

SUMMARY

EL 2/94 - Queen River is located 5 km south of Queenstown in western Tasmania and was acquired for its potential to host Prince Lyell style Cu - Au and Rosebery style Zn - Pb - Au - Ag mineralisation.

In July 1995 EL 17/95 was granted and amalgamated into EL 2/94. This ground was acquired for it's potential to host the above and also Henty style mineralisation.

The base of the Tyndall group has been mapped in detail during the current term. Jasperoid and hematite breccia occurs at the base of the Tyndall Group. This unit occurs sporadically over a 1km+ strike length from Specimen Creek and extending to the north. This unit is interpreted to be a distal exhalite associated with a VMS system and warrant follow-up. The majority of the strike length of this unit occur within mining lease 27M/82 held by Paraclete Resources.

Attempts have been made to negotiate a joint venture/option agreement with Paraclete Resources on ML's 27M/82 and 9M/95. Discussions are continuing.

A significant magnetic anomaly centred at approximately 53 35000 mN 3 80 000 mE is being grided in preparation for grid based mapping, soil sampling with anomalies followed up by geophysics and/or drilling.

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		Drg. ID	Scale
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1. INTRODUCTION

E.L. 2/94 - Queen River is held by Renison Ltd and explored by RGC Exploration (RGCE), both wholly owned subsidiaries of RGC Limited. The licence was granted on June 24, 1994 as the result of a successful tender application for ETA's 322 and 346. The tenement is situated about 5 km south of Queenstown in western Tasmania, and in 1994 had an area of 22 sq km.

EL 17/95 is also held by Renison Limited and explored by RGC Exploration (RGCE), both wholly owned subsidiaries of RGC Limited. The licence was granted on July 10th, 1995 as the result of a successful tender application for ETA 378. The tenement is situated about 5 km south of Queenstown in western Tasmania, and in 1995 had an area of 9 sq km.

On granting of EL 17/95 the licence was amalgamated into EL 2/94 as the area is a contiguous block. EL 2/94 now has an area of 31 sq km (Figure 1).

E.L. 2/94 was acquired for its potential to contain Prince Lyell - style Cu - Au mineralisation, Henty style Au mineralisation and to a lesser extent for Rosebery - style Zn - Pb - Au -Ag mineralisation.

2. LAND TENURE

The area comprises: Crown Land, State Forest (Multiple Use Forest Land and Deferred Forest Land), Private Property and Land Vested in the HEC. The area contains parts of the South West Tasmania; Australian Heritage Commission Act; Registered Entry.



5340 000mN

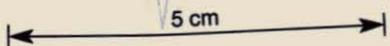
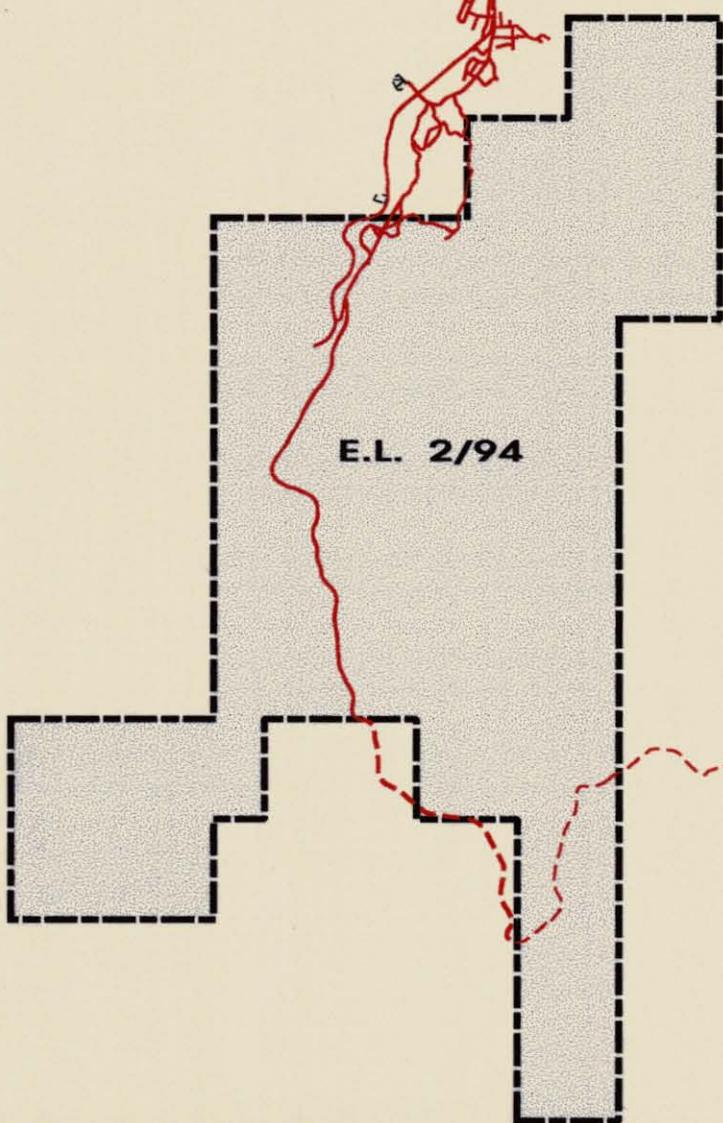
5335 000mN

5330 000mN

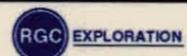
375 000mE

380 000mE

385 000mE



- TOPOGRAPHY**
- Road
 - - - Track
 - + + + Railway Line
 - - - Tenement Boundary



Member of the Renison Goldfields Consolidated Group

TASMANIA BASE-METALS

**Lynchford Area E.L. 2/94
Locality Plan**

Compiled : M.Walter	Date : May 1996	Scale : 1 : 75,000
Drawn : M.Walter	Revision Date : XX	A.M.G. Map Zone : 55
Drawing Path : c:\ns-draft\lynch\base	Drawing Name : 2314b005.dgn	Fig. 1

3. PREVIOUS EXPLORATION

Initial exploration in this area was carried out by Pickands Mather International in 1966-1967. Griding of the Lynch Creek area followed the detection of a drainage anomaly in Lynch Creek. Subsequent soil geochemistry isolated Pb and Cu anomalies that failed to respond to both ground magnetics and an electromagnetic survey.

Cyprus Mining Corporation (EL 47/70:1971-72) cut a new grid in the Lynch Creek - King River Mine area. Detailed geological mapping, soil geochemistry, ground magnetics and IP were carried out. No targets were isolated.

Renison Goldfields Consolidated Ltd. (EL 9/66:1980-82) conducted a stream sediment program to the north of King River that did not yield anomalous results. A DIGHEM survey produced subtle anomalies that were not followed up. Two lines of IP were carried out over the King River Gold Mine.

Follow up of all stream sediment, DIGHEM and EM anomalies were conducted by CRA (EL. 47/83:1986-89) and Aberfoyle-CRA JV (E.L. 47/83:1990-93). Stream sediment samples from Specimen Creek carried 3700 and 3400 ppt Au. A value of 840 ppb Au was obtained from selected dump material. Further griding and soil geochemistry was carried out over the Specimen Creek, Jukes Road and the HEC tunnel. Cu-Zn anomalies were located over andesites.

A bulk-cyanide leach stream sediment survey was conducted over the southern part of the EL (Newell Ck and Thomas Currie Rivulet areas) and no significant anomalies were obtained.

Table 1. Summary of Previous Exploration.

E.L. NUMBER	COMPANY	TENURE
	Pickands Mather International	1966-67
47/70	Cyprus Mining Corporation	1971-72
9/66	Renison Goldfields Consolidated	1980-82
47/83	CRA	1986-89
47/83	Aberfoyle Resources-CRA J.V.	1990-93

Exploration by RGC Exploration during 1994/95. (Vicary and Corlett, 1995).

At the Garfield Prospect in EL 102/87 a zone of disseminated and veinlet style chalcopyrite mineralisation has been discovered and occurs within hornblende phyr

andesites. The mineralisation has a distinct magnetic signature and is readily discernible on the 1981 Mines Department aeromagnetic survey of western Tasmania (Leaman, 1986). By applying knowledge gained from the Garfield Prospect on a regional basis it became apparent that a similar magnetic signature existed in the Queen River area within a similar geological environment. Mines Department mapping in the area (Calver et al, 1987 and Corbett et al, 1993) indicates that the magnetic anomaly is to the west of a line of andesites that trend south from the Lynchford area. The source of the anomaly is not readily apparent as the anomaly is situated over generally non-magnetic Yolande River Sequence. This anomaly requires further work.

In the first year of tenure exploration in EL 2/94 consisted in the evaluation of the magnetic anomaly. A grid was established in the Queen River area and a soil and rock chip sampling program completed. The grid was mapped at 1:5000 scale. No significant anomalies were detected by this programme.

In early 1995 a regional helimag program across all RGC leases in western Tasmania included EL 2/94 (the pre-1995 part).

4. WORK COMPLETED 1995/96.

4.1 Mapping.

The basal Tyndall Group was mapped at a scale of 1:5000. The base map was produced from digital data obtained from the Lands Department for the 1:25,000 Strahan (3633) and Owen (3833) maps.

Drillhole LF001 drilled by Aberfoyle has been relogged.

4.2 Geochemistry.

The geochemical database of Aberfoyle has been collated. Two samples anomalous in copper and gold from the Miners Ridge grid were re-submitted for assay.

4.3 Geophysics.

The airborne magnetics survey from Aberfoyle is in the process of being stitched into the 1995 UTS helimag survey. This will result in a full magnetics coverage of the EL.

4.4 Griding.

There is a prominent airmag anomaly centred at 5 335 000 mN 380000 mE. This anomaly has a similar signature to the Garfield anomaly and the area has been put out to tender for grid cutting.

5. RESULTS

Only minor results are reported herein as they are still in the process of being collated.

5.1 Mapping.

Only a small slice of the Lower Tyndall Group has been mapped and will not be reported on herein. The drill log for LF 001 is included in appendix 1.

Significant jasperoid and hematite breccia occurs at the base of the Tyndall Group. This unit occurs sporadically over a 1km+ strike length from Specimen Creek and extending to the north. This unit is interpreted to be a distal exhalite associated with a VMS system and warrant follow-up. Unfortunately the majority of the strike length of this unit occur within mining lease 27M/82 held by Paraclete Resources. Negotiations for a joint venture on this mining lease are continuing and this horizon will be rapidly advanced to a drilling stage once agreement is reached.

5.2 Geochemistry

The Two samples anomalous in copper and gold from the Miners Ridge grid were re-submitted for analysis. The 5.23 g/t Au anomaly did not repeat and the error here is unexplained. The 0.36% Cu and 0.68 g/t Au anomaly did repeat however the geochemistry of this sample is identical to geochemical standard T1 and there has been a mix up with samples.

!!!

6. RECOMMENDATIONS

The hematite-jasper breccias at the base of the Tyndall Group need to be investigated by 1:1000 scale mapping and drilling. A significant proportion of this contact occurs within the ground held by Paraclete Resources.

The ground held by *Paraclete Resources* should be actively pursued for either an option or joint venture opportunity.

The prominent magnetic feature at approximately 53 35000mN 380 000mE has a similar signature to the Garfield anomaly. This anomaly should be grided in preparation for grid based mapping, soil sampling with anomalies followed up by geophysics and/or drilling. The Miners Ridge Grid will be extended northwards to test this feature.

1

7. REFERENCES

Calver C.R., Baillie P.W., Everard J.L., Seymour D.B., Williams P.R., Forsyth S.M., Turner N.J., and Williams E. 1987. **Lyell - Geological Atlas 1:50 000 Series Sheet 8013N. Dept. of Mines, Tasmania.**

Corbett K.D., Pemberton J., and Vicary M.J. 1993. **Map 13. Geology of the Mt. Jukes - Mt. Darwin area. Mount Read Volcanics Project. Dept. of Mines, Tasmania.**

Leaman D.E. 1986. **Interpretation and Evaluation Report. 1981 West Tasmania aeromagnetic survey. Mt. Read Volcanics Project Geophysical Report 1.**

Vicary, M.J and Corlett,S. 1995. **Annual Report for EL 2/94 Queen River. Unpublished RGC Exploration Report.**

APPENDIX 1

DRILL LOG LF 001.

RGC EXPLORATION PTY LTD

DRILL HOLE No LF 001 (SUMMARY)

SHEET 1 OF 4

- Bedding
- └ Cleavage
- ▲ Foliation
- ~ Fault, Shear
- ⚠ Breccia
- ⊠ Broken core
- ▨ Disseminated
- Massive
- ▩ Pervasive
- ↘ Narrow vein
- * Visible gold

PROJECT : LYNCHFORD
PROSPECT : LYNCHFORD
DATE : SEPTEMBER 1995
LOGGED BY : SERENA DONOVAN

709013

HOLE DEPTH (m)	SAMPLE NO PREFIX	ASSAY RESULTS	STRUCT.	GRAPHIC LOG	ALTERATION						GEOLOGY NOTES	SUMMARY	
					SIL.	SER.	PY.	Hornblende	Calcite	Quartz		Pyrite	ROCK
0				No Core							0m-16.0m No core	Opq	
10											16.0-16.2 Glacial Till	Till	Q7
20											16.2-20.15 Black shale		
30			S ₀ 50°								20.15-27.94 Siltstone	SILT	B-LI3 Q2
40			S ₀ 52°								27.94-30.80 Sandstone	VAXLC	Q7S0
50			S ₀ 38°								30.8-48.0 Feldspar phyric andesitic volcanoclastic sandstone LYNCHFORD TUFF (30.8-420m)		
60											48.0-51.93 Shear zone S ₁ =22°		
70											51.93-110m		
80											Crystal and lithic rich andesite volcanoclastic andesite.		
90											Feldspar + hornblende + lithics + quartz	VAXLM	
100													
110											110-120m		
120											Fault zone. Intense sericitic alteration.		
130											120-420.2m Lynchford Tuff	VAXLM-C	HCS
140			S ₁ 35° S ₁ 40°								Chloritic x-tal rich andesite volcanoclastic sandstone.		
150			S ₁ 22°								Chloritic wisps after fracture		
160											Sericite + chlorite + calcite + magnetite alteration = pervasive + veining.	VALXM	Q3S2E1
170			S ₁ 35°										
180													
190													
200													

REMARKS All S₀ + S₁ readings are taken relative to the core axis. S₁ = S₀
 Lynchford tuff is relatively magnetic. All fault orientations are also taken relative to core axis.
 HQ 0 150m N10 150 297 504 All gold assay results from near points were below detection

RGC EXPLORATION PTY LTD

DRILL HOLE No LF001 (SUMMARY)

SHEET 2 OF 4

- Bedding
- └ Cleavage
- ▲ Foliation
- ~ Fault, Shear
- ⚠ Breccia
- ▨ Broken core
- ⋯ Disseminated
- Massive
- ▨ Pervasive
- ↖ Narrow vein
- * Visible gold

PROJECT : <u>LYNCHFORD</u>
PROSPECT : <u>LYNCHFORD</u>
DATE : <u>SEPTEMBER 1995</u>
LOGGED BY : <u>SERENA DONOVAN</u>

709014

HOLE DEPTH (m)	SAMPLE NO PREFIX	ASSAY RESULTS	STRUCT.	GRAPHIC LOG	ALTERATION						GEOLOGY NOTES	SUMMARY	
					SIL.	SER.	PT.	Chlorite	Calcite	Magnetite		Other	ROCK
210				16 4 1 4 16 32							Lynchford Tuff		
220				16 4 1 4 16 32							Albite altered clasts		
230				16 4 1 4 16 32									
240			S.38°	16 4 1 4 16 32									
250				16 4 1 4 16 32									
260				16 4 1 4 16 32									
270				16 4 1 4 16 32									
280			F 55°	16 4 1 4 16 32									
290			F	16 4 1 4 16 32									
300				16 4 1 4 16 32									
310				16 4 1 4 16 32									
320				16 4 1 4 16 32							Albite breccia clasts.		
330				16 4 1 4 16 32									
340				16 4 1 4 16 32									
350				16 4 1 4 16 32							Albite alteration halos around chlorite/calcite veins Later quartz vein cross cuts calcite- calcite vein.		
360				16 4 1 4 16 32									
370			S.47°	16 4 1 4 16 32									
380			S.29°	16 4 1 4 16 32							1% pyrite-cuboidal to 8mm		
390				16 4 1 4 16 32									
400				16 4 1 4 16 32									

5204 C2 M2 A1
VAXLM
5204 C2 M2 A1

REMARKS

RGC EXPLORATION PTY LTD

DRILL HOLE No LFOO1 (SUMMARY)

SHEET 3 OF 4

- Bedding
- └ Cleavage
- ▲ Foliation
- ~ Fault, Shear
- ⚡ Breccia
- ▣ Broken core
- ▤ Disseminated
- Massive
- ▨ Pervasive
- ↖ Narrow vein
- * Visible gold

PROJECT : LYNCHFORD
PROSPECT : LYNCHFORD
DATE : SEPTEMBER 1995
LOGGED BY : SERENA DONOVAN

709015

HOLE DEPTH (m)	SAMPLE NO PREFIX	ASSAY RESULTS	STRUCT.	GRAPHIC LOG	ALTERATION							GEOLOGY NOTES	SUMMARY		
					SIL.	SER.	PY.	CHLOR.	SULF.	OXID.	HAEMAT.		ROCK	ALTERATION	
10			S ₀ 33°										clasts are hematitic	etc	
100			S ₀ 33°										<u>420.2 - 440.08m</u> Coarse grained, non magnetic volcaniclastic conglomerate	VALXB	VALXC
150			S ₀ 33°										<u>440.08 - 441.95m</u> Volcaniclastic breccia calcite + sericite matrix	VAXLM	S203
200													<u>441.95 - 452.9m</u> Intensely sheared sericite lithic + quartz rich andesitic volcaniclastic sandstone	VAXLM	S203
250													<u>452.9m - 460.30m</u> Intensely sheared sericite lithic volcaniclastic denudite breccia	VALC	S8
300			F										<u>460.3 - 472.45m</u> Volcaniclastic longisite to breccia carbonate, andesite, lithic clasts	VALFM	S2C202
350			S ₀ 46°										<u>472.45 - 482.47m</u> Fine grained strongly sheared andesitic volcaniclastic sandstone	VALFM	S2C202
400			S ₀ 48°										<u>482.47 - 518m</u> - Gradational contact, clast supported sericite and chlorite polymict volcaniclastic longisite Relict pumice	VRAL+X C-B	S303C2A3
450													strongly sheared along bedding plane.		
500													Altho highly altered lithics (50% of clasts)		
550			F 39°										<u>518 - 584.1m</u> Sheared sericite lithic + quartz rich lapilli stone.		
600			S ₀ 44° Average										Average cleavage (along bedding plane S ₀) is 44°		
650			F 55°											VXLM	S303C2
700			F 45°												
750			S ₀ 54°										<u>584.1m - 591.4m</u> Conglomerate to breccia	VALC	
800			Average										<u>591.4m - 619.3m</u> sericite sheared lithic + pumaceous sandstone - breccia		
REMARKS															

RGC EXPLORATION PTY LTD

DRILL HOLE No LF001 (SUMMARY)

SHEET 4 OF 4

- Bedding
- └ Cleavage
- ▲ Foliation
- ~ Fault, Shear
- ⚡ Breccia
- ▨ Broken core
- ▤ Disseminated
- Massive
- ▨ Pervasive
- ↘ Narrow vein
- * Visible gold

PROJECT :	LYNCHFORD
PROSPECT :	LYNCHFORD
DATE :	SEPTEMBER 1995
LOGGED BY :	SERENA DONOVAN

709016

HOLE DEPTH (m)	SAMPLE NO PREFIX	ASSAY RESULTS	STRUCT.	GRAPHIC LOG	ALTERATION						GEOLOGY NOTES	SUMMARY					
					SIL.	SER.	P.Y.	chlorite	carbonat	oxide		ROCK	ALTERATION				
620				1 16													
630			51° 56°	1 16							Occasional basalt + rhyolite clasts Pumice is replaced by chlorite						
640			61°	1 16							619.3m - 629.03m Volcaniclastic sandstone						
650			5152°	1 16							630.03m - 631.08m Sheared breccia with sericite matrix 631.08m - 642.91m sericite siltstone - sandstone Rhyolite clasts						
660				1 16							642.91m - 645.12m sheared - dyalolitic carbonate 645.12 - 647.9m sericite sandstone 647.9 - 660.9m						
670				1 16							Blasically alkali quartz phytic rhyolite intrusive? lower contact.						
680				1 16							660.9m - 661.75m Rhyolite conglomerate 661.75 - 662.46m sheared carbonate 662.46m - 697m (E.O.H)						
690				1 16							Strongly sheared sericite volcaniclastic sandstone and breccia to conglomerate						
700				1 16													

REMARKS 697.0m End of hole.