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COMSTOCK SILVER LEAD ZINC PROSPECT
INFORMATION MEMORANDUM

NOVEMBER 1997

PREPARED BY J.M. KNIGHT & ASSOCIATES PTY LTD

FOR

OCEANIA TASMANIA PTY LTD
AND
SWANSEA MINING COMPANY

99-4319

INFORMATION MEMORANDUM
123M/47-COMSTOCK SILVER, LEAD
ZINC PROSPECT-OCEANIA TASMANIA P/L

AMG REFERENCE POINTS ADDED

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1. QUALIFICATIONS AND DISCLAIMERS

This Information Memorandum was prepared by J.M. Knight & Associates Pty. Ltd. ("Knight"), a consulting company based in Hobart, Tasmania, offering geological and geophysical services. The Principal, Jonathan Knight, has a B.Sc. (Hons) from the University of Tasmania, with majors in geology and geophysics, and 25 years worldwide experience in both the mining and petroleum industries. Oceania Tasmania Pty Limited ("Oceania") and Swansea Mining Company ("Swansea") commissioned this document for a fee in accordance with prevailing rates. Knight has no other financial connection with Oceania, the sub-lessees, nor in any other way with the project.

The information contained in this report was drawn from open files at the Mineral Resources Tasmania library, and from documents supplied by Oceania. Knight has relied upon, and assumed, without verification, the accuracy and completeness of all information that has been furnished to it, but cannot take any responsibility to guarantee its accuracy. The database, the resource estimates, and the production statistics have not been subjected to audit. This report is effective 30th November 1997, and accordingly, any conclusions contained within it may change according to future work and conditions.

The report does not purport to include all the relevant information, and is simply a summary of what are seen to be the main facts, aimed at providing enough information for a party to decide whether or not to go into detailed assessment.

This report has been prepared as an Information Memorandum, and by itself does not constitute a prospectus, and does not seek to make any offers. On that basis, consent is given for it to be given to other parties interested in investing in the Comstock project. It is not to be included in a prospectus without the agreement of Knight.

AMG REFERENCE POINTS ADDED

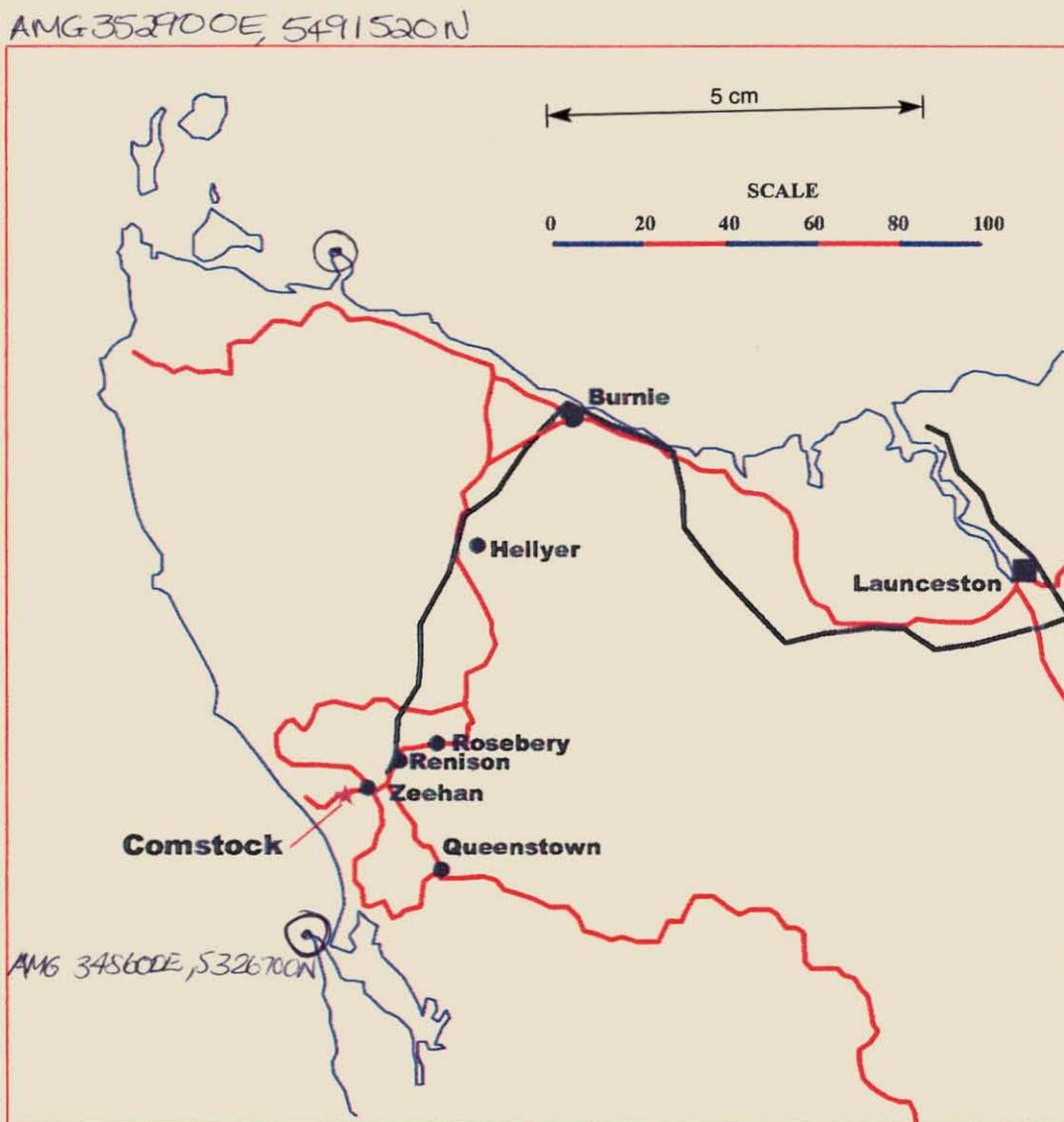


Figure 1. Location of Comstock

2. SUMMARY

Located in the heart of the mining belt of Western Tasmania, just west of Zeehan, the Comstock area is prospective for the discovery of new silver lead zinc deposits. There is good potential for the discovery of large deposits, within which there are indications that smaller high grade bodies exist. The concentrator at Pasminco's Rosebery mine is close by, and this facility currently has up to a hundred thousand tonnes a year of ore surplus capacity. Large scale operations could take advantage of the nearby railway connection to the Port of Burnie where concentrates from other mines are handled.

Mining in the immediate area dates back to the previous century and there are numerous old surface and underground workings. There was little modern exploration work until RGC Exploration Pty Ltd ("Renison") carried out a major programme during the early nineties, including deeper drilling, which showed the high potential for larger deposits to exist at mineable depths, within, and beyond the current mining lease boundaries. Renison reported an inferred resource estimate exceeding 6 million tonnes at 5.5% Zn, 3.3% Pb, and 40 g/t Ag. However, Renison's primary target was tin, and it was a lack of any indication of a major tin deposit, rather than the economics of a silver/lead/zinc mine which, as Knight understands it, caused Renison to conclude their exploration programme.

Swansea calculated a smaller, higher grade estimate of 2.9 million tonnes at 8.6% Zn, 4.6% Pb and 59 g/t Ag, based on narrower, higher grade intervals. Further infill drilling may demonstrate the consistency of these intersections, sufficiently to satisfy the requirements for an inferred resource estimate.

Mining leases over the most prospective part of the area are held by Oceania via the associated company, Swansea, subject to shallow rights of sub-lessees over the area. Oceania has already proved that economic grades can be mined and processed at Rosebery. Currently a new mining operation has been established (via a sub-lessee), focussing on shallow, vein-hosted mineralisation.

Oceania is currently seeking to sell its interests in the property. New investment in detailed exploration is justified to confirm the presence and size of larger, deeper deposits. This memorandum presents a summary of the key aspects of previous exploration, the geological setting, details of the most recent exploration and mining operation and current space ownership, and a discussion of the prospectivity of the area. The document outlines how data can be examined and site visits arranged.

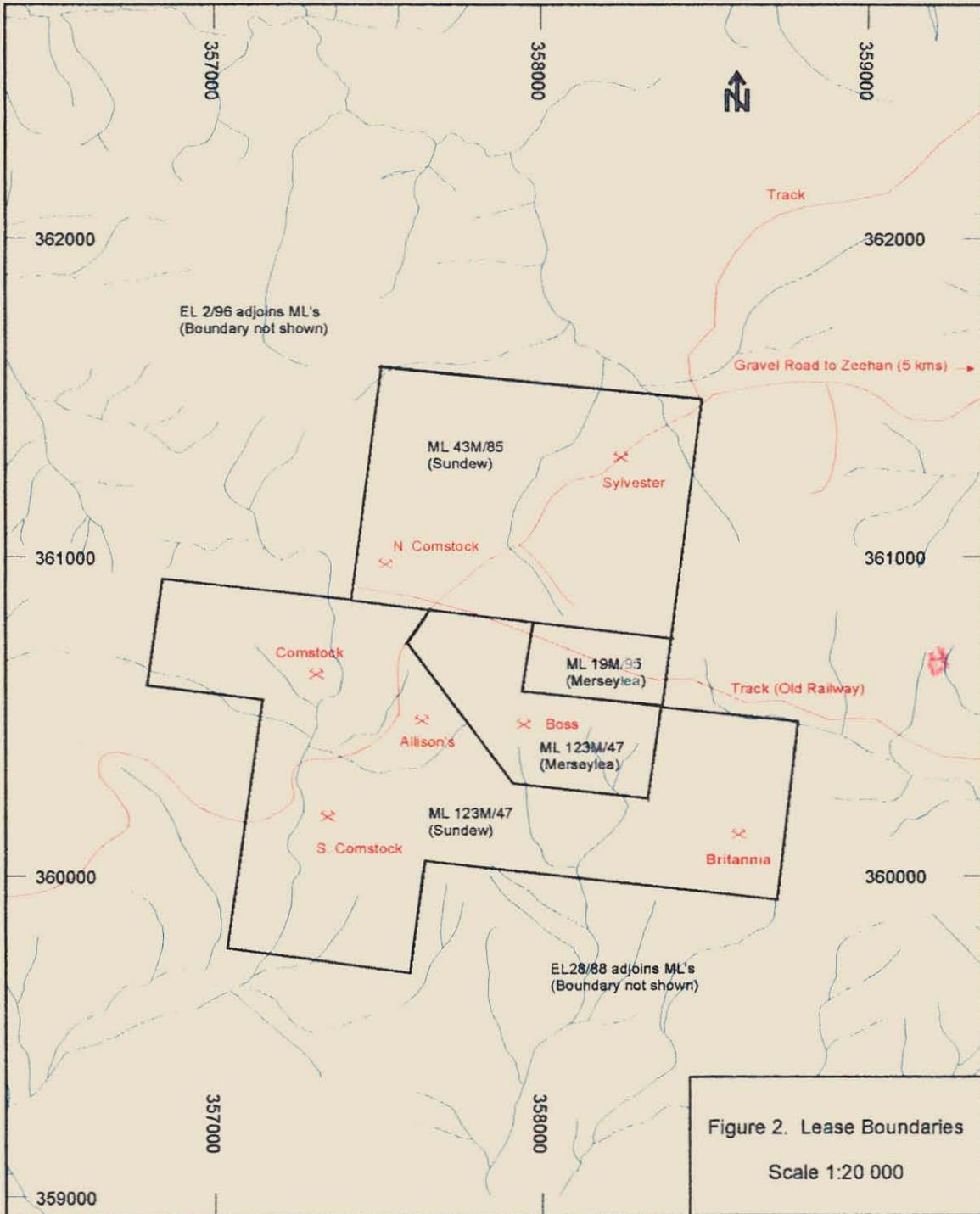


Figure 2. Lease boundaries, access, drainage and location of workings

3. LOCATION, ACCESS AND TITLE

Figure 1 shows the location of the Comstock area in western Tasmania. The locations of other major operating mines are shown, together with the roads and railways. Figure 2 shows the mining leases held by Oceania, which form the subject of this document. These leases adjoin exploration licenses EL 2/96 to the north, held by Rio Tinto Exploration Pty Limited ("Rio Tinto"), and EL 28/88 to the south held by Riotinto and Allegiance Mining NL ("Allegiance"). They were surrounded formally by EL 42/87, which was held solely by Renison Limited, and was explored by RGC Exploration Ltd ("Renison") from 1989 to 1995. They are readily accessible via approximately 5 kilometres of well maintained gravel road from the town of Zeehan which currently provides the accommodation for the nearby Renison tin mine, and is connected by sealed road with the State highway system, 5 kms to the east. The railhead used by Copper Mines of Tasmania for concentrate shipment to the port of Burnie, is just 12 kms from Zeehan at Melba Flats, and the Pasmaenco mine, which also uses the railway, is 29 kms by sealed road from Zeehan. We are advised that any sale agreement would include a freehold property in Zeehan.

Current title details are as follows: (refer to figure 2)

EL 2/96 - Riotinto
 EL 28/88 - Riotinto and Allegiance
 ML 43M/85 - Oceania, sub-leased to Sundew Holdings Pty Ltd
 ML 123M/47 - Oceania , partly sub-leased to Sundew Holdings
 Pty Ltd, and partly to Merseylea Mining.
 ML 19M/95 - Oceania, sub-leased to Merseylea Mining

Renison retained the right to explore within the mining leases from 1990 until 1995, but has no residual interest.

Under the sub-lease agreements, Sundew and Merseylea have the rights to explore and mine from surface to a depth of 70 metres, subject to payment of a profits based royalty, according to registered sub-lease agreements signed in 1995 for ten year terms.

The exploration and mining rights on all three ML's below 70 metres from surface, have been assigned by Oceania to the associated Swansea.

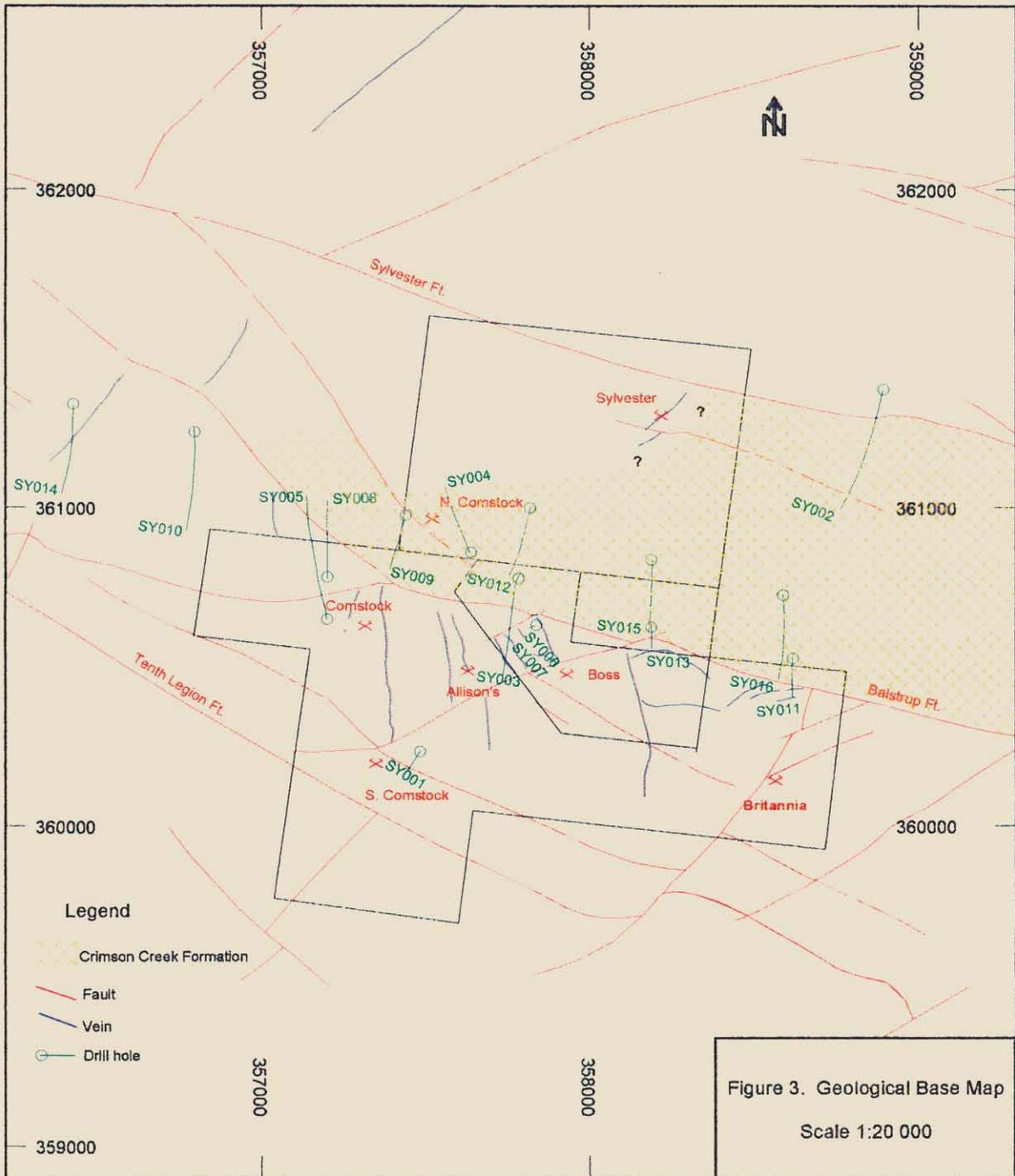


Figure 3. Geological Base Map
Scale 1:20 000

Figure 3. Geological basemap with lease boundaries, drill holes and workings.

4. GEOLOGICAL SETTING

Figure 3 is a geological base map for the area.

Stratigraphy

Broadly, the geology consists of tightly folded, highly faulted Proterozoic and Palaeozoic sediments which have been intruded by Devonian granites. In the Comstock area the key formations are the Proterozoic Upper Oonah formation, and the Cambrian Crimson Creek formation. These two formations form the footwall (south) and hanging wall (north) respectively, of the major, WNW trending Balstrup fault.

The Oonah Formation has been interpreted as being a distal turbidite sequence (Brown, 1986). Towards the top of the Formation, finer grained lithologies become more dominant and carbonates and spilitic volcanics appear. In the Comstock area the spilites are rare and the carbonates are the dominant lithology. Early phase isoclinal folding has produced structural repetition, and WNW thrusts hamper stratigraphic correlation.

A significant feature of the Upper Oonah Formation is the presence of broad "melange" zones characteristically consisting of chaotic, unsorted angular to lenticular fragments of Oonah sandstone in a fine carbonaceous matrix. These melanges are most abundant towards the contacts with upper units, particularly along the Oonah/Crimson Creek contact where they include some fragments of the latter unit.

The Crimson Creek Formation consists of a poorly outcropping sequence of weathered turbidites. The dominant lithologies are arenites, wackestones, tuffs and mudstones. There are also massive, poorly bedded siltstones and shales, and occasional carbonate interbeds.

Regionally, an unconformity is inferred at the base of the Cambrian sequence because the underlying Oonah formation sediments have been affected by isoclinal folding which has not been recorded in the younger units.

Cambrian gabbros and ultramafic dykes have been observed, but the major intrusive is a Devonian granitoid ridge interpreted to extend regionally from the Heemskirk Granite batholith, north-west of the prospect, towards the south east, at least as far as the town of Zeehan. Along this ridge, a culmination (cupola) is interpreted (based on gravity surveys), beneath Queen Hill, on the western outskirts of Zeehan and another culmination may occur beneath the Comstock area. The Queen Hill area was central to the historic mining of silver and lead, and it was via old workings that a major body of cassiterite in massive pyrite mineralisation was discovered in 1965-71. The only outcropping granitoid rocks in the area are a few thin, quartz-porphyry dykes.

Structure

It appears that an early (Pre-Cambrian) phase of deformation produced isoclinal folds, extreme local variability in bedding attitude and facing, and locally developed crenulation cleavages in the Oonah Formation. It is believed that the Oonah Formation lies over Cambrian volcanics, the boundary being a thrust fault. Fragments of Cambrian units in the melanges within the upper Oonah Formation are believed to have been introduced during faulting during the mid-Devonian Tabberabberan orogeny. This was the most significant period of deformation and it comprised two phases of compression producing NW trending folds, and then NE trending folds. A series of NW to WNW trending faults also resulted, the most significant being the Tenth Legion, the Sylvester and the Balstrup. The Balstrup Fault dips steeply to the north and is believed to be normal, with the north block wrenched to the west. The Tenth Legion Fault is a thrust fault, with a shallower dip to the NNE.

Another major set of faults, apparently normal, trends NNE, and dips are mainly steeply east. The Heemskirk batholith is thought to have intruded towards the end of this orogeny, and the intrusion appears to have been controlled by the major folds and regional structures, with culminations occurring between major anticlinal axes where they cross the regional trend.

Mineralisation

Virtually all economic production from the Zeehan field was silver-lead, and some of the mines were located within the boundaries of the mining leases described in this report. The lodes occupy small faults belonging to the NNE and NW trending sets described above. They rarely occupy major structures, but often appear to be spatially related to them. Host lithologies have little effect on mineralisation, and wallrock alteration is mostly absent.

Regional mineralogical zonation patterns, primarily based on distance from the Heemskirk granite, have been recognised in the past, but there is currently some difference of opinion on the detailed zonation, as new work uncovers variations.

In the Comstock mine/Tenth Legion Fault area, mineralisation is spatially associated with the Heemskirk granite and with the major structures, notably the Balstrup and Tenth Legion faults. Three main styles of mineralisation are present:

1. Magnetite-serpentinite skarns hosted by carbonates, mostly within the contact metamorphic aureole.
2. Base metal sulphide skarns hosted by carbonates, mostly outside the contact metamorphic aureole.
3. Sphalerite rich base metal pyrite veins, hosted by various lithologies.

Styles 2 and 3 are of main interest within the ML's.

TABLE 1

Ore Shipments by Oceania from South Comstock to Pasmenco

| Lot | Date Delivered | Tonnage Delivered | Moisture % | Tonnage Moisture | Tonnage Payment | Zinc Assay Base | Gross Metal Zinc Tonnes | Lead Assay % | Gross Metal Lead Tonnes | Silver Assay G/T | Gross Metal Silver Kilos | Zinc Price/T | Lead Price/T | Silver Price/t | Payment Received | Gross Metal Value |
|-----|-------------------|----------------------|---------------|---------------------|--------------------|-----------------------|-------------------------------|--------------------|-------------------------------|------------------------|--------------------------------|-----------------|-----------------|-------------------|---------------------|----------------------|
| 1 | 26.3.89 | 1,202 | 4.1 | 49.31 | 1,183 | 18.4 | 212 | 5.1 | 58.82 | 86 | 99.19 | 2,429 | 727 | 228 | 140,813 | 680,955 |
| 2 | 7.5.89 | 815 | 3.5 | 18.05 | 497 | 21.8 | 108 | 4.3 | 21.40 | 86 | 42.79 | 2,235 | 833 | 222 | 67,108 | 269,853 |
| 3 | 14.6.89 | 689 | 5.6 | 31.30 | 537 | 17.0 | 91 | 3.0 | 16.13 | 61 | 32.81 | 2,235 | 833 | 222 | 37,280 | 225,127 |
| 4 | 28.5.89 | 508 | 4.5 | 22.80 | 485 | 16.3 | 74 | 3.9 | 18.86 | 78 | 37.90 | 2,235 | 833 | 222 | 35,125 | 190,405 |
| 5 | 4.8.89 | 680 | 4.5 | 28.12 | 654 | 19.6 | 108 | 4.2 | 23.28 | 63 | 34.92 | 2,209 | 882 | 225 | 60,433 | 268,412 |
| 6 | 11.6.89 | 1,022 | 7.7 | 78.71 | 943 | 17.6 | 166 | 4.4 | 41.52 | 68 | 64.16 | 2,209 | 882 | 225 | 81,238 | 417,984 |
| 7 | 18.5.89 | 267 | 8.2 | 21.92 | 245 | 16.6 | 40 | 4.6 | 11.29 | 81 | 19.88 | 2,209 | 882 | 225 | 17,804 | 104,431 |
| 8 | 18.8.89 | 728 | 10.8 | 78.40 | 647 | 8.0 | 58 | 2.2 | 14.25 | 33 | 21.37 | 2,209 | 882 | 225 | 18,855 | 148,151 |
| 9 | 8.7.89 | 1,228 | 8.5 | 104.38 | 1,123 | 8.0 | 89 | 2.0 | 22.47 | 35 | 38.33 | 2,204 | 809 | 222 | 26,890 | 227,399 |
| 10 | 23.7.89 | 713 | 5.2 | 37.13 | 676 | 9.5 | 64 | 2.9 | 19.63 | 52 | 35.19 | 2,204 | 809 | 222 | 21,892 | 167,454 |
| | | 7,334 | 6.4 | 468.23 | 6,865 | 14.8 | 1014 | 3.6 | 247.74 | 82 | 427.64 | 2,281 | 838 | 225 | 506,041 | 2,598,177 |

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5. PAST MINING AND EXPLORATION

Silver-lead veins were discovered near the present town of Zeehan in 1882. The Zeehan field developed rapidly and flourished until 1914. The area was explored and mined extensively and there are numerous old surface and underground workings. A brief resurgence of silver-lead mining occurred during the period 1947-1960, by which time the field had produced a total of 194,816 tonnes of lead, and 26,585,000 ozs of silver.

Oceania worked on the open pit at the old South Comstock Mine in 1989, and established that economic head grades could be supplied to the Rosebery (Pasminco) mill (see Table 1). Some 7,334 tonnes of ore were shipped and concentrated. A thousand tonnes were also mined at the Sylvester site in 1988. Oceania also commenced drilling with a hole to look for mineralisation associated with the extension of the Tenth Legion Fault which is visible at surface, just south of the South Comstock mine.

Renison explored EL 42/87, including the mining leases, for five years until the agreement with Oceania expired in May 1995, leaving with no residual interest. The initial target was tin, relating to major faults crossing the area on easterly trends. Tapping of a mineralising porphyry stock or cupola could have produced fissure/stockwork/carbonate replacement style tin deposits such as those known at nearby Queen Hill.

Exploration involved establishing 100m spaced grid lines, 1:1000 scale geological mapping, c-horizon soil sampling, weathered bedrock auger sampling, ground magnetics, costeaning, and diamond drill testing of magnetic and geochemical anomalies. The anomalous soil sample assay values for lead, zinc, arsenic and antimony are shown in figures 4 to 7. The field lines were run approximately north-south to achieve normality to the major faults, and a large suite of about thirty elements were analysed in the weathered bedrock samples. Little encouragement was obtained for the presence of shallow tin mineralisation, but some strong lead-zinc geochemical anomalies were revealed along the footwall of the Balstrup Fault, and in a number of other spots.

A total of 16 holes were drilled to test the Balstrup Fault mineralisation, and their location is also shown on figures 3 and 8. Downhole Sirotem surveys were run in some of the holes. Drilling between the Boss Mine vicinity and an along-trend, strong magnetic anomaly to the west, disclosed a large resource of skarn-related, lead-zinc mineralisation. Costeans were cut to look for surface expression of the mineralisation intersected by the drill holes. Figure 8 shows three north-south sections, and their location relative to the drill holes and structure, as depicted at surface. The sections show the consistent intersections of the mineralised zone immediately below the Balstrup Fault. Section 4 is shown in Figure 10 to illustrate the possibility of mineralisation associated with the Tenth Legion Fault, and is discussed later (see Prospectivity)

Renison was sufficiently encouraged by these intersections to investigate the economics of an underground operation, based on a body inferred to start 80 metres below surface to 480 metres below surface, dipping about 68 degrees to the NE and averaging 4 metres wide, for a strike extent of 1000 metres. Figure 9 shows the extent of the area included and the drill hole intersections within it, in longitudinal projection. Mineralisation is also evident beyond the strike extent chosen, in both directions, and the body is also open at depth. By 1995, when Renison's option period to explore within the mining leases expired, the potential for a large

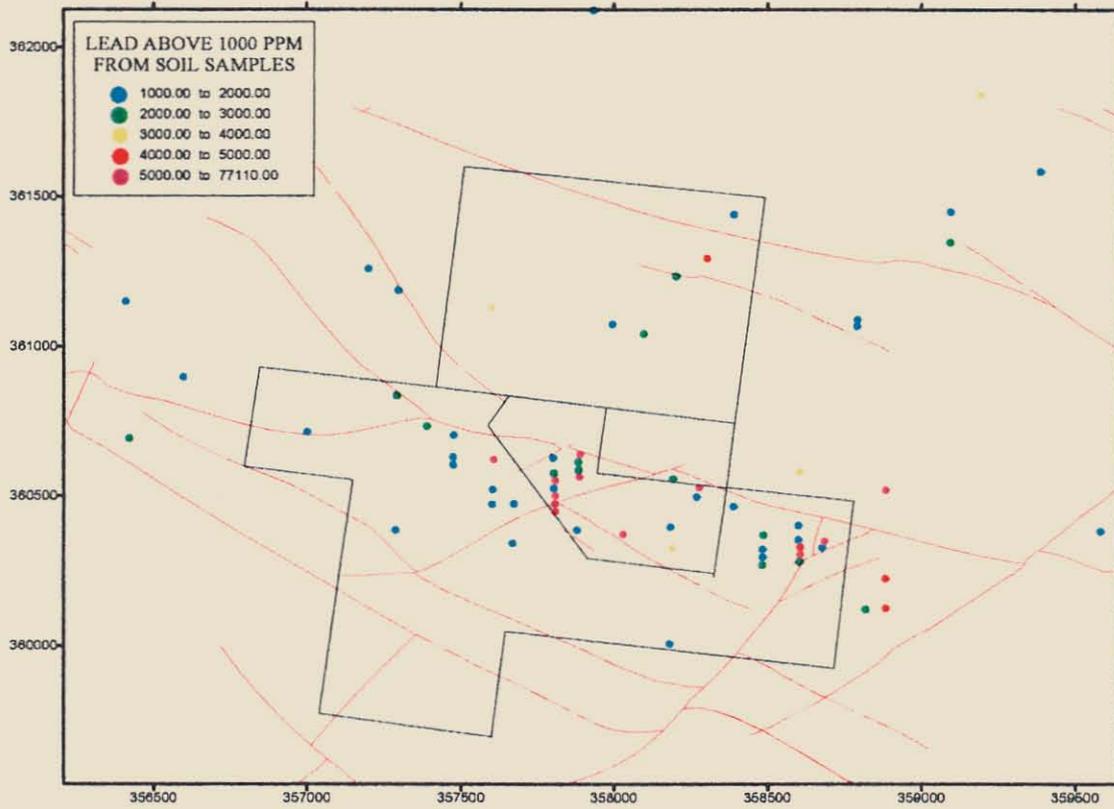


Figure 4. Lead assay values above 1000 ppm from soil samples

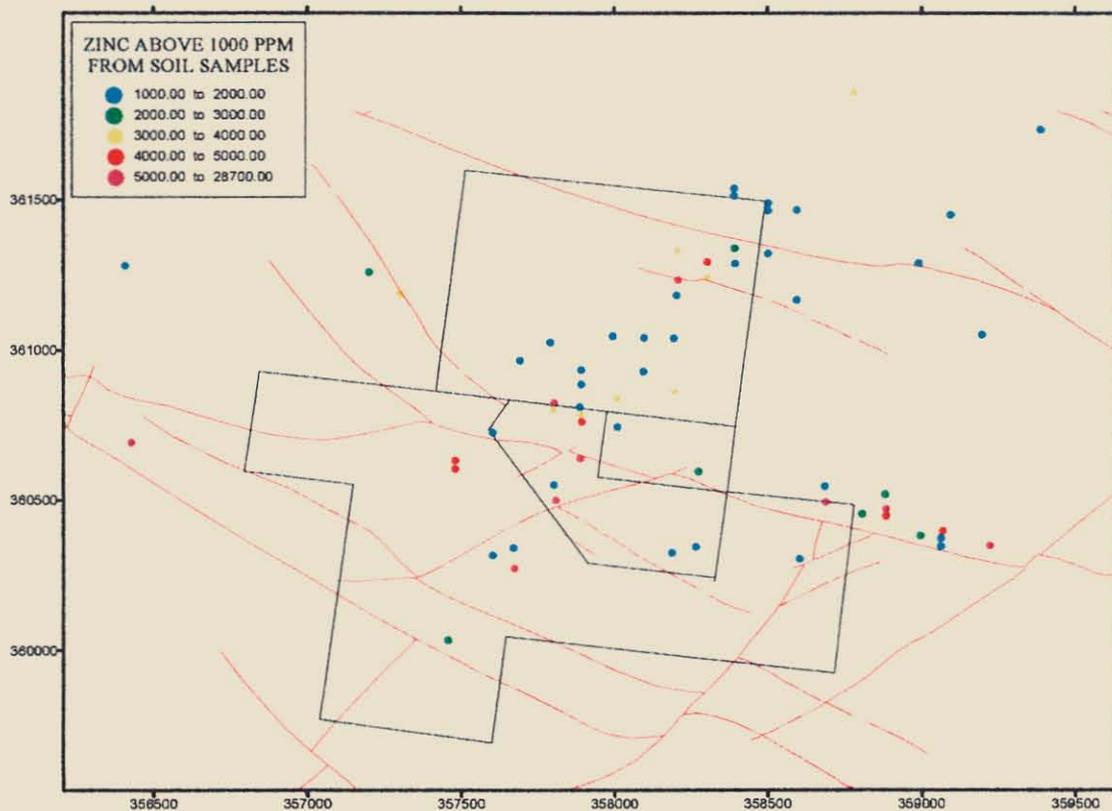


Figure 5. ZINC assay values above 1000 ppm from soil samples

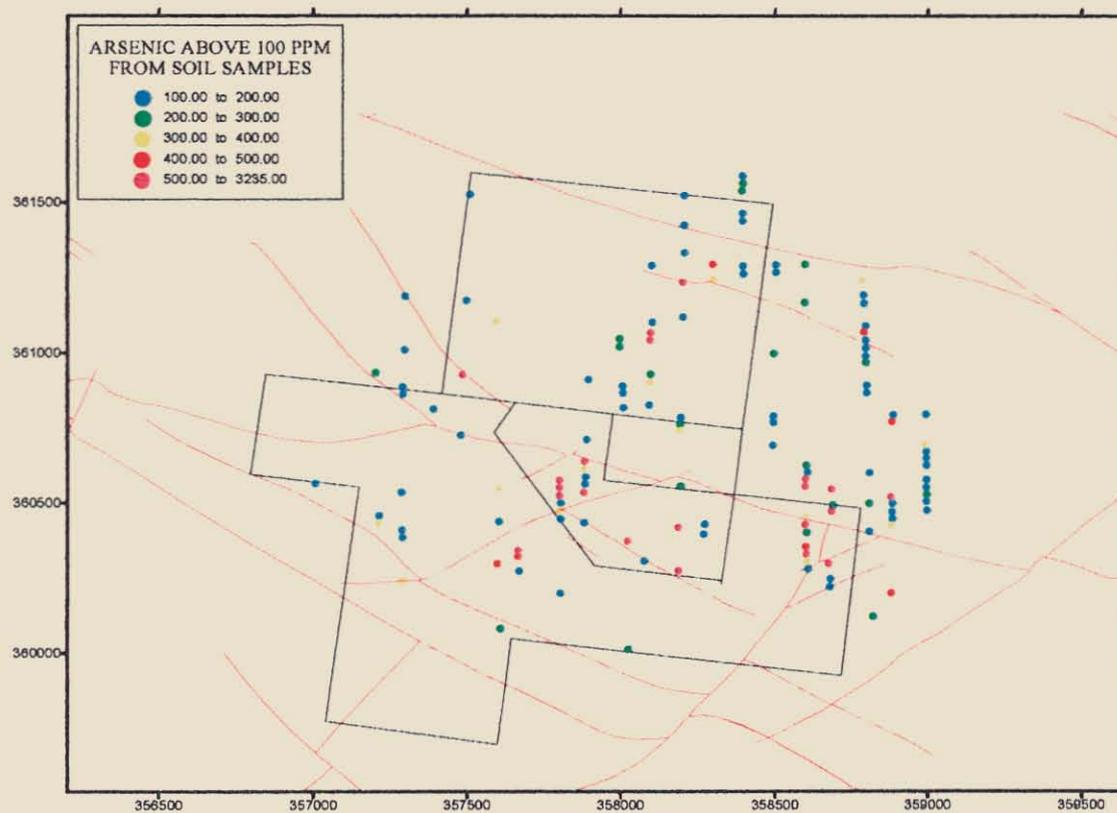


Figure 6. Arsenic assay values above 100 ppm from soil samples

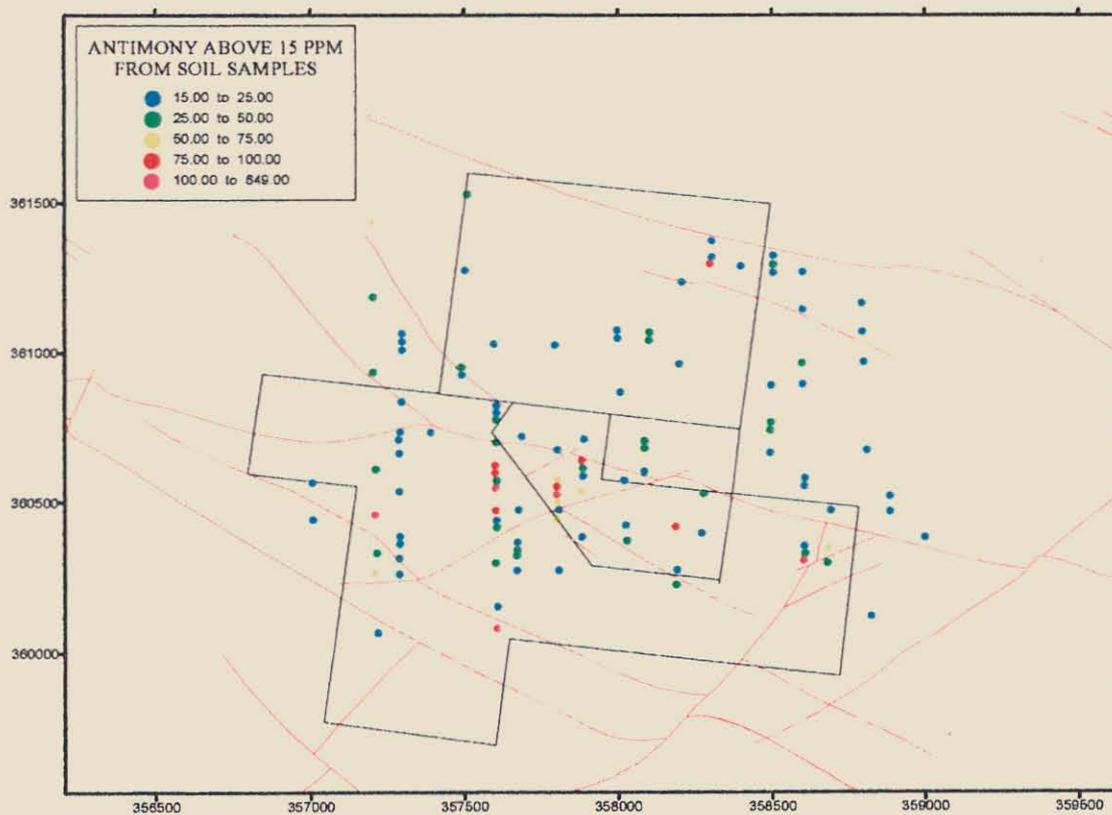


Figure 7. Antimony assay values above 15 ppm from soil samples

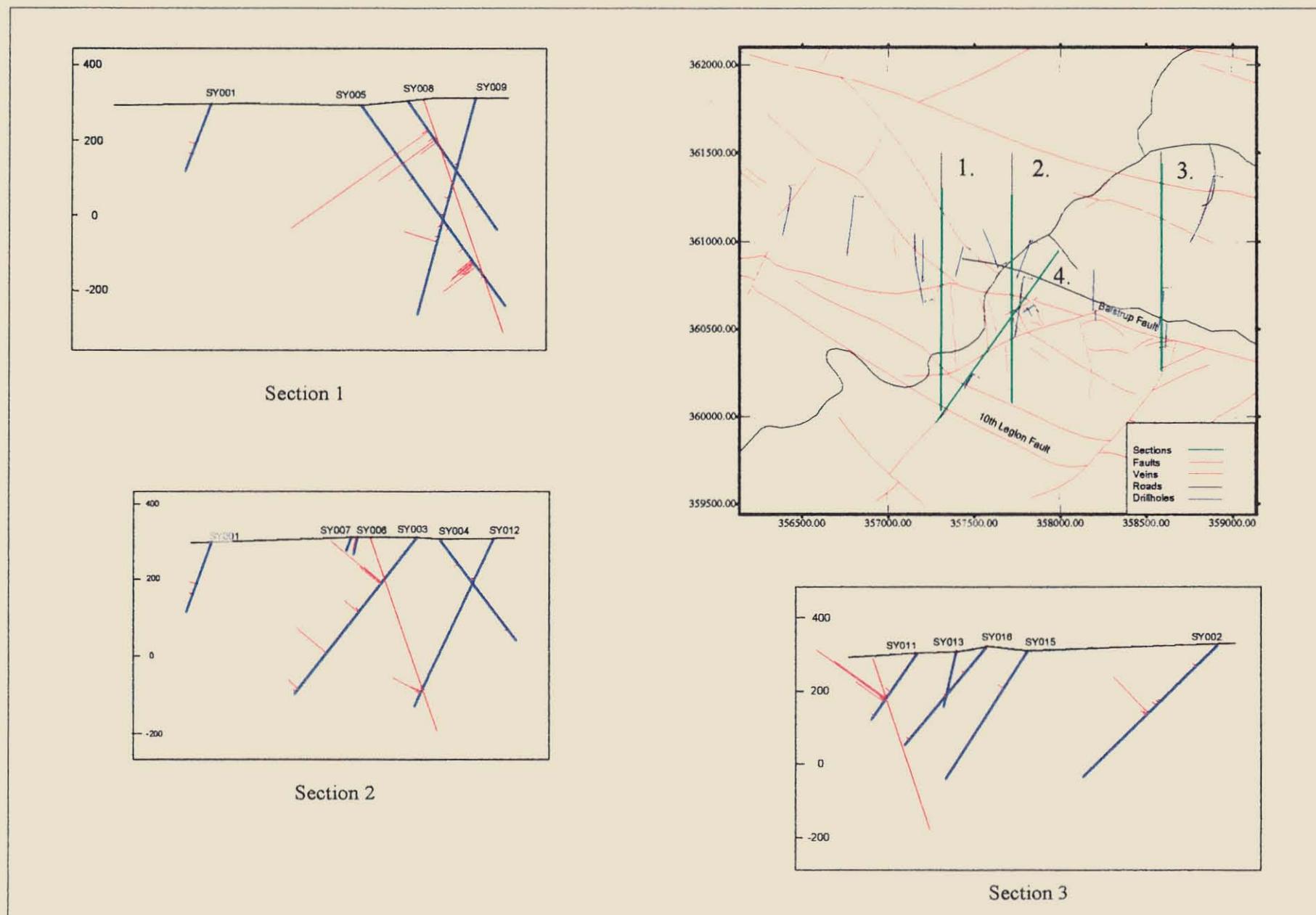


Figure 8. Sections across the Balstrup Fault with Zinc intersections above 1000 ppm (See Figure 10 for section 4)

Figure 8. Section across the Basin with line intersections every 1000 bbl (See Figure 10 for section 4)

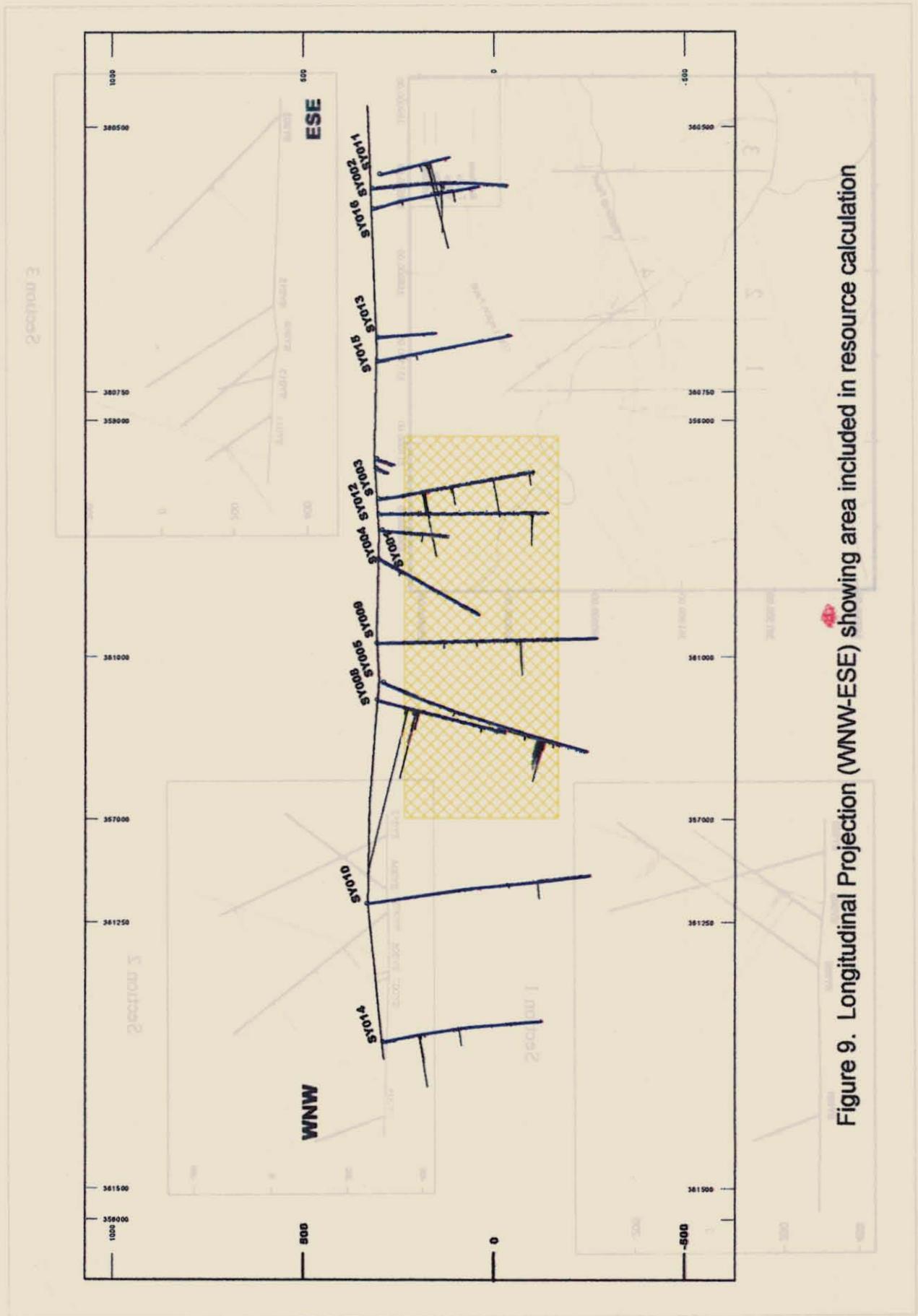


Figure 9. Longitudinal Projection (WNW-ESE) showing area included in resource calculation

low grade body to exist had been established, with inferred resources of more than 6 million tonnes at 5.5 % zinc, 3.3% Pb and 40 g/t silver. Metallurgical studies indicated that there would be no significant processing problems, as has been proven recently during Sundew's 500 tonne bulk sample trial at Pasmaenco in Rosebery.

Renison deemed the deposit to be sub-economic, following a study of the economics of underground mining, while noting that there was potential for a smaller, higher grade deposit to be mined within the main body, by choosing narrower intersections based on higher cutoffs. This also could, they noted, result in overcoming potential hanging wall geotechnical problems. By selecting narrower intersections, and using the same strike and depth extents assumed by Renison, Swansea calculated a tonnage of 2.9 million tonnes at 8.6% Zn, 4.6% Pb and 59 g/t. The intersections used by Swansea and Renison are included in Appendix II. Swansea's higher grade estimate is heavily dependent on the intersections in SY005 and SY008 (see figure 8, section 1), and their consistency needs to be demonstrated by further infill drilling to allow an estimate to be calculated which satisfies the requirements of an inferred resource estimate.

Renison did not attempt to follow up numerous spot anomalous lead and zinc values present on lines beyond the immediate vicinity of the Balstrup Fault, recognising that some of these might express veins similar to those exposed in the old Comstock workings, which would be too small to support the larger style of operation a company of its size was seeking. It is worth noting that the north-south orientation of geochemical grid lines is not considered optimal for the discovery of vein-hosted mineralisation, which recent work indicates trends NNE to SSW.

The assay surface sample and drill hole assay data are contained in the annual reports on exploration submitted by Renison to Mineral Resources Tasmania (MRT), and are on open file in the MRT library, as well as on the Datamine database prepared by Knight.

Sundew commenced exploration in January 1996 with a re-evaluation of the Renison results. This programme is discussed in more detail in the next section.

6. RECENT EXPLORATION

While recognising the potential for a larger scale of operation based on a deeper resource, Sundew commenced exploration in January 1996 with the objective of finding deposits of lead-zinc ore which could be extracted by open cut mining, and which would be acceptable for purchase by Pasmaenco at Rosebery, or Aberfoyle at Hellyer. Accordingly, their sub lease rights extend to 70 metres below surface. Exploration to date has included evaluating previous exploration data, particularly the geochemical anomalies, costeaning by mechanical excavator, sampling of costeans, and diamond drilling.

This work has resulted in the discovery of 5 new lodes previously unknown to prospectors, as well as the mining of a bulk sample at the previously known Allison's lode. Metallurgical tests have been carried out at Pasmaenco, an agreement has been signed to cover bulk sample trials, and 1000 tonnes has been transported to the mill for processing. 500 tonnes have now been processed, yielding grades of 20% Zn, 2.3% Pb, and 49 g/t Ag. Metallurgically, the ore is performing quite satisfactorily in the mill. The mining lease rights also permit a similar 1000 tonnes to be mined at the new Sylvester lode for bulk trials.

7. PROSPECTIVITY

The prospectivity of the Comstock area is based geologically on its proximity to the Heemskirk granite, and the surface expression of silver-lead-zinc mineralisation. It is enhanced by a history of mining production based on silver and lead, which has left numerous old workings, providing further direct exposure of mineralisation. Since the area lies beside the intensely mined, and highly prospective Mount Read Volcanics belt of mineralisation, there is already a suitable infrastructure for new mining operations. The existence of granted mining leases is also a positive factor.

The total cost of Oceania's exploration and mining was \$1.2 million which covered upgrading the road from Zeehan and diverting it around the South Comstock mine area, tunneling to re-open access to underground workings, diamond and other drilling, geophysics, and open pit mining. Since Renison concluded its exploration programme, at a reported cost of approximately \$1.6 million, Sundew have recommenced exploration which has led to mining of shallow, vein-hosted ore, and bulk sample trials at Pasminco (Rosebery). Results are encouraging, and this operation could be seen to operate in conjunction with further exploration.

In Knight's opinion, Renison's exploration programme established the prospectivity for a major silver/lead/zinc orebody. However, their primary target was tin. Their economic assessment of the viability of a silver/lead/zinc mine was based on a very simple view of the resource and geological structure. Only one scale of mining was considered and the assessment did not take into account the inclusion of the vein-hosted style of mineralisation now being exploited from surface. Renison recognised that further infill drilling results could substantially alter the economics. Oceania now has a mining software database which can be used to analyse drill hole assay data and structural interpretation in three dimensions, in the planning of future infill drilling.

There are several exploration targets to be considered.

1. Shallow, high grade vein-hosted mineralisation

This has formed the basis of previous and current mining, from surface, and via underground workings. Currently, surface operations are proving to be viable based on the lodes being mined by Sundew in the Allison's workings area. It is encouraging that the tonnage per vertical metre is increasing as this mining proceeds. There are similar targets for the development of medium tonnages of economic silver-lead-zinc mineralisation in the vicinity of known intersections (costeans and drill holes), and elsewhere along the major faults, such as the Sylvester. These possibilities certainly exist in the Boss area, and possibly also in the Britannia and Comstock areas. Renison interpreted the deeper mineralised intersections in SY003 as being associated with the depth extension of the Boss Mine mineralisation.

Soil sampling on an east-west oriented grid would better achieve the potential to define more targets for multiple, shallow, vein-hosted mineralisation. Self Potential surveys are known to be very efficient in locating this type of mineralisation, and should be included in future exploration.

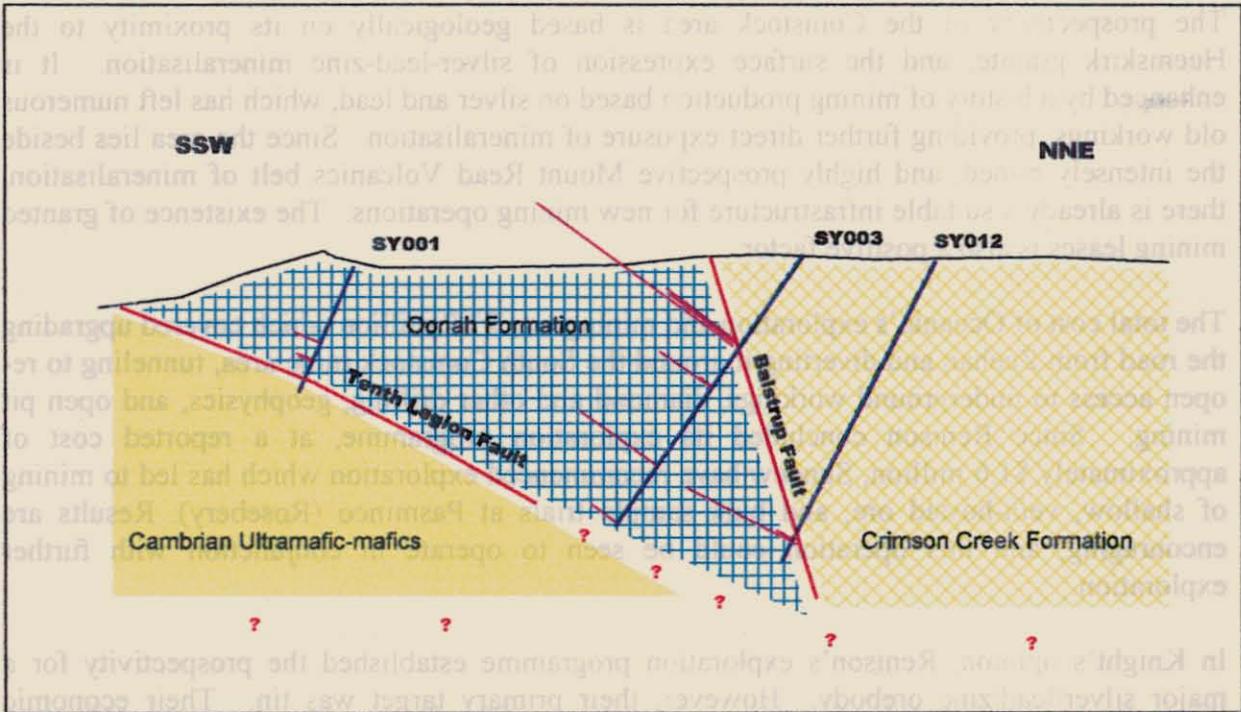


Figure 10. Section 4 through SY001 and SY003 showing Tenth Legion Fault Interpretation

assessment of the variability of a silver-lead-zinc mine was based on a very simple view of the resource and geological structure. Only one scale of mining was considered and the now being exploited from surface. Renison recognized that further infill drilling results could substantially alter the economics. Oceania now has a mining software database which can be used to analyse drill hole assay data and structural interpretation in three dimensions, in the planning of future infill drilling.

There are several exploration targets to be considered.

1. Shallow, high grade vein-hosted mineralisation

This has formed the basis of previous and current mining from surface, and via underground workings. Currently, surface operations are proving to be viable based on the lodes being mined by surface at the Allison's workings area. It is encouraging that the tonnage per vertical metre is increasing as the mining proceeds. There are similar targets for the development of medium tonnage of economic silver-lead-zinc mineralisation in the vicinity of known intersections (costans and drill holes), and elsewhere along the major faults, such as the Sylvester. These possibilities certainly exist in the Ross area, and possibly also in the Britannia and Kambrock areas. Renison interpreted the deeper mineralised intersections in SY003 as being associated with the deep extension of the Ross mine mineralisation.

Soil sampling on an east-west oriented grid would better achieve the potential to define more targets for multiple, shallow, vein-hosted mineralisation. Self-potential surveys are known to be very efficient in locating this type of mineralisation and should be included in future exploration.

2. Massive skarn-hosted , fault-controlled bodies

There is sufficient evidence, in the form of drill hole intersections and geophysical data, to indicate the presence of massive, skarn-hosted, fault-controlled bodies beyond the limits of small scale, surface mining. The Renison inferred resource along one section of the Balstrup fault should be investigated further by infill drilling and down-hole geophysics. Other intersections along the Balstrup fault, and extending into the exploration leases (owned by other parties), which enclose the mining leases, provide more targets for verification of larger tonnages of fault controlled mineralisation. In addition there is the potential for similar mineralisation along the Sylvester and Tenth Legion faults which has yet to be properly tested by drilling.

3. Tenth Legion mineralisation

In the South Comstock area, drill hole SY001 intersected 8 metres of mineralisation directly above the Tenth Legion thrust fault zone which was identified by the characteristic melanges in the Oonah Formation, overlying gabbro belonging to the Cambrian ultramafic-mafic formation. Figure 10 shows a section from the surface intersection of the fault zone, through SY001, and SY003, SY012 to the NNE. The concept has been proposed by Swansea that this zone was a conduit, and is host for further large scale mineralisation.

8. ACCESS TO DATA AND SITE VISITS

Apart from the information set out in this memorandum, other reports, maps and diagrams can be viewed in a data room in a Hobart office. There is also a Datamine database (see References) which can be viewed interactively in Hobart. Guided site visits can also be arranged.

9. REFERENCES

The information in this document has been drawn heavily from the annual reports by Renison on exploration in EL42/47 (incorporating M.L.'s 43M/85, 123M/47 and 19M/95) from 1990 to 1995 (See MRT library references below) and the annual report (30/9/96) covering exploration completed by Sundew (then McCormick Civil Constructions) in 1996. Additional contributions from David O'Connor, Exergy, Pty Ltd, the author of that report, are gratefully acknowledged. A Datamine data-base was prepared in 1996 by Knight for Oceania, comprising topographic and other cadastral data, geology, drill hole geometry, downhole and surface assay data. This has formed the basis for preparation of some of the figures in this document.

TCR 89-3014 1989 Annual Report
TCR 91-3309 1991 Annual Report
TCR 93-3503 1993 Annual Report

TCR 90-3200 1990 Annual Report
TCR 92-3386 1992 Annual Report
TCR 94-3624 1994 Annual Report

Information was also drawn from Burrett C.F. Martin E.L. (editors) 1989, *Geology and Mineral Resources of Tasmania. Special Publication Geological Society of Australia 15.*
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APPENDIX I

Letter from Australian Mining Consultants Pty Ltd

25 November 1997

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Directors
Swansea Mining Company Pty Ltd
84 Wells Parade
BLACKMAN BAY TASMANIA

Dear Sirs,

Comstock Silver Lead Zinc Prospect, Information Memorandum, November 1997

We have been provided with a copy of the Final Draft of the "Comstock Silver Lead Zinc Prospect, Information Memorandum, November 1997", prepared by J M Knight and Associates Pty Ltd ("Knight") for Oceania Tasmania Pty Ltd ("Oceania") and Swansea Mining Company Pty Ltd ("Swansea"), and have been asked to provide this letter to be read with that Information Memorandum.

In October 1996, Australian Mining Consultants Pty Ltd ("AMC") was requested by Knight on behalf of Swansea to evaluate the mining leases listed in the Information Memorandum and described as the Comstock Silver Lead Zinc Prospect. Its advice was to be provided in stages, such that the first stage would involve a field visit and data review with a recommendation as to further activities.

The writer visited the area on 30 and 31 October 1996 in company with Messrs J Knight and D O'Connor. He carried out a field inspection including historical workings and sites of more recent activities, including drilling by RGC Exploration Pty Ltd ("Renison"). Subsequently, AMC advised Swansea that, in its view, the area represented an exploration project which could be logically advanced by introducing a new party capable of funding ongoing work by means of a farm-in or other agreement or, alternatively, it might be vended to a group wishing to include it in a portfolio for a prospectus issue. AMC provided its opinion that targets for exploration included larger tonnages of fault controlled mineralisation along the Balstrup Fault and other similar structures; medium tonnages of economic lead, zinc, silver mineralisation in the vicinity of the known drillhole intersections and elsewhere, that potential being possibly increased by the proximity of a number of Comstock-style smaller lodes; and further testing of magnetic anomalies for medium to larger tonnages of skarn-style mineralisation. It recommended that the most sensible approach would be to offer the property for farm-in or similar, accompanying such offers or approaches with a well-prepared Information Memorandum.

In September 1997, at Knight's request on behalf of Swansea, the writer discussed the format of an Information Memorandum with Knight and subsequently reviewed drafts of it leading to the Final Draft. At Swansea's request, AMC also provided advice on terms it considered appropriate in regard to the sale of all rights to the project.

Based on our field visit and the information which we have reviewed, we are of the opinion that the Information Memorandum provided by Knight contains a comprehensive summary of the technical aspects of the project and is consistent with that information. AMC has not reviewed matters relating to the title or to agreements between any of the parties involved in operations on the project.

In particular, we are of the view that Knight's description of the geology and style of mineralisation and its comments on prospectivity are reasonable. We concur with the view that there are several targets for exploration including both small higher grade lode deposits and larger, lower grade bodies which, at least in part, may be controlled by the major faults. We have seen evidence of much of the earlier work by Swansea and Renison, as well as of at least one of the recent near surface lode discoveries of the lessees. We have not seen any of the work carried out by the latter since the time of our visit nor had any access to information concerning it.

To the extent of our review, the Information Memorandum in its description of other past production and exploration is consistent with the information we have seen.

AMC is being paid a fee commensurate with its normal per diem rates and out of pocket expenses for the work it has carried out in the past and for preparation of this letter. It has no other interest in the project, in Swansea or in other companies involved or in the outcome of any transaction which may result.

Subject to the payment of all outstanding fees due to AMC, we consent to the inclusion of this letter as an annexure to the Information Memorandum and to its disclosure to parties interested in acquiring an interest in the project. Knight has stated that the Information Memorandum does not constitute a prospectus and this letter should not be read as in any way constituting part of or contributing to a prospectus.

We have prepared this letter based upon information which we believe to be accurate at the time of writing but which is not guaranteed. We make no representation or warranty as to the accuracy, reliability or completeness of the information contained in this letter, and will not accept liability to any person for any errors or omissions, or for losses or damages claimed as a result, directly or indirectly, of items discussed or opinions rendered in this letter, except for statutory liability which may not be excluded.

Yours faithfully,

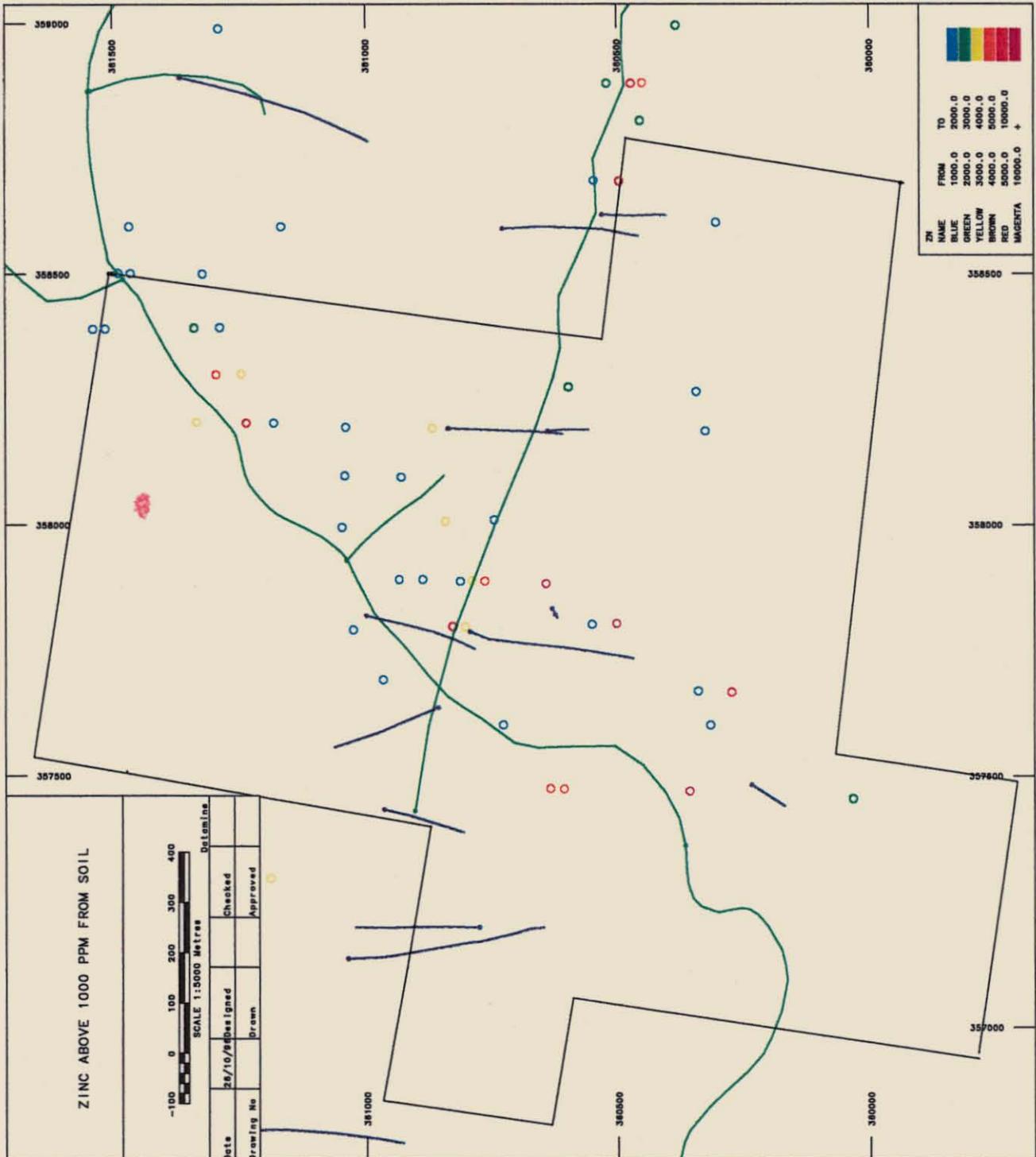


G R Appleyard FAusIMM, CP (Geo), MCIM, MMICA
- Director

APPENDIX II

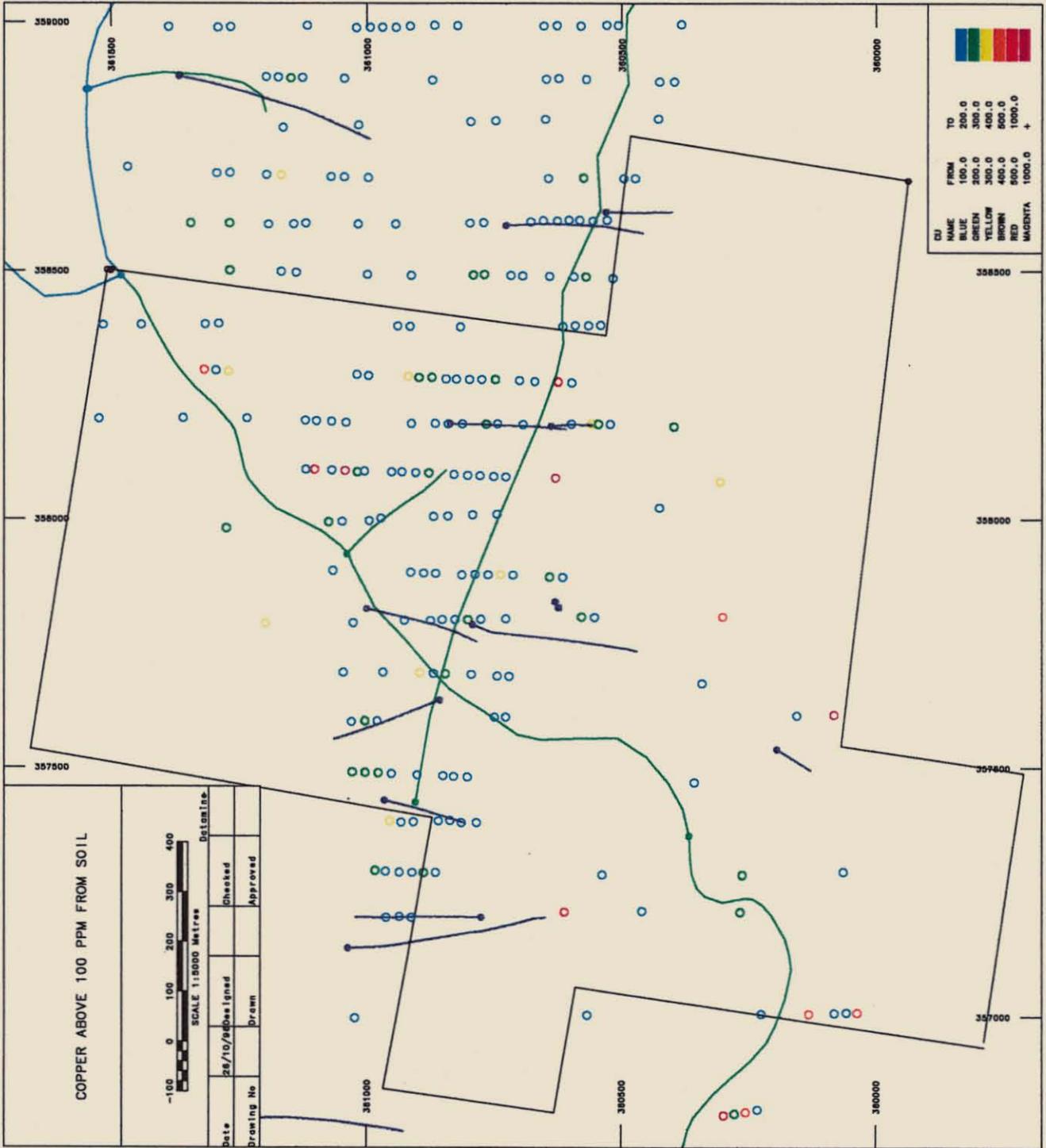
Surface diamond drill hole assay data

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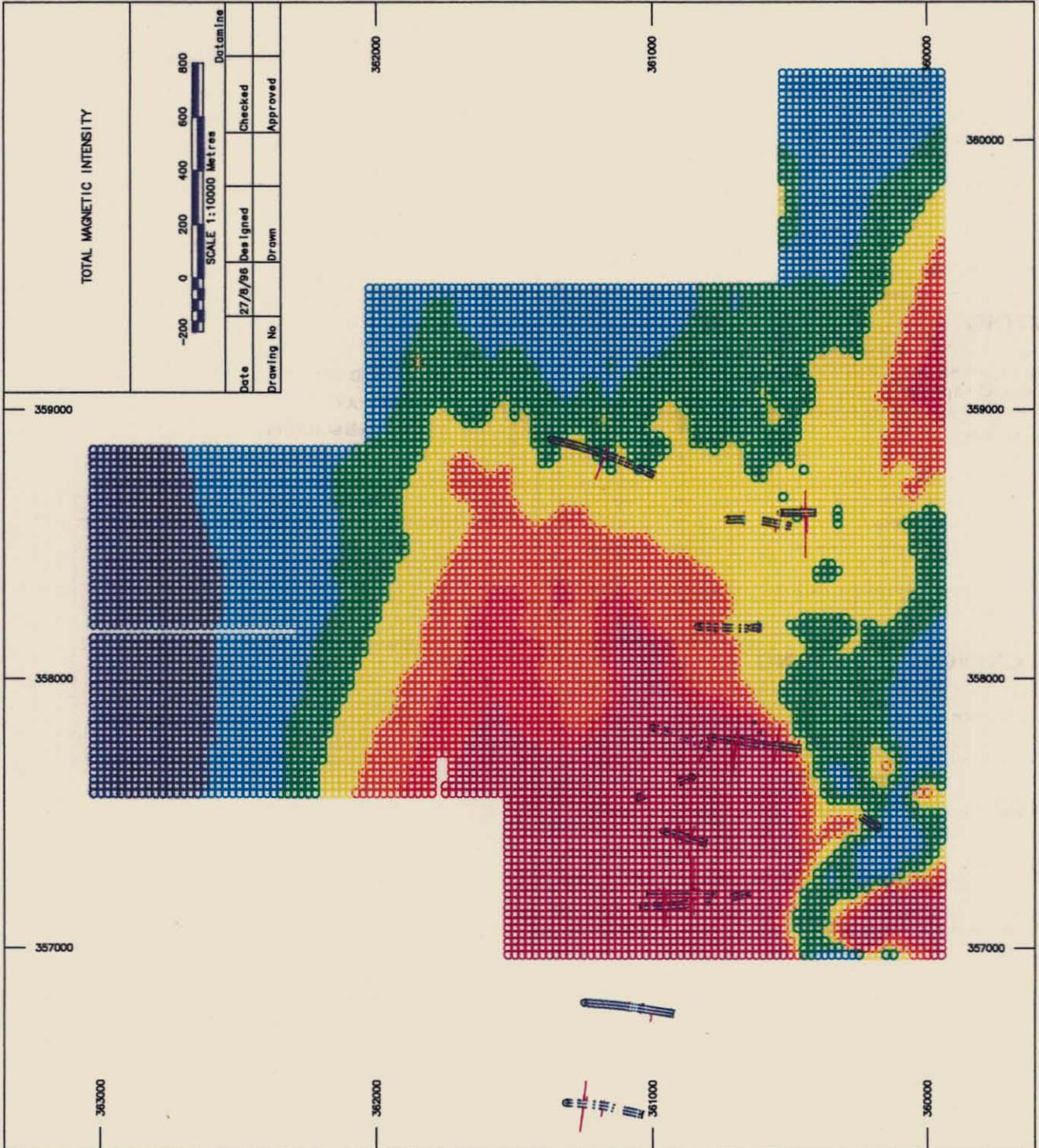
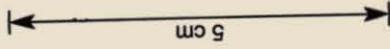
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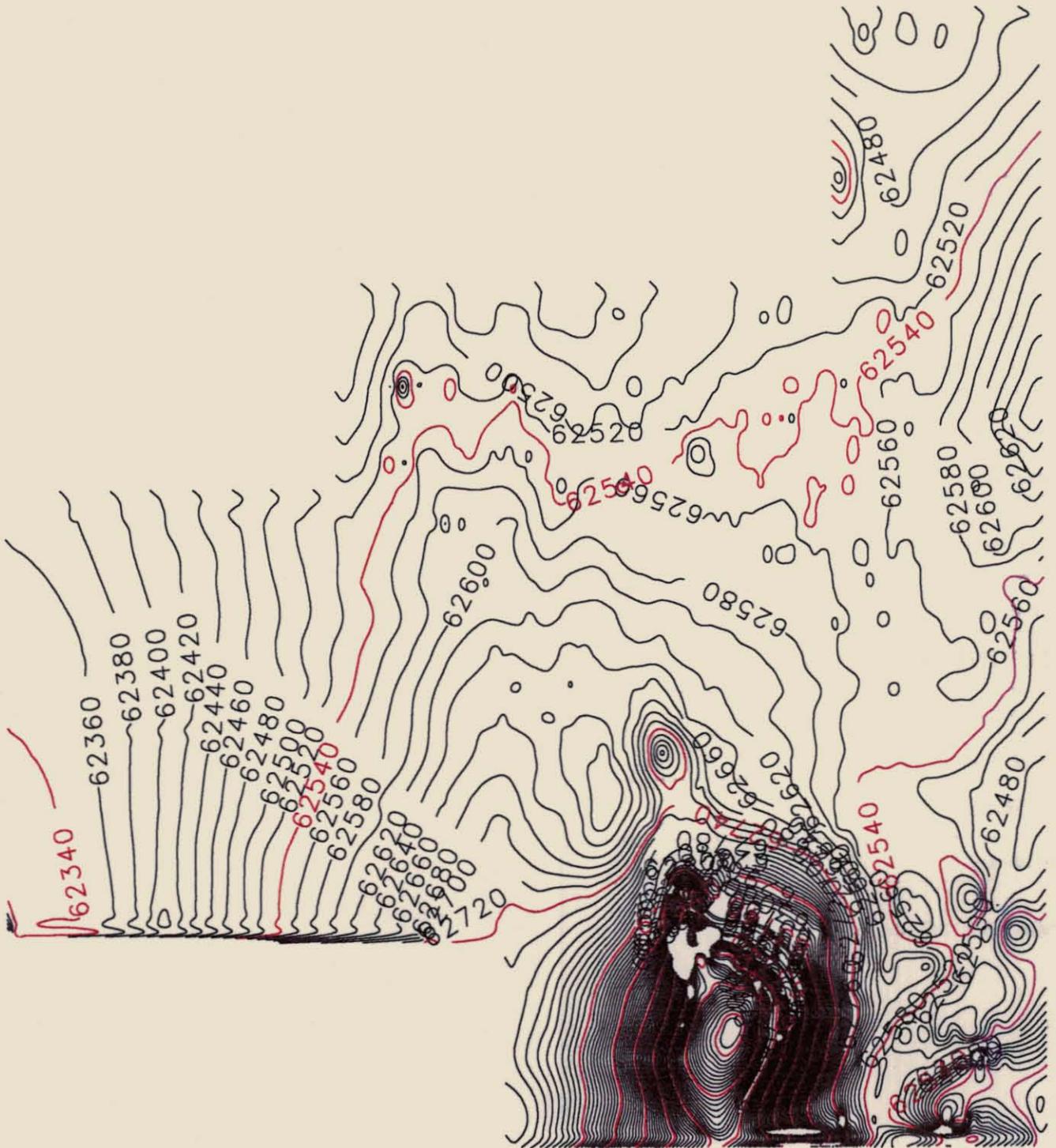


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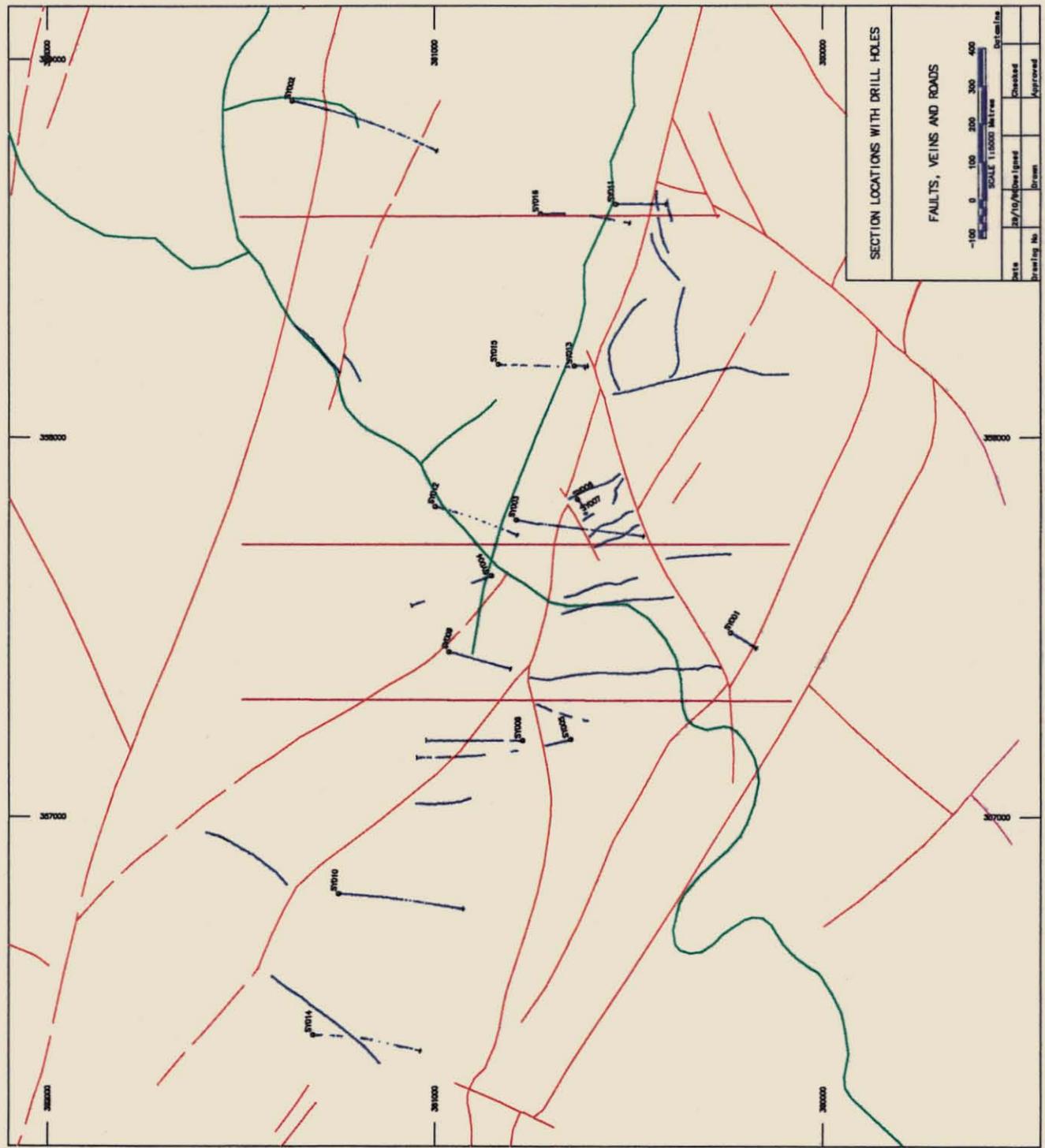
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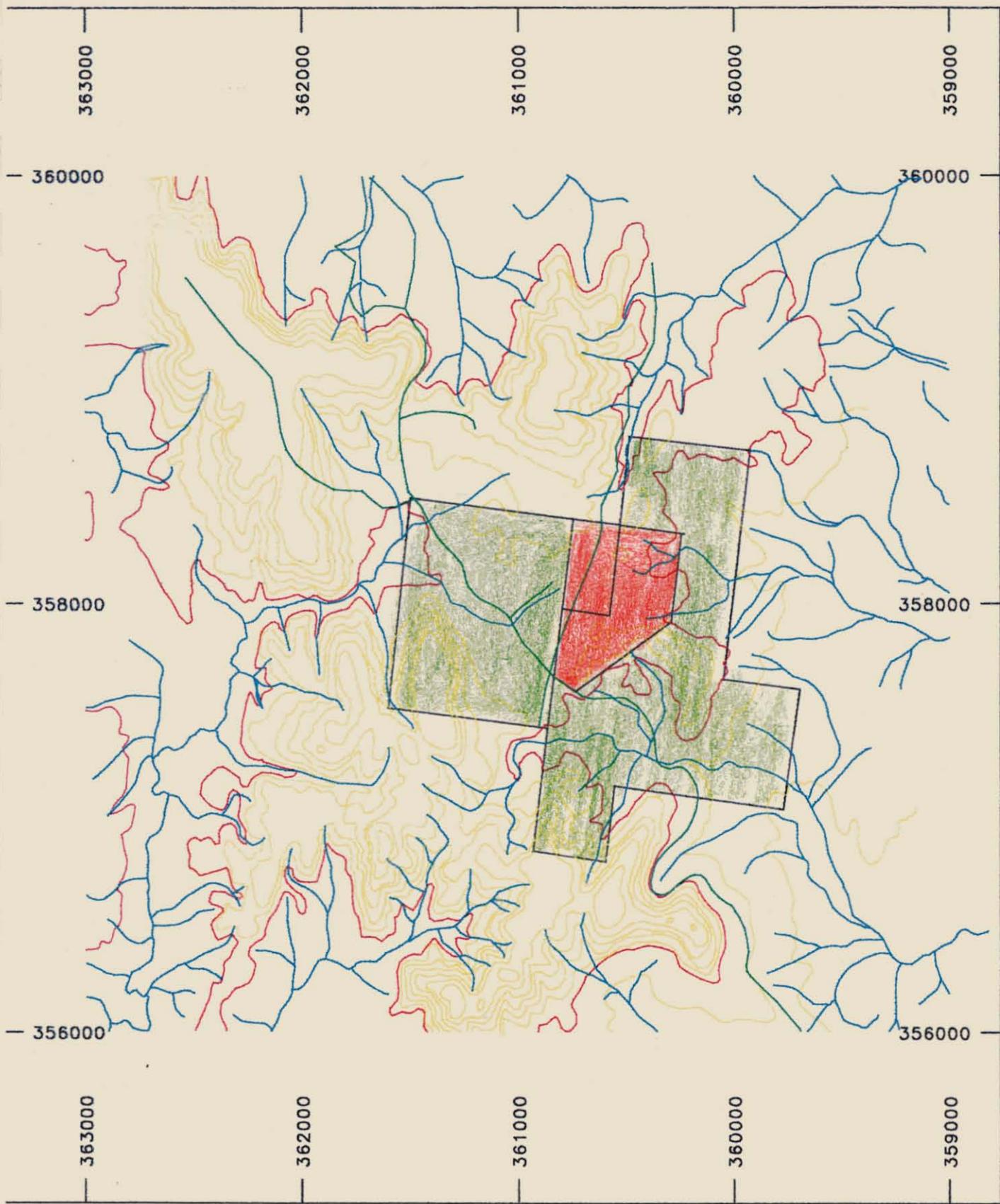
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