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Rio Tinto Exploration Pty. Limited
ACN 000 057 125

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EL 2/96
29 JUL 1997
See folio 25.

**First Annual Report
For The Period Ending 12 March 1997
EL 2/96 Zeehan 6, Tasmania**

Author: T. von Strokirch

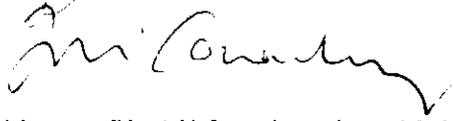
Date: July 1997

Licence Holder: Rio Tinto Exploration Pty. Limited

Submitted to: Chief Geologist, South East District

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Rio Tinto Exploration - Melbourne (2)

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97-4035

ANNUAL REPORT - EL 2/96
P/E JAN. - RIO TINTO EXPL.
T VON STROKIRCH

Rio Tinto Exploration Report No. 23342

Zeehan 6 EL 2/96 was granted to Rio Tinto Exploration Pty. Limited on 12th April 1996. The licence covers 29 sq km and covers an area extending west from Zeehan township.

Rio Tinto Exploration Pty. Limited has concluded that the Ordovician carbonates of western Tasmania are not a priority target for zinc.

Hence if no further encouragement is found the tenements should be disposed of by farm out or sale.

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Plan No.	Title	Scale
Tv 1205	Zeehan 6 EL 2/96 - Location Plan	1:100,000

1. Conclusions and Recommendations

Rio Tinto Exploration Pty. Limited has concluded that the Ordovician carbonates of western Tasmania are not a priority target for zinc.

Hence if no further encouragement is found the tenements should be disposed of by farm out or sale.

2. Introduction

Zeehan 6 EL 2/96 was granted to Rio Tinto Exploration Pty. Limited on 12th April 1996. The licence covers 29 sq km (Plan Tv 1205) and covers an area extending west from Zeehan township.

Rio Tinto Exploration Pty. Limited acquired the Zeehan 6 licence with two main targets in mind.

The first is shale hosted mineralisation in the Late Proterozoic Oonah formation.

- Drilling on adjacent licence EL 28/88 at Stonehenge has identified significant but sub-economic massive sulphide mineralisation in black shales in the Upper Oonah Formation (1km or so south of the southern boundary of EL 2/96).
- The abundance of mineral occurrences and small scale mines in the area has similarities to the Lawn Hill area which hosts the Century deposit in Queensland.
- The area has similarities with the German Sedex deposits of Rammelsberg and Meggen.

The second is to explore for economic, Irish-style Pb-Zn mineralisation in the Ordovician Gordon Group carbonates. Rio Tinto Exploration Pty. Limited's preceding exploration of the Gordon Group carbonates in the Zeehan area resulted in several very encouraging Pb-Zn intersections. Hence Rio Tinto Exploration Pty. Limited expanded exploration efforts to other areas of poorly explored Gordon Group carbonates with potential to host economic Irish-style Pb-Zn mineralisation.

Exploration of EL 2/96 Zeehan 6 has been suspended during 1997 while Rio Tinto Exploration Pty. Limited seeks to dispose of the property or find a joint venture partner.

3. Review of Previous Work

3.1 Geology

The Precambrian Oonah Formation covers most of the area and is comprised of quartzite, siltstone, carbonate, black shale and mafic lavas. A wedge of Lower Dundas Group epiclastic sediments crops out in the south east of the licence, while ultramafic gabbroic rocks crop out in the southwest. A granitoid spine is believed to extend beneath the area in an east-west direction from the Heemskirk granite. The Balstrup fault and Tenth Legion thrust are regarded as providing fluid access to the Oonah carbonates.

Significant mineralisation is known from the Queen Hill area, with 3.2 million tonnes of 1.2% Sn. Diamond by Renison in the Comstock-Sylvester area discovered a massive sulphide replacement body in the footwall of the Balstrup fault. An inferred resource, from a limited number of drill holes has been quoted as 6 million tonnes at 3.3% Pb, 5.5% Zn and 40g/t Ag. Potential exists for extensions and higher grades to this orebody at the eastern end where massive sulphides have replaced dolomite.

Other significant prospects within the bounds of the EL are Tenth Legion and Oonah where Rio Tinto Exploration Pty. Limited conducted considerable work in the past.

3.2 Exploration

Apart from the prospect specific work mentioned above, exploration conducted in the area includes general exploration by Renison and Aberfoyle which is covered in detail in the statutory reports of those companies.

4. Exploration Completed In Reporting Period

No exploration work was conducted in the area during the reporting period. A review of Rio Tinto Exploration Pty. Limited's zinc project in western Tasmanian has concluded that it is difficult to see potential for a major zinc deposit of the size and grade that would interest the Rio Tinto Group. It is therefore planned to divest these tenements.

No geochemical samples were assayed by Rio Tinto Exploration Pty. Limited during the reporting period.

5. Rehabilitation

No field exploration programmes were completed during the tenure period and no rehabilitation was required.

6. Expenditure

Total expenditure for the Zeehan 6 exploration licence (EL 2/96) for the period commencing 12 March 1996 and ending 11 March 1997 is \$866.

7. References

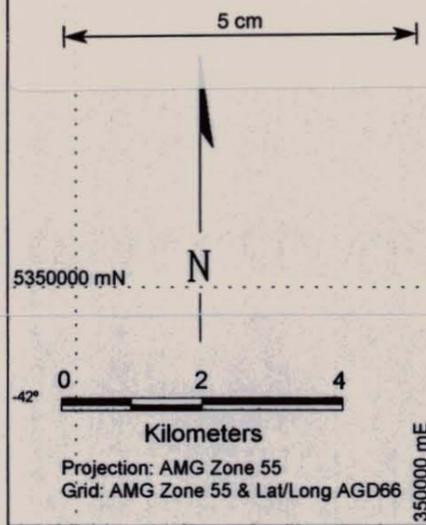
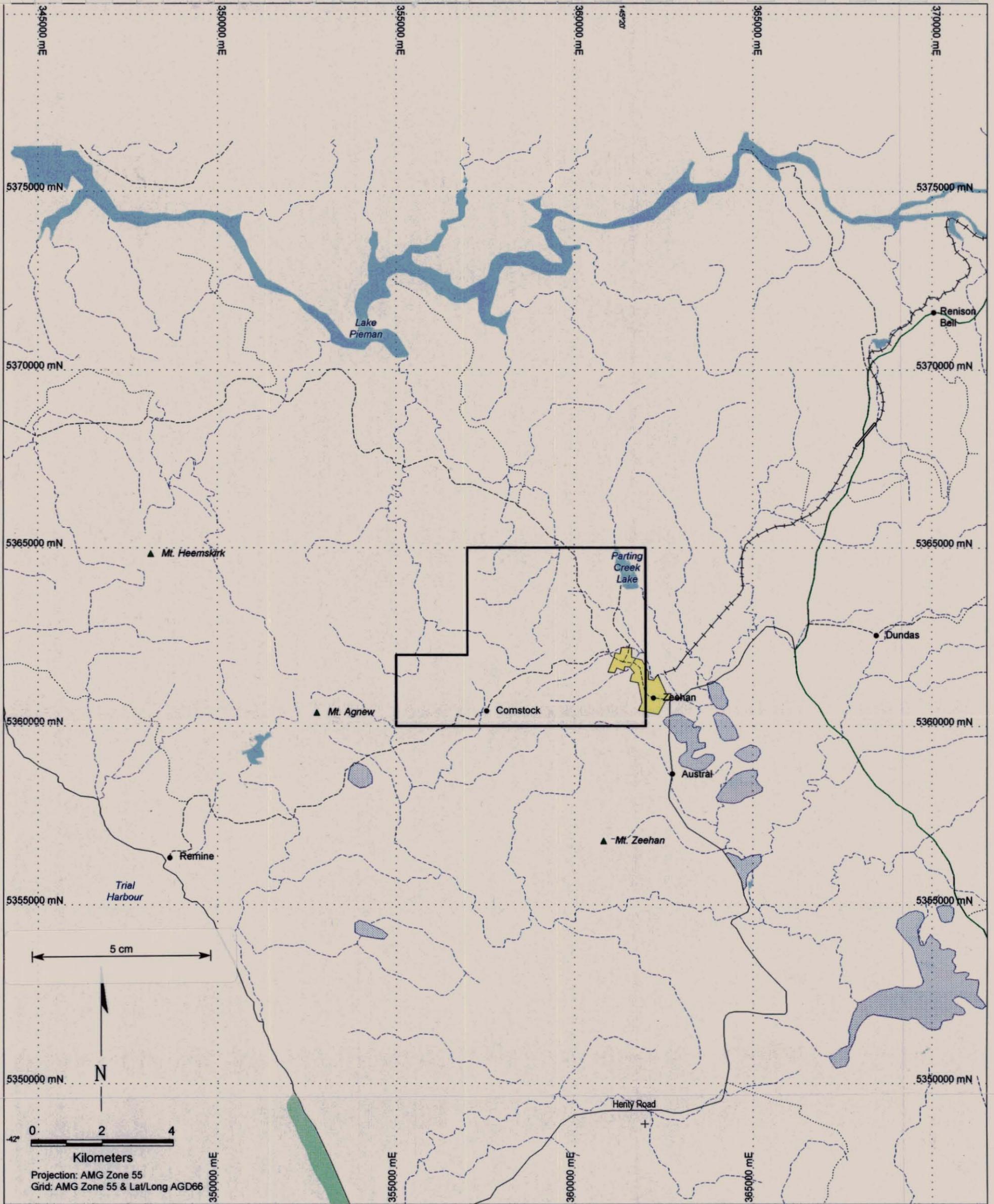
Tasmania Development and Resources 1995
Exploration Tender Area closing 23 November 1995

8. Location

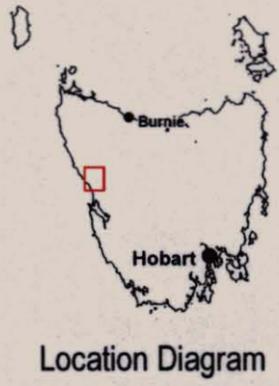
Queenstown	SK55-5	1:250,000
Pieman	7914	1:100,000

9. Keywords

Tasmania * Base Metals * Precambrian * Ordovician * Carbonate Hosted * literature review.



- Legend**
- Town
 - ▲ Mountain
 - - - EL Boundary
 - Perennial Drainage
 - - - Non-Perennial Drainage
 - Highway
 - Secondary Road
 - - - Minor Road
 - - - Track
 - Railway
 - Lake
 - Swamp
 - Urban



Mapsheet Reference

SK55-20 NW-Tas		
Conical Rocks 7814	Pieman 7914	Sophia 8014
	Cape Sorell 7913	Franklin 8013
SK55-22 SW-Tas		

RIO TINTO EXPLORATION PTY. LIMITED	
395009	
EL2/96 Zeehan 6	
Location Plan	
Author: T. von Strokirch	Reference: SW Tasmania SK55-22
Drawn: N. Waterman	File Name: Tv1205.wor
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Scale: 1:100,000	Plan No: Tv1205