

CONTENTS

1.0	Introduction	1
1.1	LOCATION AND ACCESS	1
1.2	TENURE AND LAND USAGE	1
2.0	Geology	1
3.0	Exploration Potential and Philosophy	1
4.0	Work conducted	2
5.0	Expenditure	2
6.0	References	2

LIST OF FIGURES

Figure 1 Location of Exploration License 11/97, Smithton

LIST OF PLATES

Plate 1 Stream Sediment Sample Locations.

Plate 2 Rock Chip Sample Locations

Plate 3 Aeromagnetics - 1st Vertical Derivative.

Plate 4 Airborne EM - Apparent Conductivity.

LIST OF APPENDICES

Appendix 1 Sample location and analytical data tables.

1.0 Introduction

This annual report covers exploration activities on Exploration License 11/97 – Smithton during the period 5th December, 1997 to 5th December, 1998. The basic data is presented and will be further detailed in reporting at the end of tenure year 2.

Field work was undertaken during the period April to November, 1998.

1.1 LOCATION AND ACCESS

Exploration license 11/97 covers 243 km² in the area surrounding the township of Smithton, northwest Tasmania (Fig 1). Access to the area is by well formed roads.

1.2 TENURE AND LAND USAGE

The area largely comprises private property with some Crown Land and State Forest. The Lees Point Conservation Area is also included.

2.0 Geology

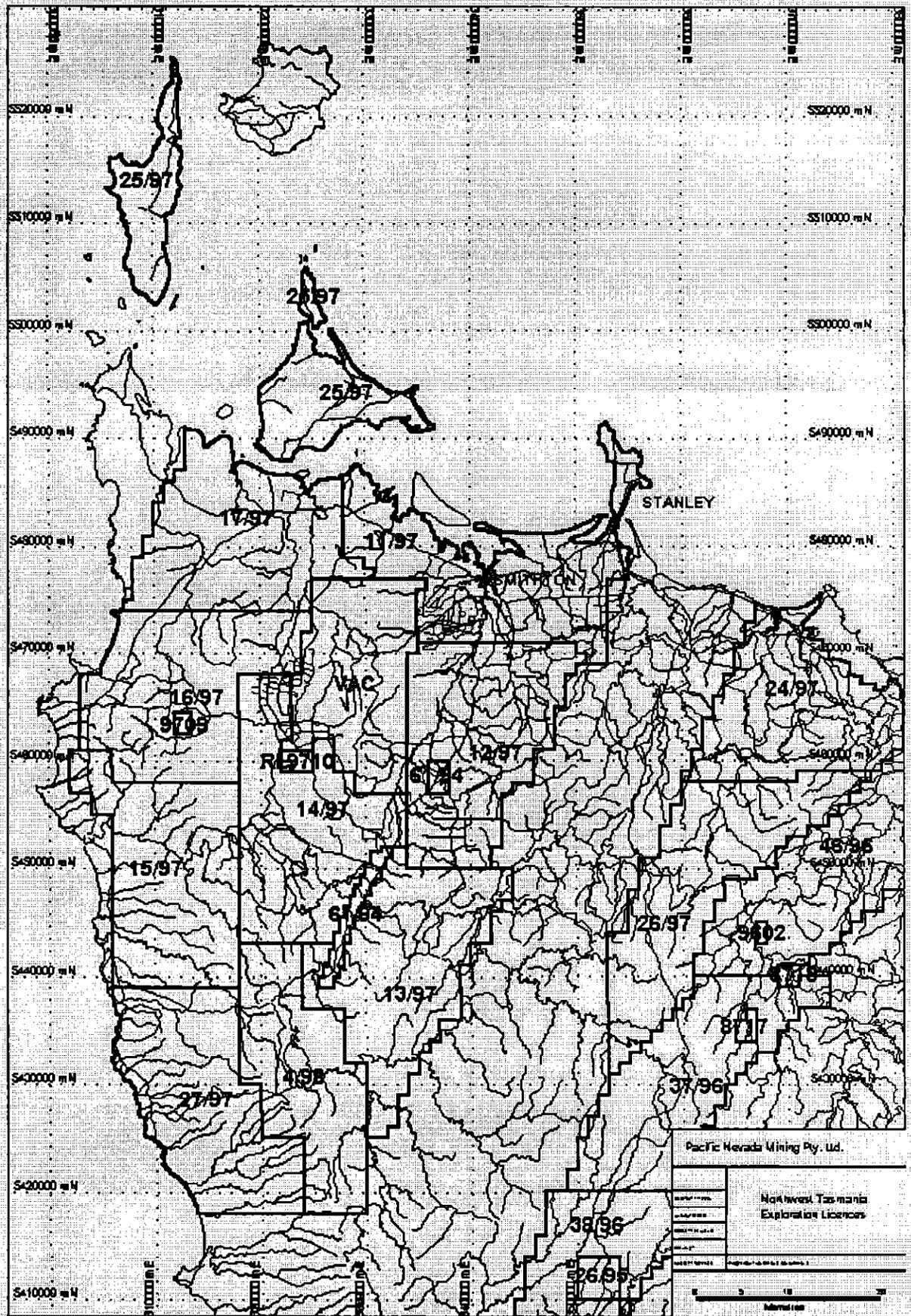
The geology of EL11/97 consists of two principal components, being the Mesoproterozoic Rocky Cape Group and the unconformably overlying Neoproterozoic Togari Group. The latter is a sequence of clastic sedimentary rocks, mafic volcanics, dolomite and chert forming most of what is termed the Smithton Synclinorium. Immediately west of EL11/97 the Togari Group is disconformably overlain by the Scopus Formation, which forms the uppermost unit of the Smithton Synclinorium and comprises interbedded mudstone, siltstone and lithicwacke (Seymour and Calver, 1995).

Readers are referred to Brown (1989) and Seymour and Calver (1995) for a more detailed description of the geology.

3.0 Exploration Potential and Philosophy

EL11/97 is one of numerous exploration licenses held by Pacific Nevada in northwest Tasmania, which are being collectively explored for the following potential ore deposit target types:-

- Proterozoic iron-formation Au (Homestake model)
- Proterozoic iron-formation Cu-Au pipes (Selwyn/Starra)
- Proterozoic sediment-hosted Cu (eg. Kupferschiefer/White Pine)



98-4231

FIGURE 1

4.0 Work Conducted

Pacific Nevada Mining Pty. Ltd. conducted regional scale exploration on Smithton (EL11/97). The area's prospectivity was assessed via geological mapping and collection of 47 rock chip's, 1 panned concentrate, 2 bulk and 2 -80# stream sediment samples. Sample location data and analysis reports are appended.

This work included assessment of the economic potential of pyritic dolomites and silica-calcite-iron-oxidised spring mounds via rock chipping. The dolomites yielded up to 22ppb Au, whereas the spring mounds yield up to 1130ppm Zn and 1110ppm As.

Magnetite-pyrite veining was located at the margin of/and within a (Tertiary?) basalt dyke in the Duck River near the Bass Highway.

An airborne EM and aeromagnetic survey, covering the southern portion of EL11/97, was flown for 358 line kilometers at 150m line spacing and 50m elevation. The survey was flown by UTS Geophysics (Perth) as part of a region wide survey.

5.0 Expenditure

Geology	\$17,887
Geophysics	\$18,707
Administration	\$3,659
Total Expenditure	\$40,253

NB: Geochemical expenditure is included within the Geology category.

6.0 References

- Brown, A. V., 1989. Geological atlas 1:50000 series. Sheet 21 (7916S). Smithton. Explanatory. Report. Geological. Survey. Tasmania.
- Seymour, D. B., and Calver, C. R., 1995. Explanatory notes for the Time-Space Diagram and Stratotectonic Elements Map of Tasmania. Report Tasmanian Geological Survey 1995/01.

540006

PACIFIC NEVADA PTY LTD
PO BOX 7214 Cloisters Square
Perth WA 6850

APPENDIX 1
EL11/97 SMITHTON

SAMPLE LOCATION
AND
ANALYTICAL DATA TABLES
5-12-97 TO 5-12-98

Prepared by: Robert Reid, Senior Geologist
Pacific Nevada Mining Pty. Ltd. November 1998

APPENDIX - EL11/97

540007

80#	East (AMG)	North (AMG)	Au	Cu	Pb	Zn	Ni	Fe	Mn	Co	As
6330400	340950	5472400	-1	21	8	27	20	2.75	662	17	-1
6330401	339750	5475460	-1	31	90	63	80	5.13	587	37	-1
6330402	341120	5473200	-1	9	7	83	58	9.26	490	59	-1
6331053	343180	5473370	-1	3	4	14	5	0.42	58	7	2
6331054	343580	5473380	-1	10	-1	39	24	0.8	52	12	4

Bulk	East (AMG)	North (AMG)	Au	Cu	Pb	Zn
6320100	340950	5472400	-0.05	7.61	-0.3	3.9
6320101	339750	5475460	-0.05	5.11	-0.3	5.5
6320102	341120	5473200	1.3	2.27	-0.3	8.7
6321053	343580	5473380	-0.05	0.98	-0.3	4.8

APPENDIX - EL11/97

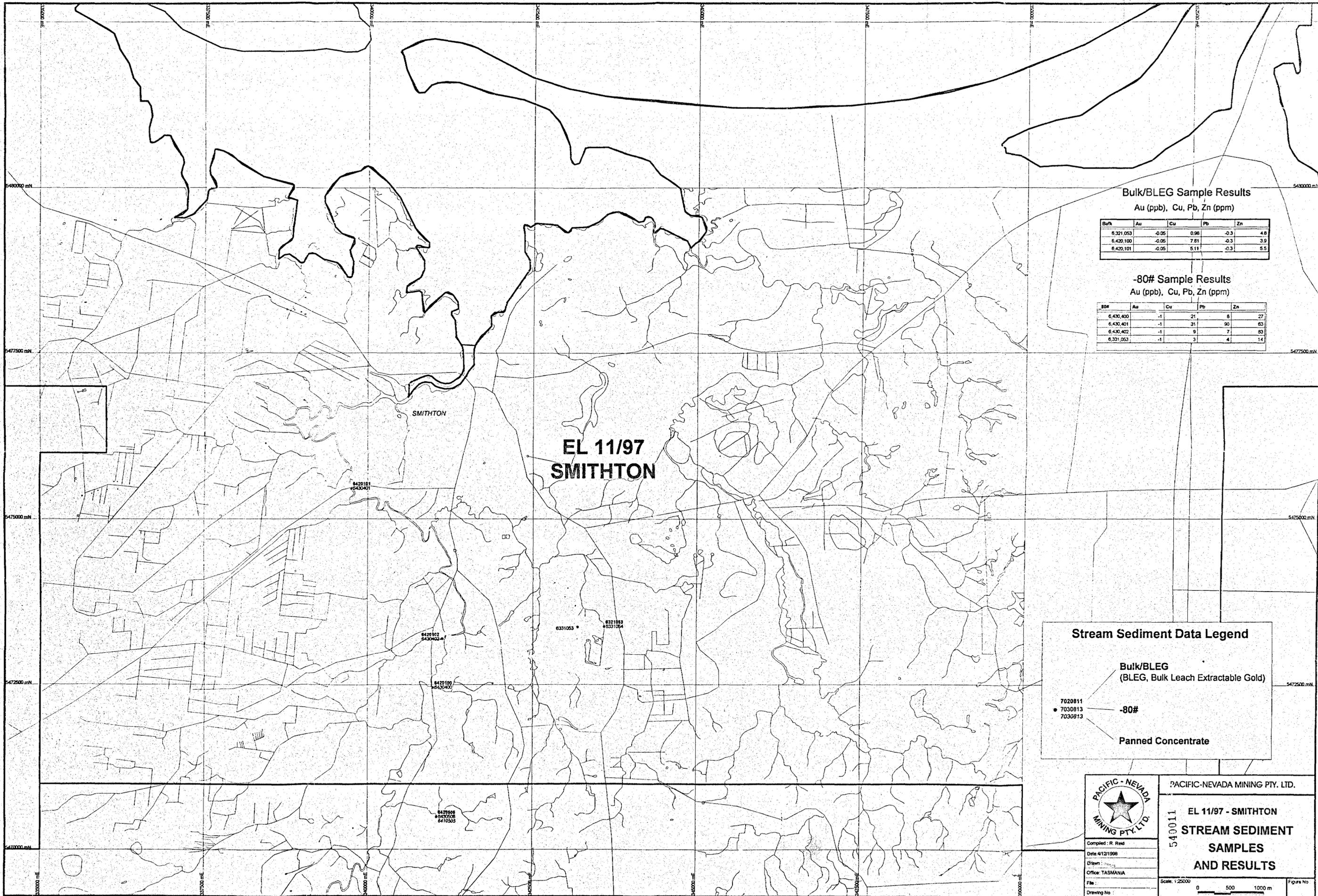
Rock	East (AMG)	North (AMG)	Au	Cu	Pb	Zn	Ag	As	Ba	Co	Fe	Ca	K	Mg	Mn	Na	P	Ti	Zr	Ni	Bi	Cd	Mo	Sb	U	V	Pt	Pd
6340400	340900	5472480	22	16	-1	-1	-1	-1	12	-1	5600	201000	4400	126900	168	500	100	509	7	-1	40	-1	-1	-1	-1	26	-1	-1
6340401	340900	5472480	14	13	-50	-5	-5	-10	7	-5	4750	202000	4400	127400	180	500	100	465	5	-10	50	-1	-1	16	-1	25	5	-1
6340402	340907	5472480	10	14	-50	-5	-5	-10	7	-5	5300	208000	2200	132900	176	450	100	244	-5	-10	45	-1	-1	-1	-1	22	-1	-1
6340403	340910	5472480	11	20	-50	-5	-5	-10	16	-5	9150	206000	2700	126800	241	350	150	610	9	-10	45	-1	-1	12	-1	29	-1	-1
6340404	340910	5472495	11	20	-50	-5	-5	-10	10	-5	8650	192000	4300	123800	160	350	150	644	9	-10	45	-1	-1	11	-1	30	-1	-1
6340405	340910	5472505	11	19	-50	-5	-5	12	8	-5	10600	200000	5900	129400	219	400	200	800	10	11	50	-1	-1	10	-1	33	-1	-1
6340406	340910	5472520	11	17	-50	-5	-5	-10	12	-5	8050	201000	5300	133200	237	750	150	616	8	-10	45	-1	-1	-1	-1	30	-1	-1
6340407	340910	5472530	11	21	-50	-5	-5	-10	7	-5	10100	205000	5800	130800	233	2450	200	639	8	10	50	-1	-1	12	-1	34	-1	-1
6340408	340880	5472482	13	11	-50	-5	-5	-10	7	-5	4950	209000	2400	133500	181	350	100	277	-5	-10	50	-1	-1	16	-1	24	-1	-1
6340409	340700	5472482	13	10	-50	-5	-5	-10	6	-5	4250	207000	1600	131300	122	400	100	230	-5	-10	50	-1	-1	-1	-1	20	-1	-1
6340410	339650	5463800	15	14	-50	-5	-5	-10	10	-5	5600	209000	2700	132500	187	450	150	280	-5	-10	50	-1	-1	11	-1	22	-1	-1
6340411	339730	5475480	13	13	-50	-5	-5	-10	12	-5	4900	205000	2000	130900	90	500	100	343	-5	-10	50	-1	-1	15	-1	33	-1	-1
6340412	339750	5475440	13	14	-50	-5	-5	13	11	-5	11000	218000	-500	133400	403	250	100	362	-5	-10	50	-1	-1	15	-1	29	-1	-1
6340413	339750	5475448	13	28	-50	131	-5	13	526	41	95300	58400	15800	37100	2040	22400	1800	15000	171	35	-1	-1	-1	-1	10	1	-1	-1
6340414	339750	5475425	12	15	-50	-5	-5	-10	22	9	5750	196000	-500	114300	858	200	100	436	-5	15	40	-1	-1	-1	-1	34	-1	-1
6340415	339750	5475448	14	19	-50	-5	-5	-10	20	-5	45600	248000	-500	151600	988	300	150	587	9	-10	60	-1	-1	19	-1	39	-1	-1
6340416	339750	5475460	13	11	-50	-5	-5	-10	5	-5	5600	214000	-500	128500	151	350	100	318	-5	-10	45	-1	-1	13	-1	26	-1	-1
6340417	339750	5475415	11	10	-50	-5	-5	-10	8	-5	3350	219000	700	131700	171	450	100	221	-5	-10	50	-1	-1	16	-1	22	-1	-1
6340418	341010	5473220	11	32	-50	-5	-5	-10	10	7	15000	216000	2900	114900	275	550	300	1190	19	20	50	-1	-1	-1	-1	46	-1	-1
6340419	340980	5473200	17	10	-50	-5	-5	-10	7	-5	15400	213000	-500	129700	318	550	200	241	-5	-10	50	-1	-1	-1	-1	25	-1	-1
6340420	341120	5473200	15	10	-50	-5	-5	-10	11	7	64700	216000	700	125600	1390	450	400	111	-5	13	40	-1	-1	12	-1	20	-1	-1
6340421	341120	5473150	8	7	-50	-5	-5	-10	10	-5	7150	223000	-500	134500	208	550	200	94	-5	-10	50	-1	-1	11	-1	19	-1	-1
6340422	341120	5473000	9	11	-50	-5	-5	-10	12	-5	12400	236000	1700	133500	323	550	350	11	6	361	50	-1	-1	13	-1	29	-1	-1
6340423	341060	5473012	13	26	-50	-5	-5	-10	15	7	16300	220000	6400	111800	333	350	250	1210	11	24	35	-1	-1	11	-1	58	-1	-1
6341061	342800	5474380	-1	6	-1	493	-1	352	227	55	292000	177000	-1	5030	470	200	2200	374	34	415								
6341062	342800	5474380	-1	42	-1	56	-1	22	438	12	26300	349000	-1	11400	459	350	350	243	8	68								
6341063	342820	5474360	-1	-1	-1	-1	-1	30	420	23	35000	352000	-1	9180	565	400	750	83	10	107								
6341064	342750	5474440	-1	-1	-1	528	-1	373	133	66	538000	3500	-1	570	709	100	2500	41	13	363								
6341065	342680	5474460	-1	-1	-1	1130	-1	753	256	51	418000	86700	-1	3200	490	150	3800	41	28	407								
6341066	342660	5474420	-1	7	-1	21	-1	70	286	22	54600	301000	-1	8200	339	300	350	1600	22	138								
6341067	342650	5474480	-1	-1	-1	46	-1	94	50	32	281000	2250	-1	380	392	100	550	4000	41	16								
6341068	342670	5474520	-1	-1	-1	353	-1	616	145	32	529000	4200	-1	770	666	50	4100	678	30	191								
6341069	342660	5474540	-1	-1	-1	10	-1	17	26	-1	15800	2100	-1	180	63	50	100	148	-1	-1								
6341071	335740	5476360	-1	-1	-1	109	-1	731	178	13	425000	86400	-1	1450	1700	150	5650	42	26	40								
6341072	336000	5476150	-1	-1	-1	84	-1	502	94	11	430000	81000	-1	1510	595	100	6400	17	28	43								
6341073	336000	5476150	-1	-1	-1	-1	-1	11	32	6	8450	389000	-1	4660	140	200	150	17	5	14								
6341074	347140	5478540	-1	-1	-1	44	-1	484	829	-1	360000	111000	-1	4740	1340	300	4100	215	59	125								
6341075	347200	5478480	-1	37	-1	26	-1	24	305	7	66300	2050	21400	7540	97	17600	1100	10500	204	17								
6341076	347220	5478400	-1	-1	-1	43	-1	1110	1250	-1	421000	61400	-1	3000	747	300	7450	128	36	82								

540009

APPENDIX - EL11/97

Rock	East (AMG)	North (AMG)	Au	Cu	Pb	Zn	Ag	As	Ba	Co	Fe	Ca	K	Mg	Mn	Na	P	Ti	Zr	Ni	Bi	Cd	Mo	Sb	U	V	Pt	Pd
6341077	347220	5478440	-1	53	-1	95	-1	-1	19	43	108000	65400	-1	23900	1350	28700	700	10200	96	51								
6341078	336600	5464800	1	-1	-1	6	-1	663	161	-1	528000	3950	-1	650	1650	200	6850	137	19	-1								
6341079	336300	5464720	-1	-1	-1	7	-1	670	320	-1	527000	4500	-1	930	3710	100	6650	114	16	-1								
6341080	339500	5470200	-1	-1	-1	6	-1	-1	14	5	8050	1050	-1	300	275	250	100	122	-1	-1								
6341081	339500	5470200	-1	-1	-1	27	-1	66	116	18	421000	1250	500	640	1010	200	6300	994	25	-1								
6341082	345000	5478700	-1	-1	-1	989	-1	205	278	42	553000	2800	-1	470	1460	-1	2400	18	14	419								
6341083	344750	5478840	-1	-1	-1	13	-1	36	87	-1	255000	600	1900	190	339	750	4150	1110	15	-1								
6341084	344600	5479280	-1	27	-1	8	-1	126	104	-1	20900	500	1700	330	85	150	200	279	14	10								

540010



Bulk/BLEG Sample Results
Au (ppb), Cu, Pb, Zn (ppm)

Bulk	Au	Cu	Pb	Zn
6.321.053	-0.05	0.98	-0.3	4.8
6.420.100	-0.05	7.81	-0.3	3.9
6.420.101	-0.05	5.11	-0.3	5.5

-80# Sample Results
Au (ppb), Cu, Pb, Zn (ppm)

80#	Au	Cu	Pb	Zn
6.430.400	-1	21	8	27
6.430.401	-1	31	90	63
6.430.402	-1	9	7	83
6.331.053	-1	3	4	14

Stream Sediment Data Legend

- Bulk/BLEG
(BLEG, Bulk Leach Extractable Gold)
- -80#
- Panned Concentrate



PACIFIC-NEVADA MINING PTY. LTD.

EL 11/97 - SMITHTON
STREAM SEDIMENT
SAMPLES
AND RESULTS

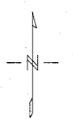
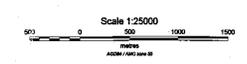
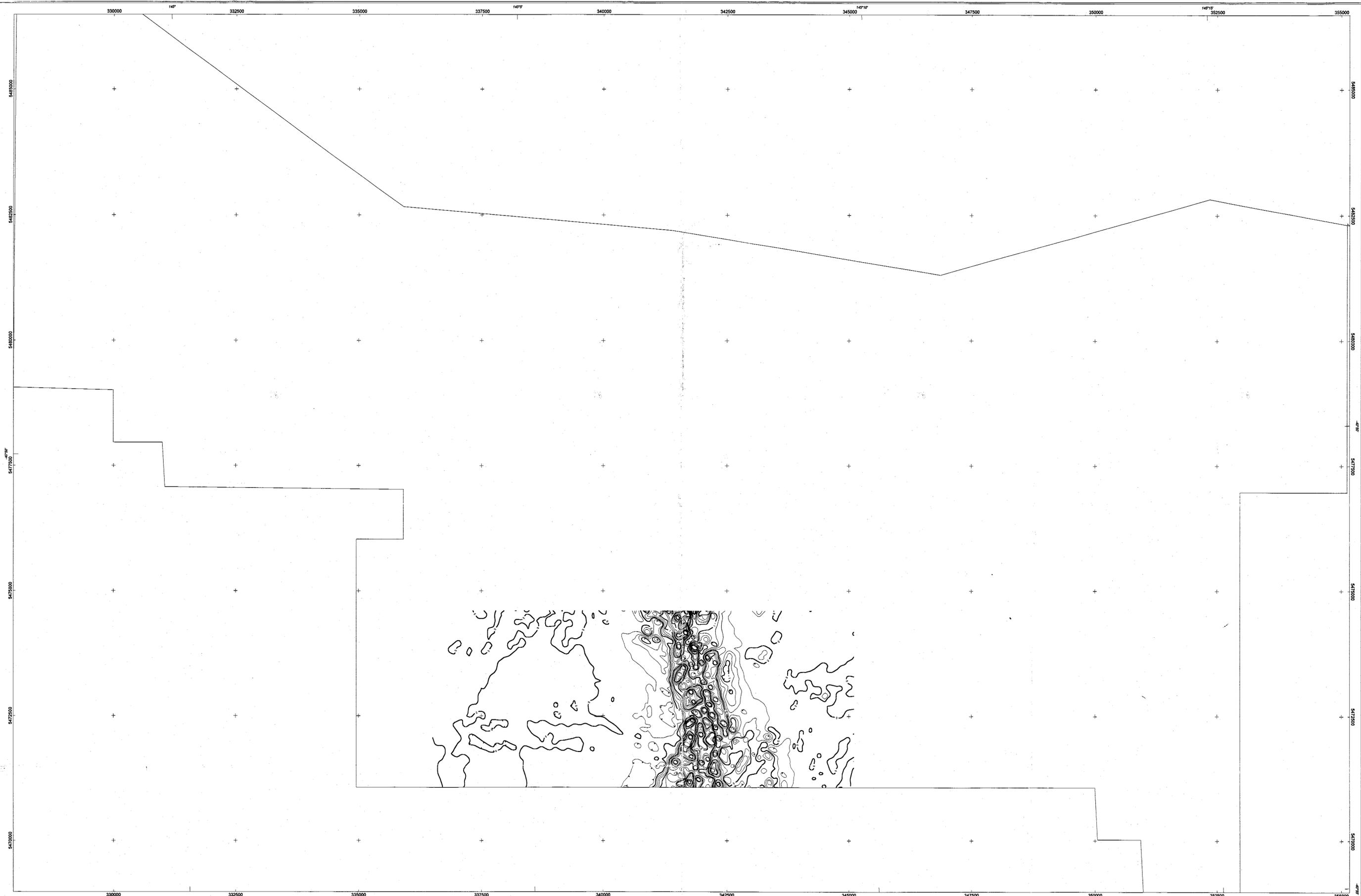
Compiled: R. Reid
Date: 4/12/1998
Drawn: [blank]
Office: TASMANIA
File: [blank]
Drawing No: [blank]

Scale: 1:25000
0 500 1000 m
Figure No. [blank]

5cm PLATE 1

TOP LEFT
2

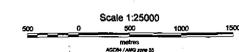
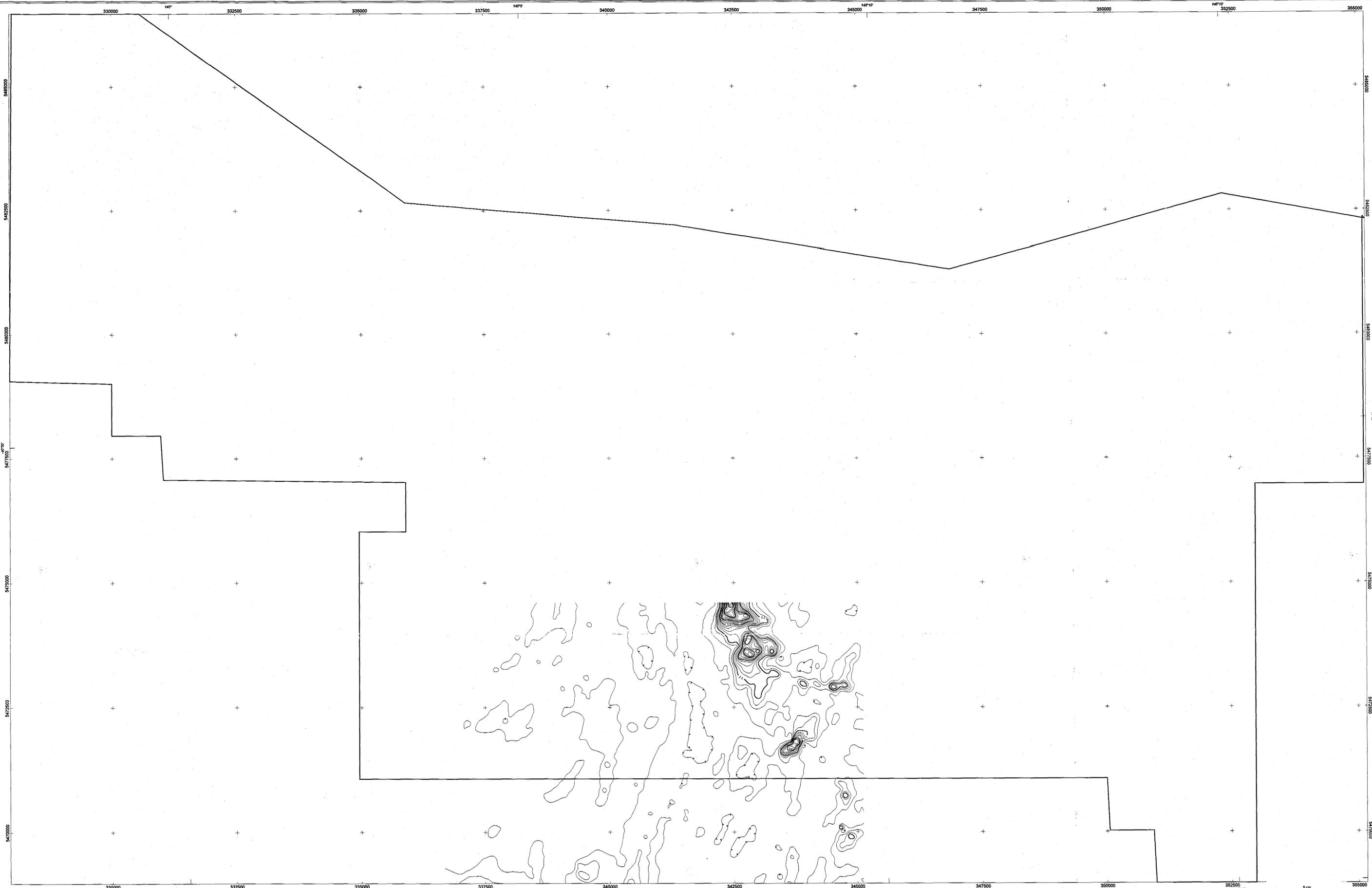
TCR 98-4231



540013
PACIFIC NEVADA PTY LTD
SMITHTON, EL 11/87, WEST TASMANIA
DETAILED AEROMAGNETIC SURVEY
1st VERTICAL DERIVATIVE, REDUCED TO POLE
CONTOURS: 25.1 G; GRID MESH: 50m
SURVEY BY LITS, 8/88; LINE SPACING=150m; DIR: 123-303deg
UTM ZONE 55; AGD84
FLAGSTAFF GEOCONSULTANTS (NH); 12/98

5 cm
PLATE 3

130-4-031
TBL



PACIFIC NEVADA PTY LTD
 SMITHTON, EL 11/97, WEST TASMANIA
 AIRBORNE EM AND AEROMAGNETIC SURVEY
 APPARENT CONDUCTIVITY, 3025Hz, mS/m
 CONTOURS: 25, 100, GRID MESH=35m
 SURVEY BY UTS: JPS, LINE SPACING=150m, DIR: 123-303deg
 UTM ZONE 55, AGD84
 FLAGSTAFF GEOCONSULTANTS (NI): 12/98

540014 TCR Q8-1431