TCR 96-3918

241001

EXPLORATION BY McCORMICK CIVIL CONSTRUCTIONS PTY LTD OF MLs 123M/47 & 43M/85 SUBLEASE (ZEEHAN DISTRICT) YEAR ENDED 30TH JUNE, 1996

Prepared For: McCormick Civil Constructions Pty Ltd

By: Exergy Pty Ltd

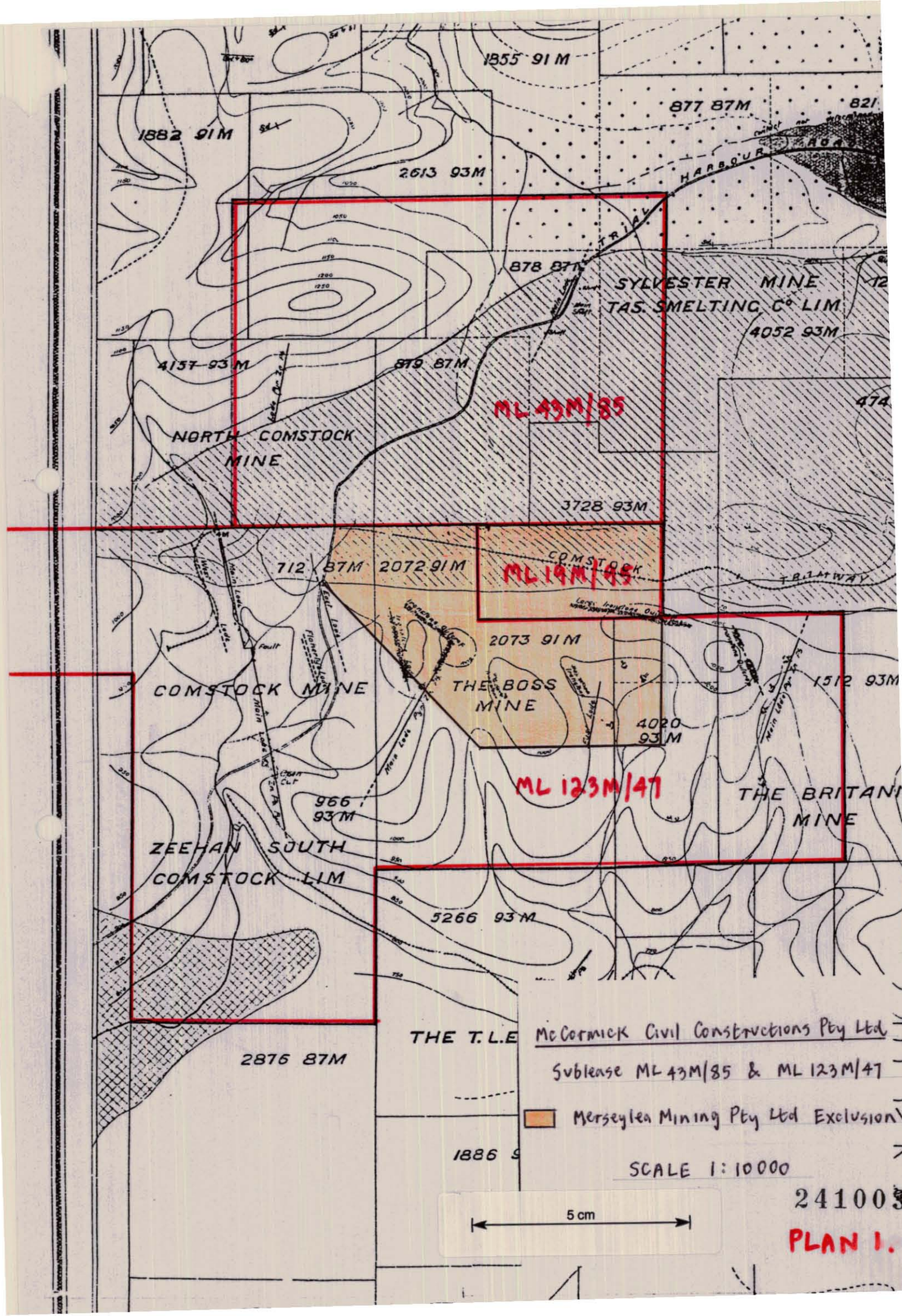
Date: 30th September, 1996

Signed: Daniel O'Connor.

Exergy Pty Ltd

241002

CONTENTS


1855 91M
877 87M
1882 91M
2613 93M
HARBOUR
TRIAL
878 87M
SYLVESTER MINE
TAS. SMELTING Co LIM
4052 93M
4157 93M
879 87M
ML 43M/85
NORTH COMSTOCK MINE
3728 93M
712 87M
2072 91M
COMSTOCK
ML 19M/45
TRIALWAY
2073 91M
COMSTOCK MINE
THE BOSS MINE
1512 93M
4020 93M
ML 123M/47
966 93M
THE BRITANNIA MINE
ZEEHAN SOUTH COMSTOCK LIM
5266 93M
THE T.L.E
2876 87M
1886
McCormick Civil Constructions Pty Ltd
Sublease ML 43M/85 & ML 123M/47
Mersey Lea Mining Pty Ltd Exclusion
SCALE 1:10000
5 cm
241003
PLAN 1.

1. INTRODUCTION

McCormick Civil Constructions Pty Ltd ("McCormicks") has a registered sublease agreement with Oceania Tasmania Pty Ltd ("Oceania", the leaseholder) referring to from surface to seventy metres below surface of the whole of mining lease 43M/85 (Sylvester) and a designated part of consolidated mining lease 123M/47 (Comstock). The Agreement was signed on 17th November, 1995, has a term of ten years, and confers the right to explore and mine subject to the payment of a profit based royalty to Oceania.

Exploration commenced in January, 1996 to identify open-cuttable deposits of lead-zinc ore which might be an acceptable product for purchase by Pasminco at Rosebery or Aberfoyle at Hellyer.

Operations have included compiling and evaluating previous exploration data, costeaning by mechanical excavator, sampling of costeans, and diamond drilling. The work programme was planned and supervised by consulting geologists Exergy Pty Ltd.

By the end of the June reporting period several narrow but promising new lodes had been discovered and a significant width of remnant ore located at a former mine. Discussions had been initiated with Pasminco and Aberfoyle with a view to metallurgical testing and obtaining a sales agreement.

2. PREVIOUS EXPLORATION BY RENISON

RGC Exploration Pty Ltd ("Renison") explored the leases (in conjunction with its surrounding EL 42/87) by virtue of a five year Option agreement with Oceania which expired on 18th May, 1995.

Renison's initial interest was in tin possibilities relating to major faults crossing the leases on easterly trends. Tapping of a mineralising porphyry stock or cupola could have produced fissure/stockwork/carbonate replacement style deposits such as those known at nearby Queen Hill.

Exploration involved establishing 100m spaced grid lines, 1:1000 scale geological mapping, weathered-bedrock auger sampling, ground magnetometry, costeaning (not within the McCormicks area), and diamond drill testing of geochemical and magnetics anomalies. The field lines were run approximately north-south to achieve normality to the major faults, and a large suite of about thirty elements analysed in the weathered bedrock samples.

Little encouragement was obtained for presence of shallow tin mineralisation but some strong lead-zinc geochemical anomalism was revealed along the footwall of the Balstrup Fault. Drill testing between the Boss Mine vicinity and an along-trend, strong magnetics anomaly to the west disclosed a large sub-economic resource of skarn related lead-zinc mineralisation.

Renison did not attempt to follow up numerous spot anomalous Pb and Zn values present on lines beyond the Balstrup Fault, recognising that some of these might express Comstock-style veins that were too small to be attractive to a Company of its size.

3. EXPLORATION APPROACH BY McCORMICKS

McCormicks' acquisition of surface rights from Oceania was motivated particularly by

(a) the existence of good quality weathered-bedrock geochemical data which had not been exhaustively followed up and was prospective for discovery of new lodes
(b) its ownership of excavators suitable for trenching and evaluating geochemical anomalies; also, ownership of diamond drill rigs for deeper testing as warranted
(c) the convenient location of the leases along an all-weather road close to Zeehan, and within acceptable trucking distance from possible sale outlets at Rosebery and Hellyer.

One slight drawback of the Renison data was that the north-south orientation of the grid lines was not optimal with respect to the NNW to NNE trends of the veins sought. However, this was somewhat diminished by the fact that some strong, unexplained geochemical values were present notwithstanding, and between-line veins might still be sought by east-west trenching in prospective areas as circumstances warranted.

Renison's presentation of the geochemical data was at 1:25,000 scale and in a computer format not designed for detailed assessment. Values were therefore replotted from the geochemical ledgers at a working scale of 1:5000 and colour coded to highlight anomalous levels. Elements so plotted were Pb, Zn, As, Sb and Sn. Sb and As were selected because of the recorded presence of arsenopyrite and antimony-bearing sulphide minerals in some veins in the district. Their usefulness as pathfinders for lead-zinc mineralisation was subsequently confirmed by field results.

Renison's determination of Ag was by neutron activation method whose lower detection limit was 5 ppm. Very few values above this level were recorded. Had Ag been analysed by AAS method (detection limit 2 ppm) at the same time as Cu, Pb and Zn its potential usefulness would have been considerably enhanced. Au was determined by neutron activation at a lower detection limit of 5 ppb and a number of elevated values of possible significance were recorded.

The 1:5000 scale geochemical plots were not amenable to sensible contouring, although between-lines interpretation of trends was sometimes possible. Ground magnetics contours formed a useful base for interpreting geochemical trends and some good coincidence of the data sets was evident. Association and aligning of geochemical trends with Renison magnetics anomaly No. 10 was a particularly good example.

4. COSTEANING

Approximately 1450 line metres of costeaning were completed at fifteen different locations in evaluating geochemical anomalies (11), old mine remnants and extensions (2), and resistivity/SP anomalies (2 - former Oceania survey).

The main objective of the costeans was to provide sub-surface exposure

of the feature under investigation, thereby allowing visual inspection and appraisal. Depths were commonly in excess of 2m and as much as 7m. Mapping was impractical for the most part, both for safety reasons and because it was beyond the scope of the rapid evaluation undertaken. Except at new lode discovery sites costeans were refilled on completion before moving to the next site.

A summary of costeans excavated and results obtained is shown in Table A. Co-ordinates correspond to Renison's field grid.

Significant discoveries were made in costeans No. 1 (Allison's lode), 9 (East Britannia) and 19 (east of Sylvester Mine). Salient features are described as follows.

Allison's Lode (ML 123M/47)

Costean No. 1 exposed a three metre width of sphalerite-rich mineralisation at a depth of 3-4m below surface. The band was located on the eastern side (hangingwall?) of a sand-filled stope and appeared to have been left to provide a strong wall during mining. Alternatively, the stope could have been in lead-rich ore and deliberately left behind unwanted zinc ore. In any event, this good result at the one position tested on a lode line known to be over 150m long indicates that substantial remnant ore could exist. See Plan 2.

East Britannia (ML 123M/47)

Costean No. 9 was excavated approx. seventy metres east of the Britannia Mine to investigate a weathered-bedrock geochemical value at co-ordinate 58700E, 60350N of (ppm) Pb 7700, Zn 135, Sb 73.6, As 20, Au 130 ppb.

A pyritic lode up to 3.5m wide was exposed carrying coarse veins of galena and sphalerite over a width of about 1m on the western (footwall) side. The lode was concealed beneath about 1m of soil cover and did not have a gossan capping or surface expression. Channel sampling results are shown in Plan 3, with the average of the two cross trenches A and B being 1.1m at 7.1%Pb, 8.5%Zn, 163g/t Ag. A mineable length of 15-20m is indicated.

Two trenches toward the Britannia Mine to the west exposed several pyrite lodes, however only minor sphalerite was occasionally present. Silver assay values were persistently high, generally 20-30 ppm. The pyrite was quite soft ("rotten" pyrite), as was the pyrite on the eastern wall of the Margaret lode lead-zinc band.

Diamond drillhole EB1 tested the ground to the east and intersected two lead-zinc lodes east of the Margaret lode (see Section 5).

East of Sylvester Mine (ML 43M/85)

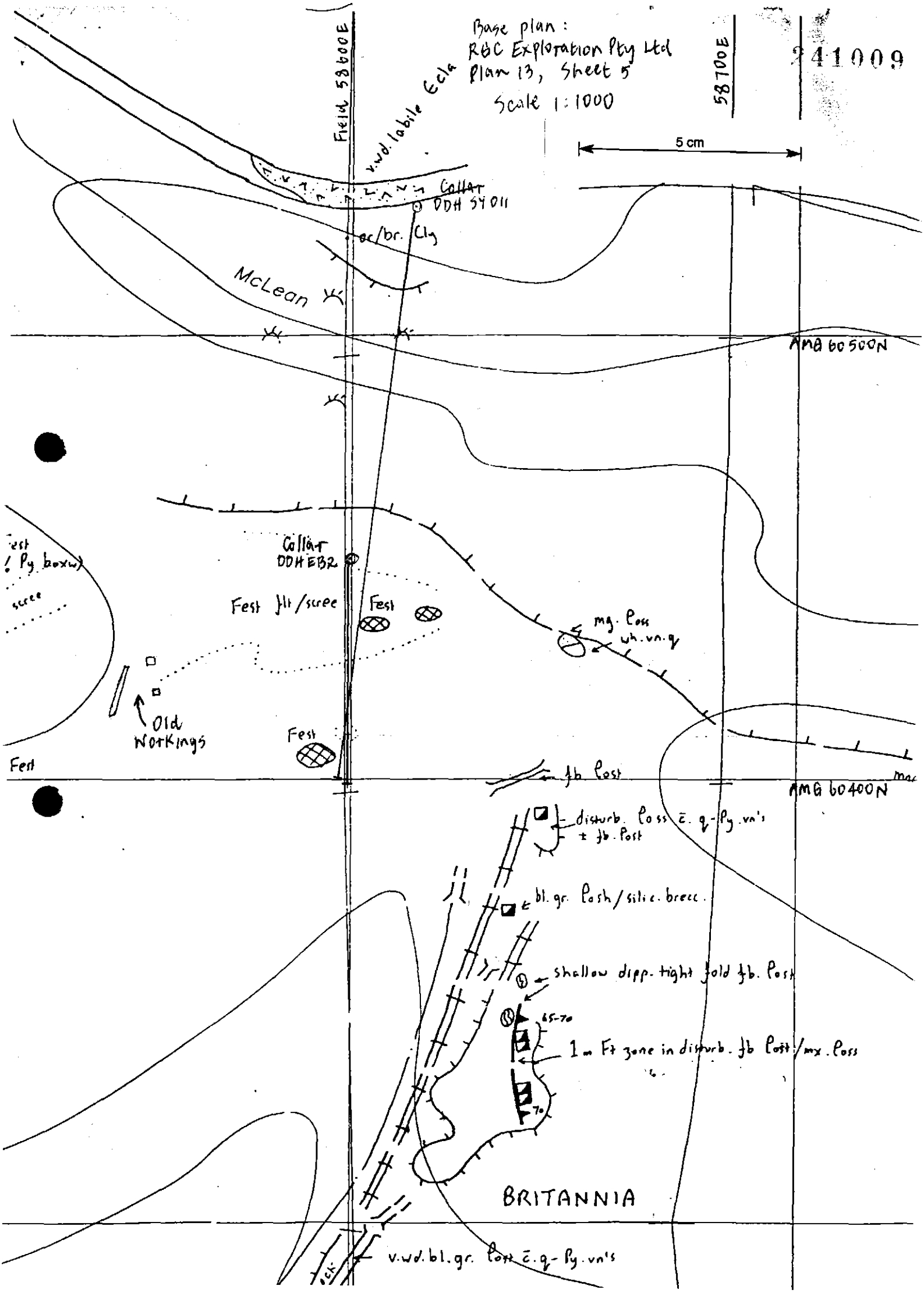
Costean No. 19 was excavated approx. seventy metres east of the Sylvester Mine to investigate a weathered-bedrock sample which returned (ppm) Pb 4800, Zn 4450, As 498, Sb 80.1, Au 25 ppb at coordinate 58300E, 61300N. A galena-sphalerite-pyrite lode was exposed at a depth of about 0.5m almost directly beneath the sample station peg. The lode was partly weathered beneath the soil cover but there was no visible indication of its presence at the surface (a shallow hand-dug prospecting trench had passed over it ten metres away without

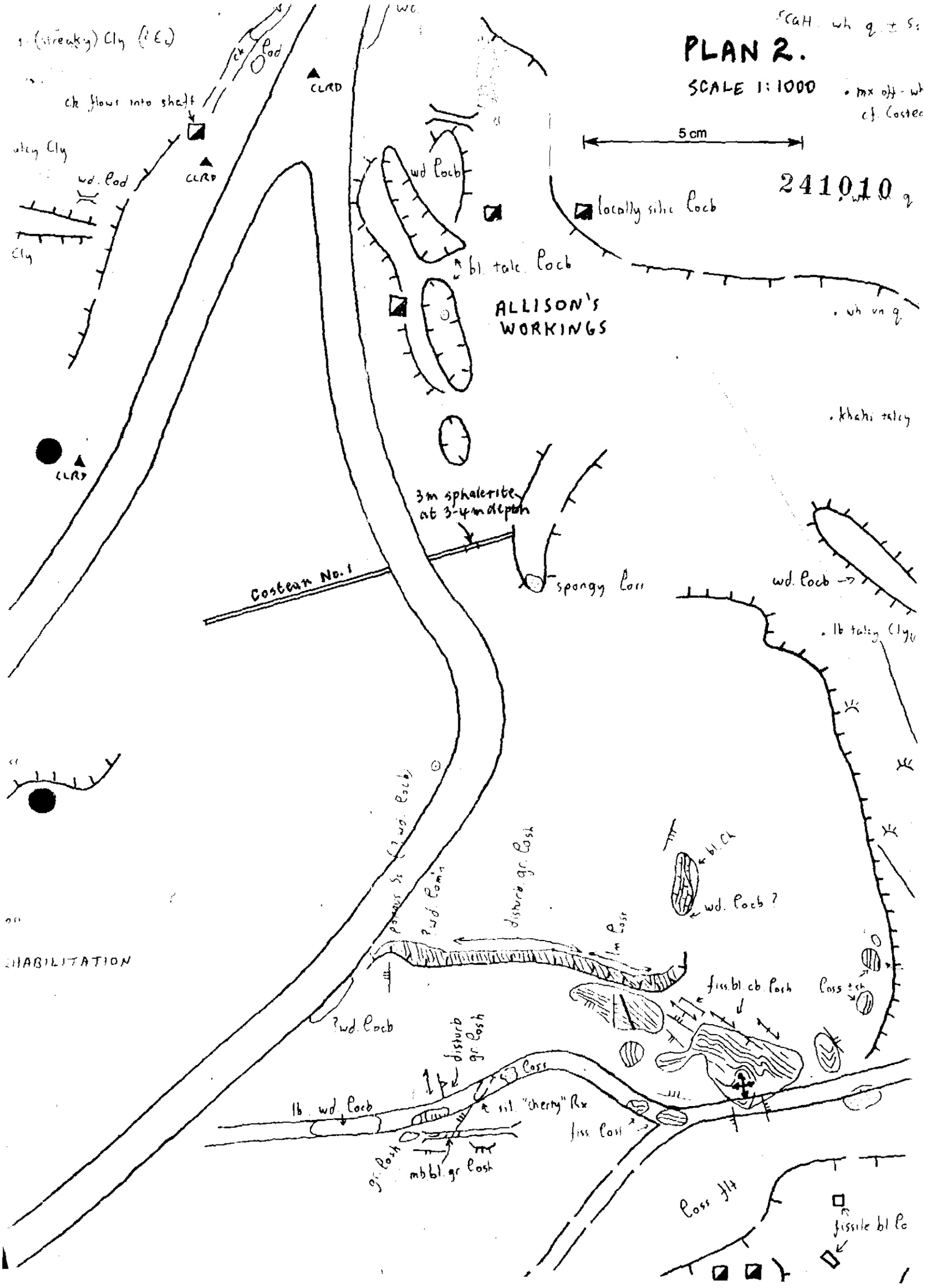
TABLE A

Costean No.	Location	From	To	Length	Target	Remarks/Result
1	Allison's lode	60530N 57545E	60550N 57620E	64	Remnant ore	3m width of sphalerite ore approx. three metres below surface
2A	Matheson's lode	60345N 57700E	60310N 57755E	70	Remnant ore	Mine timbers in pyrite, and wide siliceous bar
2B	Matheson's lode	60310N 57720E	60300N 57735E	20	Bar extension in 2A	Mine timbers in pyrite
3	E of S Comstock open cut	60285N 57570E	60285N 57735E	45	Resistivity anomaly	6m of yellow-brown clay, not convincing gossan
4		60100N 57580E	60100N 57683E	50	Pb Sb geochem	Limonitic lens in pyritic black slate
5		60150N 57680E	60150N 57728E	50	Mag. anomaly, weak geochem	Yellow clay over seritic schist
6		60250N 57688E	60250N 57707E	19	Strong Zn near workings	Stockwork quartz in silicified limestone
7	Tramway E of Trial H. road	60815N 57690N	60800N 57730E	40	Resistivity anomaly	Finely disseminated arsenopyrite in coarser interbeds in shale
8	SY011 Section	58600E 60400N	58600E 60460N	60	Gossan above DDH intersect.	Brown gossan 60422N to 60445N, anomalous Pb channel samples
9	East Britannia	58700E 60300N	58700E 60372N	72	Strong Pb Sb geochem	Costean cut NNW-trending Margaret lode
10	W of Britannia Mine	60275N 8475E	60275N 8515E	40	Mod Pb, weak Sn geochem	Some silicified and pyritic phyllite. A sample 6ppm Ag

TABLE A (cont.)

Costean No.	Location	From	To	Length	Target	Remarks/Result
11	W of Britannia Mine	60325N 58485E	60325N 58515E	30	Mod Pb, weak Zn Sn geochem	Quartz feldspar porphyry dyke(?) at around 58495E
12	W of Britannia Mine	60375N 58470E	60375N 58520E	50	Mod Pb, weak Zn Sn geochem	At 58470E siliceous gossan, assay 0.82%Pb. From c. 58505-515E min'd quartz feldspar porphyry dyke(?), assay 1.08% Pb
13	East Britannia	60335N 58700E	To Britannia Mine	85	Ground W of Margaret lode	Several pyritic lodes between chainage 7-28m W. Sphalerite pod at 16m W, assay grab sample 0.4%Pb 7.3%zn 85g/t Ag
14	20m S of Fifty Metre gossan, E.B.	60265N 58732E	60295N 58750E	20	Along-trend S of Margaret lode, topographic low	Hard limestone, some minor pyrite
15	East Britannia	60365N 58700E	To Britannia line	63	Ground W of Margaret lode	Margaret lode chainage 0-1m, several pyritic lodes 5-21m, three 10-20cm galena veins on Britannia line 55-57m
16	East Britannia	60395N 58691E	To Britannia line	43	Along-trend N of Margaret lode, and western country	Green clay of min'd appearance chainage 9-10m, grab sample 0.4%Pb, 8g/t Ag No gossan or pyritic lodes.
17	E of N Comstock	60675N 57500E	60675N 57530E	30	Mod Pb geochem No. 2 lode trend	Gossanous pockets in talcose limestone 57501-504E explain geochem
18	W of SY011 Section	58500E 60414N	58500E 60466N	52	Fe-Mn gossan step-out from SY011	From c. 60443-447N vughy brecciated phyllite and sulphide smell
19	E of Sylvester Mine	58300E 61275N	58325E 61375N	50	Strong Pb Zn Sb & As geochem	Costean cut NNW-trending New Sylvester lode


Base plan:
RGC Exploration Pty Ltd
Plan 13, Sheet 5
Scale 1:1000
241009
5870oE
Field 5360oE
v.wd. labile Ecla
Collar
DDH SY011
oc/br. Clg
McLean
AMG 60500N
Collar
DDH EB2
Fest flt/scree
Fest
mg. Poss
wh.vn.q
Old
Workings
Fest
Fest
fb Post
AMG 60400N
disturb. Poss c. q-Py.vn's
± fb. Post
bl. gr. Posh/silic. breec.
shallow dipp. tight fold fb. Post
65-70
1m Ft zone in disturb. fb Post/mx. Poss
70
BRITANNIA
v.wd. bl. gr. Post c. q-Py. vn's
5 cm


PLAN 2.
SCALE 1:1000
5 cm
241010
ALLISON'S WORKINGS
wd. Lode
locally silic. Lode
bl. talc. Lode
3m sphalerite at 3-4m depth
Costean No. 1
spongy Lode
wd. Lode
wd. Lode ?
fiss. bl. cb. Lode
Lode
?wd. Lode
disturb. gr. Lode
lb. wd. Lode
sil. "cherry" Rx
fiss. Lode
gr. Lode
mb bl. gr Lode
Lode flt
fissile bl Lo
CLRD
HABILITATION

MARGARET LODE (EAST BRITANNIA)

PLAN 3.

CHANNEL SAMPLE ASSAYS
Metres of % Pb % Zn g/t Ag

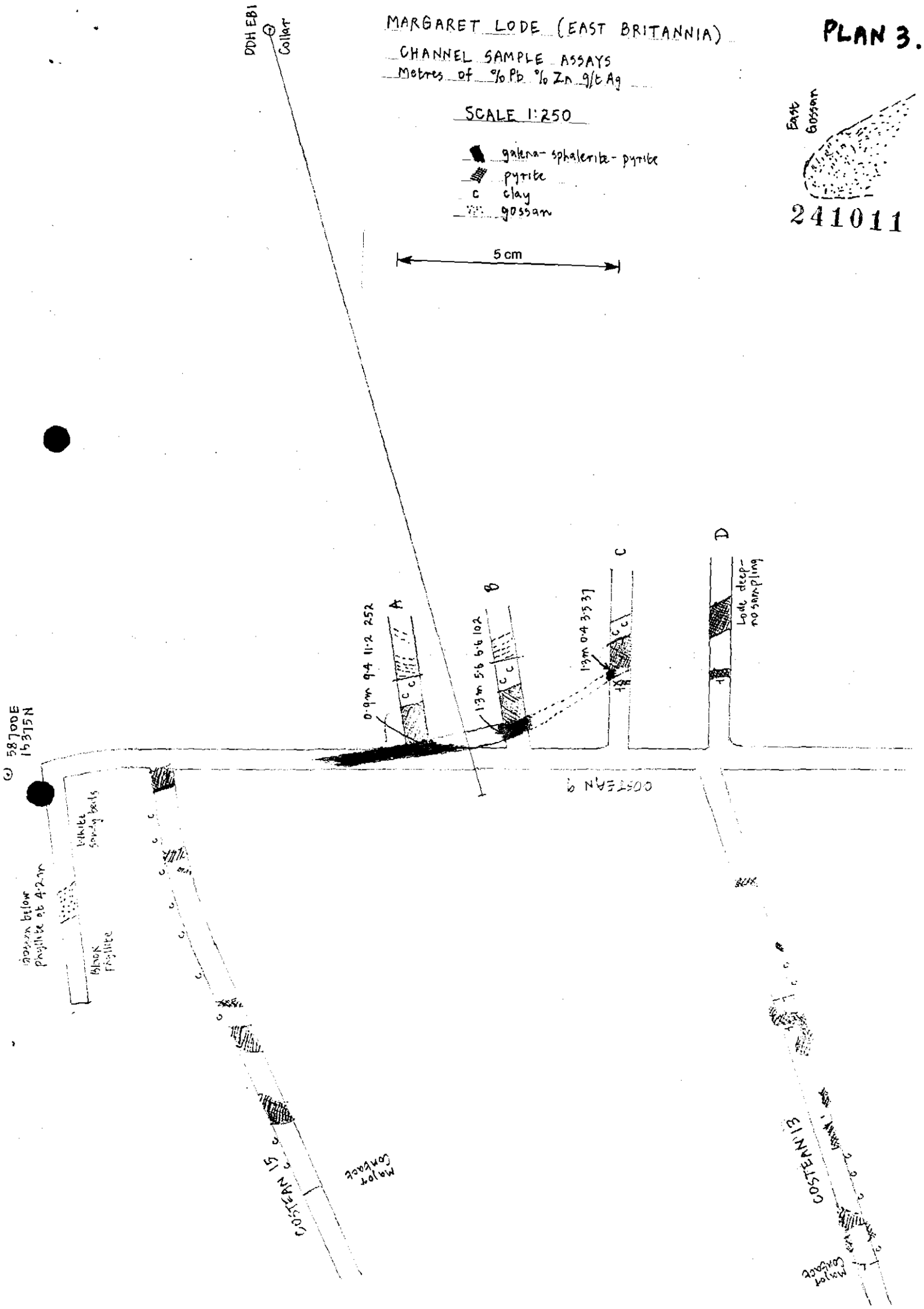
SCALE 1:250

galena - sphalerite - pyrite
pyrite
c clay
gossan

5 cm

East Gossan

241011



PLAN 4.

NEW SYLVESTER LODE

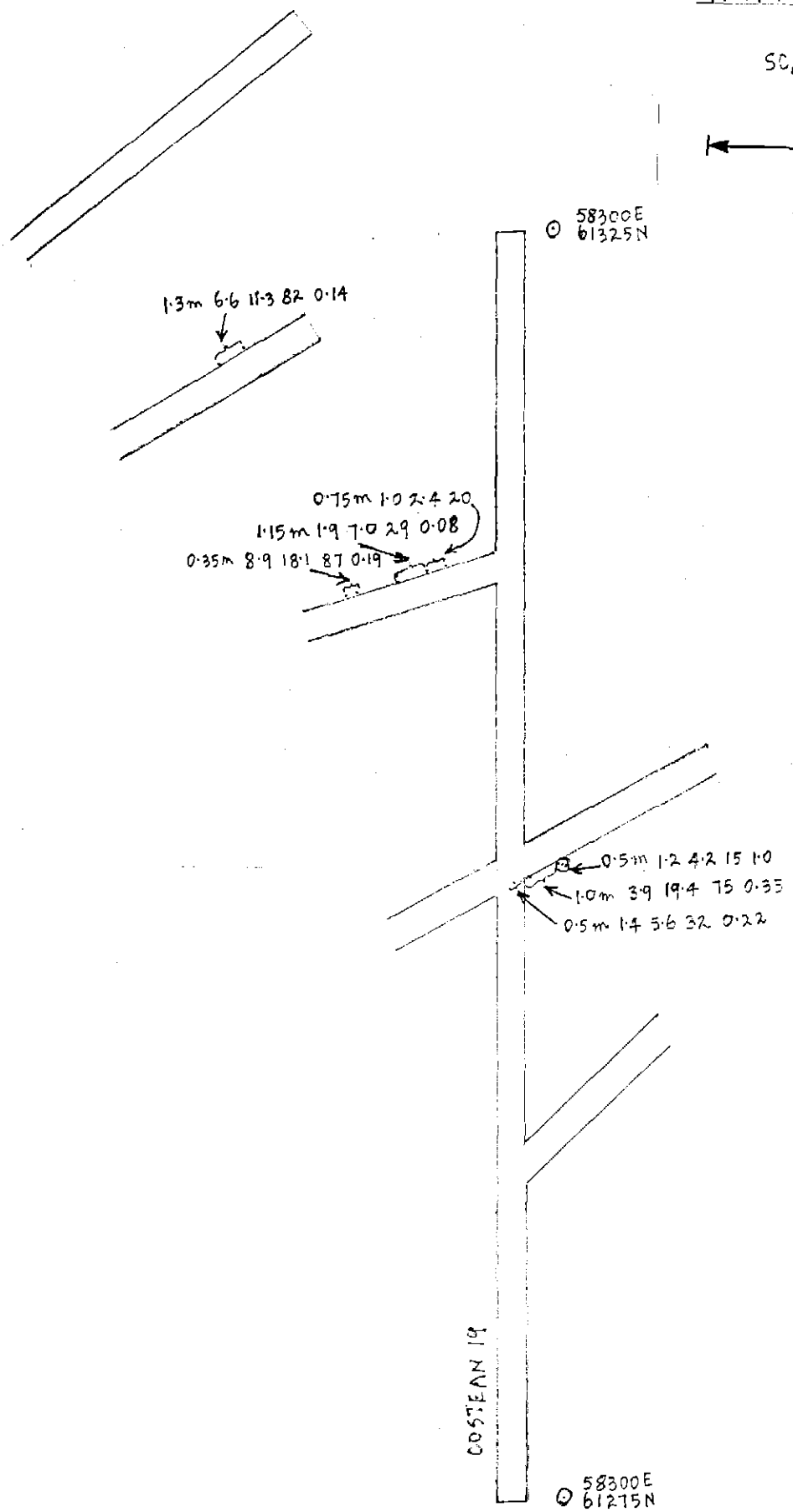
CHANNEL SAMPLE ASSAYS

Metres of %Pb %Zn g/t Ag %As

SCALE 1:250

5 cm

241012



discovering it). Cross-trenching proved it to extend for 25-30 metres on a NNW trend. The southernmost cross trench was a little inconclusive and there may still be scope for extension in that direction. Within its run the lode was a little discontinuous and the possibility exists of some lensing, or offsetting by small cross-faults.

Channel sampling assays are shown in Plan 4. Although ore grade mineralisation over mineable widths is obviously present the data does not permit the calculation of meaningful in situ grade and t/m figures at this stage.

5. DIAMOND DRILLING

Two diamond drill holes were completed in the Britannia area. Drillhole sections are shown as Plans 5 and 6, and geological logs included as Appendices A and B.

At East Britannia DDH EB1 was drilled to a depth of 51.9m to make a test of Margaret lode (Costean No. 9) 20 metres below the surface. Semi-massive pyrite intersected from 47.6 - 49.1m carried some minor sphalerite veinlets, including a 5cm vein at c. 48.7m. Assuming equivalence then the Margaret lode galena-sphalerite band has either pinched out at the RL tested or has passed over the drill hole on pitch. On a north pitch (the more likely direction if pitch consideration applies) the galena-sphalerite shoot would be present to the north and at the same RL as the pyrite lode in the drill hole.

EB1 also intersected two mineralised intervals east of Margaret lode. From 18.0 - 20.05 a pyritic lode in Crimson Creek Fm (?) mudstone carried galena-sphalerite bands on both walls. From 26.75 - 28.3 ? m a massive pyrite lode contained a 0.65m section of galena-sphalerite on the western side. This lode occurred at a major lithological contact between Crimson Creek Fm (?) mudstone (east) and Oonah Fm phyllite (west).

The results of costeaning (Nos. 9, 13, 15) and diamond drilling at East Britannia show a system of pyrite lodes over a 60 metre wide zone. Three lodes at and immediately adjacent to a major lithological (presumably fault) contact carry strong lead-zinc mineralisation: Margaret lode (in Oonah phyllites west of contact), Contact lode, Eastern lode (in Crimson Creek mudstone east of contact). The extension of the contact would therefore appear to be of some exploration interest.

DDH EB2 tested the up-dip projection of an ore grade intersection made by Renison 135 metres below surface in DDH SY011. From 47.6 - 49.1m was intersected a strongly pyritic lode which contained only traces of sphalerite. The lode style of a distinctive network of pyrite in an irregularly fractured quartzite was the same as the Renison intersection, and there was good agreement with the interpreted position in the immediate footwall of the Balstrup Fault. Between the SY011 and Costean No. 18 sections there are considerable surface indications of pits, shafts and Fe/Mn siliceous gossans. Should pitch considerations apply then it is possible that EB2 passed over the top of an easterly pitching galena-sphalerite lens which would be present at shallow depth to the west of the drill section.

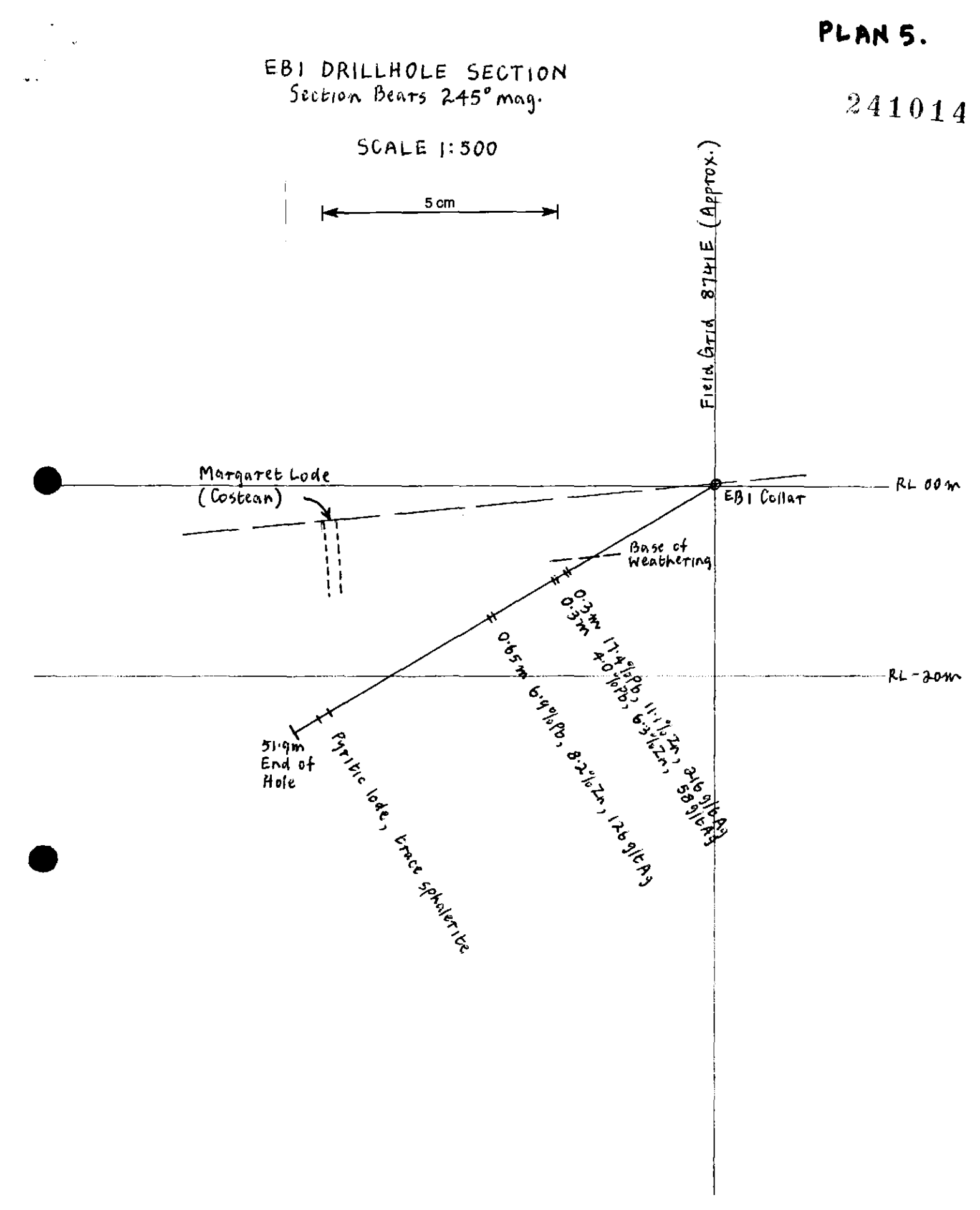
PLAN 5.

241014

EB1 DRILLHOLE SECTION

Section Beats 245° mag.

SCALE 1:500

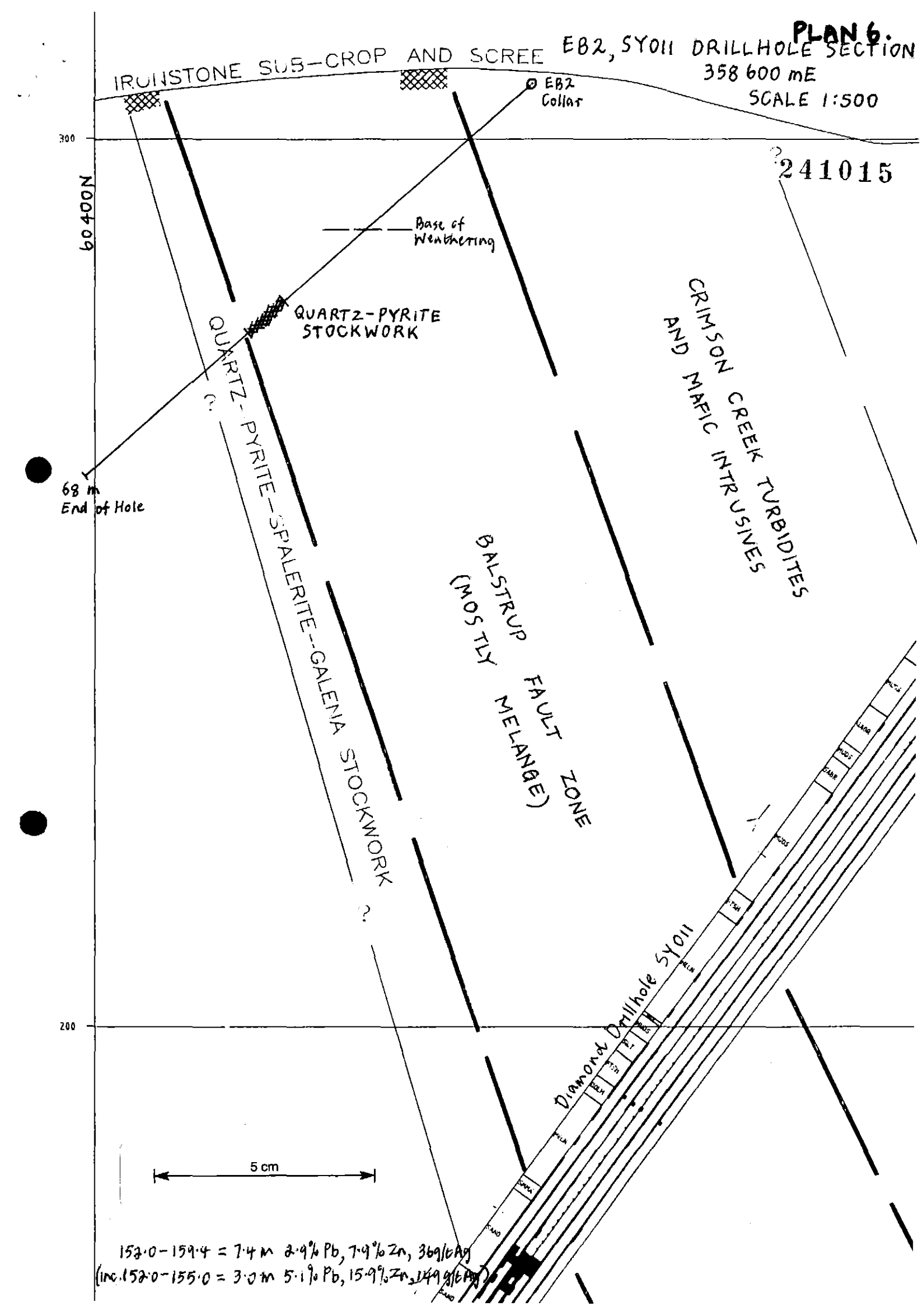


PLAN 6.

EB2, SY011 DRILLHOLE SECTION

358 600 mE

SCALE 1:500



153.0 – 159.4 = 7.4 m 2.9% Pb, 7.9% Zn, 36g/t Ag
(inc. 152.0 – 155.0 = 3.0 m 5.1% Pb, 15.9% Zn, 114 g/t Ag)

6. FORWARD PROGRAMME

Costeaning by mechanical excavator has proved quite effective in finding lodes which were missed by the earlier prospecting. The discovery of the Margaret and New Sylvester lodes shows that even ground with comparatively thin soil cover and at no great distance from former important mines was not necessarily exhaustively tested.

A number of prospective geochemical anomalies remain to be investigated, particularly on ML 43M/85. Several reconnaissance trenches should also be run in an east-west direction in selected areas of good general prospectivity to look for "blind" lodes between the north-south grid lines.

Further costeaning should be undertaken at the Allison's workings to determine the extent and grade/tonnage of remnant zinc ore available for extraction by shallow benching. Trenching for ore remnants along the North Comstock line is also warranted.

At South Comstock the main ore lens is still present underfoot in the floor of the open cut, although its east dip has brought it close to the steep eastern wall. There exist geochemical and geophysical indications that a new ore lens could occur behind the wall, a possibility which could be tested by drilling easterly from the top bench.

Samples for metallurgical testing can readily be supplied from the Margaret, New Sylvester and Allison lodes when discussions for a sales contract reach a more advanced stage.

7. EXPENDITURE

Expenditure for the year ended 30th June, 1996 was $ 68,204.24

Details of expenditure are given in Appendix C.

McCormick Civil Constructions Pty Ltd

DIAMOND DRILLHOLE: EB1

Collar Co-ordinates:

Collar Elevation:

Collar Dip: 30°

Hole Bearing: 245° mag.

Hole Length: 51·9 metres

Commenced: 7th March, 1996

Completed: 9th March, 1996

Drilled By: Gowick Drilling Pty Ltd

Rig: Longyear 44

Core Size: HQ

Test Objective

To test Margaret Lode (exposed in surface trenches) 15-20 m below surface at hole length approx. 45 m, and to make test of country between hole collar and Margaret lode.

Summary Core Log

16·20 - 18·00 Crimson Ck Fm., mudstone
18·00 - 20·05 Pyritic lode zone, c galena and sphalerite
20·05 - 26·75 Crimson Ck. Fm., mudstone
26·75 - (28·30) Pyritic lode zone, c galena and sphalerite
(28·30) - 51·90 Obrah Fm, phyllite, c minor sphalerite mineralisation at 44·35, 47·55, 48·72

Assays

A 18·10 - 18·40 = 0·30 m 17·40% Pb, 11·10% Zn, 216 g/t Ag
18·40 - 19·60 = 1·20 m Not Assayed
A 19·60 - 19·90 = 0·30 m 4·00% Pb, 6·34% Zn, 58 g/t Ag
B 27·25 - 27·90 = 0·65 m 6·94% Pb, 8·23% Zn, 126 g/t Ag

(A all of core from interval assayed
B core sawn and half of core from interval assayed)

241017

DIAMOND DRILLHOLE: EB1 PAGE 1.

From(m)	To(m)	Rec(m)	%Rec	Description
0	9.0	Nil		Not cored
9.00	10.00	0.65		CLAY : white, plastic
10.00	11.60	1.50		CLAY : light coloured becoming fawn, increasingly so over 10.60-10.80, thereafter light brown
11.60	14.60	Nil		
14.60	16.20	0.40		CLAY: change from oxidised to unweathered within interval 0.10 core light brown plastic clay, then 0.20 core dark green-black clay with disseminated pyrite, then 0.10 grey, plastic.
16.20	16.60	0.40		MUDSTONE: soft but not plastic, dark, bedding recognisable
16.60	18.00			MUDSTONE: dark, a few light-coloured coarser interbeds (10%) are discontinuous to convoluted and disrupted: soft sediment deformation. Coarser interbeds 3-4 mm, not identifiably graded. ca 70 At 17.35 a 3mm pyrite vein, bedding orientation
18.00	18.80			LODE: banded to semi-massive pyrite, rubbly contact at 18.00 18.00-18.03 pitted quartz with sphalerite 18.10-18.40 very strong sphalerite, lesser galena, inc. 2cm coarse galena vein at 18.3 18.65-18.67 sphalerite vein Blue-grey quartz bands, fragmented in part, parallel to pyrite banding, 1cm at 18.7, 2cm at 18.75. ca 80
18.80	19.05			MUDSTONE dark, very angular and disoriented lathy or coarser rock type, distinctively so 18.80-18.95 Disseminated pyrite throughout.

24/10/18

DIAMOND DRILLHOLE: EB1 PAGE 2.

From(m)	To(m)	Rec(m)	%Rec	Description
19.05	20.05			LODE: massive pyrite, some evidence of variable weathering in dark sooty powder; core fractured but intact; some 2-3 cm blue-grey quartz veins; some weak tendency to banding in the pyrite ca 80 19.60 - 19.87 core solid and unweathered; show strong galena and quartz and lesser sphalerite 19.87 - 20.05 core rubbly, sooty and pyritic, transitional over 2cm into following unmineralized interval.
20.05	26.75	6.05		MUDSTONE: predominantly dark fine-grained mudstone, faint light-coloured coarser interbeds (30%) without distinguishable grading ca 70 decreasing to 50. Infrequent fawn carbonate bands from 24.50 principally 24.5 25.5 25.7 26.6 - 26.7. A 2mm ptygmatic carbonate vein at 26.65 Disseminated pyrite on fracture 23.05
26.75	(28.30)			LODE: 26.75 - 27.00 soft broken-down pyrite, contact against previous section sharp. 27.00 - 27.25 massive pyrite, blue-grey quartz veins streaks in "flow" pattern. From 27.20 - 27.25 very rusty 27.25 - 27.90 massive pyrite with sphalerite and lesser galena. Sphalerite as blobs and contorted streaks, galena as patches and disseminations. Blue-grey quartz wisps and patches throughout
28.00	29.40	1.00		
(28.30)	46.20			PHYLLITE pale green, finely laminated, laminae generally 1-3 mm alternating pale green and off-white. Core moderately fractured, accentuated by splitting along bedding plane cleavage fracturing subparallel to ca 0. Representative bedding ca's 45 at 29.00, 30 at 31.00, 20 at 34.00, var 80 - 0 - 70 39.00 - 40.10 including ca 0 38.20 - 38.30 monoclinal fold, 60 at 43.00 Widespread rusty quartz impregnations and veins especially

241019

From(m)	To(m)	Rec(m)	%Rec	Description
				32.60-33.30, 34.85-34.90, 35.50-35.80, 36.00-36.30, 37.65-37.75, 38.10-39.50 Widespread pyrite as fine disseminations, veinlets, fracture surfaces. At 37.30 trace galena in a pyritic fracture, 44.30-44.90 more pyritic and infrequent 1mm sphalerite veins especially 44.30-44.40 44.45-c.45.00 strong pyritic fracture along ca 0.
46.20	51.90			PHYLLITE WITH CLAY VEIN NETWORK: distinctive section of dark green laminated phyllite with coarse network/mottling of numerous cream to buff coloured clay veinlets and laminae Clay veinlets mainly sharp walls, larger patches have more diffuse contacts; veinlets up to 3-4 mm thick, often tending to irregular and podoly. 47.50-47.60 some sphalerite veinlets Clay laminae are equivalent to the regular off-white laminae of the previous interval (23.30)-46.20, laminae ca's quite variable. 47.60-49.10 semi-massive pyrite, pyrite finely layered along the phyllite laminae. Contact 47.60 clearly demarcated by slightly rough start of section Contact 49.10 somewhat irregular, although clearly demarcated against dark green phyllite with clay veining. 48.70-48.75 some coarse red-brown sphalerite in rough section.

McCormick Civil Constructions Pty Ltd

DIAMOND DRILLHOLE: EB2

Collar Co-ordinates:

Collar Elevation:

Collar Dip: 41°

Hole Bearing: 166° mag.

Hole Length: 68.0 metres

Commenced: 10th March, 1996

Completed: 12th March, 1996

Drilled By: Gomick Drilling Pty Ltd

Rig: Longyear 44

Core Size: HQ

Test Objective

To make intersection about 25m below surface, and on same drilling section, of the pyrite-sphalerite-galena lode intersected 135m below surface in the footwall of the Balstrup Fault by RGC Exploration Pty Ltd diamond drillhole SY011.

Summary Core Log

14.80-19.60	Oonah Fm, phyllite.
19.60-	Oonah Fm, melange
37.50-42.90	Pyritic lode
42.90-	Oonah Fm

Assays

No assaying.

DIAMOND DRILLHOLE: EB2 PAGE 1.

From(m)	To(m)	Rec(m)	%Rec	Description
0	14.80	Nil		Not cored
14.80	19.60			PHYLLITE : weathered, fawn, lamination faintly recognisable through weathering. Some dislocation of laminae but not marked, laminae generally subparallel to ca 0, local variations are 17.00 ca 30, 22.00 ca 80 Strong fracturing throughout, ca 0-20 All fractures contain 1-20 mm Fe/Mn oxide filling. Much brecciated quartz 14.80-15.50. Quartz vein w/ prominent low angle fracture 18.00-18.30 Otherwise, quartz only few weak wisps and patches
19.60	22.40			MELANGE: weathered fawn to yellow-brown highly contorted and disrupted phyllite laminae where extreme separated laminae clasts up to 4 cm across with highly variable orientations Light fracturing and pitting associated with wowed 2 cm quartz vein between 21.20-22.20 ca 0-10 Black Fe/Mn oxide as patches and fracture fillings throughout, stronger over 20.80-22.40 2-3 mm streaks and networks of a brick-red oxide mineral with strong tendency to rim the black Fe/Mn oxide veins and phyllite clasts.
22.40	25.30			MELANGE: weathered, yellow-brown, extreme development of clasts producing very distinctive appearance. Some pitting, associated with sections of brecciated quartz, particularly 22.40-24.20. Some bleaching and brecciation associated with pitting 25.20-25.30 22.40-23.10 moderately strong black Fe/Mn oxide and rusty brick-red mineral as previous interval. Strong preserve produces distinctive interlacing effect.

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McCORMICK CIVIL CONSTRUCTIONS PTY LTD
EXPENDITURE FOR THE YEAR ENDED 30TH JUNE 1996

APPENDIX C

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GEOLOGY	8948.04
FEASIBILITY STUDIES	31494.32
DRILLING	21561.5
ADMINISTRATION	6200.38
TOTAL EXPENDITURE TO DATE	68204.24