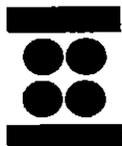


95-3771



MANCALA P/L
PO Box 240,
Launceston. Tasmania.

MICROFILMED
FICHE No. 013701 -

Annual Report
Exploration Licence 23/92

Prepared by
Tim Akerman
Senior Geologist

FILE NO. EL 23/92	
13 SEP 1995	
BOOK NO.	
COPY NO.	1
SEE	FOLIO 6

September 7, 1995

AMG REFERENCE POINTS ADDED

95-3771

ANNUAL REPORT 1994-95 EL 23/92
ALBERTON - AKERMAN T - MANCALA

SUMMARY

Exploration 23/92 licence has been explored over the period September 1994 to September 1995 for narrow vein, high grade gold deposits of a type which has been historically mined in the area. The majority of exploration has been concentrated within the mining lease 6M/95, which is totally enclosed within the EL. A separate report (Akerman, 1995) details the results of exploration on the mining lease.

The intensity of exploration in ML 6M/95 has resulted in limited field work within the EL. An extensive literature review has revealed specific targets upon which exploration will concentrate in the 1995/1996 period. Some detailed field mapping has been undertaken and a number of old workings have been located and examined. Access to a number of specific targets has been located in the form of old tracks.

During the 1995/1996 period it is likely that a joint venture partner will be farmed into the EL. It is envisaged that detailed mapping sampling and a significant drilling program will be undertaken in the 1995/1996 period.

INTRODUCTION

The exploration licence 23/92 extends from the Mangana region in the south to the Alberton region in the north, encompassing an area of 149 square kilometres (Figure 1).

The mining lease 6M/95 (Mancala P/L), the EL 4/88 (Threader and Associates) and the segmented EL 21/93 (Mancala P/L) are totally enclosed within the EL. Areas exempt from the Mining Act within the EL are the Mount Victoria Forest Reserve (18 skm), the Griffin Forest Reserve (0.1 skm) and 0.3 skm of Crown Reserves.

The northern portion of the EL encompasses the Alberton Goldfield, the central portion a segment of the Dan's Rivulet Goldfield and the southern and western portion an area largely devoid of known gold prospects.

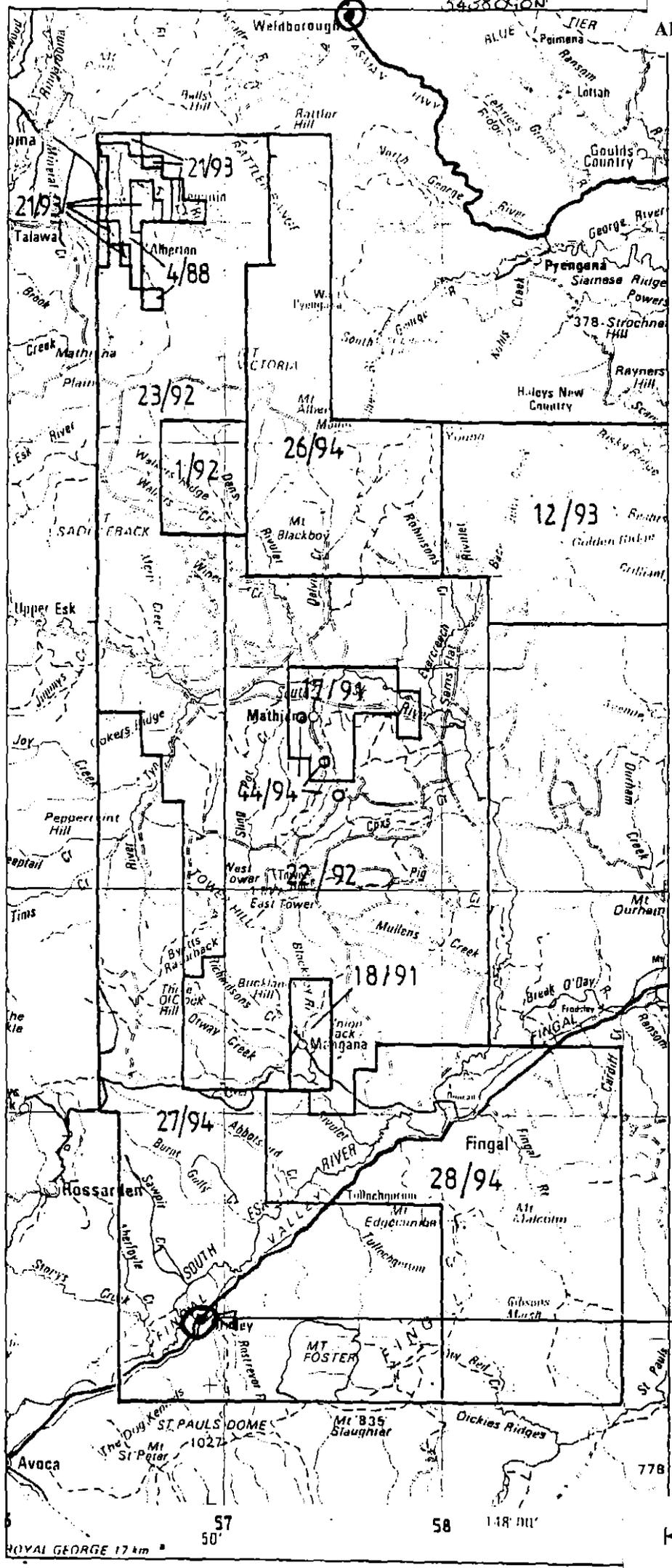
Gold is the main commodity being explored for, although historically sporadic occurrences of tin and tungsten are known, and are not excluded from the target parameters.

AMG 575060E
54380050N

AMG REFERENCE POINTS ADDED

314004

FIGURE 1.
Location of EL 23/92
Extract from 1:250,000
scale Tasmap
publication.



AMG
568090E,
5380050N

5 cm

ROYAL GEORGE 17 km

EXPLORATION OBJECTIVES AND RATIONALE

The objective of Mancala's exploration in EL 23/92 is to locate a substantial gold resource that would be amenable to a narrow vein, underground style mining. Hard rock, vein targets in the order of +5000 oz Au are sort. The prime target style is that of The New Golden Gate Mine, which produced in excess of 250,000 oz of gold.

Previous, modern exploration in the region has targeted large tonnage, relatively low grade opencut type resources. Previous production from the region has been derived from narrow vein resources and to a lesser extent alluvial workings. Extensive soil and stream sediment sampling programs of previous modern exploration companies have met with little success and have been hampered by technical difficulties.

Mancala's approach to exploration in the EL has had a basis in the extensive work undertaken in ML 6M/95, which is totally encompassed by the EL. The approach is two fold:

- 1) Specific targets generated from a combination of historical data, the application of recent generic models and detailed sampling and mapping.
- 2) Regional targets to be generated from geophysical data and a broad structural interpretation of the area.

To assist financially and to give technical advice (in relation to regional target selection) Mancala is seeking joint venture partners for EL 23/92 and for the other tenements held by the company.

PREVIOUS EXPLORATION

Mancala purchased EL 23/92 from Newcrest Mining Limited in June 1994. Newcrest engaged the services of consultant geologist Lindsay Newnham who compiled an extensive review of previous exploration (Newnham, 1992). This work combined with Pearson (1993) details the previous exploration to date within the EL.

REGIONAL GEOLOGY

The regional geology of the EL has been detailed by geologists of the Tasmanian Mines Department on the 1:50,000 geological maps of Ben Lomond and Alberton. Recent reviews, specific to economic geology are provided by Taheri (1992 and 1993) and Keel et. al.(1994) as part of the Netgold Project.

The northern portion of the EL is located within the 70 km Mangana to Lyndhurst gold lineament. Within the approximately 2 km wide, north-westerly trending lineament, gold mineralisation is hosted by the probable Silurian to Devonian Mathinna Beds.

The Mathinna Beds consist of a monotonous sequence of interbedded, fine to medium grained, commonly graded quartz rich sandstone beds and pelrites (Taheri, 1993). The Mathinna Beds are unconformably overlain by probable Carboniferous and Permo-Triassic sedimentary sequences of the Parmeener Supergroup.

The Mathinna Beds have been intruded by granites and graniodiorites, of Devonian age, the thermal alteration halo of which is sporadically mineralised with tin and tungsten. The age of gold mineralisation is uncertain, although it is probable that deposition occurred concurrently with folding and cleavage development, prior to the Devonian granitic intrusives.

Regionally, the Mathinna beds are folded about northwest-trending axes to form small scale and kilometre scale wavelength tight to moderate folds. Axial plane cleavage development takes the form of a slaty cleavage in the pelitic units (Taheri, 1993). Folding is asymmetric with local steep overturning to the west in some cases (Pearson, 1993). A subsequent deformation has produced regional mega kinking about steep, northeast trending kink planes, and numerous steeply dipping kink-bands with both sinistral and dextral geometry's (Goscombe and Findlay, 1989, in Taheri, 1993).

The origin of gold mineralisation and its relation to the structure of the goldfield is uncertain, with a number of theories having been forwarded. Hill (1923), Powell (1991) and Keele et. al. (1994) have all invoked deep seated thrusts models while Taheri (1993) has modelled a pre-Permian extensional dextral jog with dextral transcurrent faulting. At present little field evidence is available to support or disprove the models.

EXPLORATION PROGRAM 1994/1995

Exploration within the EL in the period Sept. 1994 to Sept. 1995 has concentrated upon ML 6M/95 which is totally enclosed by the EL. This work involved extensive trenching, mapping and reinterpretation and collation of diamond drilling (Akerman, 1995). The work completed on the ML has direct connotations to the EL. The geological knowledge derived from ML has allowed models to be generated which assists target selection in the EL.

With the concentration of Mancala's exploration centred upon ML 6/M95, exploration within EL 23/92 has been limited to literature reviews, a limited although detailed mapping program and the inspection of specific targets with a view to accessing access and conformation of historical data.

Mt. ALBERT ROAD TRAVERSE

The Mt. Albert Road is located on a ridge separating the Dan's Rivulet Goldfield from the Alberton Goldfield (Figure 2). It has been postulated by a number of workers (eg. Iliff, 1994) that a major shear structure exists within the Dorset River and Dan's Rivulet Valleys. The structure has been attributed as a source of auriferous fluids feeding the lodes within the two valleys. Due to Recent and Tertiary river gavel cover, the presence of the shear in the valleys can not be demonstrated. Iliff (1994) suggested mapping of the Mt. Albert Road would reveal whether the shear existed.

Outcrop on road was found to be sparse, mainly located in discontinuous dish drains.

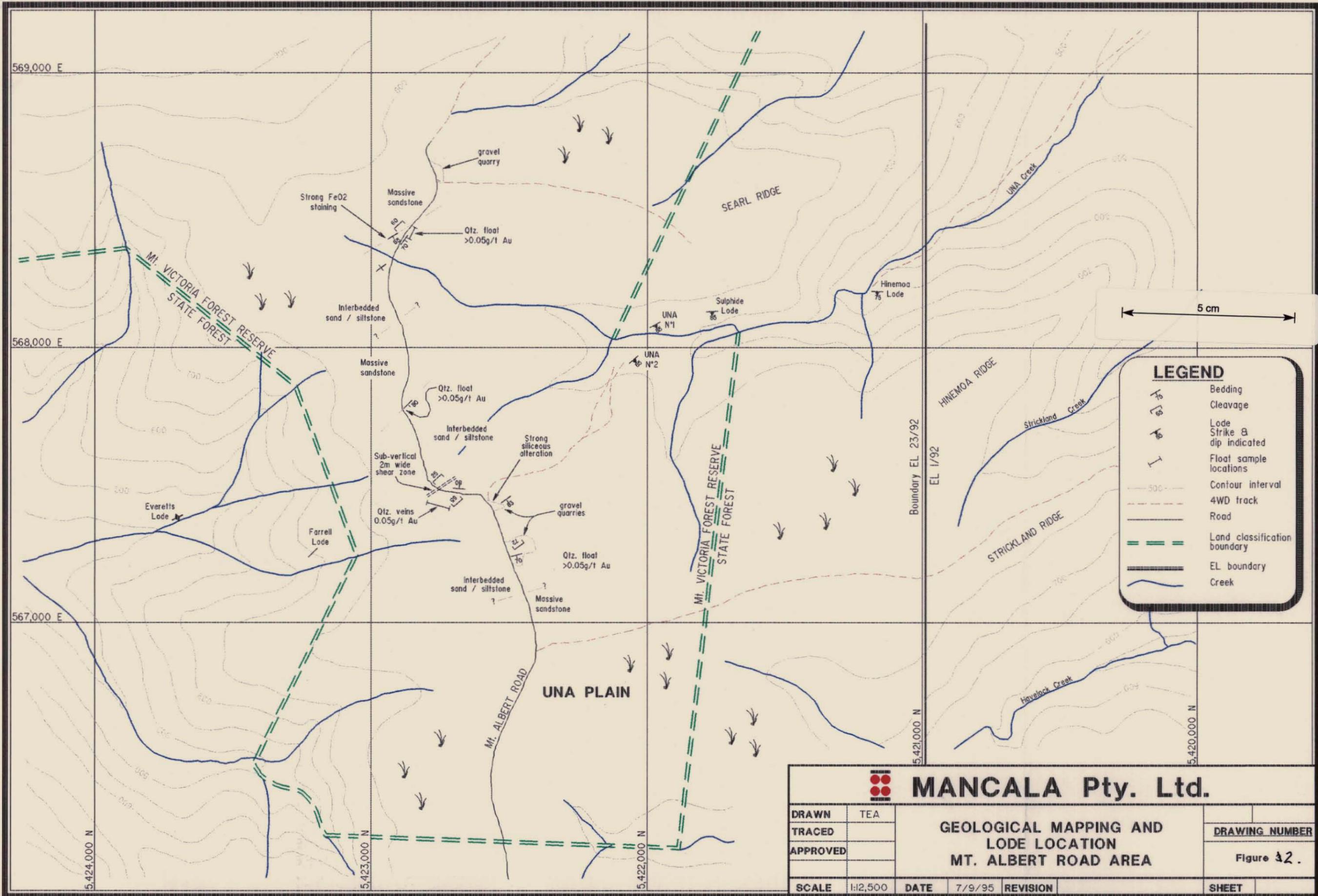
Lithologically, the rocks encountered within the traverse consist of typical Mathinna Beds, comprising of massive medium grain sandstones and an interbedded sequence of sandstone and siltstone.

Structural data is limited, although strata dipping steeply to the east and west were observed, with bedding cleavage intersections indicating fold hinges dipping shallowly to moderately to the north and north-west.

Buck type quartz float and in situ veins (assaying less than 0.05 g/t Au) are located at the lithological boundary between sandstones and the interbedded sequence. On a smaller scale, in the Alberton region, the lithological (hence competency) contrast is commonly exploited by faults, and presumably faults are indicated by the veining at the Mt. Albert Road.

At approximately 700 metres eastward of the Strickland Ridge track/Mt. Albert Road intersection, intense shearing is present over a two metres interval. The shear is orientated 325 degrees AMG and dips steeply westward. Quartz veining (1-3cm wide) is distributed throughout the cataclastite as discontinuous veinlets. Assay of individual veins from the cataclastite returned 0.05g/t Au, and a collection of float quartz from the area <0.05g/t Au.

If the strike of the shear zone encountered on the Mt. Albert Road is extended southward, the location of the Una No.1 and No. 2 lodes are intersected at a 70 metre lower RL (Figure 2).

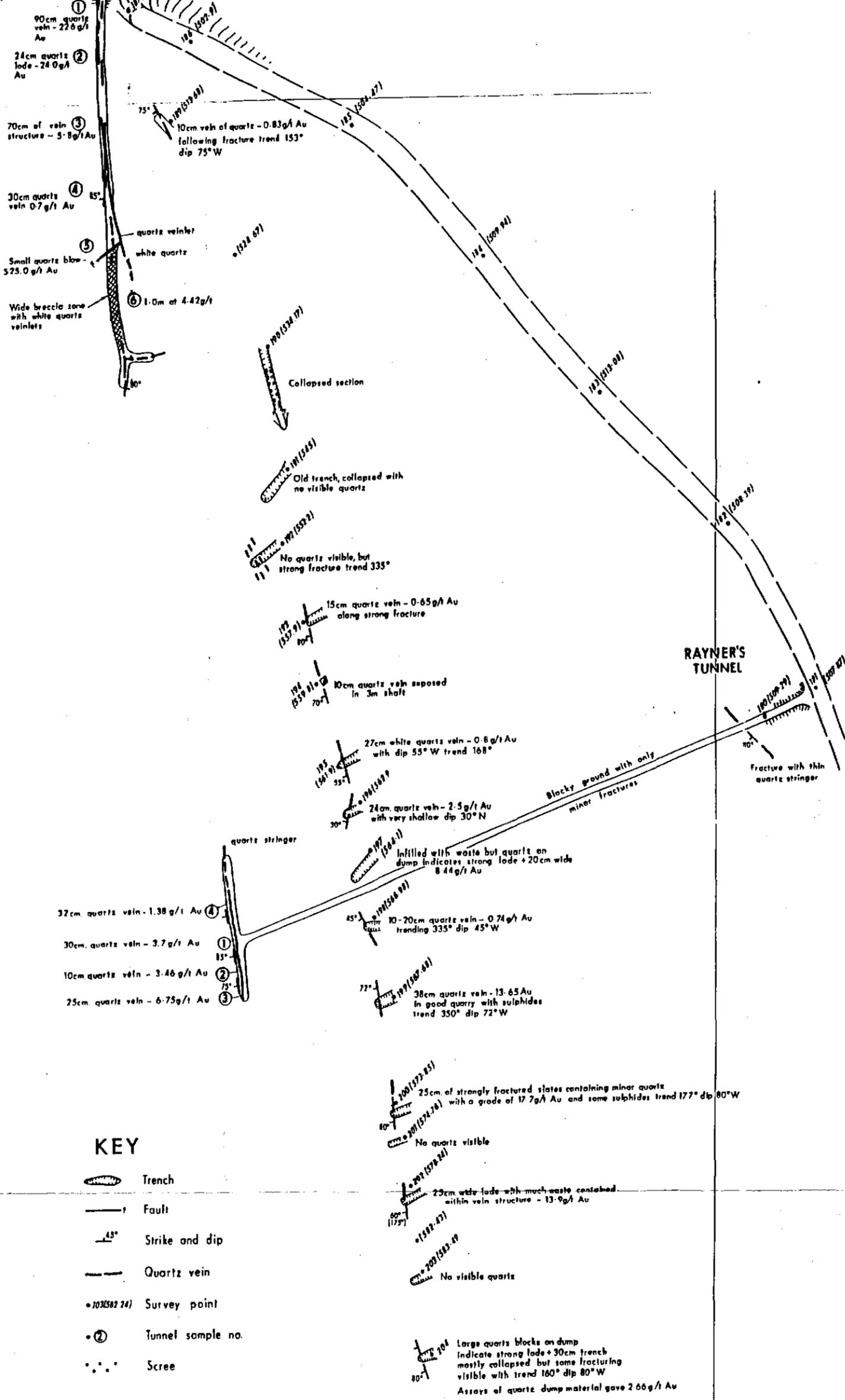


LEGEND

- Bedding
- Cleavage
- Lode
- Strike & dip indicated
- Float sample locations
- Contour interval
- 4WD track
- Road
- Land classification boundary
- EL boundary
- Creek

MANCALA Pty. Ltd.			
DRAWN	TEA	GEOLOGICAL MAPPING AND LODE LOCATION MT. ALBERT ROAD AREA	
TRACED			
APPROVED			
SCALE	1:2,500	DATE	7/9/95
		REVISION	
			DRAWING NUMBER Figure 32.
			SHEET

LOWER ADIT
(No. 1)



- KEY**
- Trench
 - Fault
 - Strike and dip
 - Quartz vein
 - Survey point
 - Tunnel sample no.
 - Scree

5 cm

FIGURE 3. Hinemoa Mine Workings. Approximate scale 1:750.
(After Mitchell, 1980).

UNA MINE

The Una Mine is located within the headwaters of Una Creek (Figure 2). The land in the region forms a portion of the Mt. Victoria Forest Reserve, and hence is excluded from the auspices of the Mining Act. A management plan for the Mt. Victoria Forest Reserve may allow the region to be incorporated into the Mining Act.

Production from the mine has been extremely limited, consisting of surface trenching returning grades in the region of 83.5g/t Au (Twelvetrees, 1904). Mitchell (1980) reported the presence of five adits developed upon a series of sub-parallel lodes of limited (max. 80 metres) strike length. Sampling of the exposed workings by Mitchell (1980) generally returned low gold grades, with the exception of a dump sample grading 51.9 g/t Au.

Mitchell (1980) indicated that the lodes occur within a shear zone 75 metres wide and 550 metres in length. If the shear mapped on the Mt. Albert Road is continuous with the Una shear, a strike length of 1000 metres is indicated. The presence of lodes within a well defined and extensive structural feature is extremely unusual in the NE Tasmanian Godfields, and may indicate the Una area has the potential to host a large auriferous vein system at depth.

Access to the area and the inspection of existing workings has yet to be conducted by staff of Mancala P/L.

HINEMOA MINE

The Hinemoa deposit is located approximately 900 metres to the south of the Una deposit, on the western bank of Una Creek (Figure 2). The deposit has been explored by three adits and a series of surface trenches over a total strike length of 250 metres (Figure 3). The lode exposed within the adits is variable in width (0 to 100 cm, averaging 25cm) and grade, and is hosted within a significant fault zone averaging one metre in width, striking north/south and dipping approximately 75 degrees to the west.

The results of surface trench and underground sampling allowed Mitchell (1980) to calculate a resource of 1,300 tonnes at 11 g/t Au (excluding one sample of 525 g/t Au) and 2,000 tonnes at 8.5 g/t for a northern oreshoot (average 62 cm wide) and a southern oreshoot (average 25cm wide) respectively. The calculated resources are confined to the exposed workings. However, it should be noted that within the trenches and the underground workings the grade and width of the lode appears to be improving to the south (Figure 3).

The fault hosting the Hinemoa deposit appears to be significant and may have the potential to host a large auriferous vein system at depth.

The mine has been examined by staff of Mancala, and access to the site is via a well formed 4WD track from Dan's Rivulet Valley. The geometry of the lode would allow it to be easily drilled from the access track (northern oreshoot) and from underground in Rayners Tunnel (southern oreshoot).

HINEMOA AND UNA DEPOSITS: REGIONAL SETTING

Taheri (1992) presented a regional structural interpretation for the Tower Hill - Ringarooma area, based upon the orientation of topographic lineaments, the restriction of known gold lodes and the offsets between the goldfields (Figure 4). Intrinsic to Taheri's model is a dextral transcurrent fault with extensional dextral jogs occurring at Mathinna, the head of Dan's Rivulet and the northern end of the Alberton Goldfield.

Taheri (1992) indicates that the proposed model requires detailed field analysis prior to it being proved. Supporting evidence may be found if the extensive nature of the faults/shears hosting the Una and Hinemoa deposits are considered. The broad geometry and orientation of the structures may indicate the Una shear is a portion of the dextral transcurrent fault and the Hinemoa fault is a portion of the extensional dextral jog. In such a scenario, to the south, the eastern portion of the jog may be represented the line of lodes including the Starlight and Carnegie Mines. The east/west orientated Havelock, Obriens etc lodes, may be extensional openings on the western side of the jog.

In reality, the simplistic jog model may be far more complex than indicated above, however the fact that both the Hinemoa and Una lodes are located in major structural features indicate that they are worthy of further exploration effort.

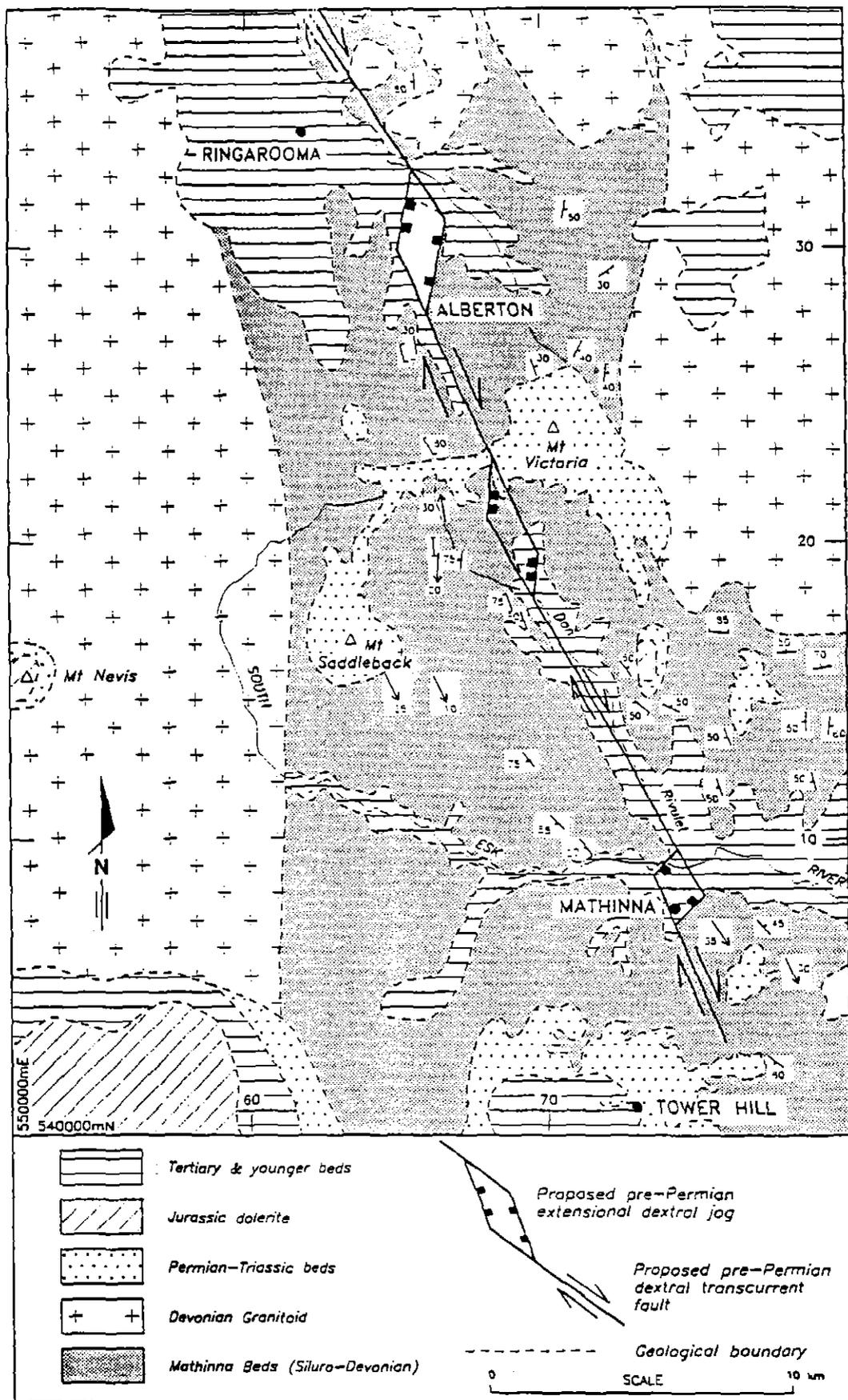


FIGURE 4. Simplified geology of Tower Hill - Ringarooma area, showing proposed pre-Permian extensional jog and dextral transcurrent fault. (After Taheri, 1993).

5 cm

PROPOSED EXPLORATION PROGRAM 1995/1996

Following the generally disappointing results from drilling and trenching operations in ML 6M/95, a reassessment of Mancala's exploration program statewide is underway. Considering the high concentration of small, high grade lodes within the Alberton area it was anticipated that one of two small lodes would have been located during the exploration program. If this had occurred, the extraction of the lodes would have allowed a self funding exploration program targeting larger resources.

Although previously undiscovered lodes were located, they are narrow and of low grade. The ability to accurately predict reserve grades in the small Alberton lodes was highlighted by the very poor repeatability of gold assays. This, combined with the unfavourable topography restricting mechanical access in the area has shifted exploration strategy to larger, targets.

A limited suite of analytical data from the sampling programs at Alberton has indicated that the gold is highly erratically distributed within individual samples (both low and high grade) and presumably a similar distribution is present within lodes. Historical data pertaining to the distribution of gold within individual lodes during production is lacking. The variability of sample results brings into question all but the most rigorous rock chip sampling programs which have been conducted in the EL.

The erratic nature of gold distribution would impact greatly upon any drilling program that may be undertaken and upon the interpretation of previous drilling programs. In a number of instances within the EL single drill holes have been drilled below known workings, have intersected significant widths of reef type material but have returned low gold assays. This may not preclude the presence of significant resources within the reef, but rather, at that particular point in space through which the drill hole passed.

Future drilling programs should be designed to drill holes at close spacing and at a high density, to definitively test targets. The largest practicable diameter holes should be drilled. These constraints on drilling will clearly increase costs.

In broad terms, the specific targets (eg. Hinemoa) and their surrounding regions will be mapped and sampled in detail to be followed by drilling or if practicable trenching. A reassessment of all major prospects on the EL will be conducted in light of the results from the Alberton work.

On a regional scale some of the soil sampling results of Newcrest, in the southern portion of the EL require follow up, particularly the west Tower Hill anomaly.

It is anticipated that the extensive Netgold geophysical package would be utilised by Mancala to isolate linear features (major faults?) worthy of ground follow up.

EXPENDITURE

Expenditure on the EL 23/92 for the period was as follows:

ITEM	\$
Salaries and Wages	9,664
Assays	200
Supplies	232
Tenement Costs	2,535
Vehicles	2,069
Office and Administration	1,601
TOTAL	16,301

The expenditure commitment of \$500 per square kilometre for a licence in its third year (\$74,500) has clearly not been met. This may be partially offset by the exploration expenditure of \$121,651 within ML 6M/65 (see attached).

A significant increase in expenditure within the 1995/1996 year is anticipated with the shift of Mancala's emphasis away from the Alberton region and the farming in of a joint venture partner. The anticipated increase will potentially make up for any shortfall deemed to have occurred within the 1994/1995 period.

REFERENCES

- Akerman, T.E. (1995). Trenching Program, Alberton. 6M/95. Unpublished internal report, Mancala Pty. Ltd.
- Hills, C.L. (1923). The Mount Victoria Goldfield. *Unpublished Report Tasmania Department of Mines*. 1923:35-66
- Illiff, G. (1994). Alberton mining leases, 44M/88, 45M/88, 46M/88. Diamond drilling in 1994. Unpublished internal report Mancala Pty. Ltd.
- Keele, R.A, Taheri, J. and Bottrill, R.S. (1994). Structure and veining in the Devonian-aged Mathinna-Alberton Gold Lineament, northeast Tasmania *Report 1994/06, Mineral Resources Tasmania*.
- Mitchell, P.R. (1980). *Geological appraisal of the Dan Rivulet area (EL31/76), Mathinna Tasmania*. ACA Howe Aust. Pty. Ltd. (TCR 80-1446).
- Reynolds, D.F. (1992). *Geological appraisal of the Dan Rivulet area (EL31/76), Mathinna Tasmania*. ACA Howe Aust. Pty. Ltd. (TCR 80-1446).

SUMMARY OF EXPENDITURE ALBERTON MINING LEASES
44M / 88 45M / 88 46M / 88
FINANCIAL YEAR 94/95

Summary of professional services supplied by F.W.Lannen and Associates

Days worked on project per month

Month/year	G.D.I	S.L.G	F.W.L	M.K	D.J.B	T.A	Total
July 94	17	0.5	1	1			19.5
Aug 94	4	1	1	1			7
Sep 94	6	1.5	1	1			9.5
Oct 94	10	2	3	3	1	1	20
Nov 94	9.5	3.5	4.5	0.5			18
Dec 94	2	2		1			5
Jan 95	1	0.5					1.5
Feb 95	0.5						0.5
March 95	2.5	0.5	0.5	0.5			4
April 95	4.1		0.5	0.5	1		6.1
May 95	2.5		1	2	2.5	12	20
June 95	2.5		1	1	3.3	16.9	24.7
					TOTAL DAYS		135.8

Charge out rate per person per day \$850
 Total amount \$88,270

Field Labour Employed at Alberton Leases

Hours employed per month

Month/year	R.K	M.L	D.R	total
July 94				0
Aug 94				0
Sep 94				0
Oct 94				0
Nov 94				0
Dec 94				0
Jan 95				0
Feb 95				0
March 95				0
April 95				0
May 95				0
June 95	55	22	11	88
	Total Hours			88

Charge out cost per person per hour \$20
 Total cost \$1,760

Vehicle hire. 4 WD

Days hire per month

Month/year	G.D.I	S.L.G	F.W.L	M.K	D.J.B	T.A	Labour	Total
July 94	2							2
Aug 94								0
Sep 94	1							1
Oct 94			1	1	1	1		4
Nov 94		2						2
Dec 94	2							2
Jan 95								0
Feb 95								0
March 95								0
April 95	3							3
May 95	1					4		5
June 95	1				2	13		16
					TOTAL DAYS			35

Invoice cost per person per day \$100
 Total invoiced amount \$3,500

Vehicle running costs.

Total Km 4500
 Running cost per Km \$0.32
 Total running costs \$1,440

INVOICED ITEMS

Date	Item	Amount
28-Jun-95	Council rates	\$310.65
13-Jun-95	Excavator Hire. (Gerke)	\$2,695.00
30-Jun-95	Environmental bond	\$5,000.00
07-Jun-95	Websters (tools)	\$21.96
01-Jul-94	Tas. Development and Resources (NetGold)	\$50.00
25-Jul-94	Tas. Development and Resources (NetGold)	\$155.00
15-Sep-94	Tas. Development and Resources (NetGold)	\$900.00
15-Sep-94	Tas. Development and Resources (NetGold)	\$22.50
31-Jan-95	Tas. Development and Resources (NetGold)	\$225.00
01-Apr-95	Tas. Development and Resources (Credit)	(\$110.00)
04-Jul-94	Assay prior to trenching	\$143.00
19-Mar-95	Stationary	\$50.00
17-Oct-94	Stamp duty	\$20.00
07-Nov-94	Drafting	\$745.00
12-Jun-95	Assays "Aquatic labs" inv No. 140	\$510.00
14-Jun-95	Misc. Tools UMT Legerwood	\$68.10
30-May-95	Allgoods, field pack and lights	\$208.15
14-May-95	Aerial photos	\$100.00
18-May-95	Printed A3 drafting sheets	\$250.00
27-Jun-95	Cap Lamp Batteries	\$89.00
16-May-95	Sample bags	\$260.00
01-Jul-95	Websters, tools	\$14.68
94/95	Office Administration	\$2,368.00
94/95	Accom and rent	\$4,150.00
94/95	HEC (Rental Houses)	\$561.00
94/95	Telecom	\$483.00
94/95	Licences and leases (TDR)	\$4,965.00

Total	\$24,255
-------	----------

Overhead and administration cost applied to invoice figure	10.00%
Total cost of invoiced items.	\$26,681

TOTAL EXPENDITURE: Alberton mining leases 94/95

Summary of professional services supplied by F.W.Lannen	\$88,270
Field Labour Employed at Alberton Leases	\$1,760
Vehicle hire. 4 WD	\$3,500
Vehicle running costs.	\$1,440
Invoiced items	\$26,681
TOTAL	\$121,651