserves	13	3,665,657	3,085,657	3,665,657	2,085,657
Accumulated Losses		(1,374,876)	(4,579,128)	(4,105,607)	(3,545,966)
<b>TOTAL SHAREHOLDERS EQUITY</b>		<b>7,537,898</b>	<b>2,741,646</b>	<b>4,807,167</b>	<b>2,774,808</b>

The accompanying notes form part of the financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 1993

### 1. Statement of Accounting Policies

#### a) *Basis of Accounting*

The financial statements have been prepared in accordance with applicable Statements of Accounting Concepts, applicable Accounting Standards and the Corporations Law, including the disclosure requirements of Schedule 5. The financial statements have also been prepared on the basis of historical cost and, except where stated, do not take into account changing money values or current valuations of non-current assets.

#### b) *Depreciation of Property, Plant and Equipment*

##### *Marymia Hill Joint Venture*

The assets have been depreciated at rates based upon the economic life of the mine or the life of the asset if shorter.

##### *Other Plant and Equipment*

Fixed assets are depreciated at rates based upon their expected useful lives using both diminishing value and prime cost methods.

#### c) *Exploration and Development*

Exploration and development costs are carried forward as an asset in the balance sheet where:

- i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or by its sale; or
- ii) exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Where a project or area of interest has been relinquished or abandoned, the costs incurred thereon are written off.

#### d) *Income Tax*

Tax effect accounting has been adopted. The tax benefits relating to taxation losses is brought to account only when their recovery is assured beyond reasonable doubt. The benefits will only be obtained by the companies if:

- i) they continue to comply with the provisions of the income tax legislation relating to the deduction of losses of prior years;
- ii) they earn sufficient assessable income to enable the benefits of the deduction to be realised; and
- iii) there are no changes in tax legislation adversely affecting the company in realising the benefit.

#### e) *Joint Venture*

The company's interest in a joint venture is brought to account by including in their respective classification categories the amount of:

- i) the company's share in each of the individual assets employed in the joint venture;
- ii) liabilities incurred in relation to the joint venture including the company's share of liabilities for which it is jointly and/or severally liable; and
- iii) the company's share of income and expenses incurred in relation to the joint venture.

#### f) *Investments*

Shares in quoted and unquoted companies acquired as investments are valued at cost except where, in the opinion of the directors, there has been a permanent diminution in value.

#### g) *Leased Assets*

Assets of the company acquired under finance leases are capitalised. The initial recorded amount of the leased asset and corresponding lease liability is the present value of the minimum lease payments. Leased assets are amortised over the life of the relevant lease or, where it is likely the economic entity will obtain ownership of an asset, the expected useful life of the asset. Lease payments are allocated between the principal and interest components. Lease liabilities are reduced by repayments of principal and the interest component is charged against profits.

#### h) *Bullion*

Gold bullion held at a refinery at the end of the year is valued at the applicable forward sales price on that date and shown in Current Assets — Other. Bullion includes gold poured within two days of year end.

## NOTES continued

### 1. Statement of Accounting Policies (continued)

#### i) Inventories

##### Gold on Hand and in Circuit

Gold on hand is valued at the lower of cost of production and net realisable value. Cost is established by the average cost method including all relevant costs.

##### Ore Stockpiles

Ore stockpiles are valued at cost of production. The costs include only the direct cost of mining the ore and do not have any allocation of depreciation of fixed assets or amortisation of development costs.

##### Warehouse Stocks

Warehouse stocks are valued at the lower of cost and net realisable value.

#### j) Revenue Recognition

Revenue from production of gold is recognised when the product has been despatched to a gold refinery and is no longer under the physical control of the entity.

#### k) Consolidation

The economic entity accounts comprise consolidated accounts of the chief entity and its controlled entities, Consolidated Underwriting Corporation Pty Ltd, Etna Holdings Pty Ltd, Mato Grosso Minerals Pty Ltd, Metalores NL and 50% owned Harrow Holdings Pty Ltd and Zanzibar Gold Pty Ltd. The latter companies are deemed controlled entities under the Corporations Law in that a majority of the directors of Harrow Holdings Pty Ltd and Zanzibar Gold Pty Ltd, are directors of Titan Resources NL. All intercompany balances and transactions are eliminated.

### 2. Operating Profit

The Operating profit for the year has been determined after:

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>a. Crediting as Revenue</b>				
Gold Sales	9,757,322	104,968	—	—
Interest receivable from other persons	74,994	109,644	19,706	107,119
Other	—	121,334	—	121,334
Profit on sale of equipment	500	125	500	—
Profit on sale of investments	116,458	40,558	—	7,463
<b>b. Charging as Expenses</b>				
Amortisation of exploration costs	687,797	—	—	—
Amortisation of leased assets	20,789	16,149	—	3,070
Depreciation of fixed assets	544,619	13,328	38,680	13,328
Interest payable to other persons	266,834	169,580	10,877	1,514
Loss on sale of fixed assets	—	7,631	—	7,631
Loss on sale of investments	3,609	—	3,609	—
<b>c. Abnormal Items</b>				
Exploration expenditure written off in respect of areas of interest	6,217	121,184	6,217	121,184
Joint venture costs associated with delay to mining	—	433,859	—	—
	6,217	555,043	6,217	121,184

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>3. Income Tax</b>				
Operating Profit/(Loss)	3,204,254	(1,422,596)	(559,641)	(440,020)
Prima facie tax at 39%	1,249,659	(554,812)	(218,260)	(171,608)
Future tax benefits not brought to account:				
— relating to timing differences	94,720	14,206	94,720	—
Tax effect of permanent differences:				
Non deductible expenditure	151,525	10,643	9,238	10,643
Exploration expenditure written off	115,133	47,262	2,425	47,262
Utilisation of carried forward losses	(1,271,768)	—	—	—
Losses transferred from chief entity	(339,269)	—	—	—
<b>INCOME TAX BENEFIT NOT BROUGHT TO ACCOUNT (refer Note 1(d))</b>	—	(482,701)	(111,877)	(113,703)
<b>4. Current Assets — Receivables</b>				
Sundry Debtors	187,132	61,876	136,418	18,957
	187,132	61,876	136,418	18,957
<b>5. Current Assets — Other</b>				
Prepayments	18,534	5,918	3,222	5,918
Deferred Mining Costs	193,895	—	—	—
Gold Bullion	477,420	—	—	—
	689,849	5,918	3,222	5,918
<b>6. Inventories</b>				
Warehouse Stocks	38,385	40,531	—	—
Diesel Fuel Stocks	69,216	20,421	—	—
Ore Stockpiles	336,718	225,465	—	—
Gold in Circuit	40,029	119,127	—	—
	484,348	405,544	—	—
<b>7. Non Current Assets — Investments</b>				
Shares in listed Companies at cost	263,885	223,735	210,657	193,210
Less Provision for diminution in value	—	—	—	—
	263,885	223,735	210,657	193,210
Shares in controlled entities at cost	—	—	427,494	427,494
<b>TOTAL INVESTMENTS</b>	263,885	223,735	638,151	620,704
Market value of listed shares at 30 June	550,462	282,777	498,612	229,197

NOTES continued

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>8. Non Current Assets</b>				
Plant and equipment at cost	1,668,356	1,837,901	—	164,052
Less accumulated depreciation	284,406	145,680	—	145,680
	<u>1,383,950</u>	<u>1,692,221</u>	<u>—</u>	<u>18,372</u>
Office furniture and fixtures at cost	103,752	59,295	76,018	55,581
Less accumulated depreciation	27,309	18,322	22,581	18,322
	<u>76,443</u>	<u>40,973</u>	<u>53,437</u>	<u>37,259</u>
Motor vehicles at cost	75,502	75,502	75,502	75,502
Less accumulated depreciation	18,350	7,025	18,350	7,025
	<u>57,152</u>	<u>68,477</u>	<u>57,152</u>	<u>68,477</u>
Mine property and development at cost	1,271,800	1,174,697	—	—
Less accumulated depreciation	216,805	—	—	—
	<u>1,054,995</u>	<u>1,174,697</u>	<u>—</u>	<u>—</u>
	<u>2,572,540</u>	<u>2,976,368</u>	<u>110,589</u>	<u>124,108</u>
<b>Capitalised leases</b>				
Motor vehicle	96,786	80,162	—	—
Less provision for amortisation	26,847	11,245	—	—
	<u>69,939</u>	<u>68,917</u>	<u>—</u>	<u>—</u>
Office furniture	23,092	30,670	—	—
Less provision for amortisation	7,021	1,834	—	—
	<u>16,071</u>	<u>28,836</u>	<u>—</u>	<u>—</u>
	<u>86,010</u>	<u>97,753</u>	<u>—</u>	<u>—</u>
<b>TOTAL WRITTEN DOWN VALUE</b>	<u>2,658,550</u>	<u>3,074,121</u>	<u>110,589</u>	<u>124,108</u>
<b>9. Non Current Assets — Other</b>				
Exploration and development expenditure				
— at cost less amounts written off	4,062,287	2,381,379	346,352	103,481
— at Directors valuation	—	1,000,000	—	—
	<u>4,062,287</u>	<u>3,381,379</u>	<u>346,352</u>	<u>103,481</u>
Less provision for amortisation	687,797	—	—	—
	<u>3,374,490</u>	<u>3,381,379</u>	<u>346,352</u>	<u>103,481</u>

The carrying value of the expenditure carried forward is dependent upon the discovery of commercially viable mineral reserves and the successful development and exploitation thereof, or alternatively, sale of the respective areas of interest at amounts at least equal to book values.

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>10. Creditors and Borrowings</b>				
<b>a. Current</b>				
Creditors and Accruals	2,094,983	2,017,332	78,363	28,218
Bank Overdraft (secured)	—	27,921	—	27,921
Lease Liabilities (Note 16(a))	23,625	24,473	—	—
Project Finance Secured (Note 10(c))	1,614,284	2,356,668	—	—
Hire Purchase Loan	12,573	18,213	12,573	18,213
	<u>3,745,465</u>	<u>4,444,607</u>	<u>90,936</u>	<u>74,352</u>
<b>b. Non Current</b>				
Project Finance Secured (Note 10(c))	660,000	1,435,000	—	—
Hire Purchase Loan	26,047	28,248	26,047	28,248
Lease Liabilities (Note 16(a))	71,025	76,651	—	—
	<u>757,072</u>	<u>1,539,899</u>	<u>26,047</u>	<u>28,248</u>
<b>c. Project Finance — Secured</b>				
The project finance facilities comprises the following:				
i) Overdraft Facility of \$1,625,000 (\$264,284 having been utilised). The facility is repayable by 30 June 1994.				
ii) Gold and Cash Advance Facility of \$2,010,000 which is repayable by 31 December 1994.				
The project finance facilities are secured by:				
i) a first ranking fixed and floating charge over the assets and undertakings of the company and a controlled entity;				
ii) a first ranking mining mortgage over a controlled entity's interests in the tenements associated with the Marymia Gold Project; and				
iii) a charge over all the hedging contracts undertaken by the company and a controlled entity in relation to the Marymia Gold Project.				
<b>11. Provisions</b>				
<b>Current</b>				
Provision for Holiday Pay	31,843	5,810	8,346	5,810
<b>Non Current</b>				
Provision for Restoration	18,354	—	—	—
<b>12. Share Capital</b>				
<b>Authorised</b>				
250,000,000 ordinary shares of 20 cents each	50,000,000	50,000,000	50,000,000	50,000,000
<b>Issued</b>				
35,145,095 ordinary shares of 20 cents each fully paid (1992 — 30,085,095)	7,029,019	6,017,019	7,029,019	6,017,019
Less discount on shares issued	1,781,902	(1,781,902)	1,781,902	(1,781,902)
	<u>5,247,117</u>	<u>4,235,117</u>	<u>5,247,117</u>	<u>4,235,117</u>

The increase in issued capital during the year is due to the allotment and issue of the following:

- The exercise of 1,900,000 share options for 1,900,000 fully paid ordinary shares of 20 cents each.
- The placement of 3,160,000 fully paid ordinary shares at a premium of 50 cents each.

There were 1,540,000 share options outstanding as at 30 June 1993.

NOTES continued

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>13. Reserves</b>				
Share Premium Reserve	1,580,731	731	1,580,731	731
Asset Revaluation Reserve	—	1,000,000	—	—
Capital Reserve on Reconstruction	2,084,926	2,084,926	2,084,926	2,084,926
	<u>3,665,657</u>	<u>3,085,657</u>	<u>3,665,657</u>	<u>2,085,657</u>

**14. Investments in Controlled Entities**

	CHIEF ENTITY		Class of Shares	Beneficial Interest
	1993	1992		
Consolidated Underwriting Corporation Pty Ltd A.C.N. 004 536 038	17,488	17,488	Ordinary	100%
Etna Holdings Pty Ltd A.C.N. 009 225 718	2	2	Ordinary	100%
Harrow Holdings Pty Ltd A.C.N. 009 225 745	1	1	Ordinary	50%
Mato Grosso Minerals Pty Ltd A.C.N. 009 225 398	2	2	Ordinary	100%
Metalores NL A.C.N. 010 471 842	410,000	410,000	Ordinary	100%
Zanzibar Gold Pty Ltd A.C.N. 009 225 638	1	1	Ordinary	50%
	<u>427,494</u>	<u>427,494</u>		

**15. Contribution to Economic Entity**

During the year, members of the economic entity contributed to the profit (loss) for the year after abnormal and extraordinary items as follows:

	CHIEF ENTITY	
	1993	1992
	\$	\$
Titan Resources NL (Inc. in Victoria)	(559,641)	(440,020)
<b>CONTROLLED ENTITIES</b>		
Consolidated Underwriting Corporation Pty Ltd (Inc. in Vic)	116,072	33,095
Etna Holdings Pty Ltd (Inc. in WA)	—	—
Harrow Holdings Pty Ltd (Inc. in WA)	(3,054)	(9,829)
Mato Grosso Minerals Pty Ltd (Inc. in WA)	—	—
Metalores NL (Inc. in Qld.)	3,650,877	(1,005,842)
Zanzibar Gold Pty Ltd (Inc. in WA)	—	—
	<u>3,204,254</u>	<u>(1,422,596)</u>

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>16. Lease Commitments</b>				
<b>a) Financial Leases</b>				
Due within one year	35,823	25,080	—	—
Due between one and two years	35,566	25,080	—	—
Due between two and five years	48,815	51,393	—	—
<b>TOTAL MINIMUM LEASE COMMITMENT</b>	<b>120,204</b>	<b>101,553</b>	<b>—</b>	<b>—</b>
Less future finance charges	(25,554)	(429)	—	—
<b>TOTAL LEASE LIABILITIES</b>	<b>94,650</b>	<b>101,124</b>	<b>—</b>	<b>—</b>
Current Liabilities	23,625	24,473	—	—
Non current liabilities	71,025	76,651	—	—
	<b>94,650</b>	<b>101,124</b>	<b>—</b>	<b>—</b>
<b>b) Operating Leases</b>				
Lease rentals in respect of Operating Leases				
Due within one year	47,342	—	47,342	—
Due between one and two years	67,692	32,560	67,692	32,560
Due between two and five years	124,102	146,520	124,102	146,520
	<b>239,136</b>	<b>179,080</b>	<b>239,136</b>	<b>179,080</b>

**17. Remuneration of Directors**

**a) Directors' Remuneration**

Income received or due and receivable by all Directors of each entity in the economic entity from all companies in the economic entity and any related bodies corporate including directors fees of \$63,000 (1992 \$24,000).

212,870      162,400

Income received or due and receivable by all Directors of the chief entity from the chief entity and any related bodies corporate including directors fees of \$63,000 (1992 \$24,000)

160,870      113,400

Number of chief entity directors whose income from the chief entity and any related bodies corporate was within the following bands:

	No.	No.
\$ 0 – \$ 9,999	1	4
\$10,000 – \$19,999	4	—
\$80,000 – \$89,999	—	1
\$90,000 – \$99,999	1	—

The names of chief entity directors who have held office during the financial year are:

William J Ryan  
George S Kenway  
Peter E Maher  
Nicholas M Holt  
Irvin G Muir  
Malcolm Dagul

NOTES continued

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>18. Auditors Remuneration</b>				
Amounts received or due and receivable by chief entity auditors for:				
Auditing the accounts	8,500	8,132	8,500	8,132
Other services	—	—	—	—
	<u>8,500</u>	<u>8,132</u>	<u>8,500</u>	<u>8,132</u>
Other Auditors				
For services as auditors	3,301	2,764	3,301	2,764
For other services	—	—	—	—
	<u>3,301</u>	<u>2,764</u>	<u>3,301</u>	<u>2,764</u>

**19. Segmental Information**

The economic entity predominantly operates in the mining industry in Australia. More than 90% of revenue, operating profit and segment assets relate to operations in the gold exploration and mining industry.

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>20. Commitments and Contingent Liabilities</b>				
a) Commitments				
Exploration				
The economic entity has estimated minimum exploration commitments during the forthcoming year of:	796,644	434,301	78,192	49,801

This expenditure will only be incurred should the economic entity retain its existing level of interest in its various exploration areas.

b) The economic entity has obtained project finance facilities for the Marymia Gold Project (refer Note 10). The project finance facilities are secured by:

- i) a first ranking fixed and floating charge over the assets and undertakings of the company and a controlled entity.
- ii) a first ranking mining mortgage over a controlled entity's interests in the mining tenements associated with the Marymia Gold Project; and
- iii) a charge over all the hedging contracts undertaken by the company and a controlled entity in relation to the Marymia Gold Project.

c) The economic entity has sold 16,000 ounces (1992: 20,838oz) of gold at an average price of \$493.13 (1992: \$483.37). The gold for these contracts is expected to be produced from the Marymia operation.

d) The economic entity has purchased A\$6,000,000 (sale of US Dollars) at an average exchange rate of 0.7013.

e) Contingent Liability

Proceedings have been commenced by CLM Australia Pty Limited for the recovery of \$300,000 being the sum contributed by CLM to the Ber Bet Project, (being a joint venture between, amongst others, CLM and the Company) in Victoria. By agreement between the parties, the matter has been referred to mediation. The Company has been advised that it has good prospects of success in defending the claim if the mediation is unsuccessful and will vigorously defend the claim in that event. On that basis, the Company has not made provision in the accounts except for legal costs.

## 21. Related Party Transaction

Titan Resources NL has paid all tenement exploration and mining expenses on behalf of its controlled entities.

Titan Resources NL has undertaken to provide its controlled entities financial support necessary to enable them to continue their operations for the next financial year.

During the year, the Company paid \$148,518 (1992 \$108,890) to Rytech Pty Ltd, for consulting fees, a shareholder of the company in which Mr W J Ryan is a Director.

### Directors

The names of each person who held the position of director of the company during the financial year are Messrs W J Ryan, G S Kenway, N M Holt, P E Maher, I G Muir and M Dagul.

## 22. Minority Shareholders' Interest

	1993 \$	1992 \$
Share of loss for year	3,054	11,629
Less: Owing to remaining minority shareholder	3,054	11,629
	<u>—</u>	<u>—</u>

## 23. Events Subsequent to Balance Date

On 6 August, 1993 the Company announced its intention to make a takeover offer (by way of Part A takeover scheme) for all of the issued shares of Mt Martin Gold Mines NL on the basis of five Titan Resources NL shares for every six Mt Martin Gold Mines NL shares.

On 18 August, 1993 300,000 share options were exercised at 27 cents each for 300,000 fully paid ordinary shares of 20 cents each.

On 31 August, 1993 3,574,478 ordinary fully paid shares were issued following a one for ten bonus issue from the Share Premium Reserve account.

On 31 August, 1993 300,000 share options were exercised at 20 cents each for 300,000 fully paid ordinary shares of 20 cents each.

As a result of the above issues, the share capital of the Company as at 6 August, 1993 is as follows:

39,319,573 ordinary fully paid shares of 20 cents each.

940,000 options to subscribe for fully paid ordinary shares of 20 cents each, exercisable at par and expiring on 14 January, 1994.

## 24. Statement of Cash Flows

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993	1992	1993	1992
	Inflow	Inflow	Inflow	Inflow
	(Outflow)	(Outflow)	(Outflow)	(Outflow)
	\$	\$	\$	\$
Cash flow from operating activities				
Cash receipts in the course of operations	9,154,646	170,305	9,766	108,256
Cash payments in the course of operations	(5,375,486)	(1,581,258)	(592,314)	(523,461)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>3,779,160</b>	<b>(1,410,953)</b>	<b>(582,548)</b>	<b>(415,205)</b>
Cash flows from investing activities				
Cash advance to related entities	—	—	(359,842)	(410,184)
Interest received	74,994	109,644	19,706	107,119
Interest paid	(266,834)	(170,806)	(10,877)	(3,240)
(Repayment)/Proceeds from project finance facilities	(1,517,384)	3,177,844	—	—
(Repayment)/Proceeds from hire purchase loan	(7,841)	46,461	(7,841)	46,461
Purchase of investments	(40,150)	(168,055)	(17,447)	(137,530)
Purchase of property, plant and equipment	(59,109)	(1,817,279)	(28,270)	(192,204)
Sale proceeds on property, plant and equipment	36,295	27,000	—	27,000
Finance lease payment	(23,098)	(28,090)	—	(18,387)
Exploration expenditure	(1,687,125)	—	(249,088)	—
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(3,490,252)</b>	<b>1,176,719</b>	<b>(653,659)</b>	<b>(580,965)</b>
Cash flow from financing activities				
Share issue	2,592,000	3,000	2,592,000	3,000
Net cash inflow from financial activities	2,592,000	3,000	2,592,000	3,000
Net increase (decrease) in cash held	2,880,910	(231,234)	1,355,793	(993,170)
Cash on hand at beginning of the financial year	1,551,468	1,782,702	788,657	1,781,827
Cash on hand at the end of the financial year	4,432,878	1,551,468	2,144,450	788,657

## Note 1 — Reconciliation of cash

For the purpose of the cash flow statement, cash includes at bank and on short term deposit, net of bank overdrafts, and is reconciled to the Balance Sheet as follows:

Cash	4,432,378	1,579,389	2,144,450	816,578
Bank overdraft	—	(27,921)	—	(27,921)
	4,432,378	1,551,468	2,144,450	788,657

	ECONOMIC ENTITY		CHIEF ENTITY	
	1993 Inflow (Outflow) \$	1992 Inflow (Outflow) \$	1993 Inflow (Outflow) \$	1992 Inflow (Outflow) \$
<b>24. Statement of Cash Flows (continued)</b>				
<b>Note 2 — Reconciliation of operating profit/(loss) after income tax to cash applied to operating activities</b>				
Operating profit/(loss) after income tax	3,201,200	(1,434,225)	(559,641)	(440,020)
Add (less): Non cash and investment items				
Interest received	(74,994)	(109,644)	(19,706)	(107,119)
Amortisation of leased assets	26,789	16,149	—	3,070
Depreciation of fixed assets	544,619	13,328	38,680	13,328
(Profit)/Loss on sale of fixed assets	(500)	7,631	(500)	7,631
Interest payable	266,834	170,806	10,877	3,240
Exploration expenditure written off	6,217	121,184	6,217	121,184
Profit on sale of investments	(112,849)	(40,558)	3,609	(7,463)
Movement in employee entitlements	26,033	1,200	2,536	1,200
Profit on sale of equipment	—	(125)	—	—
Amortisation of exploration costs	687,797	—	—	—
Provision for restoration	18,354	—	—	—
	(4,589,500)	(1,254,254)	(517,928)	(404,949)
Add (less): Changes in assets and liabilities during the year				
Increase in receivables	(602,676)	(55,997)	(117,461)	(13,078)
Increase in other	(206,511)	(3,074)	2,696	(3,074)
Increase in inventories	(78,804)	(405,544)	—	—
Increase in sundry creditors	77,651	307,916	50,145	5,896
<b>NET CASH APPLIED TO OPERATING ACTIVITIES</b>	<b>3,779,160</b>	<b>(1,410,953)</b>	<b>(582,548)</b>	<b>(415,205)</b>

Note 3 — Financial activities  
Refer Note 10.

	CONSOLIDATED	
	1993 \$	1992 \$
<b>25. Earnings Per Share</b>		
Basic earnings per share (dollars per share)	.10	(.05)
Diluted earnings per share (dollars per share)	.10	(0.4)
Reconciliation of earnings used in the calculation of earnings per share		
Operating Profit after income tax	3,201,000	(1,434,225)
Earnings used in the calculation of basic earnings per share	3,201,200	(1,434,225)
Add: Imputed earnings after income tax on funds receivable on exercise of options	11,789	24,888
Earnings used in the calculation of diluted earnings per share	3,212,989	(1,409,337)

## NOTES continued

	NUMBER OF SHARES	
	1993	1992
<b>25. Earnings Per Share (continued)</b>		
<i>Reconciliation of Weighted Average Numbers of Ordinary Shares used in the Calculation of Earnings per Share</i>		
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	31,339,397	30,071,985
Add: Weighted average number of potential ordinary shares relating to options issued	1,540,000	2,040,000
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	<u>32,879,397</u>	<u>32,111,985</u>

*Rate for Imputed Earnings*

The Australian dollar 180-day bank bill rates, in effect on the first day of each half year, used in the calculation imputed earnings for each half year on exercise of options are:

1 July 1992	6.28%
1 January 1993	6.39%

*Conversion, Call, Subscription or Issue after 30 June 1993*

On 6 August, 1993 the Company announced its intention to make a takeover offer (by way of Part A takeover scheme) for all of the issued shares of Mt Martin Gold Mines NL on the basis of five Titan Resources NL shares for every six Mt Martin Gold Mines NL shares.

On 18 August, 1993 300,000 share options were exercised at 27 cents each for 300,000 fully paid ordinary shares of 20 cents each.

On 31 August, 1993 300,000 share options were exercised at 20 cents each for 300,000 fully paid ordinary shares of 20 cents each.

On 31 August, 1993 3,574,478 ordinary fully paid shares were issued following a one for ten bonus issue from the Share Premium Reserve account.

## STATEMENT BY DIRECTORS

In accordance with a resolution of the directors of Titan Resources NL, we state that,

1. In the opinion of the Directors of the Company:
  - a) The accompanying profit and loss accounts are drawn up so as to give a true and fair view of the profit of the company and of the economic entity in so far as they concern members of the chief entity for the financial year ended 30 June 1993.
  - b) The accompanying balance sheets are drawn up so as to give a true and fair view of the state of affairs of the company and of the economic entity in so far as they concern members of the chief entity as at the end of that financial year.
  - c) At the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.
2. The accompanying accounts and economic entity accounts have been made out in accordance with Statements of Accounting Concepts and applicable Accounting Standards and the directors have elected in terms of Section 285 of the Corporations Law to apply ASRB 1024: Consolidated Financial Statement for this financial year.
3. The accounts of the company have been properly prepared by a competent person.

On behalf of the Board

W J Ryan  
MANAGING DIRECTOR

G S Kenway  
DIRECTOR

Perth, Western Australia, 15th October 1993.

## AUDITORS' REPORT

To the Members of TITAN RESOURCES NL

We have audited the financial statements of Titan Resources NL and of the economic entity for the year ended 30th June, 1993 as set out on pages 11 to 25. The Company's directors are responsible for the preparation and presentation of the financial statements and of the information contained therein. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian auditing standards to provide reasonable assurance as to whether the financial statements are free of material mis-statement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian accounting concepts and standards and statutory requirements so as to present a view of the company of the economic entity which is consistent with our understanding of their financial position and the result of their operations.

The names of the controlled entities of which we have not acted as auditors are Etna Holdings Pty Ltd, Harrow Holdings Pty Ltd, Mato Grosso Minerals Pty Ltd, Metalores NL and Zanzibar Gold Pty Ltd. We have, however, received sufficient information and explanations concerning these controlled entities to enable us to form an opinion on the economic entity financial statements.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion, the financial statements of Titan Resources NL and of the economic entity are properly drawn up:

- a) so as to give a true and fair view of:
  - i) the state of affairs of the company of the economic entity at 30th June 1993 and of the profit of the company and of the economic entity for the year ended on that date; and
  - ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements.
- b) in accordance with the provisions of the Corporations Law; and
- c) in accordance with statements of accounting concepts and applicable accounting standards.

CLARKE & COMPANY  
Chartered Accountants

P R DEVENISH  
Partner

Dated at Melbourne this 15th day of October 1993.

## STOCK EXCHANGE INFORMATION

### 1. Shareholdings

In compliance with the requirements of the Australian Stock Exchange Limited, the Directors state that at 15 October 1993.

- i) The twenty largest shareholders held 59.99 per cent of the issued shares.
- ii) There are 1,261 shareholders in the Company. The voting rights upon a poll are one vote for each share held.
- iii) There are 44 shareholders holding less than a marketable parcel.
- iv) The distribution of shareholdings is as follows:

Number	Fully Paid Shares
1- 1,000	138
1,001- 5,000	435
5,001-10,000	252
10,001-over	436
	1261

In addition, there are 940,000 non tradeable options issued under the employees and directors share option incentive scheme and following a one for ten bonus issue of shares, the option holders are entitled to a further 94,000 shares.

### 2. Directors' Interests

Statement of Interest of each Director in the capital of the Company as at 15 October 1993.

	Fully Paid Shares		Options
	Direct	Indirect	
W J Ryan	—	3,785,628	400,000
G S Kenway	110,550	426,690	200,000
I G Muir	—	7,896,245	—
P E Maher	—	—	120,000
M Dagul	—	7,896,245	—

The indirect, fully paid shares shown in the names of Messrs Dagul and Muir represent the same block of shares.

### 3. Substantial Shareholder

The names and number of shares held by substantial shareholders as at 15 October, 1993 as shown in the Company register are:

Mt Martin Gold Mines NL	7,896,245
Exchange Nominees Pty Ltd	4,140,675
Rytech Pty Ltd	3,466,628
Westpac Custodian Nominees Ltd	1,237,200

- 4. The Company is not taxed as a private Company.
- 5. The Company does not have an audit committee of the Board of Directors.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of members of the Company will be held at 10.00am on 24 November 1993 at The Celtic Club (Inc.), 1st Floor, 48 Ord Street, West Perth, Western Australia.

### Special Business

To consider, and if thought fit, pass the following resolutions as special resolutions:

1. That the Articles of Association be amended by deleting the existing Article 119 and inserting the following new Article 119:

"119. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted and may consist of one or more documents in identical terms each signed by one or more of the Directors and may comprise documents communicated or exchanged by facsimile transmission and shall bear the date upon which the last Director signed provided that where any alternate Director has been appointed by a Director who is unable by reason of illness or otherwise to act personally then in lieu of his signature, the signature of the alternate Director shall be required."

2. That the Articles of Association of the Company be amended by inserting the following new Article 119A:

"119A (a) The contemporaneous linking together by instantaneous communication device of a number of consenting Directors not less than the quorum, whether or not any one or more of the Directors is out of Australia, shall be deemed to constitute a meeting of the Directors and all the provisions of these Articles as to the meetings of the Directors shall apply to such meetings held by instantaneous communication device so long as the following conditions are met:

- i) all the Directors for the time being entitled to receive notice of the meeting of the Directors (including any alternate Director) shall be entitled to notice of a meeting by instantaneous communication device for the purposes of such meeting. Notice of any such meeting shall be given on the instantaneous communication device or in any other manner permitted by these Articles;
- ii) each of the Directors taking part in the meeting by instantaneous communication device must be able to hear each of the other Directors taking part at the commencement of the meeting; and
- iii) at the commencement of the meeting each Director taking part in the meeting by instantaneous communication device must acknowledge that Director's presence for the purpose of a meeting of the Directors to all the other Directors taking part.

- (b) A Director may not leave the meeting by disconnecting his instantaneous communication device unless the Director has previously obtained the express consent of the Chairman of the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by instantaneous communication device unless that Director has previously obtained the express consent of the Chairman of the meeting to leave the meeting as aforesaid.

- (c) For the purpose of this Article 119A "instantaneous communication device" shall include telephone, television or any other audio or visual device which permits instantaneous communication."

### Explanatory Note in Relation to Special Resolutions 1 & 2 (Proceedings of Directors)

Directors cannot always be in the one place at the one time. These resolutions attempt to reflect the realities of the electronic age by providing for proceedings of Directors such as resolutions, meetings and so on to be conducted or communicated by facsimile, telephone or any other audio or visual device for communication.

To consider and if thought fit, pass the following resolution as an ordinary resolution

1. That the issue and allotment of all shares made by the Company within a period of twelve months prior to the date on which this resolution shall be passed by the members of the Company in General Meeting and as set out in the First Schedule hereto be approved, confirmed and ratified and that the authority of the Directors to place up to 10% of the issued capital of the company in accordance with Listing Rule 3E(6)(d) be renewed.

### FIRST SCHEDULE

- (a) The issue on 24 May 1993 of 3,160,000 ordinary fully paid shares of 20 cents each per share at an issue price of 70 cents per share to clients of Hartley Poynton Limited, a Member Corporation of Australian Stock Exchange Limited. The purpose of the issue was to raise further working capital. No Directors or associates of Directors of Titan Resources NL participated in the issue.

### Ordinary Business

1. To receive, consider and adopt the Accounts and Balance Sheet of the Company for the year ended 30 June 1993 and the reports of the Directors and Auditors thereon.
2. To elect a Director. Mr I G Muir retires by rotation in accordance with the Articles of Association, and being eligible, offers himself for re-election.
3. To elect a Director. Mr M Dagul having been appointed during the year by the Directors under the Articles of Association, retires and being eligible, offers himself for re-election.
4. To transact any other business which may be properly brought before the meeting.

### BY ORDER OF THE BOARD

G J WALLACE  
Company Secretary

Dated at PERTH this 15th day October 1993.

### Proxies:

Please note that:

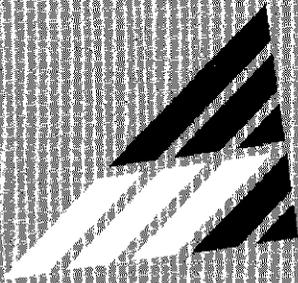
- a) a member entitled to attend and vote at the meeting or any adjournment thereof is entitled to appoint not more than two proxies.
- b) where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the member's voting rights.
- c) a proxy need not be a member of the company.
- d) to be effective, the proxy form must be received by the company at its Registered Office not less than 48 hours before the time appointed for the meeting.

# LIST OF TENEMENTS

Tenement Number	Group Ownership	Tenement Number	Group Ownership
<b>MARYMIA</b>		<b>PARKER HILL</b>	
E 52/317	25%	E 155/177	50%
E 52/428	25%	<b>NARACOOTA</b>	
L 52/48	25%	E 52/426	50%
L 52/51	25%	<b>RUBY WELL</b>	
L 52/52	25%	E 51/343	Earning 25%
L 52/54	25%	E 51/356	Earning 25%
M 52/183	25%	M 51/291	Earning 25%
M 52/185	25%	P 51/1353	Earning 25%
M 52/233	25%	P 51/1497	Earning 25%
M 52/234	25%	E 51/388	Earning 25%
M 52/235	25%	<b>DAVENPORT RANGE</b>	
M 52/269	25%	EL 7461	50%
M 52/270	25%	EL 7467	50%
M 52/271	25%	EL 7468	50%
M 52/272	25%	<b>MOINA</b>	
M 52/273	25%	EL 20/92	50%
M 52/274	25%	<b>LYNCHFORD</b>	
M 52/275	25%	EL 9/84	51%
M 52/276	25%	EL 8/91	51%
M 52/340	25%	<b>BUHEMBA</b>	
M 52/341	25%	P L Application	46%
M 52/342	25%	<b>PLUTONIC BORE</b>	
M 52/365	25%	M 52/217	Earning 12.5%
M 52/366	25%	M 52/218	Earning 12.5%
<b>TRIPLE P</b>		M 52/219	Earning 12.5%
M 52/396	25%	M 52/220	Earning 12.5%
<b>PLUTONIC BORE</b>		M 52/225	Earning 12.5%
M 52/217	Earning 12.5%	M 52/226	Earning 12.5%
M 52/218	Earning 12.5%	M 52/227	Earning 12.5%
M 52/219	Earning 12.5%	M 52/228	Earning 12.5%
M 52/220	Earning 12.5%	M 52/229	Earning 12.5%
M 52/225	Earning 12.5%	M 52/230	Earning 12.5%
M 52/226	Earning 12.5%	M 52/231	Earning 12.5%
M 52/227	Earning 12.5%	M 52/232	Earning 12.5%
M 52/228	Earning 12.5%	M 52/246	Earning 12.5%
M 52/229	Earning 12.5%	M 52/247	Earning 12.5%
M 52/230	Earning 12.5%	M 52/257	Earning 12.5%
M 52/231	Earning 12.5%	M 52/258	Earning 12.5%
M 52/232	Earning 12.5%	M 52/259	Earning 12.5%
M 52/246	Earning 12.5%	M 52/303	Earning 12.5%
M 52/247	Earning 12.5%	M 52/304	Earning 12.5%
M 52/257	Earning 12.5%	M 52/320	Earning 12.5%
M 52/258	Earning 12.5%	M 52/321	Earning 12.5%
M 52/259	Earning 12.5%	M 52/322	Earning 12.5%
M 52/303	Earning 12.5%	M 52/323	Earning 12.5%
M 52/304	Earning 12.5%	P 52/787	Earning 12.5%
M 52/320	Earning 12.5%	P 52/793	Earning 12.5%
M 52/321	Earning 12.5%		
M 52/322	Earning 12.5%		
M 52/323	Earning 12.5%		
P 52/787	Earning 12.5%		
P 52/793	Earning 12.5%		

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# GOLDSTREAM MINING N.L.

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Annual Report 1993

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## COMPANY DETAILS

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### Directors

G. S. Kenway B.Sc. (Chairman and Managing Director)  
W. J. Ryan B.E., M.E. F.A.I.M.M.  
T. A. Robson ACA ACIS CPA

### Secretary

G. J. Wallace FCPA FTIA

### Registered Office

Ground Floor  
24 Outram Street  
WEST PERTH WA 6005  
Telephone: (09) 481 6040  
Facsimile: (09) 481 6035

### Auditors

Stanton Partners  
5 Ord Street  
WEST PERTH WA 6005

### Share Registry

Security Transfer Registrars Pty Ltd  
Level 1  
168 Adelaide Terrace  
PERTH WA 6000  
Telephone: (09) 221 4200  
Facsimile: (09) 221 1581

### Bankers

Commonwealth Bank of Australia  
1254 Hay Street  
WEST PERTH WA 6005

### Company Information

The Company is a public company incorporated in Western Australia and listed on the Australian Stock Exchange Limited

### Notice of Meeting

The Ninth Annual General Meeting of Goldstream Mining N.L. will be held at Ground Floor, 24 Outram Street, West Perth, on the 29th day of November 1993 at 10.00am.

## REVIEW OF OPERATIONS

### GENERAL

The Company's policy in recent years has been to acquire prospective areas generated by conceptual and geological studies carried out by its consultants. Exploration risk is then reduced by negotiating Joint Venture agreements with creditable mining groups. This policy enables Goldstream to remain an active and innovative exploration company and to retain substantial interests in a number of projects.

During the year, the Company participated in three drilling programs. Two of these programs were at no cost to Goldstream. Drilling was conducted on three of the Company's prospects:

- Parker Hill – Kalgoorlie, Western Australia
- O'Briens – Tasmania

- Lynchford – Tasmania

The Company also acquired two new gold prospects and an area prospective for diamonds. The new prospects are:

- Euro Prospect – South of Laverton, Western Australia – Gold;
- Hospital Prospect – Meekatharra, Western Australia – Gold;
- Cycad Hill Prospect – Ellendale, Western Australia – Diamonds.

The Company's level of activity is expected to increase in the coming year, with drilling programs planned for four of the prospects. Work is also expected to commence on the diamond prospect in the West Kimberley.

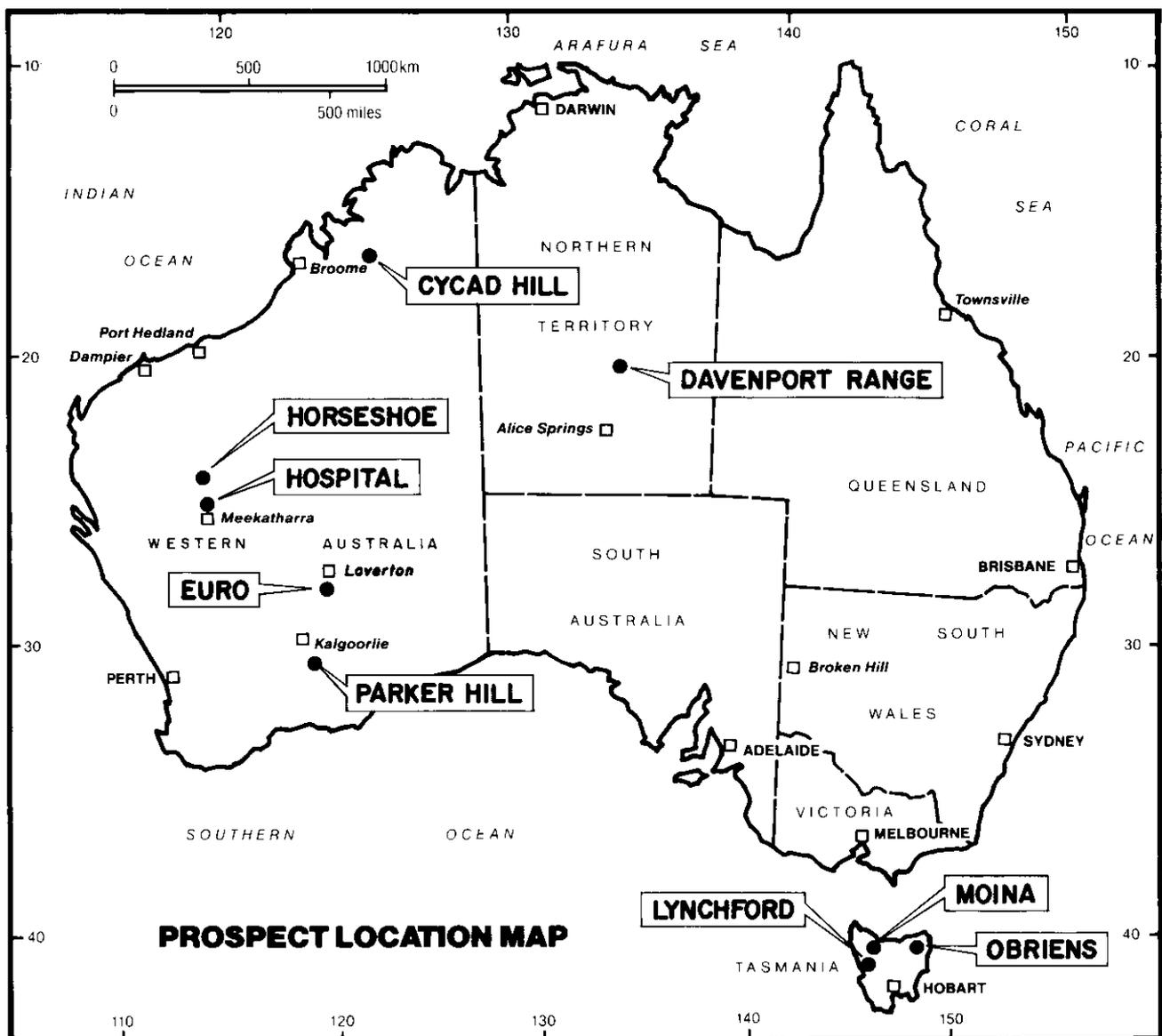


Figure 1

## REVIEW OF OPERATIONS continued

### TASMANIA

#### LYNCHFORD PROSPECT (EL9/84, EL8/91)

Goldstream 100%, Titan Resources N.L. earning 50%

Goldstream Mining N.L. is the holder of contiguous Exploration Licences 9/84 (27 square kilometres) and 8/91 (14 square kilometres) situated approximately 10kms south of Queenstown on the west coast of Tasmania. Since 1984, Goldstream, in association with various partners, has explored these licensed areas for gold. The tenements are currently subject to a joint venture agreement between Goldstream and Titan Resources N.L.

Various geological and geochemical programs completed on EL9/84 successfully defined a series of substantial Au-As anomalies occurring over a steeply dipping sequence of lower Palaeozoic limestones, siltstones and sandstones folded against an inferred major north-south fault zone known as Harveys Creek Fault. The strongest and aerially largest of these anomalies occurred over a series of old adits collectively known as the Coupon Workings. A number of four wheel drive tracks were constructed into the Coupon area to facilitate a program of RC drilling designed to further evaluate this surface geochemical anomalism. These roads, together with the main adits, were mapped and channel sampled. Results confirmed the substantial nature of the Au-As anomaly, with Au values up to 5.9g/t.

Thirteen RC holes totalling 732 metres were completed. Anomalous Au and As values were obtained in several of these holes in limonitic sandstone, sulfidic quartz veined siltstone and limestone. Of particular interest was RC hole CRC 3 which intersected 12 metres 1.68g/t Au, 0.38% As within a 24 metre zone of 1.09 Au, 0.26% As, and an additional zone of 6m 0.7g/t Au, 0.26% As. Chips from this hole were described as containing hydrothermal quartz-arsenopyrite-pyrite mineralisation in siltstone, i.e., not secondary mineralisation. One cored hole LT91-1 was drilled in 1991 to further test the anomaly. However, because of drilling difficulties, it was prematurely abandoned at 61 metres after penetrating a Au-As anomalous sequence of limestones and siltstones with gold values up to 0.78 g/t.

A re-evaluation of data from the above programs completed prior to 1991 was undertaken. The data was interpreted as suggesting the Coupon area had potential for sediment hosted fine grained gold deposits. A three hole core drilling program to test this interpretation was undertaken during April-May 1993.

The drill holes intersected a steeply dipping north-south striking sequence of Ordovician sediments, consisting of a graded sequence of sandstones, siltstones, shales and limestones, facing west. Anomalous gold and arsenic values were obtained from the top section of a sandstone unit which lies at the base of this sequence. This sandstone was generally strongly limonitic and indicates ground water leaching of auriferous arsenopyrite-pyrite-quartz mineralisation in this section of sandstone. Only one core sample (poor recovery) assayed >1g/t Au.

Whilst assay results from these drill holes were disappointing, geological and geochemical information obtained, supplemented previous drilling and sampling data in the area and suggest the following interpretation:

- (a) The sedimentary sequence has been disrupted by an E-W fault between holes LYN001 and LYN002. This fault probably dips steeply south. (Figure 3).
- (b) This fault was intersected at an acute angle in RC hole CRC3 where it contained significant gold-arsenopyrite-pyrite-quartz mineralisation. Surface channel sampling of roads in the vicinity of the projected outcrop of the fault to the east of CRC3 also returned encouraging Au values >1g/t over a strike length of 100 metres.
- (c) Sediments immediately north and south of this postulated fault are Au and As anomalous, as indicated by adit sampling, core and RC drilling particularly the sandstone unit south of the fault. This sandstone is deeply leached by groundwater movement below the water table to at least 60 metres below surface.
- (d) The Coupon area is considered to have remaining potential for the development of Au deposits associated with both the E-W fault zone and the sandstone unit, especially south of the fault. Such potential would be at a depth which would probably preclude open-cut development.
- (e) This potential will be tested with two further surface drill holes totalling 350 metres of HQ core (Figure 2).
  - i. One 200 metre hole to test the sandstone at depth immediately south of the E-W fault zone.
  - ii. One 150 metre hole to test the fault zone beneath the CRC3 intersection and high grade surface samples on the CRC3 access road.

This program is scheduled to commence early in 1994.

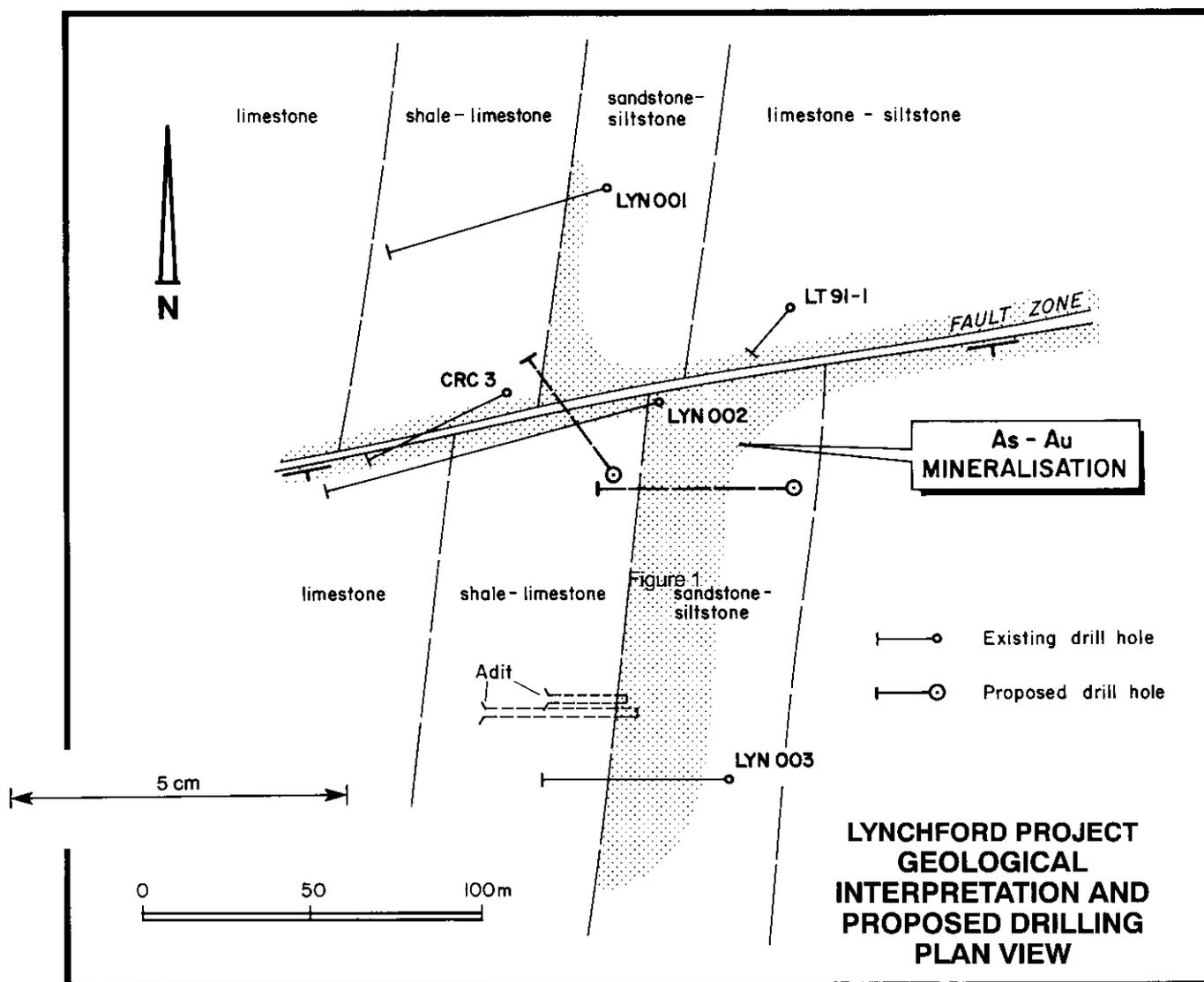
#### MOINA PROSPECT (EL20/92)

Goldstream 50%, Titan Resources N.L. 50%

Goldstream Mining N.L. was granted Exploration Licence EL20/92 on the 11th September 1992. The Licence covers an area of 24 square kilometres and includes the old mining centres of Stormont, Moina and Narrawa.

Exploration will initially focus on gold-bismuth mineralisation in the vicinity of the old workings at Stormont and on zinc-gold mineralisation in the Hugo Skarn close to the old mining centre of Moina.

REVIEW OF OPERATIONS *continued*



Merrison Associates

Figure 2

**Stormont Prospect**

Previous drilling in this area returned best intercepts of:

- 13m at 4.12 gpt Au, 0.46% Bi.
- 2.1m at 12.7 gpt Au, 0.35% Bi.
- 1.3m at 2.99 gpt Au.
- 5.4m at 2.5 gpt Au, 0.1% Bi.

The gold bismuth mineralisation is hosted by faulted and folded skarned limestone with the gold being intimately associated with bismuthinite in the upper half of the skarn sequence.

The Stormont area has potential to host a number of adjacent Au-Bi skarn deposits which could support a medium sized open cut or underground operation in an area with favourable technical and infrastructure factors.

A drilling program to further define the known mineralisation and to seek extensions/repetitions is planned to commence late in 1993.

**Hugo Skarn Prospect**

An interpretation of data from 10 drill holes in the Hugo Skarn at Moina, suggests potential exists in the immediate, previously drilled, area for 0.5Mt. of 10+% Zn and 1g/t Au to occur in a folded sequence of skarned limestones lying in the immediate footwall of a major thrust fault which has concealed the skarn beneath older sandstone beds.

Based on this re-interpretation, the assessed prospects for locating substantial gold-base metal deposits in this region are considered quite exciting and worthy of further evaluation.

## REVIEW OF OPERATIONS continued

The Hugo Skarn prospect is partly covered by a Retention Licence held by CRA and Shell. Agreement has been reached in principle with CRA and Shell whereby Goldstream and Titan may earn 50% of that portion of Retention Licence 8810 that covers a portion of the Hugo Skarn prospect.

The agreement allows for Goldstream and Titan to earn 50% by expenditure of \$400,000 over a five year period. At the end of the earning period, CRA and Shell will have the right to contribute or dilute.

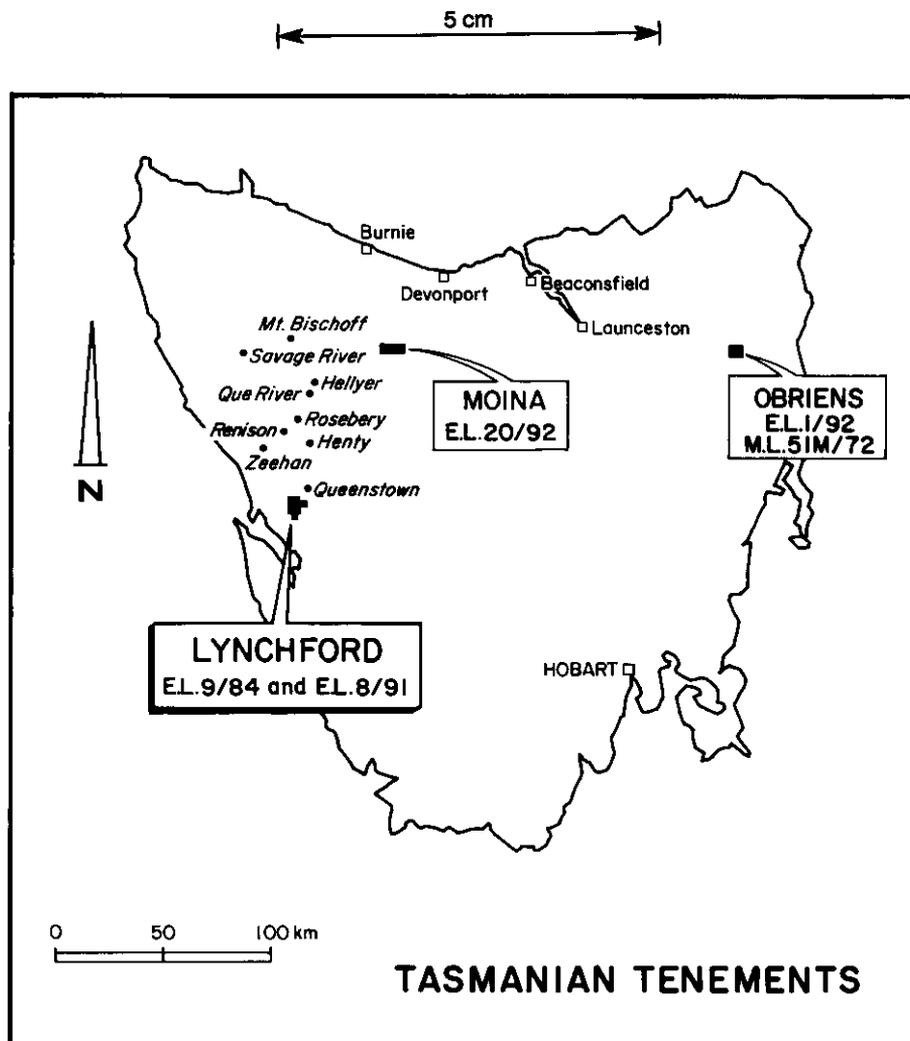
A diamond drilling program will commence as soon as the agreement with CRA/Shell has been formalised.

### O'BRIENS PROSPECT - MATHINNA DISTRICT (EL1/92, 51M/72, 1237P/M) Goldstream earning 42.5%

A four hole drilling program was completed on this prospect in June 1992. Drilling confirmed the presence of a significant structure up to eight metres wide containing quartz-arsenopyrite-pyrite veins which carried coarse erratic gold. The best intercept was 1 metre of 9gpt between 78.7 and 79.7 metres with a metre zone of 3.26gpt.

A follow up program to test this structure at a more favourable location has been designed. This program will also test the reef structure of the old Havelock Mine, 800 metres north of O'Briens.

Access tracks and drill sites have been prepared and drilling will commence as soon as the drilling rig is released from a nearby contract.



Morrison Associates

Figure 3

## REVIEW OF OPERATIONS continued

### WESTERN AUSTRALIA

#### **PARKER HILL PROSPECT – KALGOORLIE (E15/177)** **Goldstream 50%, Titan Resources N.L. 50%**

The Parker Hill Prospect was previously under joint venture with Western Mining Corporation.

Western Mining completed three drilling programs which were largely stratigraphic in nature. Western Mining advised the joint venture in March 1993 that they were withdrawing from the project.

A decision on the future of this prospect will be made following a thorough review of exploration results.

#### **HORSESHOE PROJECT – PEAK HILL** **(M52/251, GML52/889, 50% Goldstream)** **Goldstream 100%, Dominion Gold Operations Pty Ltd** **earning 51%**

Dominion Gold Operations have advised that the tenements are unlikely to contain a significant shallow resource but that possible grade control targets do exist.

The company is considering an offer to purchase outright M52/251.

### NORTHERN TERRITORY

#### **DAVENPORT RANGE PROSPECT (EL7461, 7467, 7468)** **Goldstream 50%, Titan Resources N.L. 50%**

The Davenport Range prospect comprises three exploration licences covering a total area of 400 square kilometres. The tenements are in the Hatches Creek area of the Wauchope Gold belt of the Tenant Creek Inlier.

The areas applied for have stratigraphic lithological and structural similarities with the area hosting the Century deposit in the Lawn Hill area of Northern Queensland.

The main target type is strataform lead-zinc associated with shales and carbonates of the Frew River and Lennee Creek Formations, indicated directly by the analogue with the Century mineralisation, but other types of ore deposits which may be present include breccia-pipe, copper-gold deposits and vein type gold mineralisation.

A helicopter survey was conducted in August 1993. The purpose of the survey is to investigate areas selected from a study of air photos. The company's consultants based in Darwin are currently preparing a report incorporating the results of this survey.

### NEW PROJECTS – WESTERN AUSTRALIA

#### **CYCAD HILL, ELLENDALE FIELD – WEST** **KIMBERLEY (ELA 04/819, 04/820, 04/821)** **Goldstream earning 75%**

Goldstream has entered into an agreement with Bazco Pty Ltd whereby Goldstream may earn 75% in the above licences.

The terms of the farm-in require Goldstream to spend \$400,000 on exploration over a period of four years. Goldstream has a commitment to spend a minimum of \$85,000 in the first year.

Goldstream will also refund to Bazco \$15,000 being expenditure on the tenements to date. Bazco will also be allocated one million options exercisable within a four year period of an exercise price at 20 cents per share.

The Agreement with Bazco is subject to:

- Grant of the above tenements;
- Ministerial consent to the farm-in;
- Approval by shareholders at Goldstream's Annual General Meeting to allot the options to Bazco.

The farm-in area is located in the Ellendale diamond province in the West Kimberleys. The three contiguous licences cover an area of 200 square kilometres and are located immediately north of the important Ellendale diamond Pipe's 4 and 9 and immediately south of and along strike from Western Reefs diamond discoveries at Pipe 17. Two known diamond bearing lamproite intrusions located within the joint venture tenements form an immediate focus for exploration testing.

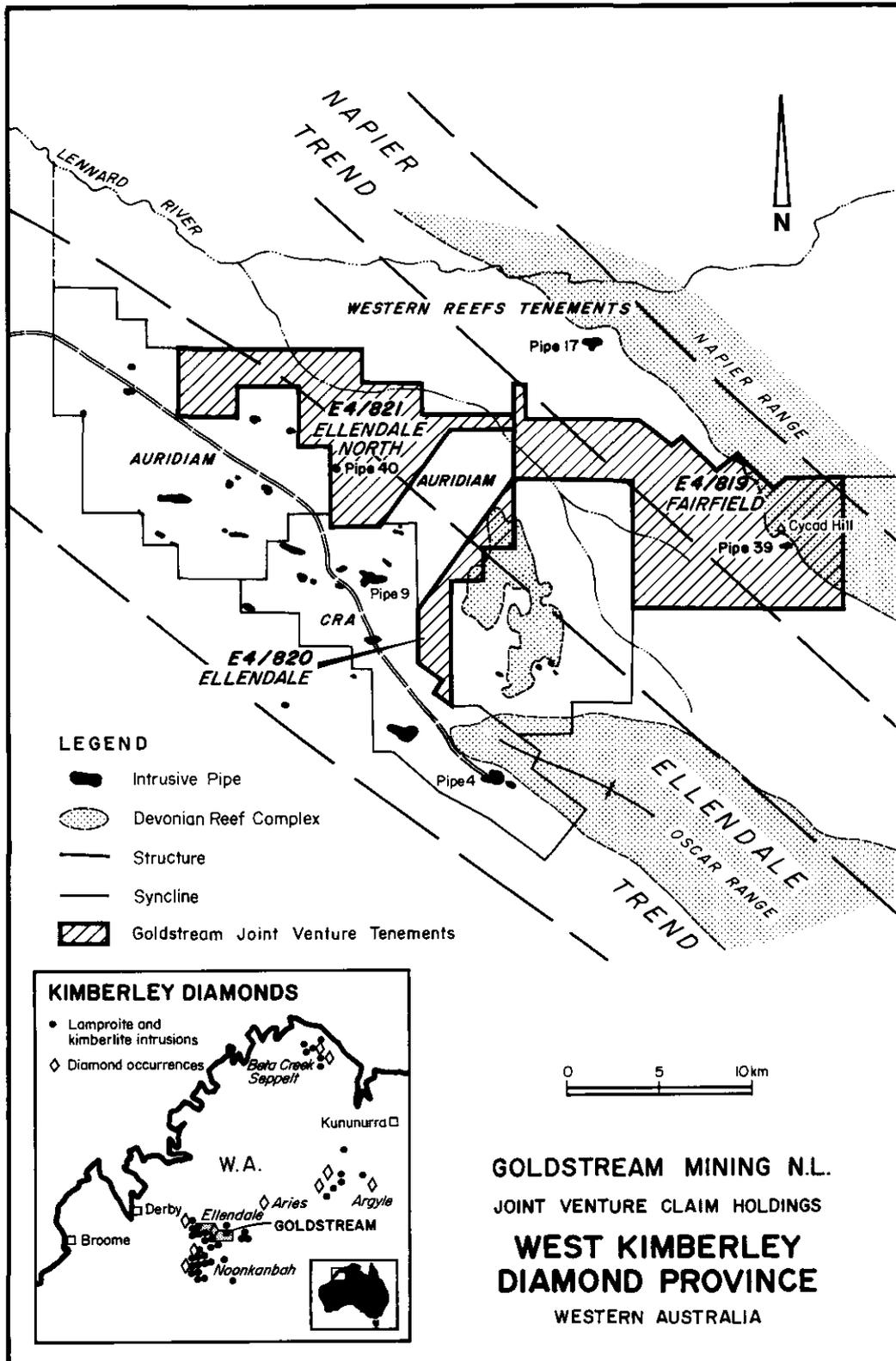
Geologically, the joint venture tenements are significant as they cover 10 kilometres of prospective strike immediately south east of the Western Reefs Pipe 17 along the Napier Range trend. This trend is believed important as the best diamonds in the Ellendale field occur in lamproite tuffs formed as a result of the hot lamproite intrusions creating steam explosions on hitting ground water. The Napier Range trend, being a water saturated limestone, is thought to have created favourable explosive tuff conditions at the time of intrusion. Both Western Reefs Pipe 17 and Ellendale Pipe 4 occur very close to water saturated limestone formations.

The lamproitic tuffs have subtle, weak geophysical signatures and good potential exists for careful work to locate additional pipes believed to be concealed by shallow soil and sand cover along the favourable trends.

Exploration of the tenements is expected to commence immediately the areas are granted, probably in November 1993. The proposed work program for the initial year will include:

- Data research and review of past exploration;
- Photogeological interpretation;
- Stream sediment sample collection and indication mineral analysis;
- Reprocessing of available low level aeromagnetic information;
- Shallow auger drilling and analysis of spoil material for diamonds;
- Bulk sample testing for diamond content over pipes;

REVIEW OF OPERATIONS continued



Merrison Associates (09) 321 8998

Figure 4

5 cm

**REVIEW OF OPERATIONS** continued

- Petrological examination and control of outcrop and drill sample material.

The tenements warrant a serious exploration approach to test the known intrusions and to locate additional pipes believed to be concealed by shallow wind-blown sand.

**EURO PROSPECT – LAVERTON (ELA38/539)**  
 (Recommended for approval)  
 Goldstream Mining N.L. 100%

The Euro prospect is located 10km south of Laverton and covers an area of 1620ha.

The prospect lies on the eastern limb of the Mt Margaret anticline contingent with and related to the north-south striking “structural corridor” hosting the Granny Smith, Childe, Harolde, Euro and Craigiemoor deposits. The area covers the northern termination of a basalt lens enclosed between arenaceous and shaly metasediments which probably stratigraphically overlie the basalt. The lens is interpreted as an expression of the same shearing which defines the structural corridor to the east.

Regional magnetics flown in 1989 show magnetic marker units cut by NE-striking faults which are interpreted as radial fractures to the Mt Margaret anticline. Both the Euro gold mine to the east and the England gold mine immediately south of the claims, show some correspondence with northeast-striking cross structures. Potentially favourable areas for gold mineralisation are interpreted to be associated with the dilational zone of the lens termination and the cross-cutting radial breaks.

The preliminary objective is to inspect the claims and to soil sample those areas considered to represent dilational zones related to lensing and cross-strike breaks defined by air magnetics.

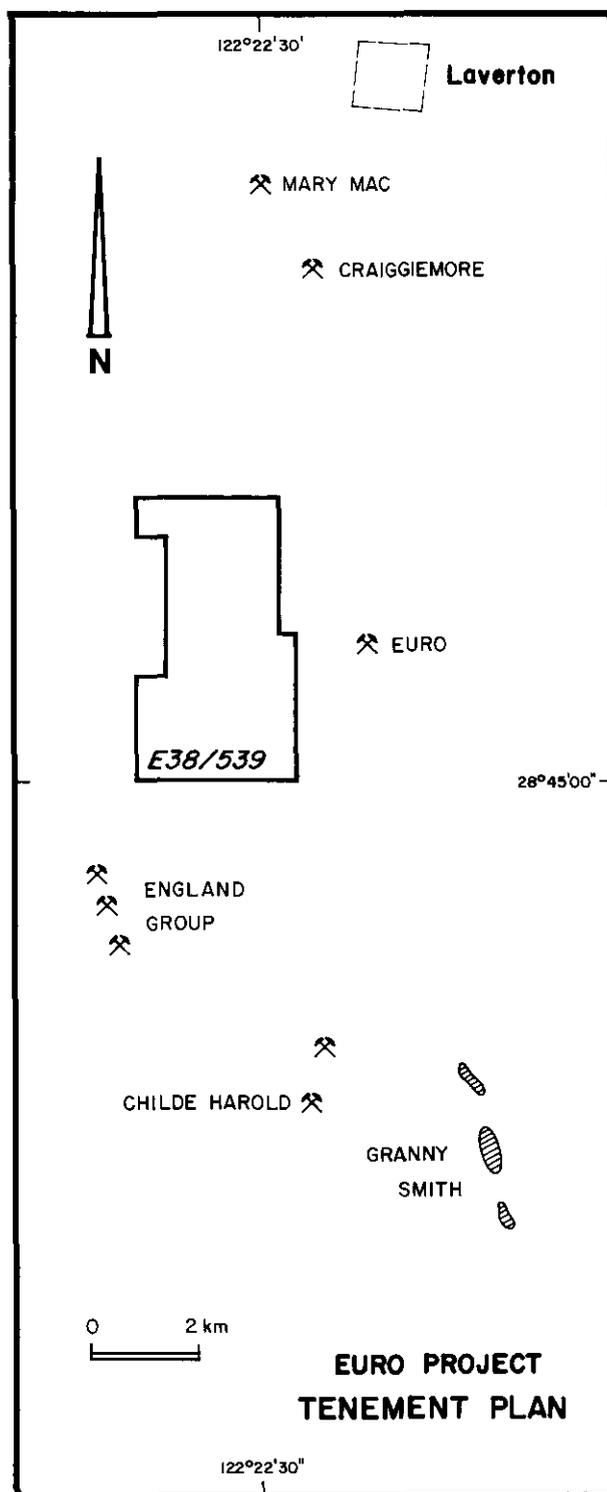
**HOSPITAL PROSPECT – MEEKATHARRA**  
 (P51/1751, P51/1906)  
 Goldstream Mining N.L. 100%

The Company purchased 100% of the above tenements from a private prospector by the payment of the sum of ten thousand dollars (\$10,000.00).

The prospect is located 1.5 kilometres north of the Meekatharra townsite and covers an area of about 200 hectares.

The PLs cover a northeasterly trending mineralised shear zone that can be traced for approximately 2km through the tenements. The shear zone, which is up to 50 metres wide and located at a porphyry-ultramafic contact, is marked by numerous small shafts and dry blow workings for gold. Numerous gossanous quartz rich zones occur along the shear.

The favourable geological setting and widespread evidence of gold mineralisation are attractive features of the tenements. Detailed surface sampling is planned to define specific target areas for follow up work.



Merrison Associates

Figure 5

## DIRECTORS' REPORT

The Directors present their report on the financial statements of the Company and Economic Entity for the year ended 30 June 1993 in accordance with a resolution of the Directors.

The names and particulars of the qualifications, experience and special responsibility of the Directors in office at the date of this report are:

**George Spencer Kenway B.Sc.**  
Chairman and Managing Director

Mr Kenway is a geophysicist with 26 years experience in oil and mineral exploration. He spent ten years with Mandrel Industries, USA, and worked on projects in Australia, Africa, the Middle East and South East Asia. He joined Balmoral Resources N.L. in 1983 and occupied the position of Exploration Manager until he resigned in April 1987. During that period he assisted in the company's successful transition from oil explorer to gold producer.

George Kenway is also a Director of Titan Resources N.L. and Seamet Limited.

**William James Ryan B.E., M.E.F.A.I.M.M.**  
Director

Mr Ryan has 28 years experience in the mining industry. Prior to becoming an independent consultant in 1983, he was employed by Australian Mineral Development Laboratories, Endeavour Resources Limited and the Bond group of Companies. He is also Chairman of Titan Resources N.L. and Seamet Limited, and a Director of Mineral Commodities N.L. Bill Ryan brings to the company practical experience in the management of various mining operations.

**Terrence Arthur Robson ACA, ACIS, CPA**  
Director

Terry Robson has been involved in the accounting profession for over 21 years and in practice for the last twelve years. He has considerable experience in financial and secretarial matters.

### Principal Activities

The principal activities of the Economic Entity during the year were mineral exploration and development. There was no significant change in the nature of that activity during the year.

### Operating Results

The Economic Entity incurred a loss of \$242,605 for the year ended 30 June 1993 (1992 \$521,273).

### Dividends

The Directors have not paid an interim dividend and no final dividend is recommended.

### Directors

On 11 January 1993, Mr B. H. Anderson resigned from the Board.

### Meetings of Directors

The following table sets out the numbers of meetings of the company's directors held during the year ended 30 June 1993 and the numbers of meetings attended by each Director.

	Full Meetings of Directors
Number of Meetings held:	3
Number of Meetings attended by:	
G. S. Kenway	3
W. J. Ryan	3
T. A. Robson	3
B. H. Anderson	1

### Review of Operations

A review of the Economic Entity's operations during the financial year and the results of these operations are set out in the section entitled "Review of Operations".

### Significant Changes in the State of Affairs

In the opinion of the Directors, it would prejudice the company to include additional information, except as reported in this Directors' Report, which relates to likely developments in the operations of the Economic Entity and the expected results of those operations in financial periods subsequent to 30 June 1993.

### Subsequent Events

On 18 August 1993 the company issued 300,000 partly paid shares pursuant to the Goldstream Mining Share Incentive Plan. The shares were issued paid to one cent with a balance of ten cents owing on the shares.

As a result of the above issue, the capital of Goldstream Mining N.L. as at the date of this report now stands at 34,538,776 fully paid 50 cent shares and 2,472,133 partly paid shares.

On 23 August 1993 the Company entered into an agreement with Bazco Pty Ltd to farm in to three Exploration Licences, E4/819, 4/820 and 4/821. Subject to the grant of the three exploration licences and approval by shareholders at the Annual General Meeting, the Company will issue to Bazco Pty Ltd one million share options to subscribe for fully paid shares at an issue price of twenty cents per share. No Directors or associates of Directors of Goldstream Mining N.L. have an interest in Bazco Pty Ltd.

## DIRECTORS' REPORT continued

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On 21 September 1993 the company sold mining tenement 52/251 at Horseshoe for \$45,000.

With the exception of these events, at the date of this report, no matter or circumstance has arisen since 30 June 1993 that has significantly affected or may significantly affect the operations or the state of affairs of the Economic Entity in financial periods subsequent to 30 June 1993.

### Directors' Interests

Shares in the capital of the Company in which Directors have any interest are set out elsewhere in this Annual Report.

### Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts, by reason of a contract made by the Company or a related company with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except:

The usual professional fees for their services paid by the company to:

- a) Nown Pty Ltd, being a business in which Mr G. S. Kenway is beneficially interested;
- b) Titan Resources N.L. being a business in which Mr W. J. Ryan is beneficially interested.

Signed at West Perth on this 15th day of October 1993 in accordance with a resolution of Directors.

G. S. Kenway  
Chairman

W. J. Ryan  
Director

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1993

	Note	Economic Entity		Chief Entity	
		1993 \$	1992 \$	1993 \$	1992 \$
Operating Loss	2	245,659	531,102	239,551	511,443
Income tax attributable to operating loss	3	—	—	—	—
<b>OPERATING LOSS AFTER TAX</b>		<b>245,659</b>	<b>531,102</b>	<b>239,551</b>	<b>511,443</b>
Minority shareholders interest in the losses of a controlled entity		3,054	9,829	—	—
Loss for year attributable to members of Chief Entity		242,605	521,273	239,551	511,443
Accumulated losses at the beginning of the financial year		6,408,784	5,887,511	6,371,825	5,860,382
<b>ACCUMULATED LOSSES AT END OF FINANCIAL YEAR</b>		<b>6,651,389</b>	<b>6,408,784</b>	<b>6,611,376</b>	<b>6,371,825</b>

The accompanying notes form part of the financial statements.

## BALANCE SHEET

AS AT 30 JUNE 1993

	Note	Economic Entity		Chief Entity	
		1993 \$	1992 \$	1993 \$	1992 \$
<b>Current Assets</b>					
Cash		359,486	186,140	359,483	186,137
Receivables		2,948	27,070	2,948	27,070
Total Current Assets		362,434	213,210	362,431	213,207
<b>Non Current Assets</b>					
Receivables	17	—	—	130,632	87,571
Investments	4	50,000	50,000	50,001	50,001
Property, Plant and Equipment	5	4,974	6,457	4,974	6,457
Other	6	263,058	285,299	172,441	234,689
Total Non Current Assets		318,032	341,756	358,048	378,718
TOTAL ASSETS		680,466	554,966	720,479	591,925
<b>Current Liabilities</b>					
Creditors and Borrowings	7	48,503	65,516	48,503	65,516
TOTAL LIABILITIES		48,503	65,516	48,503	65,516
NET ASSETS		631,963	489,450	671,976	526,409
<b>Shareholders' Equity</b>					
Share Capital	8	7,283,352	6,898,234	7,283,352	6,898,234
Accumulated loss		(6,651,389)	(6,408,784)	(6,611,376)	(6,371,825)
Minority shareholders interest	19	—	—	—	—
TOTAL SHAREHOLDERS EQUITY		631,963	489,450	671,976	526,409

The accompanying notes form part of the financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1993

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### 1. Statement of Accounting Policies

#### a) Basis of Accounting

The financial statements have been prepared in accordance with Statements of Accounting Concepts, applicable Accounting Standards and the Corporations Law, including the disclosure requirements of Schedule 5.

The financial statements have also been prepared on the basis of historical cost and, except where stated, do not take into account changing money values or current valuations of non-current assets.

#### b) Property, Plant and Equipment

Property, plant and equipment are depreciated over their estimated useful lives using both the diminishing value and prime cost methods.

#### c) Exploration and Development

Exploration and development costs are carried forward as an asset in the balance sheet where:

- i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or by its sale; or
- ii) exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Where a project or area of interest has been relinquished or abandoned, the costs incurred thereon are written off.

#### d) Inventories

Inventories are valued at the lower of cost and estimated net realisable value. An appropriate portion of overheads is taken into account in determining cost of mining stocks.

#### e) Income Tax

Tax effect accounting has been adopted. The tax benefits relating to taxation losses are brought to account only when their recovery is assured beyond reasonable doubt. The benefits will only be obtained by the companies if:

- i) they continue to comply with the provisions of the income tax legislation relating to the deduction of losses of prior years;
- ii) they earn sufficient assessable income to enable the benefits of the deduction to be realised; and
- iii) there are no changes in tax legislation adversely affecting the companies in realising the benefit.

#### f) Investments

Shares in quoted and unquoted companies acquired as investments are valued at cost except where, in the opinion of the directors, there has been a permanent diminution in value.

#### g) Consolidation

The Consolidated accounts comprise accounts of the Chief Entity and its controlled entities, Montroyal Mining N.L. (100%) and 50% owned Harrow Holdings Pty Ltd. The latter company is deemed a controlled entity under the Corporations Law in that a majority of the directors of Harrow Holdings Pty Ltd are directors of Goldstream Mining N.L. All intercompany balances and transactions are eliminated.

**NOTES** continued

	Economic Entity		Chief Entity	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>2. Operating Loss</b>				
The operating loss for the year has been determined after:				
a) Crediting as revenue				
Sale of fixed assets	47,000	—	47,000	—
Interest receivable from other persons	6,206	22,064	6,206	22,064
Sundry income	—	4,470	—	4,470
	<u>53,206</u>	<u>26,534</u>	<u>53,206</u>	<u>26,534</u>
b) Charging as expenses				
Exploration expenditure written off in respect of areas of interest	72,751	207,958	69,697	198,129
Depreciation of plant and equipment	1,401	35,209	1,401	35,209
Depreciation on furniture and fittings	82	374	82	374
	<u>74,234</u>	<u>243,541</u>	<u>71,180</u>	<u>233,712</u>
<b>3. Income Tax</b>				
Operating loss	245,659	531,102	239,551	511,443
Prima Facie tax credit at 39%	95,807	207,130	93,425	199,463
Tax effect on permanent differences:				
Non deductible expenditure	(7,919)	(2,820)	(7,919)	(2,820)
Exploration expenditure written off	(27,182)	(77,270)	(27,182)	(77,270)
<b>INCOME TAX BENEFIT NOT BROUGHT TO ACCOUNT (Refer Note 1(e))</b>	<u>60,706</u>	<u>127,040</u>	<u>58,324</u>	<u>119,373</u>
<b>4. Non Current Assets – Investments</b>				
Shares in listed companies at cost	50,000	50,000	50,000	50,000
Less provision for diminution	—	—	—	—
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Shares in unlisted companies at cost	100	100	100	100
Less provision for diminution	100	100	100	100
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Shares in controlled entities, at cost (Note 10)	—	—	380,001	380,001
Less provision for diminution	—	—	380,000	380,000
	<u>—</u>	<u>—</u>	<u>1</u>	<u>1</u>
<b>TOTAL INVESTMENTS</b>	<u>50,000</u>	<u>50,000</u>	<u>50,001</u>	<u>50,001</u>
Market value of listed shares at 30 June	515,000	105,000	515,000	105,000

**NOTES** continued

	Economic Entity		Chief Entity	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>5. Non Current Assets – Property, Plant and Equipment</b>				
Plant and equipment – at cost	—	531,160	—	531,160
Less accumulated depreciation	—	529,759	—	529,759
	—	1,401	—	1,401
Furniture and fittings – at cost	16,092	16,092	16,092	16,092
Less accumulated depreciation	11,118	11,036	11,118	11,036
	4,974	5,056	4,974	5,056
	4,974	6,457	4,974	6,457
<b>6. Non Current Assets – Other</b>				
Exploration expenditure – at cost less amounts written off	263,058	285,299	172,441	234,689
The carrying value of the expenditure carried forward is dependent upon the discovery of commercially viable mineral reserves and the successful development and exploitation thereof, or alternatively, sale of the respective areas of interest at amounts at least equal to book values.				
<b>7. Creditors and Borrowings</b>				
Current				
Sundry Creditors	48,503	21,974	48,503	21,974
Bank overdraft (unsecured)	—	43,542	—	43,542
	48,503	65,516	48,503	65,516
<b>8. Share Capital</b>				
<b>Authorised</b>				
100,000,000 ordinary shares of 50 cents each	50,000,000	50,000,000	50,000,000	50,000,000
<b>Issued</b>				
36,710,909 ordinary shares of 50 cents each (1992 33,670,909)	18,355,455	16,835,454	18,355,455	16,835,454
Less – uncalled capital on 2,172,133 shares	(100,268)	(135,785)	(100,268)	(135,785)
– discount on shares issued	(10,971,835)	(9,801,435)	(10,971,835)	(9,801,435)
36,710,909 ordinary shares	7,283,352	6,898,234	7,283,352	6,898,234

The increase in issued capital is due to the allotment and issue of the following:

The placement for the purposes of raising working capital of 3,040,000 shares of 50 cents each fully paid issued at a discount of 38.5 cents each.

The payment of uncalled capital on 1,007,867 ordinary shares to raise \$35,517 (of which \$34,917 was paid by Messrs. G. S. Kenway and W. J. Ryan or their associated companies).

**NOTES** continued

	Chief Entity		Class of Shares	Beneficial Interest
	1993	1992		
	\$	\$		
<b>10. Investments in Controlled Entities</b>				
Montroyal Mining N.L. A.C.N. 009 207 729 (Incorporated in Western Australia)	380,000	380,000	Ordinary	100%
Less: Provision for diminution	380,000	380,000		
	—	—		
Harrow Holdings Pty Ltd A.C.N. 009 225 745 (Incorporated in Western Australia)	1	1	Ordinary	50%
	1	1		

The carrying value of the company's interest in the controlled entities is dependent upon the successful development and exploitation of the controlled entities mineral tenements and/or the sale of the interest at an amount at least equal to book value.

	1993	1992
	\$	\$
<b>11. Contribution to Economic Entity Results</b>		
During the year members of the Economic Entity contributed to the loss for the year after abnormal items as follows:		
Goldstream Mining N.L. – Loss	239,551	511,443
Montroyal Mining N.L. – Loss	—	—
Harrow Holdings Pty Ltd – Loss	3,054	9,830
	<u>242,605</u>	<u>521,273</u>

	Economic Entity		Chief Entity	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>12. Directors' Remuneration</b>				
Income received or due and receivable by all directors of the Chief Entity	78,000	78,000	78,000	78,000
Number of Directors whose incomes from the Chief Entity was within the following bands:				
\$0 – \$ 9,999	3	3	3	3
\$70,000 – \$79,000	1	1	1	1
	<b>1993</b>	<b>1992</b>	<b>1993</b>	<b>1992</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

<b>13. Auditors Remuneration</b>				
Stanton Partners				
– for services as auditors	4,013	4,125	4,013	4,125
– for other services	—	—	—	—
	<u>4,013</u>	<u>4,125</u>	<u>4,013</u>	<u>4,125</u>

**NOTES** continued

**14. Segmental Information**

The Chief Entity operates in the mining industry in Australia.

**15. Commitments and Contingencies**

In order to maintain the mining tenements in which the chief entity has an interest, the chief entity is committed to meet prescribed conditions under which the tenements are granted. The estimated minimum commitment for the next twelve months is \$148,070 (Economic Entity \$150,570).

**16. Events Subsequent to Balance Date**

On 18 August 1993 the company issued 300,000 partly paid shares pursuant to the Goldstream Mining share incentive plan. The shares were issued paid to one cent with a balance of ten cents owing on the shares.

On 21 September 1993 the company sold mining tenement 52/251 at Horseshoe for \$45,000.

Except for the above, no matter or circumstance has arisen since 30 June 1993 that has significantly affected or may affect the operation or the state of affairs of the economic entity in financial periods subsequent to 30 June 1993.

**17. Related Party Transaction**

Goldstream Mining N.L. has paid all tenement exploration and mining expenses on behalf of the controlled entity, Montroyal Mining N.L. and 50% of such expenses on behalf of Harrow Holdings Pty Ltd.

Goldstream Mining N.L. has undertaken to provide its controlled entities financial support necessary to enable them to continue their operations for the next financial year. At 30 June 1993 the amount owing by Montroyal Mining N.L. was \$115,949 and the amount owing by Harrow Holdings Pty Ltd was \$14,683. The recoverability of the debts is subject to the successful development and exploitation of the tenements owned by the controlled entities or alternatively, the sale of the debts at amounts at least equal to book values.

During the year, Goldstream Mining N.L. paid \$77,960 (1992 \$120,000) being reimbursement of administration expenses to Titan Resources N.L., a shareholder of the Company with common directors. The company paid \$24,000 (1992 \$24,000) to Nown Pty Ltd, for consulting fees, a shareholder of the chief entity in which Mr G. S. Kenway is a Director.

**Directors**

The names of each person who held the position of Director of the company during the financial year were Messrs G. S. Kenway, W. J. Ryan, T. A. Robson and B. H. Anderson.

**18. Statement of Cash Flows**
**Cash flow from operating activities**

	Economic Entity		Chief Entity	
	1993	1992	1993	1992
	Inflow	Inflow	Inflow	Inflow
	(Outflow)	(Outflow)	(Outflow)	(Outflow)
	\$	\$	\$	\$
Sundry Income	—	4,470	—	4,470
Interest received	6,206	22,064	6,206	22,064
Payment of corporate and administrative costs	(204,088)	(262,789)	(204,088)	(262,789)
Payment of exploration expenditure	(24,515)	(37,447)	(18,407)	(36,461)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(222,397)</b>	<b>(273,702)</b>	<b>(216,289)</b>	<b>(272,716)</b>

NOTES continued

	Economic Entity		Chief Entity	
	1993 Inflow (Outflow) \$	1992 Inflow (Outflow) \$	1993 Inflow (Outflow) \$	1992 Inflow (Outflow) \$
<b>18. Statement of Cash Flows (continued)</b>				
<b>Cash flow from investing activities</b>				
Proceeds from sale of plant	47,000	—	47,000	—
Payment of exploration expenditure capitalised	(22,957)	(92,423)	(10,867)	(80,694)
Payment of expenditure on behalf of controlled entity	—	—	(15,144)	(12,715)
Payment of loan	27,070	—	27,070	—
Loan to other company	—	(27,070)	—	(27,070)
Minority shareholder loan	3,054	—	—	—
<b>NET CASH OUTFLOW FOR INVESTING ACTIVITIES</b>	<b>54,167</b>	<b>(119,493)</b>	<b>48,059</b>	<b>(120,479)</b>
<b>Cash flow from financing activities</b>				
Issue of shares	385,118	53,041	385,118	53,041
<b>Net cash inflow from financing activities</b>	<b>385,118</b>	<b>53,041</b>	<b>385,118</b>	<b>53,041</b>
<b>Net cash inflow/(outflow) for year</b>	<b>216,888</b>	<b>(340,154)</b>	<b>216,888</b>	<b>(340,154)</b>
Cash on hand at beginning of the year	142,598	482,752	142,595	482,749
<b>Cash on hand at the end of the year</b>	<b>359,486</b>	<b>142,598</b>	<b>359,483</b>	<b>142,595</b>

Notes to and forming part of this cash flow statement are as follows:

	Economic Entity		Chief Entity	
	1993 \$	1992 \$	1993 \$	1992 \$
<b>Note 1 – Cash Definition</b>				
For the purpose of the cash flow statement, cash includes cash at bank and on short term, at call deposit net of bank overdrafts.				
Cash at bank	17,761	—	17,761	—
Cash on deposit	341,722	186,137	341,722	186,137
Cash on hand	3	3	—	—
Bank overdraft	—	(43,542)	—	(43,542)
	<b>359,486</b>	<b>142,598</b>	<b>359,483</b>	<b>142,595</b>

**Note 2 – Reconciliation of Net Cash Outflow from Operations to Operating Loss before Income Tax**

Operating loss before tax	242,605	521,273	239,551	511,443
Less: Non cash items				
Depreciation	(1,483)	(35,582)	(1,483)	(35,582)
Marketing costs – shares issued	—	(1,000)	—	(1,000)
Capitalised exploration costs from previous years expensed	(53,976)	(198,129)	(53,976)	(198,129)
	<b>(55,459)</b>	<b>(234,711)</b>	<b>(55,459)</b>	<b>(234,711)</b>
Increase/(decrease) in creditors	(17,751)	(12,678)	(17,751)	(3,834)
Proceeds on sale of plant	47,000	—	47,000	—
Decrease in capitalised exploration costs	—	(182)	—	(182)
Increase/(decrease) in receivables	2,948	—	2,948	—
Minority interest	3,054	—	—	—
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>222,397</b>	<b>273,702</b>	<b>216,289</b>	<b>272,716</b>

**NOTES** continued

	Economic Entity		Chief Entity	
	1993	1992	1993	1992
	\$	\$	\$	\$
<b>19. Outside Equity Interest in Controlled Entity</b>				
Share of losses	14,683	11,629	14,683	1,799
Less: Owing to remaining joint shareholder	(14,683)	(11,629)	(14,683)	(1,799)
	—	—	—	—
			<b>Economic Entity</b>	
			<b>1993</b>	<b>1992</b>
			\$	\$
<b>20. Earnings per Share</b>				
Basic earnings per share (dollars per share)			(.01)	(.02)
Diluted earnings per share (dollars per share)			(.01)	(.02)
<i>Reconciliation of earnings used in the calculation of earnings per share</i>				
Operating loss after income tax			(242,605)	(521,273)
Earnings used in the calculation of basic earnings per share			(242,605)	(521,273)
Earnings used in the calculation of diluted earnings per share			(242,605)	(521,273)
			<b>Earnings Per Share</b>	
			<b>1993</b>	<b>1992</b>
<i>Reconciliation of weighted average numbers of ordinary shares used in the calculation of earnings per share.</i>				
Weighted average number of ordinary shares used in the calculation of the basic earnings per share			34,029,046	32,556,995
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share			34,029,046	32,556,995

*Conversion, Call, Subscription or Issue after 30 June 1993*

On 18 August 1993 the company issued 300,000 partly paid shares pursuant to the Goldstream Mining N.L. share incentive plan. The shares were paid to one cent with a balance of ten cents owing on the shares.

## STATEMENT BY DIRECTORS

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In the opinion of the Directors of Goldstream Mining N.L.

- (a) the financial statements set out on pages 11 to 19 are drawn up in accordance with Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law and so as to give a true and fair view of:
  - i. the state of affairs as at 30 June 1993 and the loss and cash flows for the financial year ended on that date of the company and the economic entity; and
  - ii. the other matters with which they deal,
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The financial statements are drawn up in accordance with Statements of Accounting Concepts and applicable Accounting Standards.

This Statement is made in accordance with a resolution of the directors.

On behalf of the Board

G. S. Kenway  
Chairman

W. J. Ryan  
Director

Perth, Western Australia  
15th October 1993

## AUDITORS' REPORT

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To the Members of  
GOLDSTREAM MINING N.L.

### Scope

We have audited the financial statements of Goldstream Mining N.L. for the year ended 30th June, 1993 as set out on pages 11 to 20. The financial statements include the consolidated accounts of the economic entity constituted by the Company and the entities it controlled during all or part of, or at the end of, the financial year. The Company's directors are responsible for the preparation and presentation of the financial statements and of the information contained therein. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian auditing standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian accounting concepts and standards and statutory requirements so as to present a view of the company of the economic entity which is consistent with our understanding of their financial position and the result of their operations.

The names of the controlled entities of which we have not acted as auditors is Harrow Holdings Pty Ltd.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion, the financial statements of Goldstream Mining N.L. and of the economic entity are properly drawn up:

- a) so as to give a true and fair view of:
  - i) the state of affairs of the company and of the economic entity at 30th June 1993 and of the loss of the company and of the economic entity for the year ended on that date; and
  - ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements.
- b) in accordance with the provisions of the Corporations Law; and
- c) in accordance with statements of accounting concepts and applicable accounting standards.

STANTON PARTNERS

J. P. Van Dieren  
Partner

Perth, Western Australia  
15th October 1993

## STOCK EXCHANGE INFORMATION

### 1. Shareholdings

In compliance with the requirements of the Australian Stock Exchange Limited, the Directors state that at 15 October 1993:

- i. The twenty largest shareholders held 34.86% of the issued shares.
- ii. There are 1,072 shareholders in the Company. The voting rights upon a poll are one vote for each share held.
- iii. There are 75 shareholders holding less than a marketable parcel.
- iv. The distribution of shareholdings is as follows:

Number	Fully Paid Shares	Partly Paid Shares
1 – 1,000	49	—
1,001 – 5,000	300	—
5,001 – 10,000	263	—
10,001 – over	448	12
	1060	12

The partly paid shares are held by a Trustee Company of the Goldstream Mining Employees Incentive Plan for the benefit of employees of the Company.

### 2. Directors Interests

Statement of Interest of each Director in the Capital of the Company as at 15 October 1993.

	Fully paid Shares		Partly Paid Shares	
	Direct	Indirect	Direct	Indirect
G. S. Kenway	348,000	5,556,000	165,000	—
W. J. Ryan	—	5,318,867	—	422,133
T. A. Robson	—	—	—	250,000

The indirect fully paid shares shown in the name of Messrs Kenway and Ryan represent the same block of shares, in respect of 4,356,000 shares.

### 3. Substantial Shareholders

The names and number of shares held by substantial shareholders as at 15 October 1993 as shown in the Company register are:

Titan Resources N.L.	2,156,000 fully paid shares
Hadowill Pty Ltd	2,000,000 fully paid shares
Nown Pty Ltd	1,200,000 fully paid shares

4. The Company is not taxed as a private company.
5. The Company does not have an audit committee of the Board of Directors.
6. Total number of shares issued 37,010,909 of which 2,472,133 are partly paid shares with uncalled capital of \$100,268.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of Members of the Company will be held at 10.00am on Monday 29 November 1993 at the Registered Office of the Company, Ground Floor, 24 Outram Street, West Perth, Western Australia.

### Ordinary Business:

1. To receive, consider and adopt the Accounts and Balance Sheet of the Company for the year ended 30 June 1993 and the reports of the Directors and Auditors thereon.
2. To elect a Director, Mr T. A. Robson who retires by rotation in accordance with the Articles of Association, and being eligible, offers himself for re-election.
3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without amendment.  
 "That the issue and allotment of all shares made by the Company within a period of 12 months prior to the date on which this Resolution shall be passed by the members of the Company in General Meeting, and as set out in the First Schedule hereto, be approved, confirmed and ratified and that the authority of the Directors to place up to 10% of the issued capital of the Company in accordance with Listing Rule 3E(6)(d) be renewed."

#### FIRST SCHEDULE

- a) The issue on 18 May 1993 of 3,040,000 ordinary fully paid shares of 50 cents each per share at an issue price of 11.5 cents per share to clients of Saw James Limited a Member Corporation of Australian Stock Exchange Limited. The purpose of the issue was to raise further working capital. No directors or associates of directors of Goldstream Mining N.L. participated in the issue.
4. To consider and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment.  
 "That approval be given for the company to issue to Bazco Pty Ltd one million share options to subscribe for ordinary fully paid shares of 50 cents each in the issued capital of Goldstream".  
 Note: The options will be issued subject to the grant to Bazco Pty Ltd of Exploration Licences 4/819, 4/820 and 4/821 pursuant to an agreement with Bazco Pty Ltd whereby Goldstream may earn up to 75% interest in the tenements. The unlisted options will have a four year term and are exercisable at 20 cents per share. In terms of the Australian Stock Exchange Rules, the options will be vendor securities for a twelve month period.  
 No directors, or associates of directors of Goldstream have an interest in Bazco Pty Ltd.
5. To transact any other business that may be lawfully brought forward.

Dated at PERTH this 15th day of October 1993.

BY ORDER OF THE BOARD

G. J. Wallace  
 Company Secretary

### PROXIES:

Please note that:

- a) a member entitled to attend and vote at the meeting or any adjournment thereof is entitled to appoint not more than two proxies.
- b) where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the member's voting rights.
- c) a proxy need not be a member of the company.
- d) to be effective, the proxy form must be received by the company at its Registered Office not less than 48 hours before the time appointed for the meeting.

**APPENDIX B**

COMPANY: Goldstream Mining N.L.  
 PROJECT: Lynchford  
 HOLE NUMBER: LYN 004

Commenced:	24 Jan 94
Completed:	28 Jan 94
Logged By:	L.A.Newham
Drilled By:	F.L. Ortner

Purpose of Hole
:To further test strong Au-As anomaly associated with a sequence of steeply dipping intensely weathered/altered Ordovician sandstones, siltstones and limestones

Comments on Completion
.a limonitic sandstone-siltstone -minor limestone sequence from collar to 70m was Au-As anomalous, particularly the unit from 0-50m; this interval contained two zones of significant gold mineralisation:

Collar Details

Grid	Northing	Easting	Elevation	Dip	Bearing
AMG	5333450	375984	2130	-55	263

Length (m)
187.2

collar coordinates are approx only; elevation is m.ASL + 2000

Hole Size	
To (m)	Size
187.2	HQ

Significant Core Loss Zones		
From	To	%Rec.
0.0	13.0	<50
recovers patchy to 130m: see		
log for details		

Hole Condition on Completion
:all rods and casing removed from hole; large area washed out around collar; 3m. PVC inserted in collar

Summary of Results

Depth		Recovery %	Description	Assays							
From	To			Length	Au	Ag	Cu	Pb	Zn	As	S
14.0	22.0	85-90	leached limonitic sandstone and siltstone	8.0	1.24					2196	
25.0	30.5	95	leached siltstone and sandstone	5.5	0.75					2344	



Description		Core Recovery			RQD			Assays							
From	To	From	To	%	From	To	%	From	To	Au	As				
0.0	20.9	<b>WEATHERED and LEACHED LIMONITIC SANDSTONE and SILTSTONE:</b> Intensely broken, weathered and leached limonitic light gray siltstone and sandstone; poor core recoveries to 13m. then improves gradually: <b>0-13m:</b> strongly limonitic orange-brown sands and light gray siltstones, fossiliferous to 6.2m., and quartz rubble; occasional aggregates of pyrite and narrow zones of iron gray coloration which may be hematite or fine arsenopyrite; <b>13-16.6m:</b> gray-buff brown clayey siltstone, limonitic with pyrite and arsenopyrite? in narrow zones sub parallel to core axis; bedding/cleavage 0-10 CA; <b>16.4-16.5m:</b> iron gray py-asp vein 30 CA; <b>16.6-20.9m:</b> totally disaggregated limonitic sandstone; bright orange -brown color with occasional thin <1cm. iron gray py-asp veins;													
		0	4.2	12				0	4.2	0.404	1280				
		4.2	5.9	24				4.2	5	0.032	220				
		5.9	7.2	77				6	7	0.015	110				
		7.2	9	55				7	9	0.017	500				
		9	10.2	17				8	9	0.044	390				
		10.2	12	0											
		12	12.6	33											
		12.6	13	0											
		13	13.8	80				13	14	0.129	450				
		13.8	15	100				14	15	0.426	3000				
		15	16.2	80				15	16	0.746	2070				
		16.2	20.9	100				16	17.5	1.84	2180				
								17.5	18.5	3.91	2700				
								18.5	20	0.659	1950				
								20	21	0.859	1390				
								21	22	0.202	2210				
								22	23	0.019	200				
								23	24	0.066	520				
								24	25	0.086	520				
20.9	39.0	<b>LEACHED SILTSTONE-SANDSTONE:</b> soft gray-brown siltstone-sandstone, less limonitic than above but still intensely leached and strongly limonitic; bedding/cleavage sub parallel to CA but this may be due to massive hill slumping; <b>27.4m:</b> dark gray soft shale bed with 1-2% euhedral pyrite; below 30m. bedding/cleavage starting to steepen:30 CA at 31m., and sediments becoming fresher;													
		20.9	22.2	90				25	26	0.541	1290				
		22.2	23.6	80				26	27	0.951	1660				
		23.6	25.2	75				27	28	1.077	4500				
		25.2	26.7	100				28	29.5	0.722	2520				
		26.7	28.2	90				29.5	30.5	0.456	1660				
		28.2	31.2	100				30.5	31.5	0.024	200				
		31.2	32.9	60				31.5	32.5	0.039	330				
		32.9	37.2	100				32.5	33.5	0.01	190				
		37.2	40.2	50				33.5	34.5	<0.005	140				
								34.5	35.6	0.005	220				
								35.6	36.6	0.033	500				
39.0	50.5	<b>SAND, SILTSTONE and SANDSTONE:</b> severely weathered/leached interval orange sands, broken gray siltstones and sandstones, and broken shaley units; poor core recoveries; qtz.rubble in sand intervals suggests original sandstone qtz. veined; some of more competent sandstone units have gossanous appearance; <b>48.1m:</b> greenish stain in gossanous rock													
		40.2	43.2	66				36.6	37.6	<0.005	300				
		43.2	44.4	80				37.6	38.6	0.015	100				
		44.4	46.2	66				38.6	40.2	0.102	400				
		46.2	47.4	50				40.2	41.7	0.399	2080				
		47.4	48.1	90				41.7	42.7	0.122	350				
		48.1	48.6	30				42.7	43.7	0.124	840				
		48.6	49.2	66				43.7	44.7	0.049	140				
		49.2	50.5	0				44.7	46.2	0.111	390				
								46.2	48.1	0.019	340				

COMPANY: Goldstream Mining N.L.  
 PROJECT: Lynchford  
 HOLE NUMBER: LYN 004

Page No: 2

Description		Core Recovery			RQD			Assays						
From	To	From	To	%	From	To	%	From	To	Au	As	Cu	Pb	Zn
39.0	50.5													
								48.1	49.1	0.07	670			
50.5	51.1													
		50.5	51.1	100										
		51.1	52.2	0										
		52.2	55.2	100										
		55.2	56.8	85										
51.1	52.2	56.8	59	90										
		59	61.2	95										
52.2	52.4													
52.4	60.2							54	55	0.046	310			
60.2	70.2													
		61.2	63.2	75				60.4	61.4	<0.005	270			
		63.2	64.2	65										
		64.2	65.9	100				63	64	0.01	680			
		65.9	67.2	85										
		67.2	70.2	100				69	70	0.009	340			
70.2	76.0													
								70	71	0.028	900	62	6	194
		70.2	73.2	95				71	72	0.02	420	34	<3	85
		73.2	76.2	100				72	73	0.075	1170	50	<3	177
								73	74	0.034	1520	58	38	418
								74	75	0.108	970	57	<3	342
								75	76	0.279	990	90	<3	380
								76	77	0.179	220			
76.0	80.0													
		76.2	80.4	95										

Description		Core Recovery			RQD			Assays										
From	To		From	To	%	From	To	%	From	To	Au	As						
80.0	92.9	76-80m...cont..... several thin fragmented quartz veins;																
		<b>SILTSTONE, SHALE and LIMESTONE:</b> intensely weathered/leached gray sandstone, off-white and orange sands (disaggregated limestone?) and occasional thin dark gray shale beds; BCA much higher (70) on this western side of gossanous fault-breccia zone, than on eastern side described above; 89-89.4m: 1-2% dissem. pyrite in dark gray sandstone;	80.4	82.2	85				86	87	0.007	60						
			82.2	84.5	100													
			84.5	88.2	92				88	89	0.007	<50						
			88.2	90.1	95													
			90.1	91.2	91													
			91.2	91.4	0													
	91.4	93.1	68															
92.9	104.0	<b>SANDSTONE, SILTSTONE and SHALE:</b> gray medium grained sandstone interbedded with dark gray siltstone - shale beds; core frequently has slumped and sheared appearance; BCA 20-30; difficult to know if this is bedding or cleavage; core very broken (rubble) to 97.0m; thereafter core relatively fresh but with very broken and rubbly zones (eg) 102-104m; <0.5% fine grained pyrite;																
			93.1	95.3	45													
			95.3	97.2	64													
			97.2	100.2	100													
			100.2	103.2	92													
	103.2	106.2	67															
104.0	108.0	<b>QUARTZ VEINED SANDSTONE and SHALE:</b> similar to unit above but medium-coarse grained sandstone contains common quartz veins; core very broken (rubbly) <0.5% fine grained disseminated pyrite;																
			106.2	107.4	95				106.7	107.7	<0.005	80						
			107.4	110.5	100				107.7	108.7	<0.005	70						
	110.5	112.2	60															
108.0	119.0	<b>SILTSTONE and MINOR SHALE:</b> light gray siltstone interbedded with dark gray shale; 2cm. qtz. vein at 111.8m; trace fine pyrite; core very broken and disaggregated to clay and sands in part; bedding indistinct, possibly 55- 60 CA: grades into.....																
			112.2	113.7	90													
			113.7	115.2	100				111.6	112.2	0.009	120						
			115.2	117	67													
	117	119.4	100															
119.0	171.5	<b>SHALES, LIMESTONES and MINOR SILTSTONES:</b>																
			119.4	120.8	35													
			120.8	124.2	100													

COMPANY: Goldstream Mining N.L.  
 PROJECT: Lynchford  
 HOLE NUMBER: LYN 004

Description		Core Recovery			RQD			Assays										
From	To				From	To	%	From	To									
119.0	171.5	....cont..... dark gray shales and minor siltstone interbedded with lighter gray limestone; BCA 30; white calcite veins 1-5mm. common below 123m. at 60-70 CA. and occasional wider qtz- carbonate and carbonate veins (cg) 120.6: 2 cm vein 129.2: 3cm vein 132.6: 5cm vein pervasive fine grained pyrite <0.5%; core broken to 123m. then gradually becoming more competent with depth; numerous fractures parallel bedding, especially in shaley beds; pug zone 126.8- 127.4m. core still broken to 160m mostly associated with shaley cleavage/bedding; siltstones strongly calcareous below 150m; and numerous thin white calcite veins continue throughout;																
			124.2	126.8	88													
			126.8	128.4	75													
			128.4	130.2	100													
			130.2	131.7	90													
			131.7	171.5	100													
171.5	187.2	<b>CRINOIDAL LIMESTONE and SILTSTONE:</b> light gray crinoidal limestone and dark gray siltstone, typically calcareous; siltstone beds cut by two generations 2-10mm. white calcite veins; BCA 50-55; 1% very fine disseminated pyrite with occasional blebs pyrite in both limestones and siltstones; core very competent;																
			171.5	187.2	100													
		<b>END of HOLE</b>																

911007

COMPANY: Goldstream Mining N.L.  
 PROJECT: Lynchford  
 HOLE NUMBER: LYN 005

Commenced:	01 Feb. 1994
Completed:	10 Feb. 1994
Logged By:	L.A.Newnham
Drilled By:	Fred Ortner

Purpose of Hole
:To test if the source of the high grade Au and As intersected in CRC3 and in surface sampling on CRC 3 access road was a possible east-west trending fault zone which would not have been intersected in LYN 001 and LYN 002

Comments on Completion
. hole drilled a sequence of limestones and minor shales with pervasive fine grained syngenetic? pyrite; no mineralised fault zones were intersected; minor qtz-calcite veining at 80-82m. was low in Au; LYN 001, 002, 005 strongly suggest results of CRC3 and CRC10 were interchanged.

Collar Details

Grid	Northing	Easting	Elevation	Dip	Bearing
AMG	5333436	375890	2150	-55	343

Length (m)
142

collar coords are approx. only;  
 elevation is m.ASL +2000

Hole Size	
To (m)	Size
3.0	HW
97.0	HQ
142.0	NG

Significant Core Loss Zones		
From	To	%Rec.
significant losses to	64m. as	
shown in log		

Hole Condition on Completion
all casing removed and 3m. PVC inserted in collar

Summary of Results

Depth		Recovery %	Description	Assays							
From	To			Length	Au	Ag	Cu	Pb	Zn	As	S
			no significant intersection								



COMPANY: Goldstream Mining N.L.  
 PROJECT: Lynchford  
 HOLE NUMBER: LYN 006

Description		Core Recovery			RQD			Assays									
From	To		From	To	%	From	To	%	From	To							
0.0	29.8	<b>SILTSTONE and SHALE:</b> light gray siltstone and minor shale beds, severely weathered, leached and broken to 24m., to light cream-orange clays and sands brownish-orange coloration in places suggests presence of minor leached pyrite; after 24m. siltstones slightly fresher, light gray-pink in color; bedding or cleavage? approx 30 CA;	0	5.5	55												
			5.5	6.6	80												
			6.6	7.6	90												
			7.6	9.2	100												
			9.2	9.5	80												
			9.5	11.9	33												
			11.9	13.2	40												
			13.2	13.6	100												
			13.6	15.4	85												
29.8	41.6	<b>SHALE:</b> dark gray, soft, puggy, severely broken and weathered shales; Bedding/foliation 10-30CA; 2-5 cm. disaggregated quartz vein at 40.5 m.	15.4	16.8	75												
			16.8	18.6	75												
			18.6	19.8	75												
			19.8	20.9	65												
			20.9	23.4	80												
			23.4	25	85												
41.6	44.4	<b>CALCAREOUS SHALE-LIMESTONE:</b> totally leached/weathered orange-brown clays and foliated siltstone;	25	27.6	95												
			27.6	29.8	80												
			29.8	32	50												
44.4	68.0	<b>SHALE:</b> gray shales as above; very clayey (calcareous?) soft and broken to 49m., then becoming fresher but still very broken; minor very fine grained disseminated pyrite; BCA 30-35; 1-5mm. clay seams in shale are probably leached calcite veins as seen in fresher rock below; 61-68m. very broken shale rubble; 2cm. quartz vein at 63m.	32	32.7	100												
			32.7	33.6	90												
			33.6	34.9	80												
			34.9	35.8	100												
			35.8	37.2	72												
			37.2	38.7	80												
			38.7	40.8	60												
			40.8	41.8	100												
			41.8	42.1	66												
			42.1	44.4	75												
			44.4	45	66												
			45	46	40												
68.0	142.0	<b>INTERBEDDED LIMESTONE and SILTSTONE:</b> fresh dark gray siltstone interbedded with light gray siltstone; BCA 30; abundant 1-10mm. calcite veins at 45 CA in siltstone units; core still broken in some intervals but generally becoming fresher and more competent with depth;	46	47.8	55												
			47.8	48.4	85												
			48.4	49.5	82												
			49.5	54.4	100												
			54.4	55.8	84												
			55.8	57.7	65												
			57.7	59.4	90												
			59.4	61.2	45												
			61.2	64.1	40												
			64.1	65.2	95												

011000

COMPANY: Goldstream Mining N.L.  
 PROJECT: Lynchford  
 HOLE NUMBER: LYN 005

Description		Core Recovery			RQD			Assays							
From	To	From	To	%	From	To	%	From	To	Au	As				
	..68.0-142.0m. cont.....														
	0.5-1% very fine grained disseminated pyrite throughout, occasionally as aggregates and streaks in both limestone and siltstone;	65.2	67.2	90											
	<b>note:</b> sandy clays in tray 73.2-73.6m. is cave material from higher in hole;	67.2	69.7	95				80	81	<0.005	90				
	79.2-82.2m.: Irregular 1-3 cm. qtz-calcite veins, generally at lower angle to CA than regular thinner pervasive calcite veins;	69.7	76.8	100				81	82	<0.005	60				
	limestone crinoidal in places, with gradual increase in crinoidal limestone component with depth;	76.8	78	85											
	<b>note:</b> clay and sludge in tray 94.2-94.3m is cave material from higher in hole; reduced to NQ at 97m.	78	95.8	100											
	core generally very competent after 101m., but some broken intervals due to low BCA and fracturing along soft graphitic bedding planes; core very competent after 139m.	95.8	97	40											
	core orientation at 132m. suggests bedding near vertical and striking slightly east of north; calcite veins also steep but striking north-east	97	99.1	100											
	<b>END of HOLE</b>	99.1	99.7	90											
		99.7	111.6	100											
		111.6	112.1	60											
		112.1	142	100											

911071

**APPENDIX C**



Phone (004) 316837

14 Thirkell St, COBEE TAS 7320

Fax (004) 316890

**ANALYTICAL REPORT No.** 106743.60.10089

THIS REPORT MUST BE READ IN CONJUNCTION WITH THE ACCOMPANYING ANALYTICAL DATA

INVOICE TO: Goldstream Mining NL  
 P.O. Box 1073  
 WEST PERTH WA 6872

ORDER No.	PROJECT
L. NEUNHAM	
DATE RECEIVED	RESULTS REQUIRED
21/03/94	ASAP

No. OF PAGES OF RESULTS	DATE REPORTED	No. OF COPIES	TOTAL No. OF SAMPLES
2	11/04/94	1	28

SAMPLE NUMBERS	SAMPLE DESCRIPTION	ELEMENT/METHOD
LYN 004 0-4.2 - 46.2-48.1	DC Prep : GP033	Au, Au(R), Au(S)/89313  As/BA140

RESULTS TO: Mr Lindsay Neunham  
 Neunham Exploration & Mining Services  
 P.O. Box 1002  
 DEVONPORT TAS 7310

RESULTS TO: Goldstream Mining NL  
 P.O. Box 1073  
 WEST PERTH WA 6872

RESULTS TO:

REMARKS

AUTHORIZED OFFICER

**ANALYTICAL DATA**

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REPORT No

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PAGE

106743.60.10089

11/04/94

L NEWNHAM

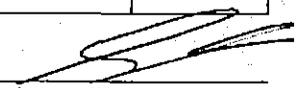
1 OF 2

METHOD	SAMPLE No.	Au	Au (R)	Au (S)	As
		GG313	GG313	GG313	GA140
1	LYN 004 0-4.2	0.404	-	-	1280
2	LYN 004 4.2-6.0	0.032	-	-	220
3	LYN 004 6.0-7.0	0.015	-	0.014	110
4	LYN 004 7.0-9.0	0.017	-	-	500
5	LYN 004 13-14	0.129	-	-	450
6	LYN 004 15-16	0.746	-	-	2070
7	LYN 004 16-17.5	1.840	-	-	2180
8	LYN 004 18.5-20	0.659	-	-	1950
9	LYN 004 21-22	0.202	-	-	2210
10	LYN 004 22-23	0.019	-	-	200
11	LYN 004 23-24	0.066	-	-	520
12	LYN 004 24-25	0.086	0.096	-	520
13	LYN 004 25-26	0.541	-	-	1290
14	LYN 004 27-28	1.077	-	-	4500
15	LYN 004 28-29.5	0.722	-	-	2520
16	LYN 004 30.5-31.5	0.024	-	-	200
17	LYN 004 31.5-32.5	0.039	-	-	330
18	LYN 004 32.5-33.5	0.010	-	-	190
19	LYN 004 33.5-34.5	<0.005	-	-	140
20	LYN 004 34.5-35.6	<0.005	-	-	220
21	LYN 004 36.6-37.6	<0.005	-	-	300
22	LYN 004 37.6-38.6	0.015	0.016	-	100
23	LYN 004 38.6-40.2	0.102	-	-	400
24	LYN 004 41.7-42.7	0.122	-	0.115	350
25	LYN 004 42.7-43.7	0.124	-	-	840

Results in ppm unless otherwise specified  
- = element not determined

IS = insufficient sample  
SNR = sample not received

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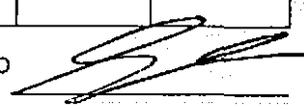
L NEWNHAM

2 OF 2

	SAMPLE No.			Au	Au(R)	Au(S)	As			
METHOD				GG313	GG313	GG313	GA140			
1	LYN 004 43.7-44.7			0.049	-	-	140			
2	LYN 004 44.7-46.2			0.111	-	-	390			
3	LYN 004 46.2-48.1			0.019	-	-	340			
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24	DETECTION			0.005	0.005	0.005	50			
25	UNITS			ppm	ppm	ppm	ppm			

 Results in ppm unless otherwise specified.  
 - = element not determined

 IS = insufficient sample  
 SNR = sample not received

 AUTHORISED OFFICER 



Phone (004) 316837

14 Thirkell St. COOEE TAS 7320

Fax (004) 318890

**ANALYTICAL REPORT No.**

106743.60.10027

THIS REPORT MUST BE READ IN CONJUNCTION WITH THE ACCOMPANYING ANALYTICAL DATA

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Goldstream Mining NL  
 P.O. Box 1073  
 WEST PERTH WA 6872

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10/03/94

1

27

SAMPLE NUMBERS	SAMPLE DESCRIPTION	ELEMENT/METHOD
LYN 004: 8 - 9 to LYN 004: 111.6 - 112.2 LYN 005: 80 - 81 LYN 005: 81 - 82	DC Prep : 6P033	Au, Au(R), Au(S)/66313  As/6A140

REMARKS

RESULTS TO

Mr Lindsay Newnham  
 Newnham Exploration & Mining Service  
 P.O. Box 1002  
 DEVONPORT TAS 7310

RESULTS TO

Goldstream Mining NL  
 P.O. Box 1073  
 WEST PERTH WA 6872

RESULTS TO

[Empty box for results recipient]

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REPORT DATE

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PAGE

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11/03/94

L NEWNHAM

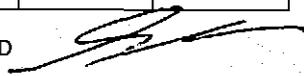
1 OF 2

	SAMPLE No.		As	Au	Au (R)	Au (S)		
METHOD			GA140	GG313	GG313	GG313		
1	LYN 004 8-9		390	0.044	-	-		
2	LYN 004 14-15		3000	0.426	-	-		
3	LYN 004 17.5-18.5		2700	3.910	-	-		
4	LYN 004 20-21		1390	0.859	-	0.562		
5	LYN 004 26-27		1660	0.951	-	-		
6	LYN 004 29.5-30.5		1660	0.456	-	-		
7	LYN 004 35.6-36.6		500	0.033	-	-		
8	LYN 004 40.2-41.7		2080	0.399	-	-		
9	LYN 004 48.1-49.1		670	0.070	-	-		
10	LYN 004 54-55		310	0.046	-	-		
11	LYN 004 60.4-61.4		270	<0.005	-	-		
12	LYN 004 63.0-64.0		680	0.010	0.008	-		
13	LYN 004 69.0-70.0		340	0.009	-	-		
14	LYN 004 70.0-71.0		900	0.028	-	-		
15	LYN 004 71.0-72.0		420	0.020	-	-		
16	LYN 004 72.0-73.0		1170	0.075	-	-		
17	LYN 004 73.0-74.0		1520	0.034	-	-		
18	LYN 004 74.0-75.0		970	0.108	-	-		
19	LYN 004 75.0-76.0		990	0.279	-	-		
20	LYN 004 76.0-77.0		220	0.179	-	-		
21	LYN 004 86.0-87.0		60	0.007	-	-		
22	LYN 004 88.0-89.0		<50	0.007	0.007	-		
23	LYN 004 106.7-107.7		80	<0.005	-	-		
24	LYN 004 107.0-108.7		70	<0.005	-	-		
25	LYN 004 111.6-112.2		120	0.009	-	0.020		

 Results in ppm unless otherwise specified  
 - = element not determined

 IS = insufficient sample  
 SNR = sample not received

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**ANALYTICAL DATA**

SAMPLE PREFIX

REPORT No.

REPORT DATE

CLIENT ORDER No.

PAGE

**106743.60.10027****10/03/94****L NEWNHAM****2 OF 2**

	SAMPLE No.		As	Au	Au (R)	Au (S)		
METHOD			GA140	GG313	GG313	GG313		
1	LYN 005 B0-81		90	<0.005	-	-		
2	LYN 005 B1-82		60	<0.005	-	-		
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24	<b>DETECTION</b>		<b>50</b>	<b>0.005</b>	<b>0.005</b>	<b>0.005</b>		
25	<b>UNITS</b>		<b>ppm</b>	<b>ppm</b>	<b>ppm</b>	<b>ppm</b>		

Results in ppm unless otherwise specified  
 - = element not determined

IS = insufficient sample  
 SNR = sample not received

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# ANALABS

A Division of Inspec Testing Services (Australia) Pty. Ltd.  
A.C.N. 004 591 664

911079

Phone (004) 316837

14 Thirkell St. COOEE TAS 7320

Fax (004) 318890

## ANALYTICAL REPORT No.

106743.60.10108

THIS REPORT MUST BE READ IN CONJUNCTION WITH THE ACCOMPANYING ANALYTICAL DATA

INVOICE TO:

Goldstream Mining NL  
P.O. Box 1073  
WEST PERTH WA 6872

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PROJECT

L. NEWMHAM

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13/04/94

1

6

SAMPLE NUMBERS	SAMPLE DESCRIPTION	ELEMENT/METHOD
CLYN 004 70.0-71.0 - 75.0-76.0	FU Prep : NIL	Cu,Pb,Zn/6A140

RESULTS TO

Mr Lindsay Neenham  
Neenham Exploration & Mining Services  
P.O. Box 1002  
DEVONPORT TAS 7310

RESULTS TO

Goldstream Mining NL  
P.O. Box 1073  
WEST PERTH WA 6872

RESULTS TO

REMARKS

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**ANALYTICAL DATA**

SAMPLE PREFIX

REPORT No.

REPORT DATE

CLIENT ORDER No.

PAGE

106743.60.10108

13/04/94

L NEWNHAM

1 OF 1

	SAMPLE No.		Cu	Pb	Zn				
METHOD			GA140	GA140	GA140				
1	LYN 004 70.0-71.0		62	6	194				
2	LYN 004 71.0-72.0		34	<3	85				
3	LYN 004 72.0-73.0		50	<3	177				
4	LYN 004 73.0-74.0		58	38	418				
5	LYN 004 74.0-75.0		57	<3	342				
6	LYN 004 75.0-76.0		90	<3	380				
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24	DETECTION		2	3	2				
25	UNITS		ppm	ppm	ppm				

Results in ppm unless otherwise specified  
 - = element not determined

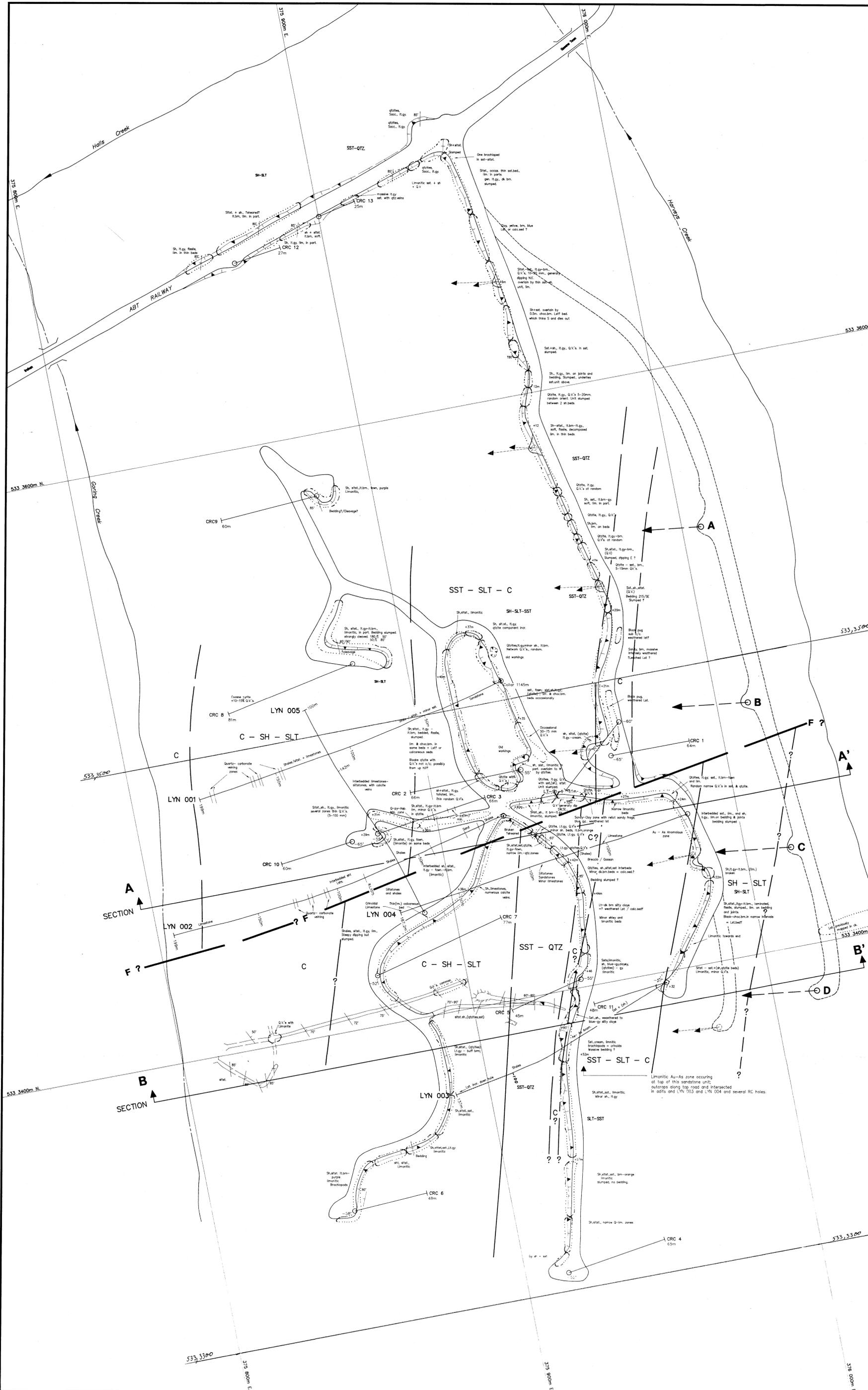
IS = insufficient sample  
 SNR = sample not received

AUTHORISED OFFICER

**APPENDIX D**

## LYNCHFORD EXPENDITURE SUMMARY

ACCOUNT	DESCRIPTION	Opening	01-Jul-93	01-Jan-94	***ESTIMATE***	Closing
		Bal	to	to	to	Bal
		30-Jun-93	31-Dec-93	31-Mar-94	30-Jun-94	30-Jun-94
			\$	\$	\$	\$
	B/Fwd	439,103.00				439,103.00
1451661	Accommodation			140.00		140.00
1451667	Analysis		185.20	0.00		185.20
1451670	Drafting & Maps			38.00	5,000.00	5,038.00
1451673	Drilling			33,030.60		33,030.60
1451676	Equipment Hire			293.00		293.00
1451691	Geological Consultants		1,060.00	3,500.00	10,000.00	14,560.00
1451703	Legal / Stamp Duty					0.00
1451706	Office Expenditure					0.00
1451718	Salaries			735.00	15,000.00	15,735.00
1451721	Small Tools					0.00
1451730	Tenement Administration					0.00
1451733	Tenement Costs		495.00			495.00
1451736	Travel		228.00	975.00	5,000.00	6,203.00
		439,103.00	1,968.20	38,711.60	35,000.00	514,782.80
TOTAL MOVEMENT 1/7/93 - 30/6/94:			75,679.80			



**LEGEND**

- Outcrop
- Bedding: often doubtful because slumping, possibly also confused with cleavage.
- Sh Shale
- Slst Sandstone
- Sst Sandstone
- Qtz Quartzite
- QV Quartz veins
- Lim Limonite
- Lst Limestone
- Lt Light Gray
- Gy Gray
- Bm Brown
- Min Minor
- Lim Common
- Abundant

Underground geology from perily mapping.  
**INTERPRETED GEOLOGY**  
 SH-SLT Shale-Siltstone unit  
 SST-QTZ Sandstone-Quartzite  
 C Calcareous-Limestone units

- Inferred boundary
- Inferred fault
- RC Drill Hole
- Cored drill hole
- Adit
- Access Road
- Cut traverse lines
- Traverse point with approx. elevation above Abt.
- Cored drill holes
- Cored drill holes

Base map compiled from tape and compass survey completed Nov. 92 by L.A. Newham  
 Base line and traverse lines approx. parallel AMG

- Proposed drill roads
- Proposed deeper cored holes
- Proposed air-core holes

AMG Grid shown is approx. only  
 N (Magnetic)  
 5 cm

NOTE: On this geological plan, the positions of CRC 3 and CRC 10 have been interchanged with respect to positions shown on earlier plans. The reason for this is explained in detail in 1993 - 94 Annual report.

911083

**94-3574**

NEWHAM EXPLORATION AND MINING SERVICES

GOLDSTREAM - TITAN JOINT VENTURE  
 LYNCHFORD PROJECT  
 E.L. 9/84  
 SURFACE & SUBSURFACE  
 GEOLOGY  
 FACTUAL & INTERPRETATIVE

DRAWN: L.A.N.  
 DRAFTER/PERSON: T.G.D.S.  
 DATE: MAY 1994

FILE No.  
**FIG. No. 6**

SCALE: 1:500

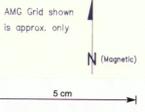


**LEGEND**

- Soil sample Au, As (ppm)
- Rock sample
- Perthia Rock Chip sample Au, As
- Cyprus Rock channel sample Au, As, Sb
- Goldstream Rock channel sample Au, As, Sb (ppm)
- As > 100ppm
- Au > 0.1 g/t (yellow)
- Au > 0.5 g/t (red)
- Au > 1.0 g/t (black)
- RC Drill Hole
- Cored drill hole
- Adit
- Access Road
- Cut traverse lines
- Traverse point with approx. elevation above Abt.
- Cored drill holes

Base map compiled from tape and compass survey completed Nov. 92 by L.A. Newham  
Base line and traverse lines approx. parallel AMG

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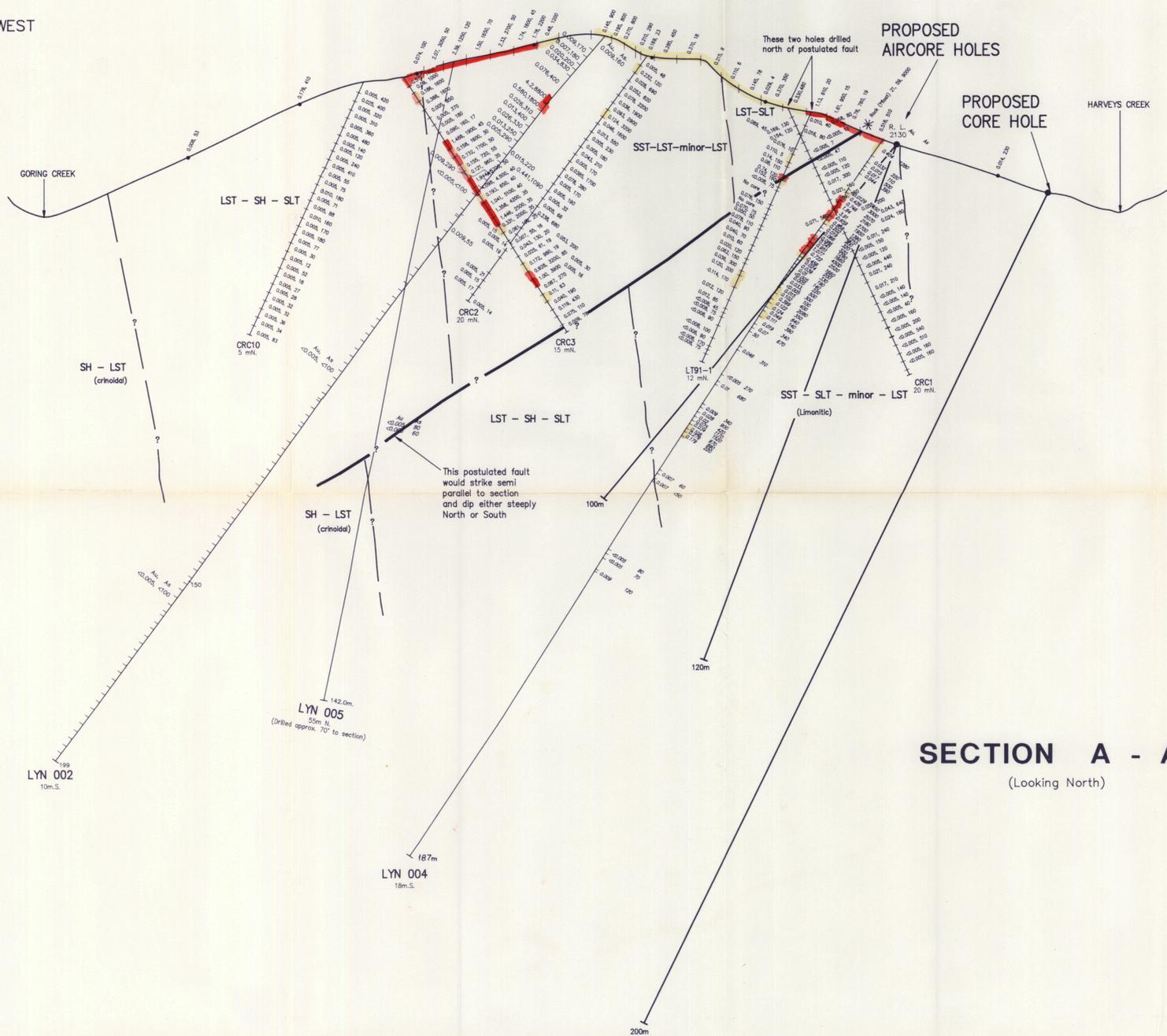


**94-3574**

NEWHAM EXPLORATION AND MINING SERVICES	
GOLDSTREAM - TITAN JOINT VENTURE	
LYNCHFORD PROJECT	
E.L. 9/84	
ASSAY RESULTS	
DRAWN: L.A.N.	FILE No.
DRAFTSPERSON: T.G.D.S.	
DATE: MAY 1994	
SCALE: 1:500	
FIG. No. 7	

WEST

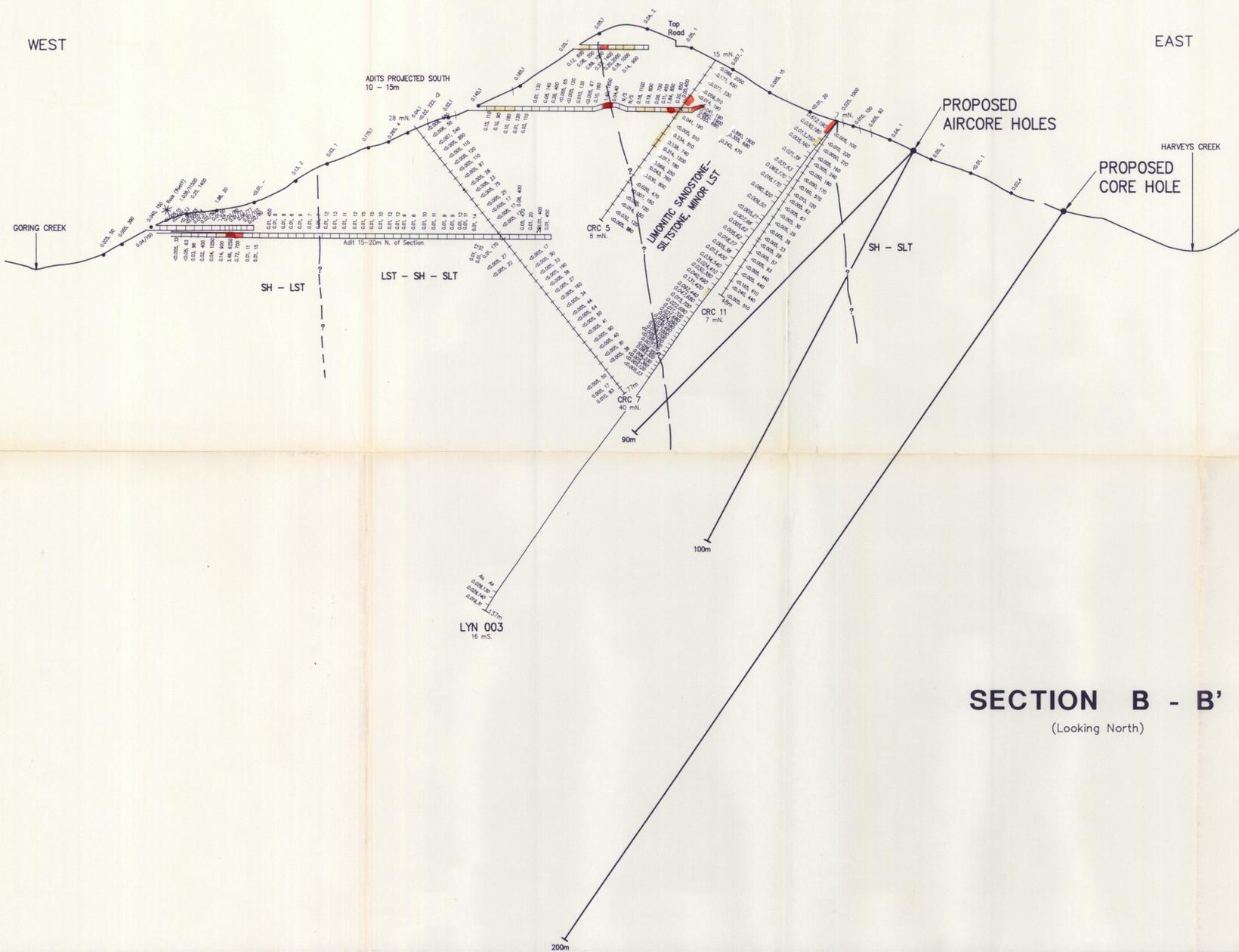
EAST



**SECTION A - A'**  
(Looking North)

WEST

EAST



**SECTION B - B'**  
(Looking North)

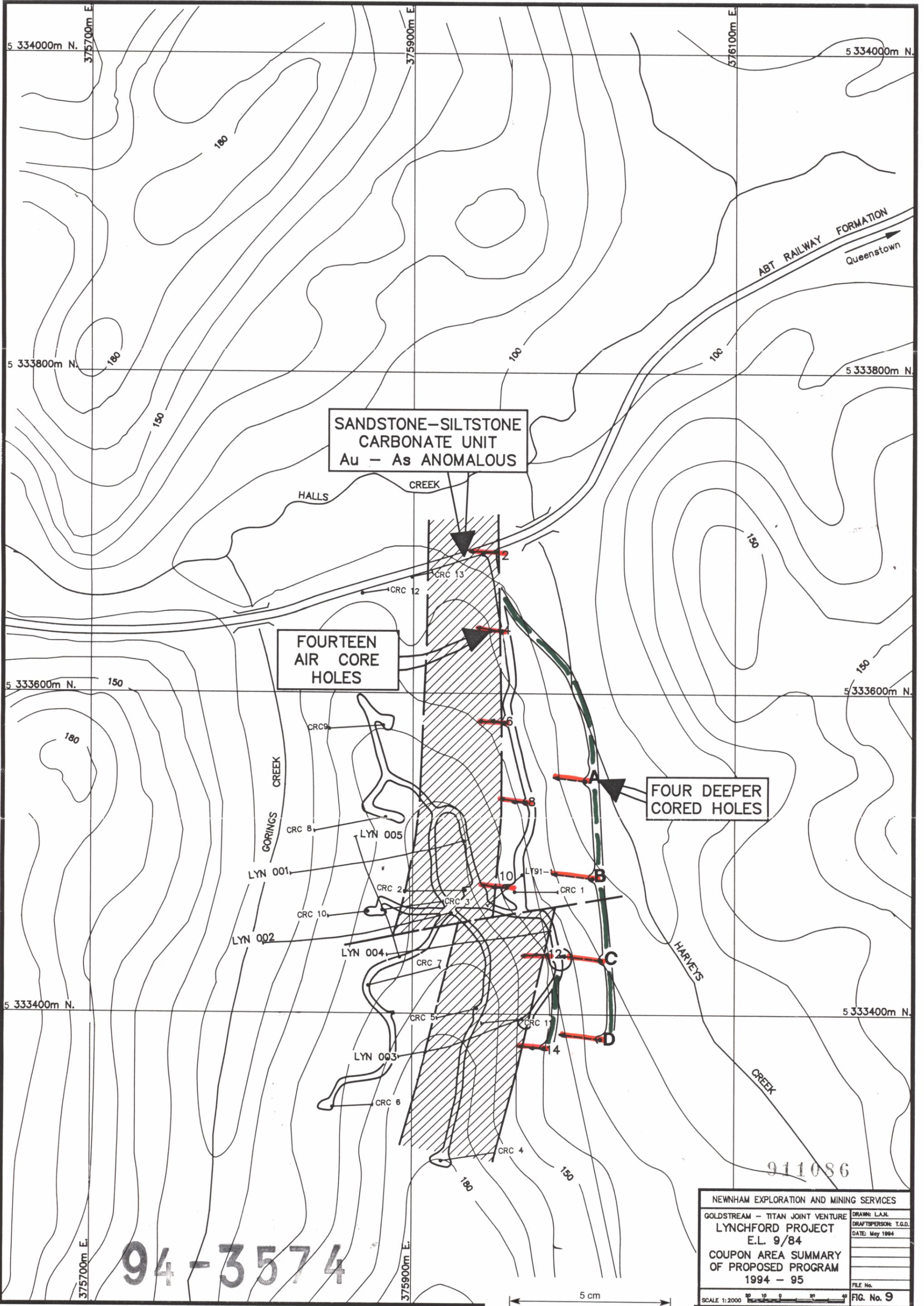
- LEGEND**
- Cyprus or Perilya soil sample Au, As (ppm)
  - Approximately surface profile
  - Channel rock sample Au, As, Sb (ppm)
  - Cyprus or Perilya rock chip sample
  - CRC = Cyprus Reverse Circulated drill hole
  - LT = Perilya Cored Hole
  - LYN = Goldstream Cored Hole
- Drill hole collar dips as measured by LAN - may vary from original logs  
No down hole surveys taken

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5cm

**94-3574**

NEWHAM EXPLORATION AND MINING SERVICES	
GOLDSTREAM - TITAN JOINT VENTURE	DRAWN: L.A.N.
LYNCHFORD PROJECT	DRAFTSPERSON: T.G.D.S.
E.L. 9/84	DATE: MAY 1994
DRILL SECTION & SURFACE ANALYTICAL RESULTS	
SECTIONS LOOKING NORTH	FILE No.
SCALE: 1:500	<b>FIG. No. 8</b>



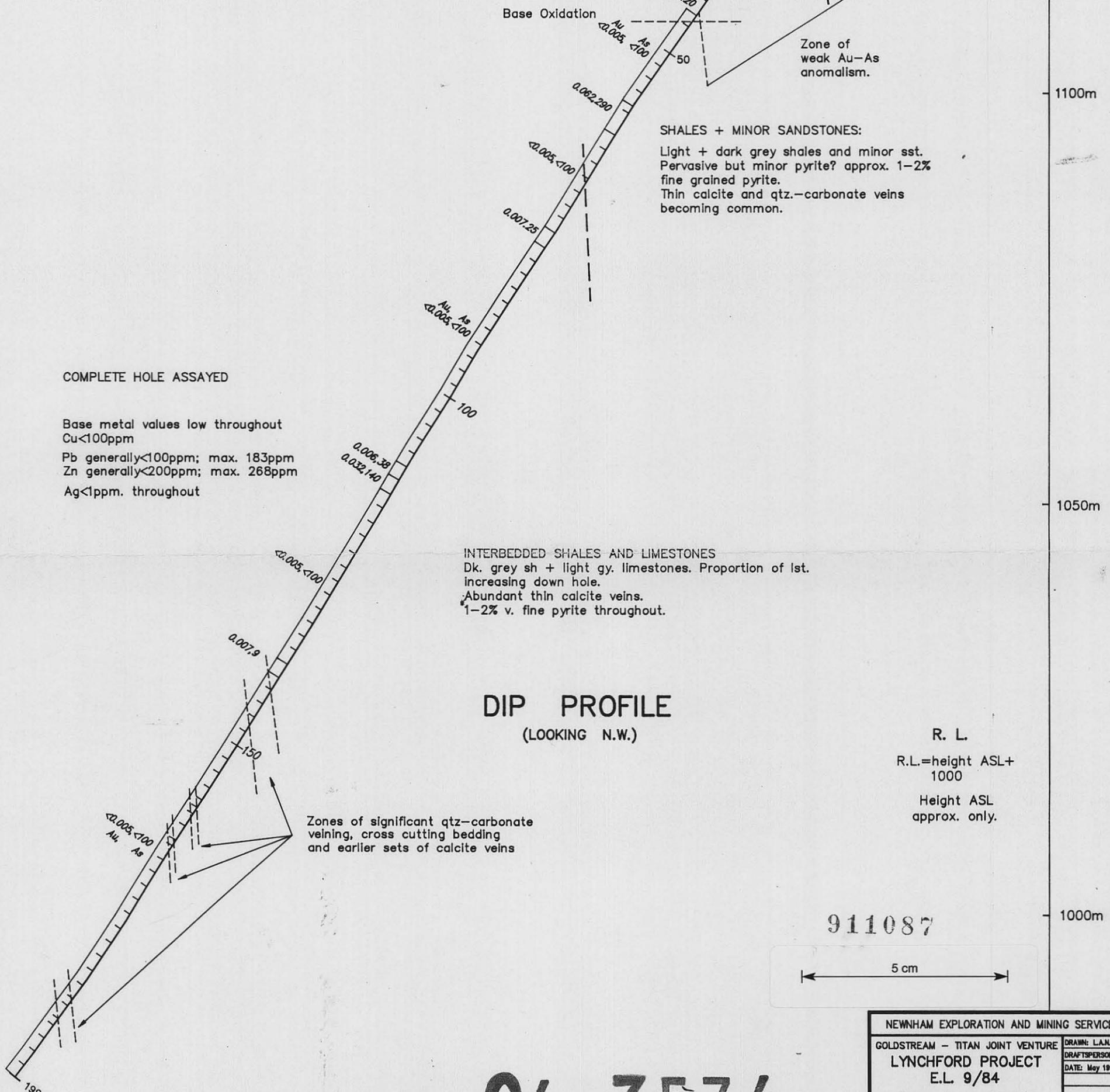
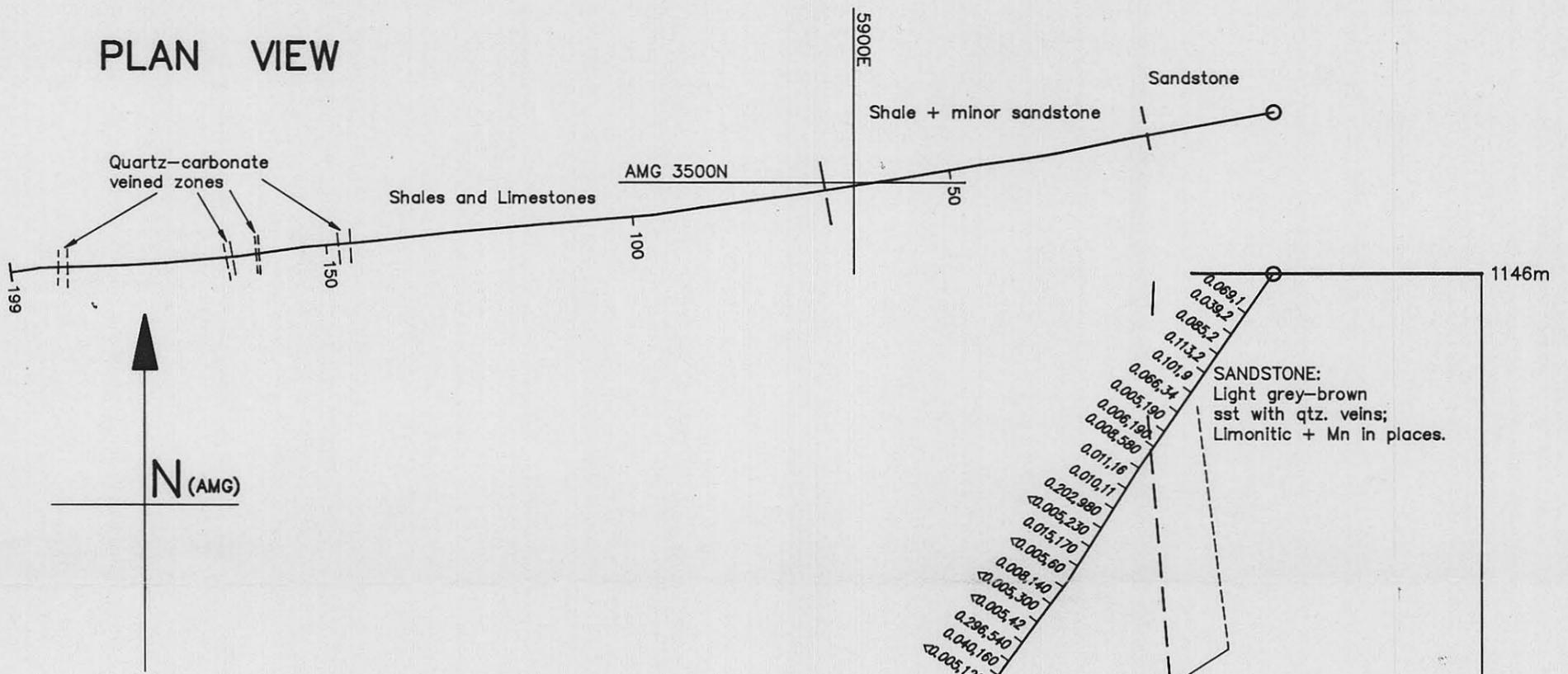
94-3574

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NEWHAM EXPLORATION AND MINING SERVICES	
GOLDSTREAM - TITAN JOINT VENTURE	
LYNCHFORD PROJECT	
E.L. 9/84	
COUPON AREA SUMMARY	
OF PROPOSED PROGRAM	
1994 - 95	
SCALE 1:2000	FIG. No. 9



# PLAN VIEW



**COMPLETE HOLE ASSAYED**

Base metal values low throughout  
 Cu < 100ppm  
 Pb generally < 100ppm; max. 183ppm  
 Zn generally < 200ppm; max. 268ppm  
 Ag < 1ppm. throughout

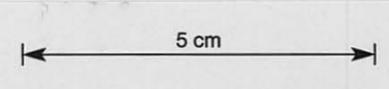
**INTERBEDDED SHALES AND LIMESTONES**  
 Dk. grey sh + light gy. limestones. Proportion of lst. increasing down hole.  
 Abundant thin calcite veins.  
 1-2% v. fine pyrite throughout.

## DIP PROFILE (LOOKING N.W.)

Zones of significant qtz-carbonate veining, cross cutting bedding and earlier sets of calcite veins

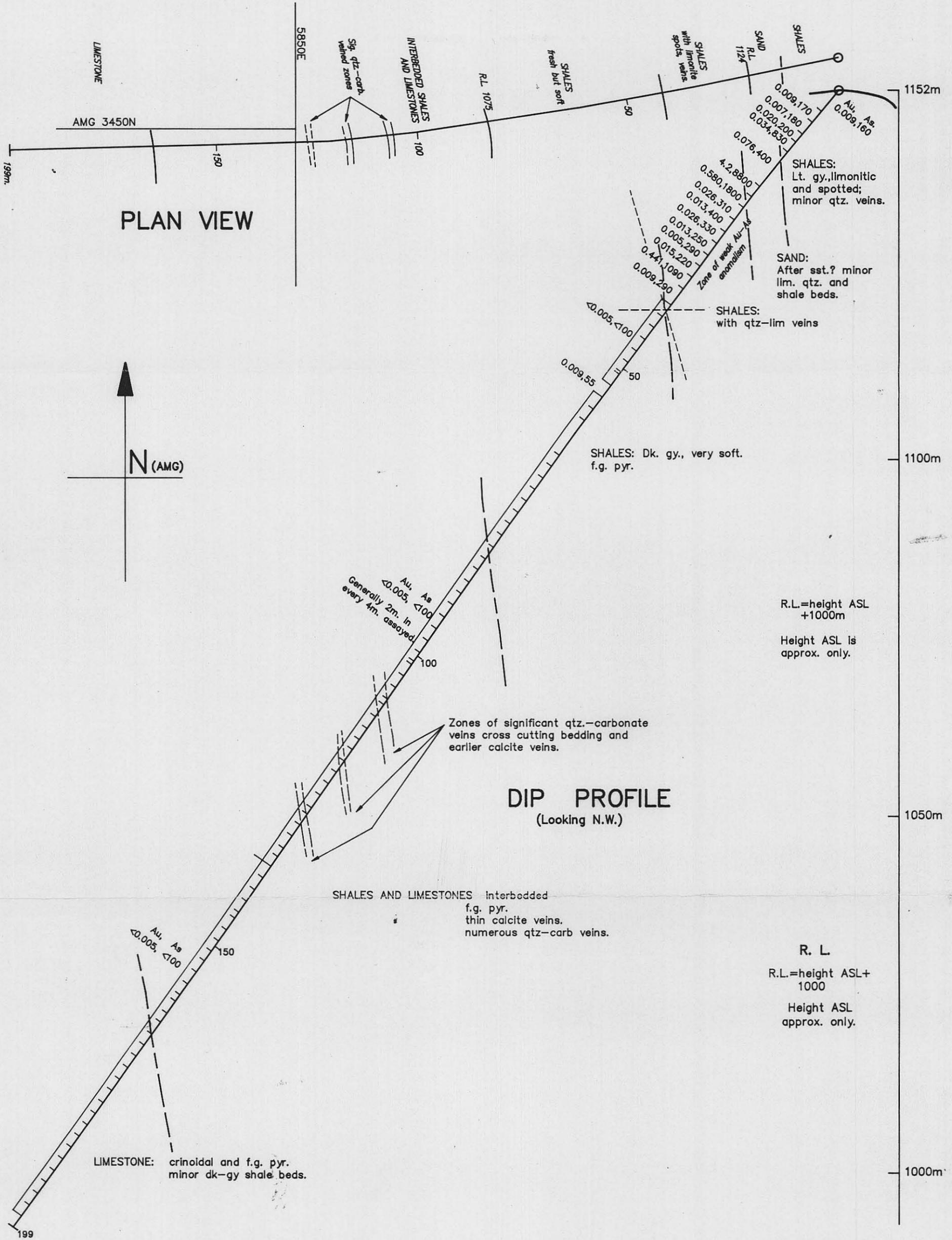
R. L.  
 R.L.=height ASL+ 1000  
 Height ASL approx. only.

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# 94-3574

NEWHAM EXPLORATION AND MINING SERVICES	
GOLDSTREAM - TITAN JOINT VENTURE	DRAWN: L.A.N.
LYNCHFORD PROJECT	DRAFTSPERSON: T.G.D.S.
E.L. 9/84	DATE: May 1994
DRILL HOLE	FILE No.
LYN 001	FIG. No.
SCALE: 1:500	

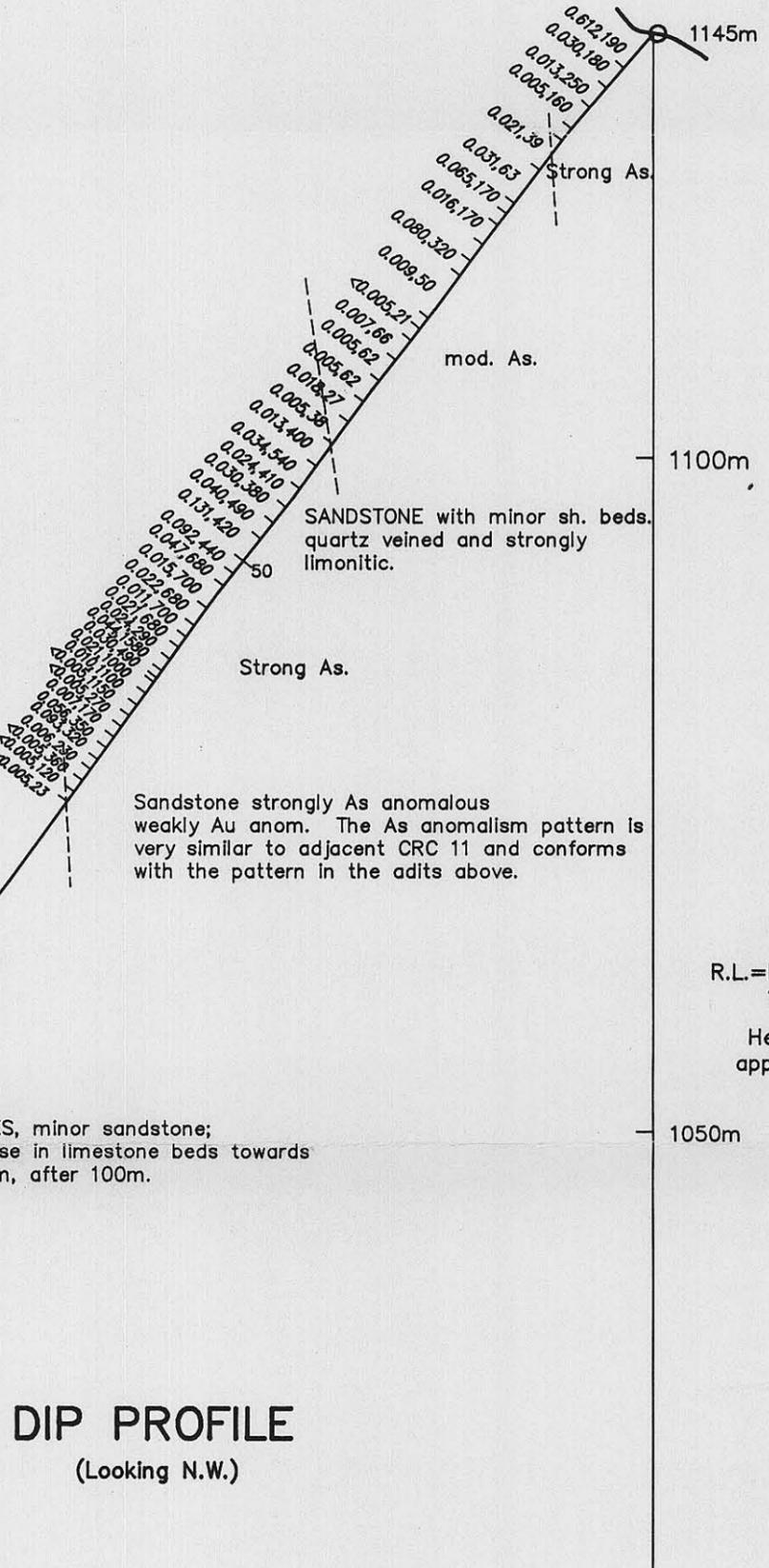
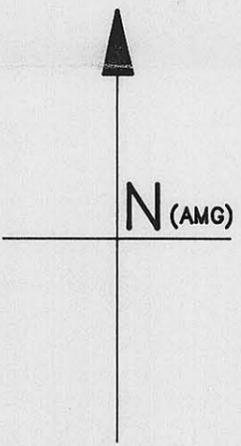
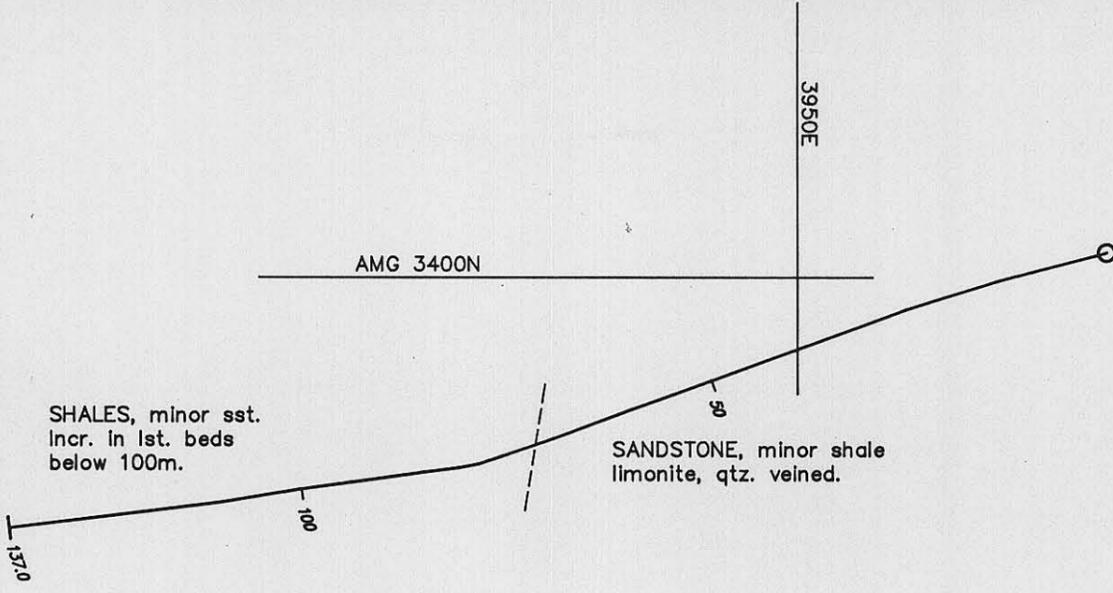


94-3574

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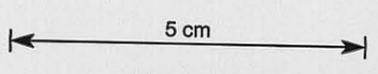
NEWMHAM EXPLORATION AND MINING SERVICES	
GOLDSTREAM - TITAN JOINT VENTURE	
LYNCHFORD PROJECT	
E.L. 9/84	
DRILL HOLE	
LYN 002	
SCALE: 1:500	FIG. No.

PLAN VIEW



DIP PROFILE  
(Looking N.W.)

R. L.  
R.L.=height ASL+  
1000  
Height ASL  
approx. only.



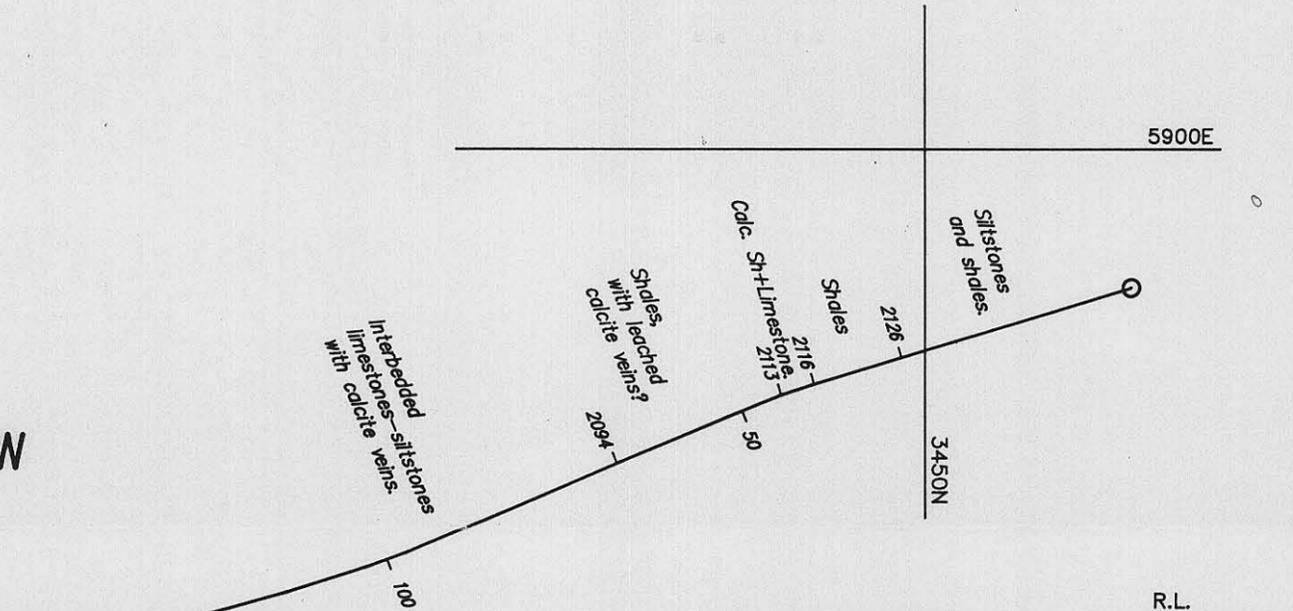
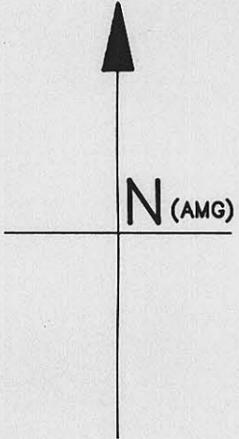
94-3574

911089

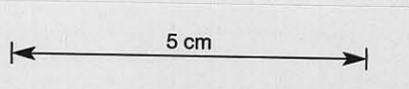
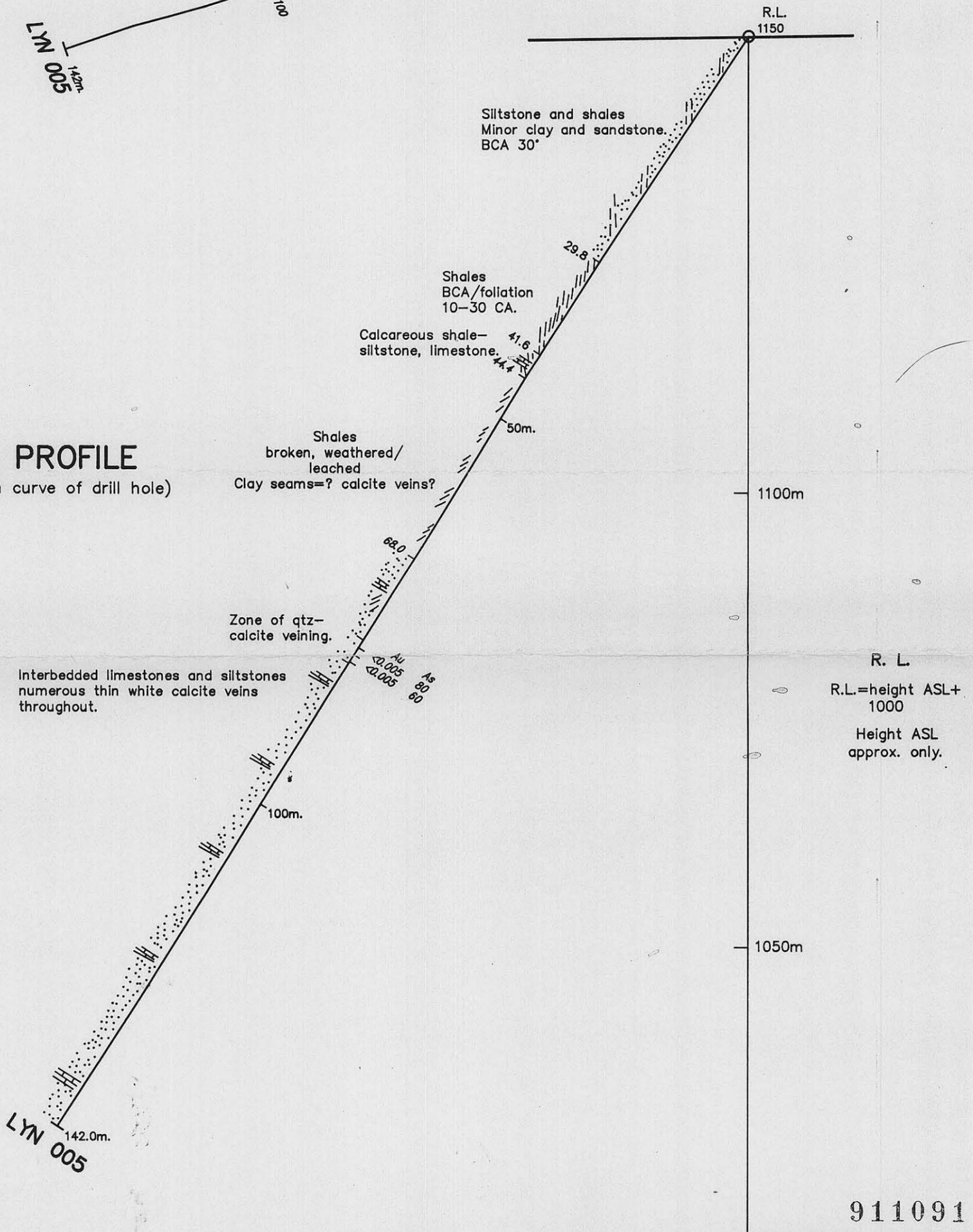
NEWNHAM EXPLORATION AND MINING SERVICES	
GOLDSTREAM - TITAN JOINT VENTURE	DRAWN: L.A.N.
LYNCHFORD PROJECT	DRAFTSPERSON: T.O.D.S.
E.L. 9/84	DATE: May 1984
DRILL HOLE	FILE No.
LYN 003	FIG. No.
SCALE: 1:500	



PLAN VIEW



DIP PROFILE  
(Drawn in curve of drill hole)



94-3574

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NEWHAM EXPLORATION AND MINING SERVICES	
GOLDSTREAM - TITAN JOINT VENTURE	
LYNCHFORD PROJECT	
E.L. 9/84	
DRILL HOLE	
LYN 005	
SCALE: 1:500	FILE No.
FIG. No.	