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98-4219

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EL42/96

See folio 39

CORINNA PROJECT

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**EL42/96 ROCKY RIVER
WESTERN TASMANIA**

ANNUAL REPORT TO 29.10.98

Volume 1 of 1

98-4219

ANNUAL REPORT - CORINNA PROJ.
EL 42/96 - ROCKY RIVER - N.J. TURNER
GOLDSTREAM MINING & TITAN RES.

Prepared by: N.J. Turner Geological Services Pty Ltd
65 Lochner Street, West Hobart, Tasmania 7000

31st July, 1998

TCR 98-4219

533002

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1.0 Summary

- The Goldstream - Titan Joint Venture's primary interest in EL42/96 has been exploration for gold and associated metals.
- Close-spaced panned concentrate and minus 80 mesh stream sediment sampling in EL42/96 has revealed areas with mildly anomalous gold values; an area with anomalous tin and gold values; and a 1km x 2km area exhibiting polymetallic anomalism in As, Sb, Bi, Ag and Pb.
- Geological mapping and rock chip sampling should be undertaken in the deeply incised streams which cut the polymetallic and tin-gold anomalies.

2.0 Introduction

This report summarises the progress made in EL42/96 during the 12 months to 29.10.98. It should be read in conjunction with the previous annual report (to 29.10.97) which outlines matters of land tenure, geology and earlier work by other companies as well as presenting the results of close-spaced stream sediment sampling in the south and north of EL42/96. A total of 248 stream sites were sampled for -80# and for panned concentrates.

During the Joint Venture's program the southern part of EL42/96 and the adjacent part of EL43/94 have been worked together as the Rocky River Prospect (Figure1). Similarly, the northern part of EL42/96 and the adjacent part of EL38/96 have been worked together as the Golden Ridge Prospect.

Virtually no new field work has been carried out in EL42/96 during the 12 months to 29.10.98. However progress has been made through an appraisal of the stream sediment data from last year.

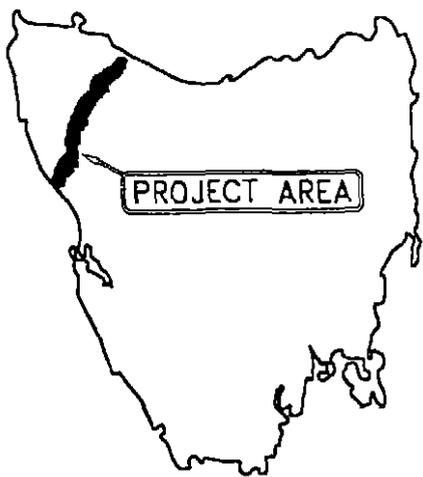
3.0 Tenement Information

The tenement is located a few kilometres south west of the township of Savage River in western Tasmania. It has an area of 41skm and falls within the Tasmapi 1:25000 sheets of Livingstone and Meredith. The tenement will remain current to 29.11.01 providing that the Licensee's performance is deemed satisfactory by the Tasmanian Minister for Mines.

4.0 Exploration Concepts

The mafic schist, amphibolite and magnetite-rich rocks of the Bowry Formation (Plan1) just west of EL42/96, are of interest in terms of possible Homestake style, Proterozoic, iron formation hosted lode gold. Diamond drilling by the Joint Venture has demonstrated that anomalous gold values of up to 0.5ppm are present along the eastern boundary of the formation.

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PROJECT AREA

5 440 000mN

360 000mE

Mawbanna
Milabena
Folly
Keith
Yolla
Wynyard
Calder

RL9602

46/96

RL8718

RL8717

340 000mE

Beryl
Bertha
Donaldson
Baretop

37/96

5 420 000mN

380 000mE

38/96

26/95

Specimen Creek Prospect

Savage River Mineral Leases

Savage River

Golden Ridge Prospect

RL8802

Meredith

Brookside Prospect

42/96

Rocky River Prospect

CML7M97



5 390 000mN



5 cm

Hardwicke
Livingstone
Stringer
Ahrberg
44/96
43/94
43/96
Lucy Spur Prospect
Lefroy Ridge East Prospect

GOLDSTREAM - TITAN CORINNA JV

Figure 1

Exploration Licences
Comprising
the Project Area.
All Prospects and
Relevant 1:25,000
Tasmaps Shown.

File:	JValPros.dwg
Date:	21 Dec. 1997
Compiled:	Nic Turner
Drawn:	Rocco Travlarso ART Carlo-Graphics
Scale:	As shown

Contractor: N.J. Turner Geological Services Pty. Ltd.

The rocks covered by EL42/96 are of interest because of anomalous stream sediment and rock chip gold values reported in the north by previous explorers and because of anomalous stream sediment and soil arsenic values previously reported in the south. In both areas the anomalous values occur in metamorphosed Oonah Formation. This is a schistose sequence derived from carbonaceous shale, siltstone and turbiditic quartzose sandstone. Mafic metaigneous rocks are present in the Oonah Formation near its contact with the Bowry Formation and there is minor banded iron formation.

5.0 Work carried out by Goldstream and Titan.

5.1 CLOSE-SPACED STREAM SEDIMENT SAMPLE DATA

Results of the close-spaced sampling in the southern part of EL42/96 are shown in Plans 1-4 which also include the adjacent part of EL43/94. Plan 3 shows an area of common anomalous arsenic (≥ 14 ppm) which corresponds with the area previously identified (Penny et al, 1984). The area also contains common anomalous antimony (≥ 0.8 ppm) and bismuth (≥ 0.3 ppm).

Areas containing scattered anomalous silver (≥ 0.15 ppm, Plan 1) and common anomalous lead (≥ 20 ppm, Plan 2) are substantially coincident with the As-Sb-Bi area though they extend further west. Altogether there is substantially coincident anomalism of the five metals As, Sb, Bi, Ag, Pb. An anomalous pan. con. gold site that was found within the area previously was not repeated in the Joint Venture's sampling. Virtually all of the Joint Venture's anomalous pan. con. and -80# gold values are outside the polymetallic anomaly (Plan 1).

There is notable Ag-Pb-Sb-Zn anomalism at a site in the lower part of Cataract Creek which is outside the polymetallic anomaly. It apparently reflects contamination related to old metal fluming that formed part of the Rocky River water race. There is another small area of almost certainly artificial -80# Pb-Sb-Bi anomalism in the northern part of EL42/96 near the Pistol Range, where lead shot was found in the panned concentrate.

There is coincident gold and tin anomalism in an area south of the Rocky River (Plan 4) but it is unclear if the anomalism reflects a bedrock source or the reworking of Tertiary gravel. Lag deposits derived from Tertiary gravel are present near the peak of anomalism around 349800E 5387600N. However, nearby (349725E 5387240N) a markedly anomalous tin value of 150ppm was returned from quartz-mica schist with abundant pyrite in its cleavage (G1296, EL43/94 to 4.1.98).

Resampling is necessary to ensure that the rock chip was not contaminated by detrital grains of cassiterite adhering to its surface, a problem encountered with gold elsewhere. Deeply weathered, iron-rich phyllite from a nearby, old prospector's cut returned 14ppb Au, 500ppm Cu, 200ppm As (G1297, EL43/94 to 4.1.98).

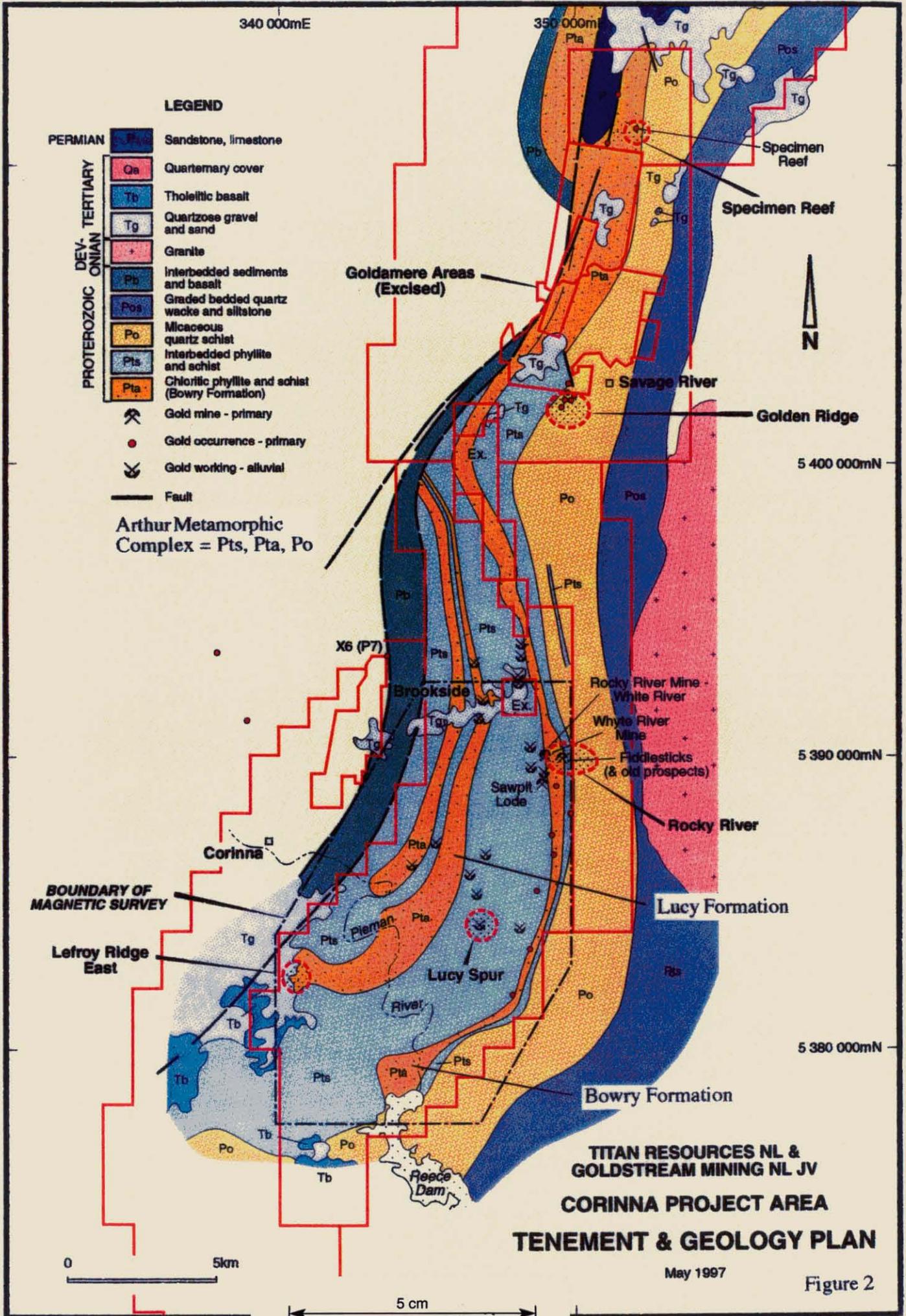


Figure 2

No rock chips have been collected from the area of As-Sb-Bi-Ag-Pb anomalism at this time. A remarkable value of 56ppm Ag with 140ppb Au, 4500ppm Cu, 150ppm Pb was returned from thinly banded pyrite-hematite-silicate-carbonate in the Oonah Formation in Cataract Creek at 349735E 5389515N (G1294, EL43/94 to 4.1.98) but this is outside the polymetallic anomaly. An interval of banded iron formation at 105.2-107m in RRDDH1 is probably equivalent to the Cataract Creek rock chip. It returned 5-6ppm Ag (average), 0.1ppm Au (average), 76 and 129ppm Pb. (see EL43/94 to 4.1.98).

5.2 SOIL SAMPLING

A soil sampling program for BCL Au, Cu and Ag was carried out over the main stream sediment gold anomaly shown in Plan 1 during the current season (see EL43/94 to 4.1.99). Though some of the lines extended into EL42/96, they did not reach the polymetallic anomaly. X

The soil lines showed that there is residual lag of quartz-vein fragments over the Oonah Formation which cannot be readily penetrated by hand auger. This lag is a feature of higher elevation, sites. It probably reflects an old (?Tertiary) land surface which has been substantially dissected.

IMI/Savage Resources (Penny et al, 1984) ran soil lines at 5389250N, 5389600N and 5390000N, between 350100E and 351200E. These lines targeted the stream sediment arsenic anomaly which the Joint Venture's results have shown to be polymetallic. The lines were sampled at 25m intervals but there was a problem with getting through the residual quartz-vein lag. Arsenic values of up to 750ppm were returned from what appears to have been a patchy sampling of the C horizon.

6.0 Conclusions

In addition to defining mildly gold anomalous areas in the north and south of EL42/96, the Joint Venture's close-spaced stream sediment sampling has defined a substantial polymetallic As-Sb-Bi-Ag-Pb anomaly in the south. The anomaly is about 1km wide and extends for about 2km NNE, oblique to the northerly strike of the Oonah Formation. A tin-gold anomaly is also indicated south of the Rocky River.

The cross-cutting nature of the polymetallic anomaly, its proximity to the Meredith Granite and the suite of anomalous metals suggest that the source mineralisation is younger than the Cambrian deformation in the Oonah Formation, probably granite-related and of Devonian-Carboniferous age.

Gold in the main gold anomaly is thought to be of Proterozoic age because its distribution in diamond drill hole RRDDH1 seems to correspond to particular host rock intervals rather than to the frequency of late veins which may be of Devonian-Carboniferous age. The age of the

gold-bearing quartz vein in the old prospects near the mouth of Nolan Creek (EL43/94 to 4.1.98 and 4.1.99) relative to the Cambrian structure in the Bowry Formation has not been determined with certainty at this time.

The substantially coincident gold and tin anomalies south of the Rocky River require further investigation in terms of the source mineralisation and its age.

7.0 Recommendations

The polymetallic anomaly in the southern part of EL42/96 is an interesting feature. However, further work on it should depend on a judgement as to the likelihood of the known metals occurring in economic quantities, or the likelihood of other economic metals being present in a zonal arrangement.

Carbonaceous shales in the Oonah Formation might have provided a focus for concentrated metal deposition. Carbonate rocks could also provide a focus though none are currently known in this part of the Oonah Formation.

Given a favourable judgement on the potential for substantial deposits, the follow-up work is straightforward. There are deeply incised streams which cut into the polymetallic anomaly. These should be geologically mapped and rock chip sampled. Sampling of C horizon soils should be carried out but will probably require wacker drilling to penetrate the lag deposits in areas of higher elevation.

It is recommended that at least geological mapping and rock chip sampling be carried out in the polymetallic anomaly and in the tin-gold anomaly south of the Rocky River.

8.0 Environmental Matters

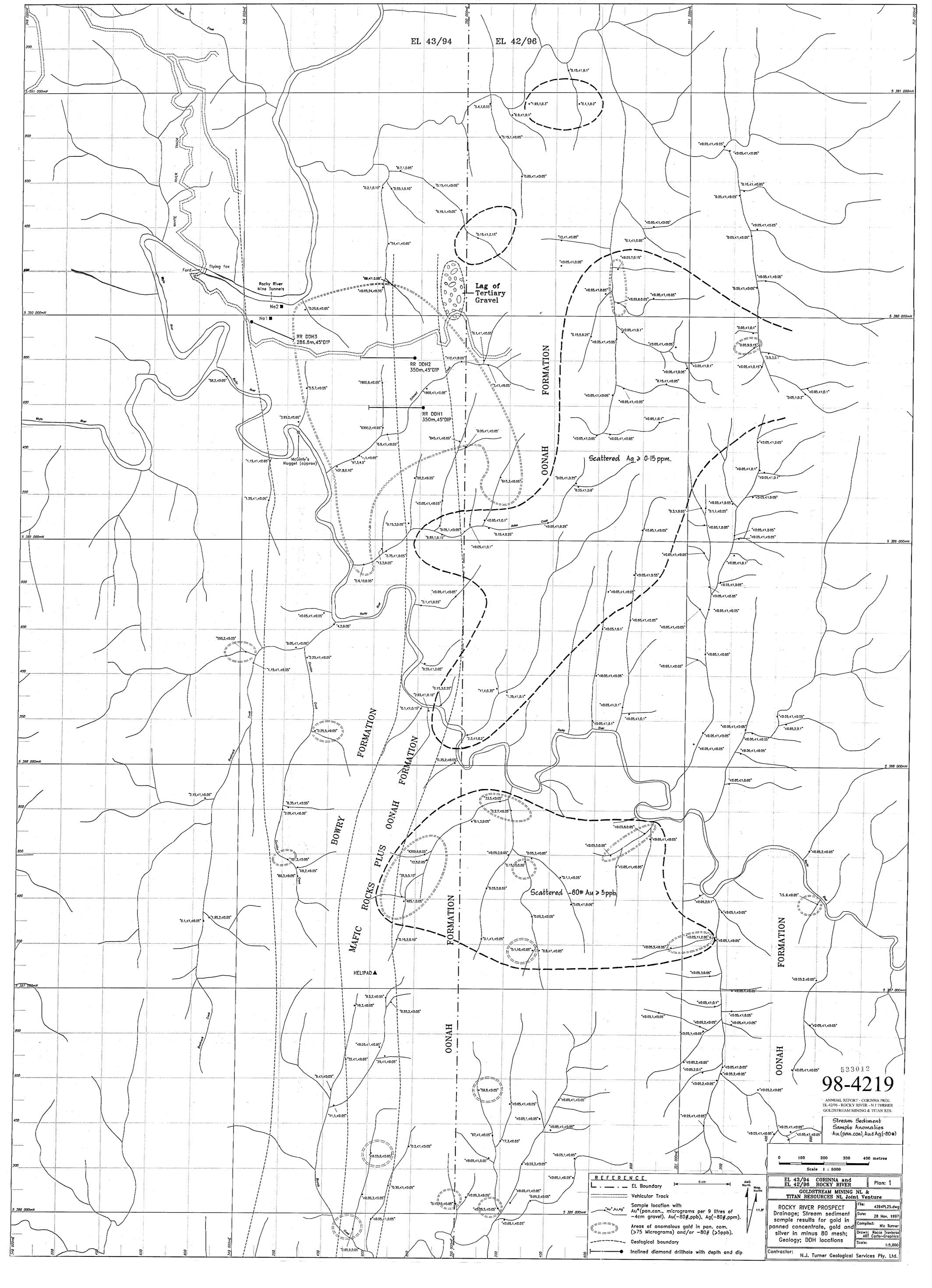
No work causing environmental impact has been undertaken this year.

9.0 References

- Penny, B.G. Shannon, C.H.C., Vanzino, L., 1984. Report on field investigations within EL 4/61, West Coast, Tasmania. Summer Field Season 1983-1984, Industrial and Mining Investigations Pty Ltd. MRT Library TCR 84-2262.
- Turner, N.J. 1997. Exploration Licence No. 43/94 Corinna, Western Tasmania. Annual Report to 4.1.98. Goldstream Mining NL and Titan Resources NL.
- Turner, N.J. 1997. Exploration Licence No. 42/96 Rocky River, Western Tasmania. Annual Report to 29.10.97. Goldstream Mining NL and Titan Resources NL.
- Turner, N.J. 1998. . Exploration Licence No. 43/94 Corinna, Western

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Tasmania. Annual Report to 4.1.99. Goldstream Mining NL and Titan Resources NL.



EL 43/94

EL 42/96

Lag of Tertiary Gravel

FORMATION

FORMATION

Scattered Ag > 0.15 ppm.

FORMATION

FORMATION

BOWRY

MAFIC ROCKS PLUS OONAH

FORMATION

FORMATION

FORMATION

FORMATION

FORMATION

HELIPAD

Rocky River Mine Tunnels

No. 2

No. 1

RR DDH3
286.8m, 45° DIP

RR DDH2
350m, 45° DIP

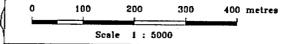
RR DDH1
350m, 45° DIP

McGinty's Nugget (approx)

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ANNUAL REPORT - CORINNA AND ROCKY RIVER
EL 42/96 - ROCKY RIVER - N1 TRENCH
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Stream Sediment
Sample Anomalies
Au (pan. com), Ag (>80#)



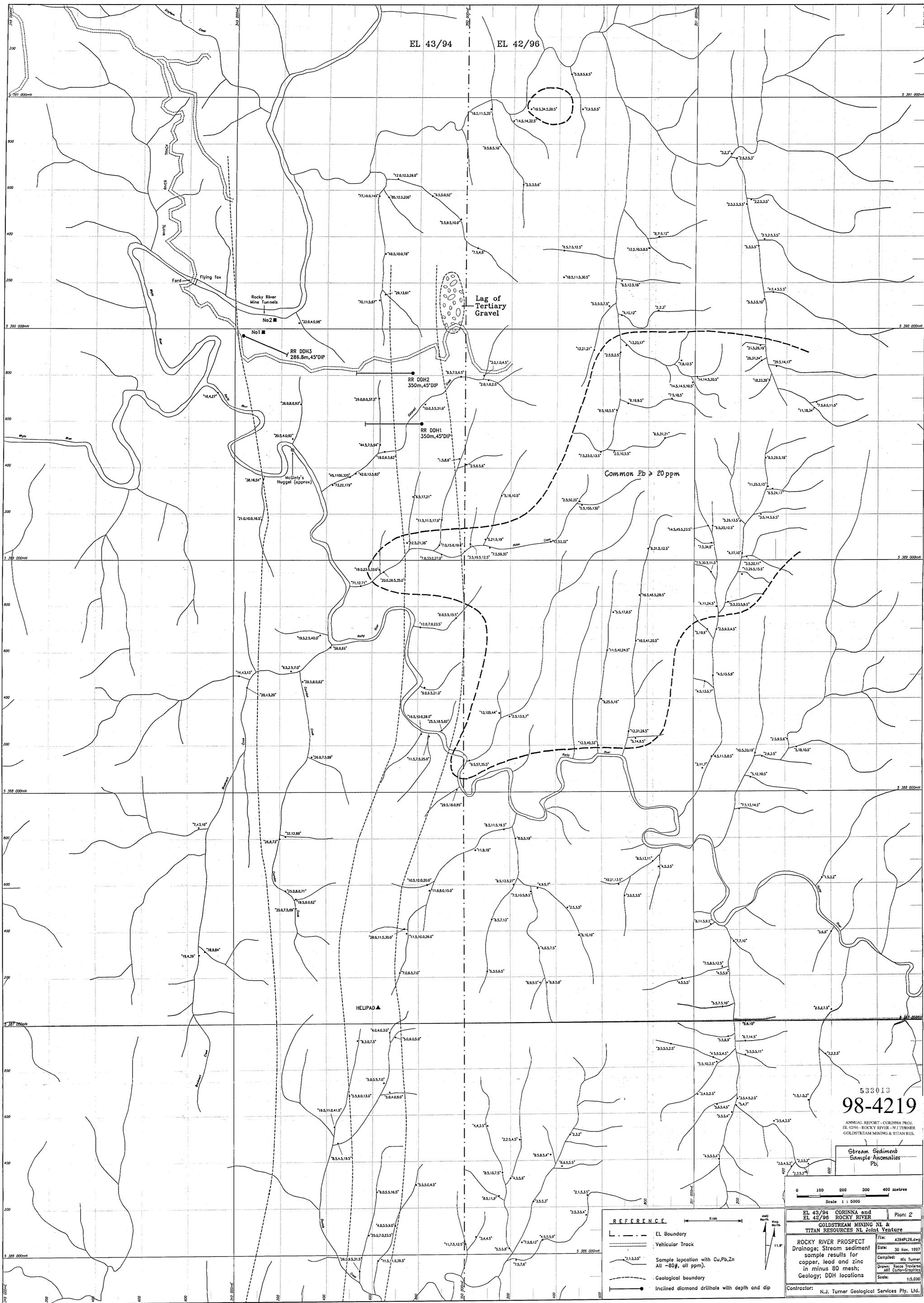
REFERENCE

- EL Boundary
- Vehicular Track
- Sample location with Au (pan.com, micrograms per 9 litres of -4cm gravel), Ag (>80#ppb), Ag (>80#ppm).
- Areas of anomalous gold in pan. com. (>75 Micrograms) and/or -80# (>5ppb).
- Geological boundary
- Inclined diamond drillhole with depth and dip

EL 43/94 CORINNA and EL 42/96 ROCKY RIVER	Plan: 1
GOLDSTREAM MINING NL & TITAN RESOURCES NL Joint Venture	
ROCKY RIVER PROSPECT	
Drainage; Stream sediment sample results for gold and silver in minus 80 mesh; Geology; DDH locations	
File: 4394P25.dwg	Compiled: Nic Turner
Date: 28 Nov. 1997	Drawn: Racca Technical ART Carlo-Geomatics
Scale: 1:5,000	Contractor: N.J. Turner Geological Services Pty. Ltd.

EL 43/94

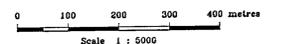
EL 42/96



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 EL 42/96 - ROCKY RIVER - N.J. TURNER
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Stream Sediment
 Sample Anomalies
 Pb

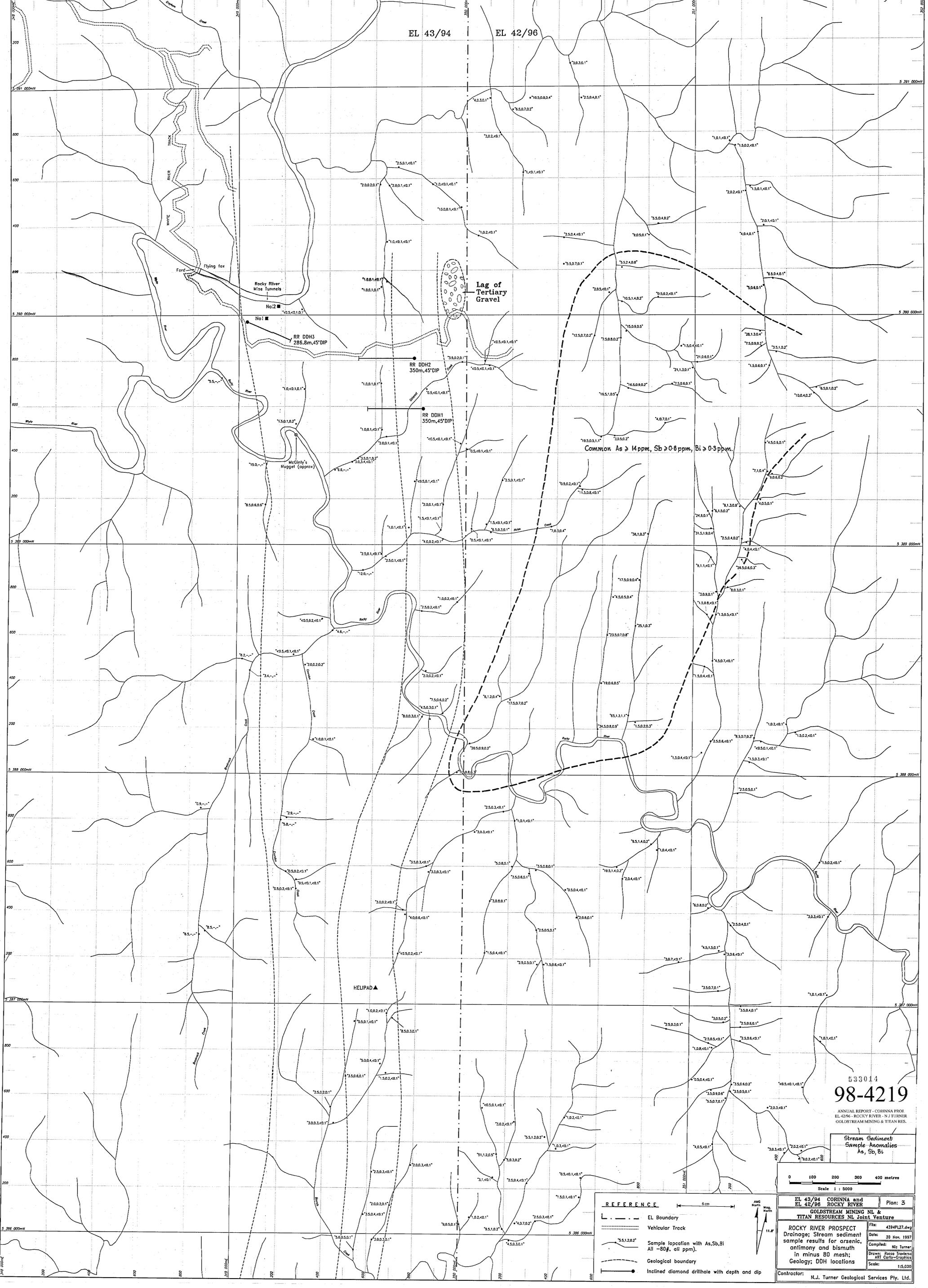


REFERENCE	
	EL Boundary
	Vehicular Track
	Sample location with Cu,Pb,Zn All -80µ, all ppm).
	Geological boundary
	Inclined diamond drillhole with depth and dip

EL 43/94 EL 42/96	CORINNA and ROCKY RIVER	Plans 2
GOLDSTREAM MINING NL & TITAN RESOURCES NL Joint Venture		
ROCKY RIVER PROSPECT Drainage; Stream sediment sample results for copper, lead and zinc in minus 80 mesh; Geology; DDH locations		File: 4394P26.dwg Date: 30 Nov. 1997 Compiled: Nic Turner Drawn: Rocco Tranter AIT Carto-02/03/01
Contractor: N.J. Turner Geological Services Pty. Ltd.		Scale: 1:5,000

EL 43/94

EL 42/96

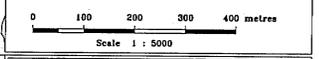


Сомнион As ≥ 14ppm, Sb ≥ 0.6ppm, Bi ≥ 0.3ppm.

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ANNUAL REPORT - CORINNA PROJ.
EL 42/96 - ROCKY RIVER - N.J. TURNER
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Stream Sediment
Sample Anomalies
As, Sb, Bi

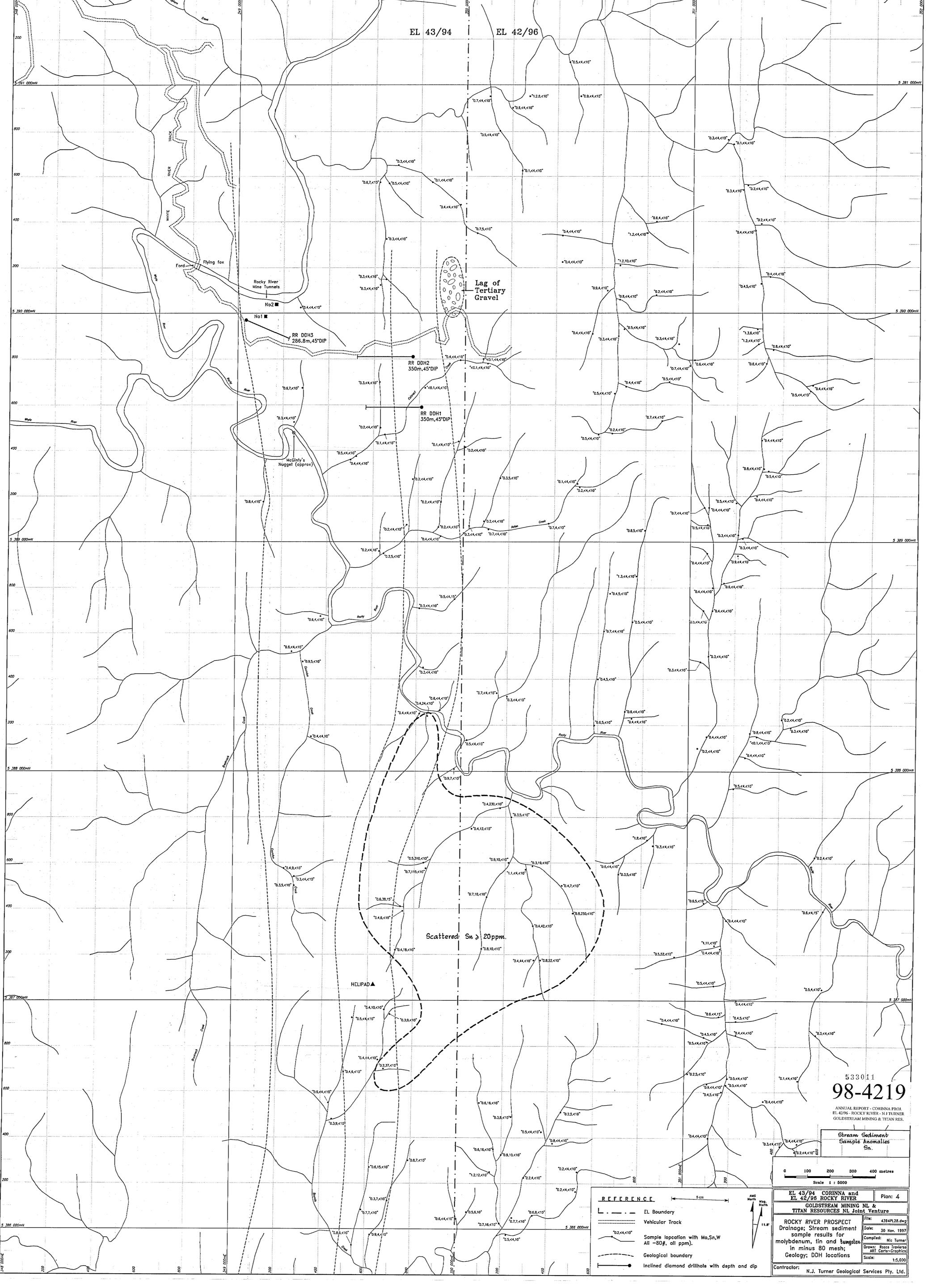


REFERENCE	
	EL Boundary
	Vehicular Track
	Sample location with As,Sb,Bi All -80#, all ppm.
	Geological boundary
	Inclined diamond drillhole with depth and dip

EL 43/94 CORINNA and EL 42/96 ROCKY RIVER	Plan: 3
GOLDSTREAM MINING NL & TITAN RESOURCES NL Joint Venture	
ROCKY RIVER PROSPECT Drainage; Stream sediment sample results for arsenic, antimony and bismuth in minus 80 mesh; Geology; DDH locations	
File: 4394f127.dwg	Compiled: Nic Turner
Date: 30 Nov. 1997	Drawn: Rocco Traverso
Scale: 1:5,000	481 Carto-Graphics
Contractor: N.J. Turner Geological Services Pty. Ltd.	

EL 43/94

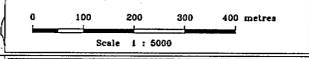
EL 42/96



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ANNUAL REPORT - CORINNA FRIEL
 EL 42/96 - ROCKY RIVER - N.J. TURNER
 GOLDSTREAM MINING & TITAN RES.

Stream Sediment
 Sample Anomalies
 Sn.



REFERENCE	
	EL Boundary
	Vehicular Track
	Sample location with Mo, Sn, W All - 80#, all ppm.
	Geological boundary
	Inclined diamond drillhole with depth and dip

EL 43/94 CORINNA and EL 42/96 ROCKY RIVER	Plan: 4
GOLDSTREAM MINING NL & TITAN RESOURCES NL Joint Venture	
ROCKY RIVER PROSPECT Drainage: Stream sediment sample results for molybdenum, tin and tungsten in minus 80 mesh; Geology; DDH locations	
File: 4394PL28.dwg	Date: 30 Nov. 1997
Compiled: Nic Turner	Drawn: Rocca Traversa ART Carina-Geographics
Scale: 1:5,000	
Contractor: N.J. Turner Geological Services Pty. Ltd.	