

96-3871

231001

MICROFILMED
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21 JULY 1995	RF
RL 8715	See folio 11
RL 8723	See folio 14

ZEPHYR MINERALS N.L. - MINERAL HOLDINGS

AUSTRALIA PTY LTD JOINT VENTURE

RL 8715 RL 8723 EL 19/93

RINGAROOMA TIN

ANNUAL REPORT

96-3871^R

ANNUAL REPORT 1996 Rls 8715, 8723, EL 19/93
RINGAROOMA TIN JOINT VENTURE ZEPHYR
MINERALS MINERAL HOLDINGS DRUMMOND A J

A.J DRUMMOND
MARCH 1996

1. TENEMENT SITUATION

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The joint venture covers:

- Onshore Retention Licences 8715 and 8723
- Offshore Tasmanian Exploration Licence ELA 19/93
- Offshore Commonwealth Exploration Licence T1/MEL

The tenement distribution and locality is shown in Figure 1 in the accompanying Technical Report entitled "Pre-Feasibility Review, Ringarooma Alluvial Tin Project".

TCA 95-3103 RF.

2. JOINT VENTURE SITUATION

Zephyr Minerals NL ("Zephyr") as manager, and Mineral Holdings Australia Pty ("MHA") entered into a Joint Venture over the properties in 1994.

In early 1996, Zephyr withdrew from the Joint Venture, and full entitlement to ownership of the tenements reverted to MHA.

3. WORK DONE

1. Pre Feasibility Study

Zephyr reviewed all historic data defined targets, assessed potential mining techniques, economics etc and compiled a Pre-Feasibility Review - a copy of which is included as Appendix 1 of this Annual Report.

(NOT ATTACHED) - Ln 95/3703

2. Economic Study

Zephyr undertook studies of economic models, cash flows etc for a range of tin prices, grades and mining / financing types. The results comprise Appendix 2 of this report.

(NOT SUPPLIED)

4. FUTURE OUTLOOK

The studies were undertaken against a background of rising tin prices in the first half of 1995. While the studies showed that renewal of mining could not then be justified, they highlighted the genuine potential of the tin deposits to support a viable tin mining industry if prices were to rise further.

Zephyr's Pre-Feasibility Study highlights the areas which, on current information, are the nearest to being able to support an economic operation. Zephyr favoured a New Zealand - style floating plant fed by an excavator.

The area remains highly prospective for an extended major alluvial tin mining operation.

5. EXPENDITURE

This is shown in Table 1

APPENDICES

- 1. Pre-Feasibility Review ✓
- 2. Economic Study ✓

95/3703 [NOT ATTACHED]

TABLE 1

EXPENDITURE STATEMENT - RINGAROOMA PROJECT

231003

CONSULTANTS	28,043.33
PRINTING/DRAFTING	2,279.99
WAGES	1,159.53
TRAVEL	3,633.86
TENEMENTS	1,900.00
OTHER	808.85
OVERHEADS AT 15%	5,673.84
TOTAL	\$43,499.40

REPORT NO : 95-3708 DATE: JAN, 1995 COMPANY REF:
 AUTHOR(S) : MACARTHUR, N.A.
 TITLE : PRE FEASIBILITY REVIEW, RINGAROOMA ALLUVIAL TIN PROJECT
 COMPANY(S) : ZEPHYR MINERALS NL*
 FORMAT : 1 VOL 50PP; 1 APPX, 9 FIGS, 3 TABLES
 TENEMENTS : RL 8715 , RL 8723 , EL 19/93

231006

STATUS: RF

1:250000 MAP(S) : SK55-1 KING IS , SK55-2 FLINDERS I, SK55-4 LAUNCESTON, SK55-6 DATLANDS , SK55-8 HOBART

GEOGRAPHIC : RINGAROOMA BAY, FOSTERS MARSHES

* * * * GEOGRAPHIC DATA * * * *
 * * * * EXPLORATION KEYWORDS * * * *

500 MISC AND FUELS

503 ORE RESERVES

504 FEASIBILITY STUDY

505 MINERAL PROCESS.

MINERALS/COMMODITY: TIN, GOLD, KAOLINITE, RUTILE, ZIRCON, ILMENITE, MONAZITE

MINE/DEPOSIT : SCOTIA, LOCHABER, SCLOCH, MACGREGOR, TAYLORS, BRAITHWAITES

OTHER KEYWORDS : PLACER DEPOSITS

ANNOTATION

: ONSHORE AND OFFSHORE DEPOSITS ALLUVIAL TIN. INDICATED RESOURCE ONSHORE OF 109 MILLION CU.M. AT 64 g TIN/CU M.
 OFFSHORE INDICATED RESOURCE OF 16 MILLION CU.M. AT 227 g/CU.M. WITHIN AN INFERRED RESOURCE OF 130 MILLION CU.M.
 OF POTENTIAL TIN WASH. VARIOUS RECOVERY METHODS ARE DISCUSSED AND FUTURE EXPLORATION ACTIVITIES RECOMMENDED.