96-3904

349001

NEWNHAM EXPLORATION & MINING SERVICES

EL 20/92

MOINA AREA - NORTHERN TASMANIA

ANNUAL REPORT

1995-96

Prepared for:

Goldstream Mining NL
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28 July 1996

CONTENTS

1. SUMMARY

Principal exploration programs completed during 1995-96 were:

* drilling program at Stormont Mine
* aeromagnetic survey of entire licence area

At the **Stormont Mine** a 13-hole core drilling program totalling 741 m. was completed to further test Au-Bi skarn hosted mineralisation adjacent to the former mine workings.

Drilling at Stormont is now estimated to have outlined a pre-resource mineralised gold-bearing body of approximately 100,000-150,000 t @ 2-4 g/t Au.

Potential exists to increase this tonnage in three main areas:

(a) in similar geological environments immediately east and west of Stormont Mine

(b) in similar geological environments to the north of Stormont on the north side of the Lea River and further east in the Fletchers Adit area both north and south of the Lea river

(c) south of the Stormont beneath Tertiary basalt cover.

A further program of drilling involving 16 holes for a total of 640 m. of core is recommended to follow up this potential.

A detailed **aeromagnetic survey** of the whole licence was completed in April 96. The principal objective of this survey was to improve definition of major structures and to enhance definition of geology concealed by Tertiary basalt.

Results of this survey are not yet available.

Total expenditure during 1995-96 was $147,115, bringing total expenditure to date on E.L. 20/92 to $164,993.

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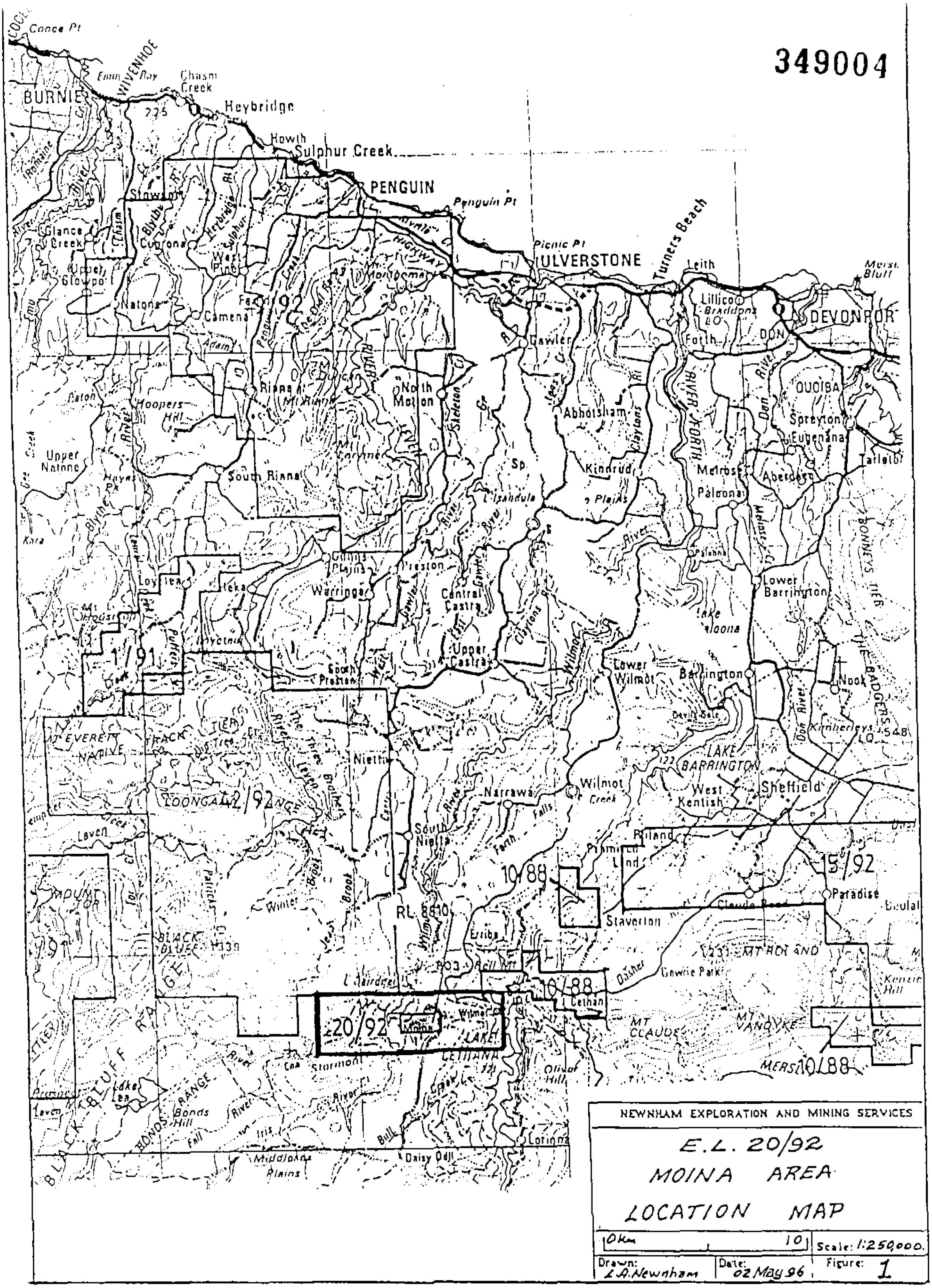


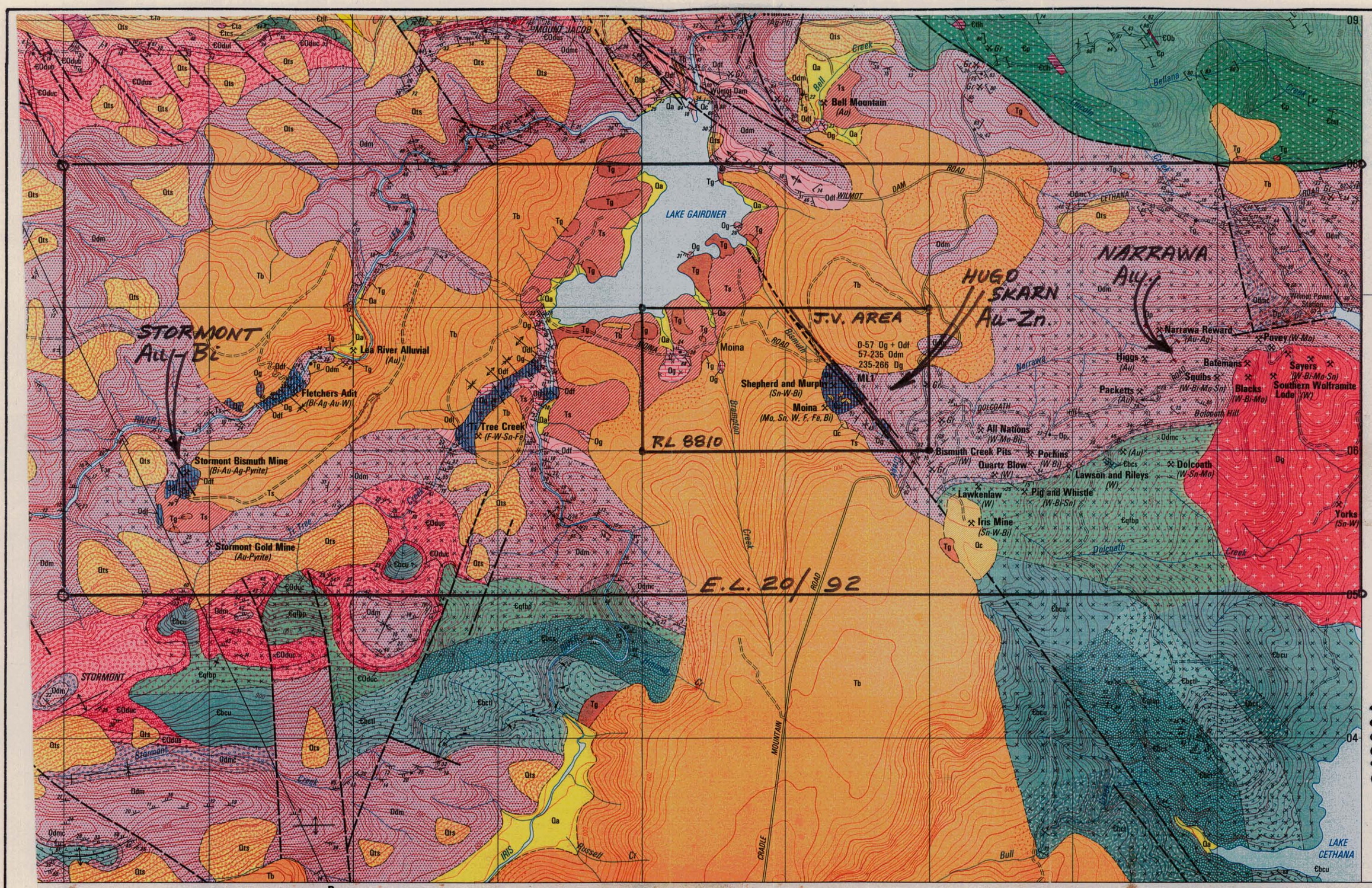
NEWNHAM EXPLORATION AND MINING SERVICES
E.L. 20/92
MOINA AREA
LOCATION MAP
0km 10
Scale: 1:250,000.
Drawn: L.A. Newnham
Date: 02 May 96
Figure: 1
BURNIE
Heybridge
Sulphur Creek
PENGUIN
ULVERSTONE
Turners Beach
DEVONPORT
Sheffield
Barrington
Wilmot
Nietta
Moina
Staverton
Paradise
20/92
10/88
1/91
15/92
12/92
RL 8810

5 cm

2. TENURE

Exploration Licence E.L. 20/92 of 24 square kilometres is held by Goldstream Mining N.L. and explored under a joint venture agreement with Titan Resources N.L.

Within E.L. 20/92 is a two square kilometre Retention Licence (R.L.), 8810, held jointly by CRA and Acacia Resources Limited. Titan and Goldstream joint venture the eastern section of the R.L. with Acacia and CRA.



Hugo Fault projected outcrop
Hugo Skarn Au-Zn mineralisation
Possible skarn extensions beneath Basalt.

Tb Tertiary Basalt
Tg, Ts Tertiary sediments and gravels
Og Gordon Limestone (Vertical stripes = skarn)
Odm Moina Sandstone
Odmc Roland Conglomerate
Cvsx Various Cambrian Volcs + Seds

Dg Dalcoath Granite
xxx Contact alteration zone around Dg.

Map is a photocopied section of the State 1:25,000 Winterbrook–Moina Geol. Map. (MRVP Map 9.).

5 cm

NEWNHAM EXPLORATION AND MINING SERVICES

MOINA AREA
REGIONAL GEOLOGY

0 km. 0.5 km 1 | Scale: 1:25,000
Drawn: LAN | Date: APR 92 | Figure: 2

3. WORK COMPLETED 1995-96

Work completed during 1995-96 included:

- drilling program at Stormont Mine
- aeromagnetic survey.

3.1 Stormont Mine Drilling Program:

This drilling program was fully reported upon in the following:

"E.L. 20/92 Moina Area, Stormont Mine Drilling Program 1995-96" for Goldstream Mining N.L., by L.A. Newnham, 03 May 1996.

Rather than repeat the contents of that report herein, the summary section only has been reproduced in full.

Readers requiring additional information are referred to the above report.

SUMMARY

A 13-hole core drilling program totalling 741 m. was completed between November 95 - February 96 adjacent to the Stormont Mine on E.L. 20/92.

The purpose of the program was to test for extensions of the auriferous skarn body which was previously mined for bismuth.

This drilling, combined with results of earlier drilling and mine sampling programs, has outlined a modest pre-resource mineralised gold bearing body estimated to contain 100,000-150,000 tonnes 2-4 g/t Au.

This Stormont deposit is between 4-20 m. thick, 20-30 m. wide and 200+ m. long. It appears to lie in the synclinal keel zone of a gently south-east folded skarn unit which is terminated to the east by a thrust fault, to the north and west by outcrop and possibly open to the south beneath basalt cover.

The drilling program has resulted in a re-interpretation of the geology in the vicinity of the Stormont Mine, resulting in the following conclusions:

(a) Geological environments similar to that hosting the Stormont

mineralisation occur to the immediate east and west of Stormont and are untested by drilling.

(b) Similar environments may exist north of the Stormont deposit on the north side of the Lea River, and further east in the Fletchers Adit area both north and south of the Lea River.

(c) The mineralised skarn and controlling structures extend south from Stormont beneath thin Tertiary basalt cover.

Exploration strategy should be directed firstly to locating a number of adjacent deposits similar to Stormont which collectively would constitute an attractive mining proposition, and secondly to testing south-east extensions of the Stormont deposit.

The conclusions above suggest scope exists for this strategy to succeed, and consequently the following work is recommended in 1996-97

(i) Drill test the skarn synclines to the immediate east and west of Stormont. Sixteen (16) holes totalling 640 m. are recommended.

(ii) Drill test south-east extensions of the Stormont deposit. Three (3) holes totalling 160 m. are recommended.

(iii) Map and sample similar targets north of the Lea River, incorporating input from the recent aeromagnetic survey.

(iv) Re-interpret previous work in the Fletchers Adit area, including some field mapping and sampling, again incorporating input from the aeromagnetic survey.

(v) Evaluate other prospective opportunities on the E.L. highlighted by the aeromagnetic survey.

The above recommended work is estimated to cost $113,000 over a ten week period.

The geological environment and deposit modelling on E.L. 20/92 clearly illustrates substantial potential to locate gold-base metal deposits formed by vast quantities of hydrothermal fluids leaching older metal bearing bedrocks, and concentrating these metals in favourable shallow stratabound settings. The recent drilling program confirms the high prospectivity of the Licence area.

It is therefore important to note that on 11 September 97, it is a statutory requirement that E.L. 20/92 be reduced in area by 50% from 24 to 12 square kilometres. An intensive exploration effort will be required prior to that date so that relinquishment decisions are well founded.

Three drill holes in this recent program recorded intersections of note:

SD 33:	24.5-35.0 m.	10.5 v.m.	1.4 g/t Au
SD 36:	0-27.3 m. Including	27.3 v.m. 9.5 m.	1.4 g/t Au 2.7 g/t Au
SD 39:	0-19.6 m. (hole drilled at -70°)	19.6 drill m.	2.95 g/t au

3.2 Aeromagnetic Survey:

Exploration strategy on E.L. 20/92 is based on gold mineralisation being controlled by a combination of structure and favourable adjacent host rocks.

To enhance the understanding of major structures and concealed geology on the Licence, it was decided to complete a detailed high-resolution aeromagnetic survey over the complete Licence area.

This survey was completed in April 96 using a helicopter stinger mounted magnetometer system.

Results of this survey are not yet available and therefore cannot be commented upon further in this report.

4. WORK PROPOSED 1996-97

Work recommended for completion in 1996-97 involves:

- further drilling in the vicinity of Stormont
- ground field work follow up of aeromagnetic results

4.1 Stormont Drilling: (Fig 3)

A program of 16 cored holes totallaing 640 m. is recommended to evaluate the Au-Bi potential of the two skarn synclines east and west of the Stormont syncline. A further 3 holes totalling 160 m. are recommended south east of the current drill pattern in the Stormont syncline to test for Au-Bi mineralisation beneath this basalt cover in that area.

4.2 Ground Field Work:

It is proposed that prospective opportunities on the E.L. highlighted by the aeromagnetic survey results be followed up on the ground, initially by mapping and sampling.

This work will include a re-evaluation of skarn bodies north of Stormont and adjacent to Fletchers Adit, to the east of Stormont.

5. EXPENDITURE

Expenditure on E.L. 20/92 is summarised as follows:

	$
1995-96	147,115
Total tenement expenditure to date	164,993
Estimated 1996-97	113,000

Details of 1995-96 expenditure follow as Table 1, and 1996-97 cost estimates as Table 2.

GOLDSTREAM MINING N.L.

A.C.N. 009 129 560

349012

FACSIMILE MESSAGE

DATE:	29 JULY 1996
TO:	**LINDSAY NEWNHAM**
FROM:	HELEN BOURKE
FAX NO:	003 943 435
SUBJECT:	**MOINA EXPENDITURE**
NO. OF PAGES:	1
FILE REF:	HRB:ds:GDMM5:7/96

Set out below are the Moina figures for the period 1 July 1995 to 30 June 1996.

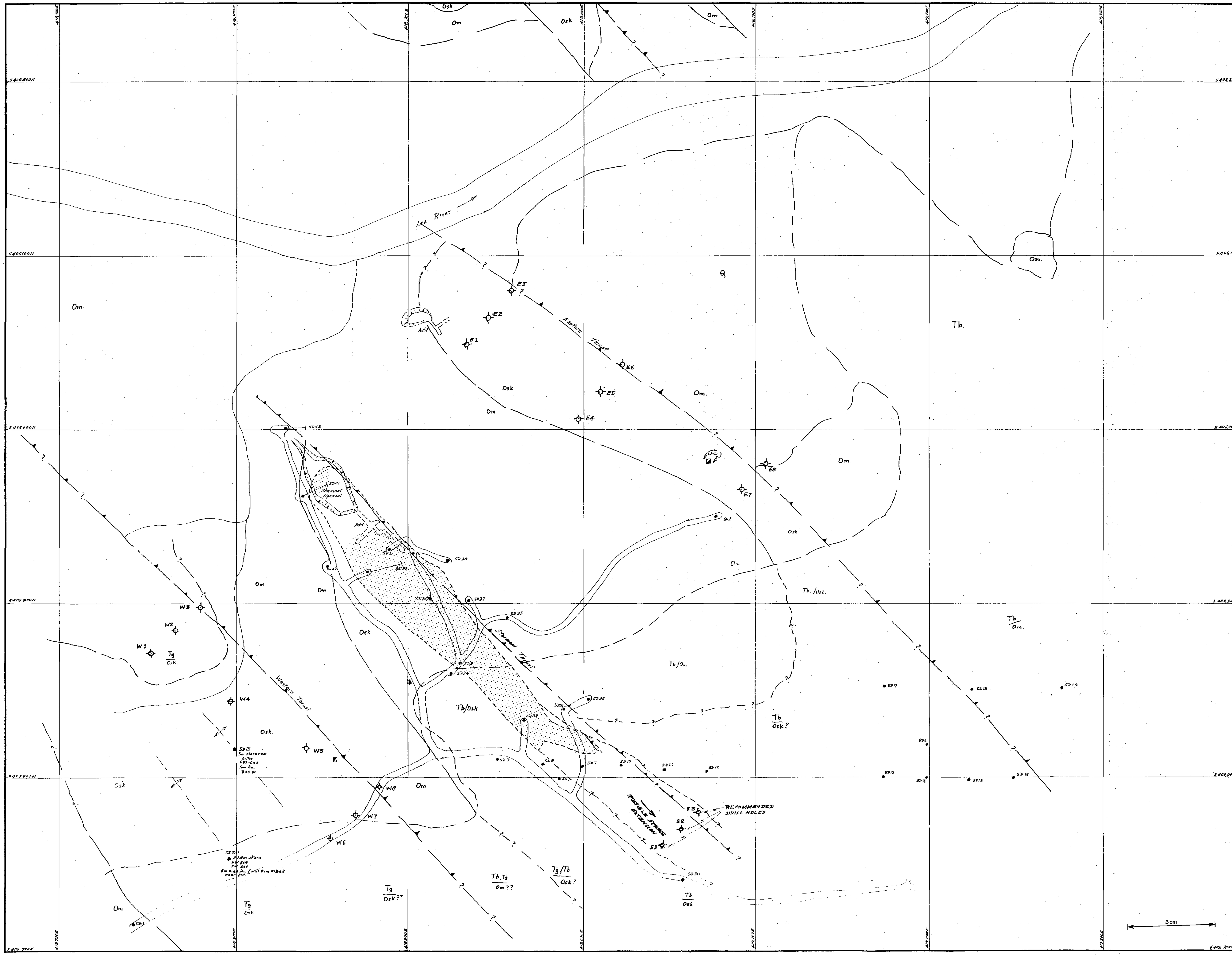
	$
Accommodation	1,615
Analysis	5,310
Drafting and Maps	776
Drilling	70,776
Equipment Hire	5,769
Field Consumables	36
Food and Messing	129
Freight and Cartage	1,311
Geophysical Data	21,636
Geological Consultants	26,341
Legal / Stamp Duty	265
Office Expenditure	525
Salaries	3,761
Small Tools and Equipment	284
Surveying and Pegging	2,611
Tenement Costs	660
Travel	4,613
Vehicles	697
TOTAL	**$147,115**

Table 1: Expenditure Statement 1995-96.

Ground Floor 24 Outram Street West Perth P.O. Box 1073 West Perth 6872 Western Australia Telephone: (09) 481 6040 Fax: (09) 481 6035

Table 2: Proposed Expenditure 1996-97

ITEM	COST $
Drilling 790 m. HQ core at $80/m.	**63,000**
Mob-demob drill rig ($1,500 each way)	**3,000**
Track development into 16 drill sites, 5 days at $800/day	**4,000**
Drilling consumables such as trays sample bags, blocks, saw hire etc., $6/m.	**5,000**
Assaying 400 samples at $20/ sample	**8,000**
Management 12 weeks, including mapping, sampling, field follow-up, logging, splitting, reporting, etc.	**24,000**
Field assistant 12 days at $180/day	**2,000**
Vehicle hire 5,000 km over 8-week period at $0.35/km	**2,000**
Accommodation 2 nights/wk, 6 weeks, for 2 people at $150/night	**2,000**
Total	**$ 113,000**



LEGEND

- Drill access tracks and location of cored drillholes (SD30)
- Geological Boundary
- Inferred geological boundary beneath cover rocks
- Thrust Fault
- Gold resource area

Q	Quaternary alluvium	
Tb	Tertiary basalt	
Tg	Tertiary gravels	
Oks	skarn, after Gordon Limestone	Ordovician
Om	Moina sandstone	Ordovician
W6	Recommended drill holes	

Geological interpretation is by L.A. Newnham, with additional input from RGC mapping in areas distant from Stormont Mine.

Drill holes SD30-42 and associated roads were surveyed by licenced surveyor using GPS stations based on min. 4 satellites.

96-3904

ANNUAL REPORT-EL 20/92
MOINA - GOLDSTREAM MINING
L.A.NEWNHAM

NEWNHAM EXPLORATION AND MINING SERVICES

GOLDSTREAM- TITAN JOINT VENTURE
E.L. 20/92 – MOINA PROJECT
STORMONT MINE AREA
INTERPRETATIVE GEOLOGY PLAN
RECOMMENDED DRILLING PROGRAM

DRAWN: L.A. Newnham
DRAFTSPERSON:
DATE: 15 Apr. 96.
FILE No.
FIG. No.

SCALE: 1: 1000 (0m. 200m. 600m.)

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