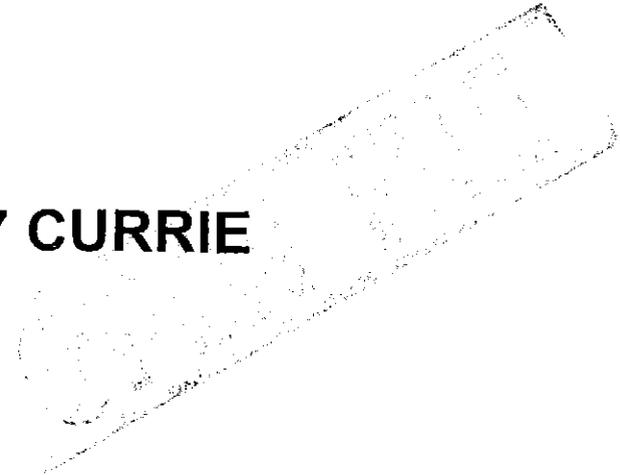
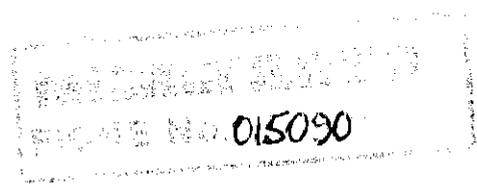


PACIFIC-NEVADA MINING PTY LTD
PO BOX 7214
Cloisters Square
Perth WA 6850

EL09/97 CURRIE



**PARTIAL RELINQUISHMENT
REPORT**



EL09/97

See folio 5f

Volume 1 of 1

99-4332

PARTIAL RELINQUISHMENT RPT - EL 9/97
CURRIE-PACIFIC-NEVADA
S WESTBROOK

Sean Westbrook, Exploration Geologist
Pacific Nevada Mining Pty. Ltd. June 1999

Contribution: Pacific-Nevada Mining Pty. Ltd - Perth
- Hobart
Tasmania Development and Resources

PACIFIC-NEVADA MINING PTY LTD

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EL09/97 CURRIE

**PARTIAL RELINQUISHMENT
REPORT**

Volume 1 of 1

Sean Westbrook, Exploration Geologist
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Distribution: Pacific-Nevada Mining Pty. Ltd - Perth
- Hobart
Tasmania Development and Resources

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1.0 Introduction

This report is prepared to indicate the relinquishment of a portion of Exploration Licence 09/97, Currie. During the second year of tenure Pacific-Nevada Mining Pty Ltd did not conduct field exploration over this exploration licence.

2.0 Regional Geology

The geology of King Island comprises Proterozoic correlates of the Rock Cape Group (West Coast Metasediments), Proterozoic granites (West Coast Granite), Late Proterozoic to Middle Cambrian sedimentary (East Coast Metasediments) and mafic volcanic sequences, Early Carboniferous granites and Quaternary sediments. The Quaternary sediments, which consist of alluvium and aeolian sand deposits, cover a large portion of the island. Outcrop is generally confined to the coast, where it occurs almost continuously. Inland, outcrop is sparse, occurring mostly in incised creek beds of the east and south-east, road cuttings and quarries.

The oldest rocks on King Island comprise a >1000m thick succession of poly-deformed, amphibolite facies metasedimentary rocks with minor mafic intrusions. These are the Mesoproterozoic West Coast Metasediments. The lithologies predominantly consist of quartzofeldspathic schist with minor quartzite, pelitic schist, and rare thin calcareous lenses (Seymour & Calver, 1995). The mafic intrusions are hornblende amphibolite sills and were emplaced prior to regional deformation.

Precambrian granite intrusion was broadly synchronous with the amphibolite facies metamorphism and intense polyphase deformation (Penguin Orogeny). At least four periods of deformation are evident within the West Coast Metasediments: D1 producing tight to isoclinal folds and prograde metamorphism; D2 with associated open to tight minor folds which deformed the metasediments and granite intrusions; D3 producing moderate to gently inclined open folds; and D4 with upright folds. Most granite intrusions, which vary in composition from adamellite to granodiorite, are known to post-date (possibly late-syn D1) D1 folding, although minor granitic activity also post-dates D2 and D2 deformation (Seymour & Calver, 1995). Tholeiitic dolerite dyke swarms post-date D4 folding and may be associated with mafic extrusive rocks of probable Late Proterozoic age on the east coast of King Island (Cox, 1989).

East Coast Metasedimentary sequences of probable Neoproterozoic age, consisting of relatively unmetamorphosed sedimentary rocks, are separated from the West Coast Metasediments and intrusions by an inferred unconformity. The East Coast Metasediments form the majority of the eastern half of the island and comprise a sequence of siltstone, mudstone and shale with minor sandstone sequences. This sequence is conformably overlain along the southeast coast by a volcanosedimentary

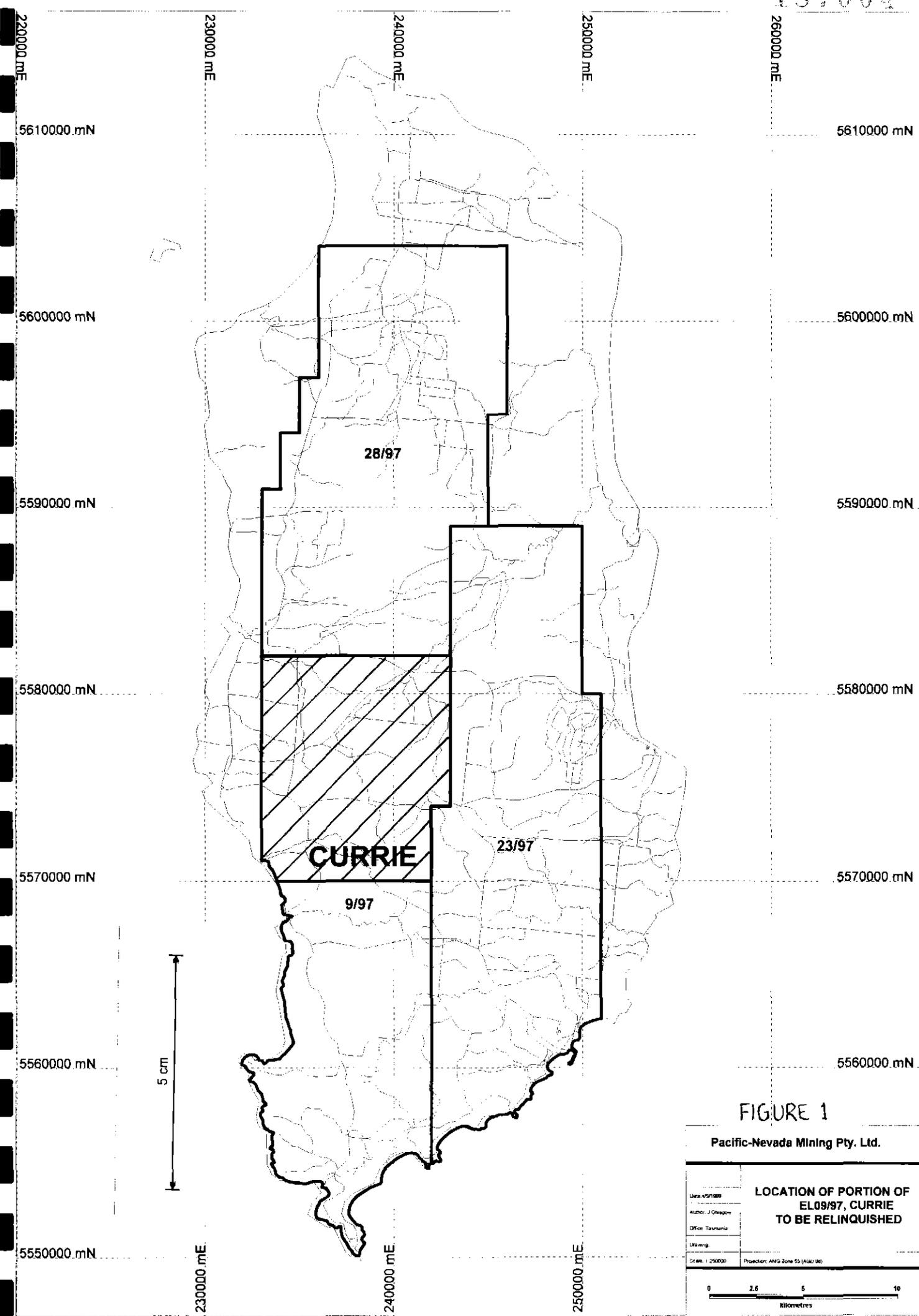
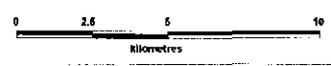


FIGURE 1

Pacific-Nevada Mining Pty. Ltd.

LOCATION OF PORTION OF EL09/97, CURRIE TO BE RELINQUISHED	
Date: 4/5/1999	
Author: J. Grayson	
Office: Tasmania	
Drawing:	
Scale: 1:25000	Projection: AMG Zone 55 (AGU 90)



succession of siliceous sandstone, siltstone, diamictite, dolomite, tuff and mafic volcanics. An intracontinental rift setting is suggested for the volcanosedimentary sequence (Waldron et al, 1993), which is also a possible correlate of the Togari Group of the Smithton Synclinorium in northwestern Tasmania. Numerous augite syenite dykes cut the lower sedimentary succession and are suggested to be genetically related to the volcano-sedimentary sequence (Waldron et al, 1993). A significant deformational event of unknown age (probably Devonian) caused folding and faulting of the east coast rocks.

Granitoid rocks of Early Carboniferous age intruded the volcanosedimentary sequences of the east coast of King Island, including the Mt. Counsel (probable Sea Elephant equivalent) Adamellite, the Grassy Granodiorite, and the Bold Head Adamellite. Metasomatic replacement of carbonate horizons resulted in scheelite skarn mineralisation associated with the Grassy and Bold Head stocks.

3.0 Summary of Previous Exploration

Previous exploration carried out on King Island is presented in Table 1.

Table 1 – Summary of Previous Exploration

Company/year/EL	Commodities & Models	Methods	Findings
<p>GEOPEKO LTD, 1969-1974 EL's 4/69 & 5/69</p>		<p>Stream Sediment Sampling with analysis for Mo, W, Pb, Zn and Sn. Mineralogical and petrological examinations. DDH to 92.9m at INV 13. Regional bedrock sampling program using a gemco auger driller (38 holes, 276.75m). Closed spaced gemco auger drilling on INV 19 grid. Airborne radiometric and aeromagnetic survey.</p>	<p>Anomalous values of Mo and W (attributed to known mineralisation), with relatively high background of Pb (attributed to presence of the limey Mine Series rocks) in the Bold Head area. Two adjacent W and Sn anomalies next to main road in the Porky Creek area. Highly anomalous Pb and Zn occur over a 1 square mile drainage pattern to the north and northeast of the airfield. Concluded that a definite zone of interest exists in the Porky Creek area where high Pb and Zn results appear to be related to a granite intrusive of similar age to the Grassy granodiorite. Petrological studies indicated that all granitic rocks within the EL except at Porky reek and possibly Currie are of an older age than the Grassy granodiorite. Recrystallisation of the granites in the Reekara Road and Cape Wickham areas is thought to be associated with later regional faulting. No strong anomalous zones were found in the Reekara Road area. Auger drilling on the INV 19 grid defined anomalous Pb and Zn geochem within a zone of chlorite-muscovite schist (up to 3500ppm Pb and 3100ppm Zn). The highest values were attributed to sphalerite and galena mineralisation occurring within quartz veins which locally transect the schist. Intense circular anomalies (No's 3 & 15) interpreted as magnetite rich olivine basalt plugs, similar to others found on KI.</p>
<p>GEOPEKO LTD EL 15/66</p>		<p>Regional Mapping Aeromagnetics and radiometrics were flown with follow-up ground magnetics carried out. A test infra-red scanning survey was flown over part of the area. Reconnaissance bedrock geochem sampling programs over magnetic and other targets including percussion drilling of two magnetic anomalies MA 11 (91.4m) and MA 10 (51.82m).</p>	<p>Five areas of interest were defined:</p> <ol style="list-style-type: none"> 1. Bold Head granite contact (INV 4, 16 & 17). This area was considered prospective due to the presence of spotted shales and tremolite hornfels within the eastern sediments. Soil sample results in the area contained anomalous W but generally poor base metal values, best values being 510ppm Cu, 85ppm Pb and 460ppm Zn. The tremolite hornfels rock consists almost entirely of radiating laths of tremolite, and is considered to represent a re-mobilised and metamorphosed siliceous carbonate rich horizon. The Grassy River Fault in the area is a wide zone of brecciated and re-cemented silica. 2. N-S magnetic linears (MA 6, INV 9 & 10). Auger drilling returned no geochemically anomalous results (best 120ppm Cu, 60ppm Pb and 170ppm Zn).

		Grid-based auger soil sampling.	<p>The magnetic feature considered due to magnetite content variation of the sediments. May prove a good marker horizon within the stratigraphy.</p> <ol style="list-style-type: none"> 3. Circular magnetic feature (MA 11). Percussion drilling returned seiments with no anomalous geochemistry. Magnetic interpretation of a deep seated intrusive body. Peak auger geochem was 45ppm Cu and 130ppm Zn. Auger and percussion drilling to test MA 10 encountered hornfelsed pyritic siltstones an shales with "no economic potential," no assay results are sighted. 4. Ireland's Farm (INV 15). Jacro augering of a lateritic ironstone returned peak analyses of 140ppm Cu, 60ppm Pb and 230ppm Zn. 5. Barrier Creeek. Discontinuous quartz veins containing PB, Zn, As, Ag and Au occur at the Barrier Creek workings. Mineralisation does not extend into the sedimentary host rocks and was considered uneconomic.
New Mount Costigan Mines LTD, 1967- (68-497, 68-530)		<p>Regional geological survey. Stream sediment geochemical survey. Bouger Gravity survey. Prospect-scale geological, geochemical and geophysical surveying in areas of interest. Exploratory shallow diamond drilling. Induced Polarisation surveys in selected areas.</p>	<p>335 stream sediment samples showed very low background results: 5-10ppm Cu, 10-20ppm Pb and 15-30ppm Zn. The only significant anomaly occurred at Porky Creek (25ppm Cu, 90ppm Pb and 110ppm Zn). The regional bouger gravity survey showed lower anomalies in the north than in the south, indicating the north is probably dominantly underlain by granite. High NW-SE trending values in the Pagarah area coincide with gabbroic bodies. Soil sampling surveys carried out in conjunction with IP surveys returned no anomalous results. Excessive deep weathering (up to 300 feet) together with heavy clay was suspected to account for notably flat stream sediment and soil geochemistry. Strong IP anomalies occur along the gabbro-sediment contact over a distance of 5000 feet in the "Ireland's Farm" area. Two diamond drill holes at the Ireland's Farm prospect showed the IP anomalies to be due to pyrite in the sediments. Assay results returned peak values of 700ppm Cu, 200ppm Pb, 400ppm Zn and 80ppm Mo in pyritic (to 10%) carbonaceous shale. Of possible interest is feldspar porphyry intruded into the sediments, which was intersected while drilling.</p>
GEOPEKO LTD EL 18/72		<p>Geophysical review. Ground follow-up</p>	<p>Four spot highs identified and interpreted as olivine basalt plugs. Linear magnetic highs were confirmed to be due to magnetite increase within biotite mica schists and quartzites.</p>
GEOPEKO LTD EL 39/80	Mt. Carbine style vein swarm scheelite deposit.	<p>Scout and grid auger soil sampling. Ground magnetics and self potential</p>	<p>No analyses for Au. No significant self potential or ground magnetics anomalies found. Considered a northern extension of the Grassy River Fault and the possibility of a</p>

			<p>westward subsurface extension of the Devonian-Carboniferous Mt. Council Granite would satisfy the geological and structural conditions envisaged for the formation of a mineralised vein swarm deposit in the Reekara area.</p> <p>Known presence of mineralised quartz-tourmaline veins in Reekara area.</p>
GEOPEKO LTD EL 54/89	Gold related to the Grassy Fault. Silica sands.	Water sampling for assay by the Huminex method. Limited soil sampling. Rock chip sampling.	<p>Results considered uneconomic.</p> <p>Elevated base metal soil results were considered spurious due to fertiliser contamination (1000 to 2360ppm Zn with 190 to 784ppm Pb and 259 to 451ppm Cu associated).</p> <p>Water sampling results were very low.</p> <p>Silica sands potential was reviewed, results considered uneconomic.</p>
North Exploration 1993-94 (94-3557)	McArthur River style Pb-Zn	Review of previous exploration Geological compilation and mapping Rock chip sampling Gravity and Ground Magnetic survey's Geophysical interpretation by D. Leaman	<p>Rock chip geochemistry returned no anomalous results, peak analyses being 185ppm Cu, 340ppm Zn, 44 Pb and 52ppm As. Cu, Co and to a lesser extent Ni, reflect lithology with more elevated values from meta basalts and meta gabbros.</p> <p>Geophysical interpretation found the gravity and magnetic fields to be dominated by the effects of the Devonian Grassy-Sea Elephant Granite. Cusps of the granite intruding Precambrian sediments were interpreted. These cusps may have exploration significance, presumably for Sn-W mineralisation. Gravity and magnetic data do not support the hypothesis of a substantial depositional sub-basin within the Precambrian sedimentary sequence.</p> <p>Regional gravity data indicates that the regional NNW trending Grassy River Fault is intersected by a major E-W fault just north of Pegarah.</p>

4.0 Exploration Philosophy

Exploration by Pacific-Nevada within Currie EL 9/97 is focused upon the Mary Hall Zone, as defined by Morritt (1997). The Mary Hall Zone comprises the Mesoproterozoic West Coast Metasediments, which are probable correlates of the Rocky Cape Group and similar to the Arthur Metamorphic Complex (AMC) of mainland Tasmania, and the West Coast Granites. TMI imagery suggests that the zone has rotated counter-clockwise from the north-northeast orientation observed for the AMC to its northerly orientation (Morritt, 1997). Proterozoic rocks such of those in the Mary Hall Zone are known world-wide to host profitable orebodies. For example Homestake at Lead, South Dakota, USA (160 Mt @ 8g/t Au), Selwyn, Queensland, Australia (4.6Mt @ 5.2g/t Au & 2.05% Cu).

The King Island Focal Structure is interpreted as a primary crustal feature, which transects the eastern side of Currie EL 9/97, passing through the center of the Mary Hall Zone and extends southeast almost as far as Hobart on mainland Tasmania. The world-class orebodies of the Hellyer Zn-Pb-Ag-Au-Cu and Mt. Bischoff Sn deposits occur within the King Island Focal Structure. Other world-class orebodies in Tasmania have an obvious spatial relationship to other focal structures identified by Morritt (1997). Based on this interpretation, there is clear potential for the discovery of world-class orebodies associated with the King Island FS within the Mary Hall Zone.

Potential targets include:-

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

5.0 Known Mineralisation

Known mineralisation on King Island primarily consists of tin and tungsten skarn and vein deposits. The best examples occur at the Dolphin and Bold Head W-Sn deposits (production of 60,000 tonnes WO₃ since 1937), which formed by metasomatic replacement of carbonaceous rocks during Early Carboniferous granitoid intrusion. Sn-W vein and alluvial workings occur over the island, particularly in the north east near Reekara. Gold and base metal workings are also known, although no commercial production has been recorded from these. The base metal mineralisation is manifest in sulphide bands associated with quartz-vein lodes within both the West Coast and East Coast Metasediments. The best known example of this style of mineralisation occurs at Barrier Creek, where quartz-sulphide lodes have assayed 3.86% Pb, 3.74% Zn, 0.02% Cu, 10.88% As, 2ozs. 6dwt. 12grs Ag and 0ozs. 1dwt. 7grs Au. Alluvial gold is known from numerous drainages over the island.

There are currently no known significant occurrences of gold or base metals within Currie EL9/97. An area of sulphide alteration is known at Pearshape Quarry.

6.0 Exploration Activities by Pacific-Nevada

Pacific-Nevada's exploration within Currie EL 9/97 was focused on regional stream sediment sampling, as well as regional geological mapping and rock chip sampling within the Mary Hall Zone. Work was carried out during 3 field days in late June. Most sample sites were readily accessed by vehicle using all-weather public and private roads.

6.1 STREAM SEDIMENT SAMPLING

Stream sediment sampling comprised bulk (BLEG analysis, 7 samples), -80# sediments (8 samples) and panned concentrates (4 samples). Sampling of many drainages was difficult, especially in northern part of the area, as stream flows were low and sediment consisted of thick organic-rich top soil and peat. In these cases, panned concentrate sampling was not possible. Overall, the quality of stream sediment samples was poor to moderate due to the high level of weathering and contamination from soil and aeolian Quaternary sediments.

6.2 GEOLOGICAL MAPPING AND ROCK CHIP SAMPLING

Comprehensive geological mapping and rock chip sampling was not possible over most inland areas because of limited outcrop, which where present was located in sharply incised creek beds and banks. Outcrop is particularly sparse in the northern portion of Currie EL 9/97, where superficial deposits cover almost the entire area. However, quarries and rock float dug up during agricultural activities allowed some rock chip sampling and mapping in this otherwise impossible area. A total of 3 rock chip samples were collected.

6.3 RESULTS

Stream sediment and rock chip assay results for the regional reconnaissance programs were of a low order. Stream sediment samples in particular were low order when compared to surveys carried out by Pacific Nevada on mainland Tasmania. This is suspected to be due to a combination of deep bedrock weathering and dilution by superficial deposits. Most previous explorers on King Island have made similar conclusions. No highly anomalous results were obtained from rock chip samples.

The best results from the area to be relinquished include:-

- 134ug Au in pan concentrate from the Sea Elephant River
- 43ug Au in pan concentrate from the Sea Elephant River.

7.0 Expenditure

Nil expenditure was incurred during the second year of tenure.

8.0 References

- COX, S.F. 1989. Cape Wickham. In: Geology and Mineral Resources of Tasmania. Special Publication Geological Society of Australia 15:26-27.
- MORRIT, R. F. C., 1997, North-West Tasmania – Australia. An Exploration Opportunity for Gold, Copper, and Diamonds: In-house company report for Pacific-Nevada Mining Pty. Ltd., 36p.
- SEYMOUR, D.B and CALVER, C.R. , 1995. Explanatory notes for the Time-Space Diagram and Stratotectonic Elements Map of Tasmania: Tasmanian Geological Survey Record 1995/01.
- WALDRON, H.M; BROWN, A.V and KEAYS, R.R. 1993. Geological setting and petrochemistry of Eocambrian-Cambrian volcano-sedimentary sequences from southeast King Island: Report Mineral Resources Tasmania 1993/28.

Pacific-Nevada Mining Pty Ltd

EL09/97

Partial Relinquishment Report

APPENDIX 1

- A 80# SAMPLE NUMBERS, AMG CO-ORDINATES AND ANALYSES
- B BULK SAMPLE NUMBERS, AMG CO-ORDINATES AND ANALYSES
- C PANCON SAMPLE NUMBERS, AMG CO-ORDINATES AND ANALYSES
- D ROCK CHIP SAMPLE NUMBERS, AMG CO-ORDINATES AND ANALYSES

A 80# sample numbers, AMG co-ordinates and analyses

80#	East (AMG)	North (AMG)	Au	Cu	Pb	Zn	Ni	Fe	Mn	Co	As
6130701	242080	5576080	-1	15	7	50	8	1.57	516	6	3
6130715	240850	5580910	1	5	6	22	9	3.58	170	2	28
6130717	234760	5581660	1	7	11	37	10	3	111	4	2
6130718	237900	5578720	1	11	10	32	6	2.06	100	2	5
6130720	242640	5577950	-1	18	12	45	12	1.87	239	4	6
6130721	242680	5577920	-1	13	6	40	11	1.44	482	7	2
6130722	234830	5580310	-1	17	29	96	22	6.6	433	17	27
6130729	242090	5575100	-1	34	13	36	8	1.54	131	2	4

7

B bulk sample numbers, AMG co-ordinates and analyses

Bulk	East (AMG)	North (AMG)	Au	Cu	Pb	Zn
6120715	240850	5580900	2.4	0.47	-0.3	2.6
6120717	234760	5581660	2.37	0.62	-0.3	5
6120718	237900	5578720	1.79	0.33	-0.3	2.8
6120720	242640	5577950	2.3	0.12	-0.3	1.6
6120721	242680	5577920	0.5	0.4	-0.3	2.6
6120722	234830	5580310	1.97	1.66	5.5	22
6120729	242090	5575100	4.86	0.32	-0.3	1

7

C pancon sample numbers, AMG co-ordinates and analyses

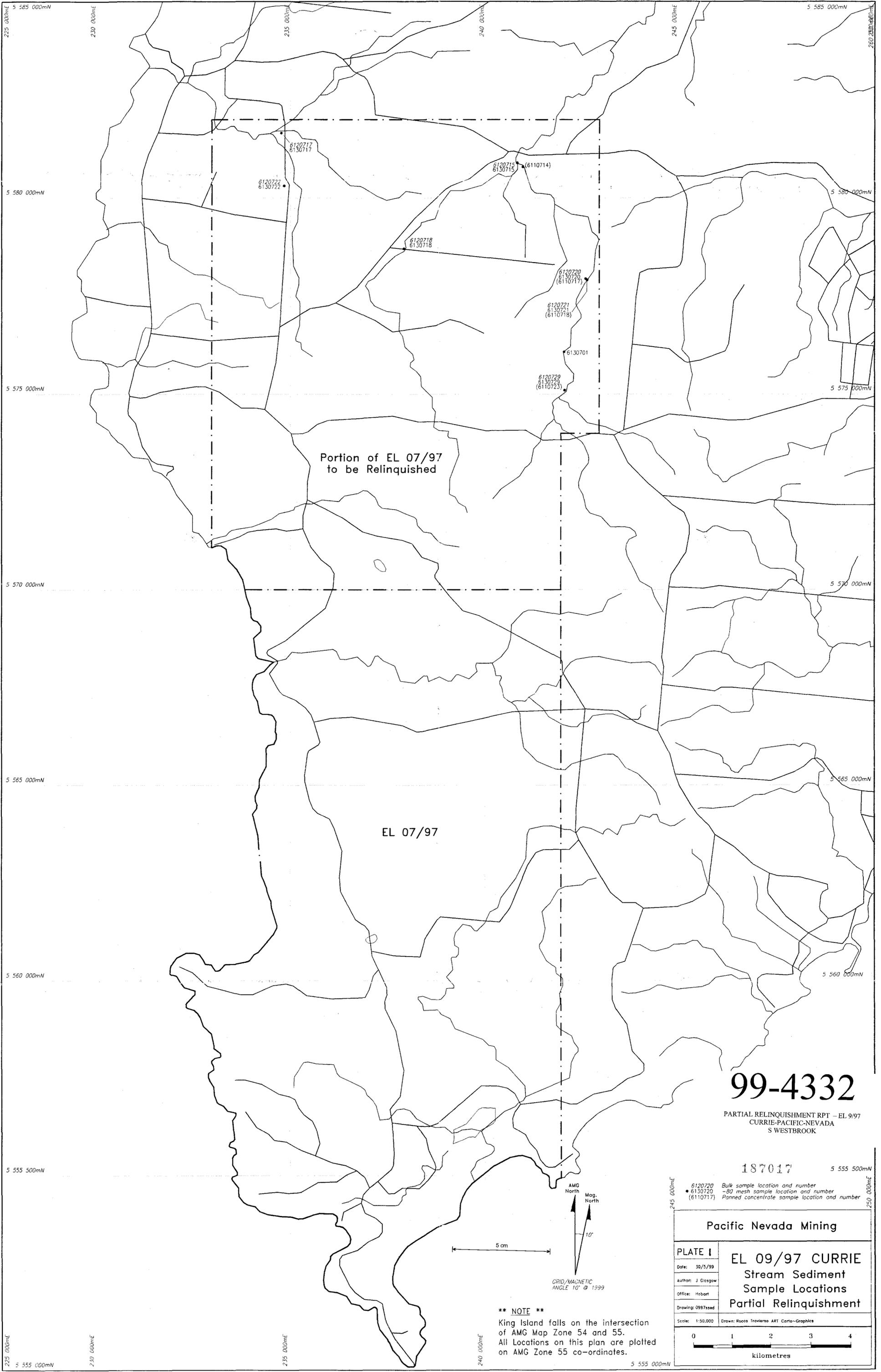
Pancon	East (AMG)	North (AMG)	Au
6110714	241000	5580800	-1
6110717	242640	5577950	134
6110718	242680	5577920	-1
6110723	242090	5575100	43

4

D rockchip sample numbers, AMG co-ordinates and analyses

Rock	East (AMG)	North (AMG)	Au	Cu	Pb	Zn	Ag	As	Ba	Co	Fe	Ca	K	Mg	Mn	Na	P	Ti	Zr	Ni
6140708	238200	5578640	-1	-5	-50	17	-5	11	735	-5	19900	350	29800	1940	93	4200	50	2280	93	-10
6140709	242640	5577950	-1	-5	-50	29	-5	-10	377	-5	23700	800	15500	3550	272	21000	200	1700	114	-10
6140718	242090	5575200	-1	54	25	46	-5	29	531	-5	34500	1000	31600	7670	206	1300	200	2930	202	10

}



Portion of EL 07/97
to be Relinquished

EL 07/97

99-4332

PARTIAL RELINQUISHMENT RPT - EL 9/97
CURRIE-PACIFIC-NEVADA
S WESTBROOK

187017

6120720 Bulk sample location and number
6130720 -80 mesh sample location and number
6110717 Panned concentrate sample location and number

Pacific Nevada Mining

PLATE I

Date: 10/5/99

Author: J Glasgow

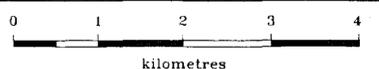
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Drawing: 0997assd

Scale: 1:50,000

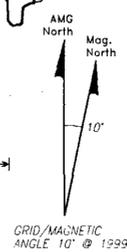
EL 09/97 CURRIE
Stream Sediment
Sample Locations
Partial Relinquishment

Drawn: Rocco Trovierso ART Carto-Graphics

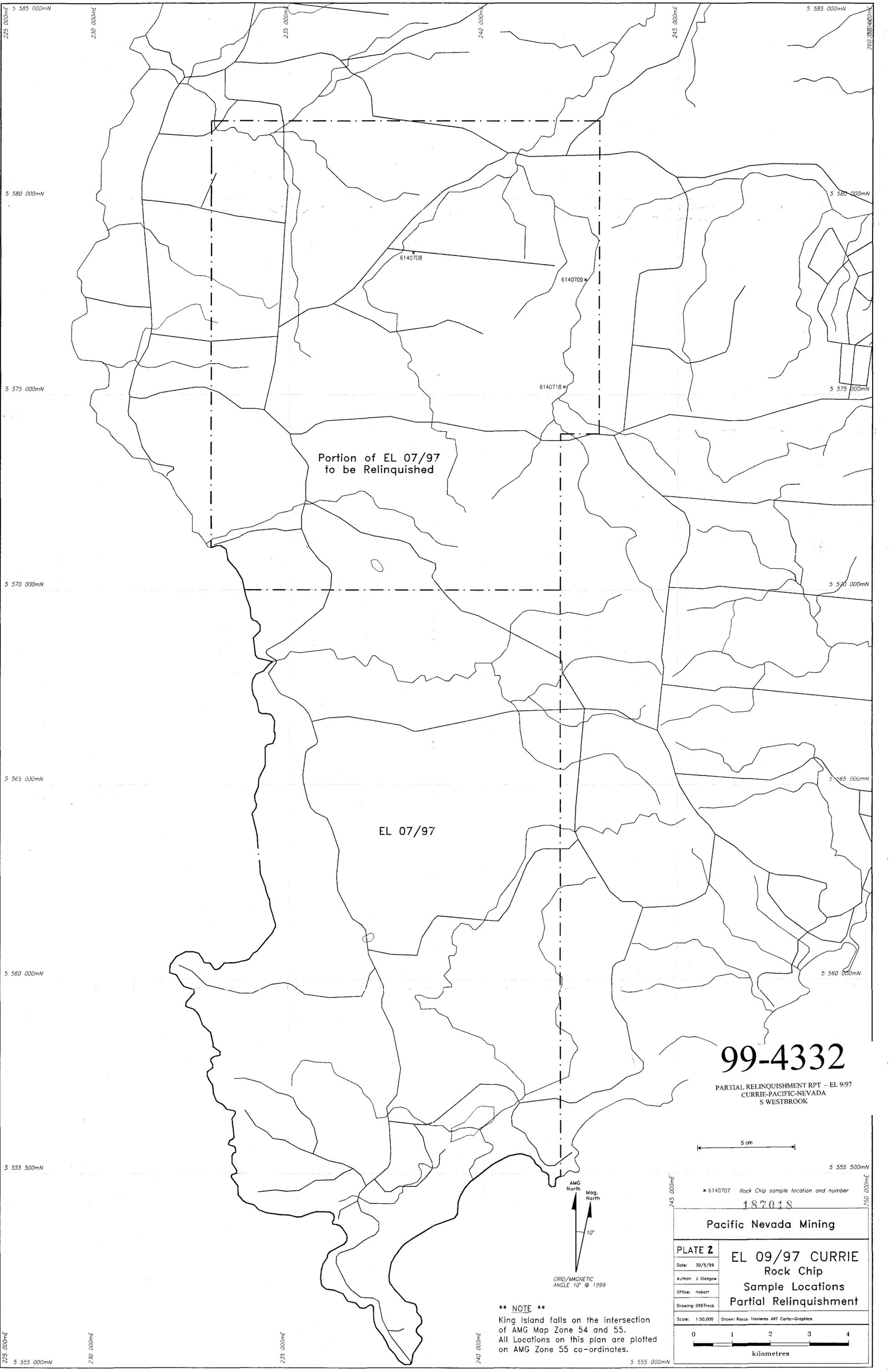


**** NOTE ****

King Island falls on the intersection
of AMG Map Zone 54 and 55.
All Locations on this plan are plotted
on AMG Zone 55 co-ordinates.



GRID/MAGNETIC
ANGLE 10° @ 1999



Portion of EL 07/97
to be Relinquished

EL 07/97

99-4332

PARTIAL RELINQUISHMENT RPT - EL 9/97
CURRIE-PACIFIC-NEVADA
S WESTBROOK

5 cm

* 6140707 Rock Chip sample location and number

187018

Pacific Nevada Mining

PLATE 2

Date: 30/5/99

Author: J Glasgow

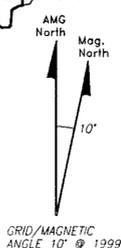
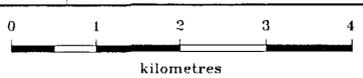
Office: Hobart

Drawing: 099Rock

Scale: 1:50,000

**EL 09/97 CURRIE
Rock Chip
Sample Locations
Partial Relinquishment**

Drawn: Rocca Traverso ART Carta-Graphics



**** NOTE ****

King Island falls on the intersection
of AMG Map Zone 54 and 55.
All Locations on this plan are plotted
on AMG Zone 55 co-ordinates.

225 000mE 230 000mE 235 000mE 240 000mE 245 000mE 250 000mE
5 585 000mN 5 580 000mN 5 575 000mN 5 570 000mN 5 565 000mN 5 560 000mN 5 555 000mN 5 550 000mN