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ANNUAL REPORT
TO 11TH SEPTEMBER 1999
ON
EXPLORATION LICENCE 20/92
FOR
JERVOIS MINING N.L.

August 1999

AMG REFERENCE POINTS ADDED

SUMMARY

Subject to the Minister's consent, Exploration Licence No. 20/92 is being transferred from Goldstream Mining N.L. to Jervois Mining N.L. Jervois holds EL 37/97 "Dolcoath" contiguous to the east.

First contact between Goldstream and Jervois was in February 1999. During this period no field work was undertaken and Goldstream had not carried out any exploration work prior to that during the (tenement) year.

Jervois completed a review of Goldstream's work by way of due diligence. The notes of this review are contained in this report.

After field inspections, a programme of drilling will be devised and implemented in the summer months.

CONTENTS

ACCOMPANYING PLAN

NOTES ON GOLDSTREAM REPORTS, EL 20/92 MOINA

[JGP comments in italics]

A: Imaging Services: Goldstream Mining NL - Moina
By Southern Geoscience Consultants, February 1998

[A series of 30 images of the aeromagnetic survey carried out by Goldstream in May 1996.

[Magnetics show small highs over the Stormont Bi-Au skarn (anomaly covers 250m x 100m) and the Ti-Tree F-W-Sn skarn (200m x 200m). No anomaly over Fletchers Adit skarn.]

[An unknown skarn beneath thin Tertiary basalt cover is indicated by 200m x 75m magnetic high 1.1km ESE of the Ti-Tree skarn.]

[3-4 sq km magnetic high in NW corner of EL looks like a regional effect but may be skarn. Occurs over Moina Sandstone with patchy Tertiary basalt cover. Peak magnetic responses here are over areas of Moina Sandstone outcrop.]

[Major magnetic high over the Moina fluorite skarn extends east from the Hugo skarn onto Jervois' EL 37/97 – response is weaker (probably buried). The old All Nations W-Mo-Bi mine lies on this anomaly.]

[Alot of structural detail evident in the Narrawa Creek area: Higgs Au deposit lies in linear magnetic low.]

B: EL 20/92 & RL 8810, Moina Area, Report on Drilling Program. May – July 1994. Attachment to Annual Report.
By L.A.Newnham. 12th September 1994.

Hugo skarn mineralogically complex: contains fluorite, magnetite, bismuthinite, molybdenite, sphalerite, gold, scheelite and cassiterite.
[Part is classic wrigglitic magnetite-fluorite skarn.]

Skarn concealed to north, beneath over-thrust Moina Sandstone and conglomerate.

4 hole drill programme, HS001-HS004 totalling 790m, undertaken in May-July 1994 to test potential for Au-Zn mineralization in eastern and northern part of Hugo skarn.

Results show skarn ranges from possibly slightly south-dipping at southern end to north-dipping at angles to 35° at the northern end, and is disrupted by set of steep N-S faults which eliminate potential eastwards. Skarn varies from 40-135m thick and is mostly 70-120m thick.

Potential to north exists in block adjacent to Bismuth Creek Fault at depths below 150m, with depth increasing northwards.
Better potential (stronger mineralization and skarn 100-135m thick) is at shallow depth to south. 3 new holes totalling 500m recommended here.

Best intersections: HS001: 10m @ 0.40g/t Au, 0.52% Bi
HS002: 5m @ 1.73% Zn
[Also elevated Mo, Sn & W, each locally +0.1%. HS002 cut 50m of wrigglitic fluorite skarn, averaging 10-14% CaF2, 0.05-0.2g/t Au, 0.1-0.3% Sn, 0.1% W, 0.05-0.1% Bi.]

Both HS003 and HS004 failed to intersect skarn.
[HS004 didn't test its target – the northern extension of the skarn – because of fault.]

HS001 drilled 50m S of SMD13 (this had intersected 17m @ 8.6% Zn & 0.1-0.2% Bi, including 10m @ 1g/t Au). HS001 got a stratigraphically-equivalent 17m zone with Au-Bi mineralization, but lacking sphalerite.
[Indicates the mineralogy of the mineralized horizons varies markedly. The potential extensions of this particular zone, 100m to N of SMD13 and +200m to S of HS001, are undrilled. Prospective block is at least 350m long by 75m wide. If mineralized horizon maintains 17m thickness, block contains +1.3mmt of mineralized material.]

One hole 90m south of HS001 proposed to test this block.

HS002 was drilled 60m W of SMD13 in a separate fault-bounded block adjacent to Bismuth Creek Fault. HS002 was designed to test the northern extension of the 4 Zn-Au zones in SMD16, 95m to the south: (SMD16: 4m @ 4.2% Zn & 1.67g/t Au; 13m @ 4.4% Zn & 0.47g/t Au; 5m @ 10.7% Zn.)

HS002 intersected only one zone: 5m @ 1.7% Zn, which may be stratigraphic equivalent of the 5m @ 10.7% Zn zone in SMD16.

Two holes recommended: halfway between SMD13 - HS002, and 75m S of SMD13.
Block here is +250m long and 50-100m wide. If main mineralized horizon is 5m thick, at least 0.3mmt is indicated.]

Best mineralized zone in holes SMD13, SMD16, HS001 and HS002, is 30-40m above base of skarn and may be same horizon in each hole, disrupted by faulting.
[If this the case, mineralization is extremely variable in grade and mineralogy.]

[The intersections in HS001 & 2 show:
1. *Mineralization is irregular and faulted: some holes have multiple mineralized zones, others only 50m away have one.*
2. *The skarn is likely to extend onto Jervois' EL and there is a definite strengthening of the mineralization in this direction.]*

Page 11: "the Hugo Fault outcrops south of SMD16 and HS001. However, because the skarn appears to be dipping at a very shallow angle to the south, then the skarn may extend several hundred of metres south before it also outcrops."
Page 12: "It is therefore likely that this skarn block extends at least 200-300m south of SMD16."
Page 12: "Shallow skarn dips therefore again suggest the skarn FW will outcrop 200-300m south of HS001."

[These important comments indicate potential for a significant amount of well-mineralized skarn on Jervois' ground, which commences 200m south of SMD16 and 230m south of HS001. *Two of the recommended follow-up holes, drilled in October-November 1995, tested this southern extension – the report on this drilling has not yet been seen by Jervois.]*

SUMMARIES OF GOLDSTREAM REPORTS

(In chronological order)
[JGP comments in italics]

1. ***Stormont Area, Northern Tasmania. Report on Gold and Bismuth Potential***
By L.A. Newnham, July 1992.

[Note: A status report – no new work reported. Drilling programme recommended].

No other mining tenements exist in the Stormont Bi Mine area.
Land is Multiple Use Forest under control of Forestry.
10km off Cradle Mt Link Road, last 4km very difficult 4WD track.
Country not as steep as Narrawa Ck. Lea River 100m from old mine.

Simple gravity plant produced 6.3t Bi in concentrates 1928-34, averaging 63% Bi, 450g/t Au and 290g/t Ag. Estimated 5-10,000t mined by opencut and adit.

Almost all gold is in coarse bismuthinite in andradite garnet skarn after Ordovician limestone.
[Later drilling indicated some gold may occur separate from bismuthinite.]

Area explored in 1960's & 1980's by RGC.
Grid-based mapping, geochemistry and geophysics (including magnetics and some IP).

Mapping (and geochemistry) hampered by poor outcrop and Tertiary cover.
Stratigraphy includes 80m of Moina Sandstone overlain by 20m of shales/calc-silicates, then 40m of Gordon Limestone/skarn. This capped by Tertiary.
Stormont lies directly above west-plunging crest of Dalcoath Granite at 500m depth.

Streams draining Stormont Ridge south of Stormont Bi mine are widely anomalous in Au.
[Stormont Gold Mine lies here – not drilled by RGC or Goldstream].

Over skarns soils are anomalous in Bi, Zn, Sn, W and Cu.

In 1987 old mine was channel sampled *[same time as Higgs Mine at Narrawa Ck].*
16 channels in old opencut averaged 4.8g/t Au, 7.6g/t Ag, 0.56% Bi.
37 channels in the contiguous adit averaged 9.5g/t Au, 4.4g/t Ag, 0.47% Bi.

Random chip sampling at Fletchers Adit 1km to the NE, got lower and more erratic gold grades than Stormont. Chip sampling of trenches at Stormont Gold Mine (500m SE of Stormont Bi Mine) got only one value above 1g/t Au.
[The only work done here by anybody].

Two diamond drilling programmes carried out in 1988 & 1989-90. Drilling showed skarn far more extensive than originally thought, often shallowly buried under Tertiary and apparently in tight NW-trending folds, with mineralization related to NW trending faults.
[Major regional NW-trending faults are mapped by Leaman and others passing through both Stormont and Hugo skarns. Bismuth Creek Fault at Hugo is a thrust according to Leaman]

Main two areas of skarn mineralization are centred on Stormont Mine and Fletchers Adit.

In 1988 RGC drilled 6 holes at Stormont Bi Mine and 9 holes on north side of Lea River opposite Fletchers Adit.
In 1989-90 they drilled 15 holes (average length 38m) at Stormont Mine. All holes vertical.

Best intersections at Stormont:
SD1: 13m @ 4.12g/t Au, 0.46% Bi.
SD3: 2.1m @ 12.7g/t Au, 0.35% Bi.
SD8: 1.3m @ 2.99g/t Au.
SD10: 5.4m @ 2.5g/t Au, 0.1% Bi.
SD20: 6m @ 0.44g/t Au.

SD1-6 were designed to follow up the encouraging channel sampling results in the old mine. *[However, only SD1 (best hole) was put down adjacent to old mineralization, next closest hole was 80m further south.*

SD7-16 25m-spaced on E-W traverse 200m south of old mine to better understand structure and determine potential for large open-cuttable deposit. Aimed at area of highest magnetics. *[Thickest skarn.]*

Skarn is 30-40m thick, variable composition, almost layered. Divided into upper (HW) Au-Bi bearing andradite garnet-actinolite skarn, and lower (FW) barren diopside-chlorite-magnetite-actinolite-garnet skarn.
[This division dispensed with after later drilling.]

At Stormont Mine, 3 synclines indicated: west, central (with mine) and east.
[Potential heavily dictated by the unknown plunges on the synclines].

Moina Sandstone outcrops in Lea River 100m north of old mine and again on Top Road 1km to north. Between covered by Tertiary basalt (according to LAN and the RGC mapping).
[Mines Dept mapping shows solid Moina Sandstone here].

The 9 holes on northern side of Lea River near Fletchers intersected extensive area of thick skarn (25-40m) beneath Tertiary cover and carrying low grade Au-Bi.
[Large poorly-tested skarn area – holes are typically 100-150m apart].

Best intersections near Fletchers:
FD4: 5m @ 0.32g/t Au.
FD7: 2m @ 1.5g/t Au.
FD8: 3m @ 0.4g/t Au.
21m @ 0.3g/t Au.

No drilling done at Fletchers Adit itself because of access problems in steep terrain.
[Fletchers untested].

<u>Areas of potential at Stormont:</u>
A. Central Syncline between mine and SD10 (200m south), as cigar-shaped body 15m thick and extending 20m either side of Stormont Fault. Potential length taken as 100m, but appears at least 150m. 15x40x100x3(SG)= 180,000t.
Potential length is as much as 250m, which would give 450,000t. Grade is patchy – good in mine area but weak further south, eg: 5.4m @ 2.5g/t Au, 0.1% Bi in SD10. Some holes suffered poor recovery in mineralized zone].

B. Western Syncline.
[Potential best against east bounding fault, not as good as Central Syncline, but syncline extensions unknown].

C. Eastern syncline, northern half.
[Some potential at undrilled north end where some mineralization in old workings.

D. NW side of Lea River for 1km to Top Road.
[LAN's view on potential here is based on the drilling in similarly poorly-exposed area NW of Fletchers Adit.

Stormont area has potential to host several adjacent Au-Bi skarn deposits sufficient to support medium-sized open-cut or underground mine.

Recommendations:
20 x 40m vertical core holes (800m):
9 holes in central syncline in the 180m gap between SD1 and SD10. *[Nothing around old mine – closest is 35m south].*
2 in eastern syncline *[minimal]*
8 on eastern edge of western syncline *[spacing 25m+]*

[Overall impression: potential is somewhat limited and perhaps not quite as good as Narrawa Creek. Not well tested to this date and gold values seem to drop off rapidly away from the old mine. However, skarn is extensive].

2. ANNUAL REPORT 1992-93, EL 20/92, MOINA AREA, NORTHERN TASMANIA
By L.A.Newnham. 5th August 1993.

[Report not given to Jervois. Contains detailed report on Stormont:
drill recommendations changed from 9 x 40m holes in central syncline, to 10 x 70m over 300m strike length (700m); others stay much the same: western syncline 5 holes for 200m; eastern syncline 2 holes for 150m. Total: 1050m in 17 holes].

3. PROPOSED DRILLING PROGRAM, MOINA
Note to George Kenway / Bill Ryan. By L.A.Newnham, 2nd January 1994.

4 diamond holes (HQ-NQ) totalling 750m recommended at Hugo Au-Zn skarn, within the CRA/Shell-Goldstream / Titan JV Area. Drilling in steep Multiple Use Forest.
These holes originally recommended in 1992-93 Annual Report

3 holes within 50-70m of existing holes as in-fill.
4th hole 80m N of the existing drill pattern and designed to test for thick N-plunging syncline of skarned limestone with Au-Zn.

Hugo Skarn interpreted as tight north-plunging syncline of Gordon Limestone, cut off to the west by the steep Bismuth Creek Fault and to the east by the gently north-dipping Hugo Fault (thrust).
Limestone extensively replaced by a major episode of F-Fe metasomatism with associated sphalerite, gold and minor Sn-W. *[No mention of Bi.]*

Skarn 100-130m thick and best where it contacts overlying Hugo Fault/Thrust. Mineralization at depths between 50-170m.
[Best grades are at shallow SE end which is not well drilled. The outcropping SE termination of the skarn is mapped as only 60m north of the Jervois EL boundary].

Skarn has previously been drilled by several Companies, with holes on 80-120m centres. Several significant Au-Zn intersections obtained.
[Full details not provided – some intersections on plan as follows:]

ML3:	3m @ 1g/t Au.
MD16:	4m @ 1.67g/t Au, 4.2% Zn.
	13m @ 0.47g/t Au, 4.4% Zn.
	5m @ 10.7% Zn.
	6m @ 0.72g/t Au.
MD13:	17m @ 8.6% Zn.
	7.5m @ 13% Zn, 1g/t Au.
MD24:	9m @ 0.73g/t Au,
	6m @ 0.87g/t Au
MD39:	15m @ 0.7g/t Au

Recommended holes:
Hole 1: 150m, designed to test easterly extension of Au-Zn skarn, 50m equidistant from 3 earlier holes.

Hole 2: 150m, to test western extent of Au-Zn skarn in earlier holes 50-80m distant.

Hole 3: 200m, to test concept that Au-Zn skarn is best developed close to Hugo Fault-skarn contact most distant from the Bismuth Ck Fault. 80m equidistant from 3 earlier holes.

Hole 4: 250m, to test projected north extension of Au-Zn skarn. 100m NE of nearest hole.

1st anniversary of Hugo JV Agreement is 8th September 1994, with commitment by that date of $75,000. EL 20/92 due for renewal by 11th august 1994.

[No actual data in this report except for plans from LAN's 1992-93 reinterpretation.]

[Overall impressions: Skarn is not as well delineated as it should be (10 holes in area 500m long x 100m wide at SE end and 300m wide at NW end). Open to NW. Previous exploration has clearly been by majors looking for a very large deposit.

More drilling is warranted.]

4. EL 20/92 and RL 8810, MOINA AREA. REPORT ON DRILLING PROGRAMME, MAY-JULY 1994. By L.A.Newnham 12th September 1994

[Not seen – not supplied to Jervois]

5. STORMONT & HUGO DRILLING PROGRAMS.

Memo to Robin Morritt from Lindsay Newnham. 20th July 1995

Re-describes the previously-recommended Stormont drilling programme with embellishments mentioned in the 1992-93 Annual Report *[not seen.]* Also re-describes a proposed 3-hole 500m drilling programme at Hugo to follow-up the four-hole programme results of which, and the proposed holes, were outlined in the above *[unseen]* report.

At Stormont recommends that only the central syncline drilling be done initially: 10 holes totalling 700m.
[$8,000 for access – suggests Stormont road was to be upgraded].

At Hugo, best opportunity for a medium-sized Au-Zn deposit lies to south of previous drilling.

Potential to east and west is structurally limited and to north skarn dips north beneath basalt cover. Best grades are in drillholes to south. where skarn is shallowest.

3 holes recommended:
Hole 1: 170m, designed to test the significant Zn in SMD16 & SMD13 and to a lesser extent HS002 (one of the 1994 holes: 5m @ 1.7% Zn). 45-50m from these three holes.

Hole 2: 150m, to test southern extension of the four significant Zn & Au intersections in SMD16 (previous southern-most hole in the skarn). Hole 2 is 75m south of SMD16.

Hole 3: 150m. 50m east of hole 2. To test southern extension of Au-Bi intersection in HS001 (10m @ 0.4g/t Au, 0.52% Bi). "Skarn body has potential to host moderate sized deposit of Bi."
[First mention of Bi in this skarn].

[Note, holes 2 & 3 are only 125m & 140m from Jervois' boundary].

Expenditure on EL 20/92 to Sept 1994 = $11,698 (versus statutory commitment of $20,000 to this date).

6. EL 20/92, MOINA AREA – NORTHERN TASMANIA, ANNUAL REPORT 1994-95
By L.A.Newnham. 22nd August 1995.

4-hole 790m drill programme completed at Hugo skarn in July 1994.
Indicated potential to south of existing drilling but diminished potential to north.
Further drilling at Hugo *[the 3 holes mentioned above]* planned for October-November 1995.

10 hole drilling programme of 700m planned for Stormont in October-November 1995.
[The holes recommended before].

Hugo skarn disrupted by series of steep north-south faults.
[ie: Bismuth Creek Fault is a swarm of structures].

Potential to north restricted to narrow zone adjacent to Bismuth Creek Fault at >150m depth.

However, potential remains to south of existing drilling. Best results in 1994 drilling were:
HS001: 10m @ 0.4g/t Au, 0.52% Bi;
HS002: 5m @ 1.73% Zn.

Expenditure on EL in 1994-95:	$8,359
Project to date:	$17,878 (excludes $90,000 on Hugo drilling)
Proposed 95-96:	$94,000 (Stormont)

7. EL 20/92, MOINA AREA, STORMONT MINE DRILLING PROGRAM, 1995-96.
By L.A.Newnham. 3rd May 1996.

Summary:
13 diamond holes totalling 741m drilled adjacent to Stormont Bi Mine Nov 1995 - Feb 1996.
Helimag completed over whole EL in May 1996 but results not available at time of writing.
[Report on aeromagnetics not provided to Jervois by Goldstream].

Pre-resource estimate of 100-150,000t @ 2-4g/t Au, in deposit 4-20m thick, 20-30m wide and +200m long. Lies in synclinal keel and is open beneath basalt to south.
see calculations at end.]

Concludes similar settings to that at Stormont Mine lie immediately east and west and are untested by drilling.

Similar settings may occur north of Stormont across the Lea River and in Fletchers Adit area on both sides of river.

Recommends strategy of 1) looking for more deposits adjacent to Stormont that collectively could be mined and 2) testing SE extensions of Stormont deposit.
16 holes totalling 640m recommended for 1). 3 holes totalling 160m recommended for 2)

Also recommends mapping and sampling similar targets north of Lea River, incorporating data from recent aeromagnetic survey. Ditto for Fletchers Adit area.

EL due for statutory 50% reduction on 11th September 1997 (12 sq km to go).

Zoning around granite: veins of Sn-W-Mo closest to granite, grading out to Sn-W-Bi-Ag-Au skarns & veins, to distal Au-Zn-Bi deposits.

1990 Hons Thesis by A.C.Taylor: "Gold Bearing Skarns From Moina Area, NW Tasmania". He concluded Stormont is a gold skarn, having a high pyroxene/garnet ratio, a deficiency of basemetal sulphides, abundant retrograde alteration, late stage reduced mineralizing fluids, locally high Au and Bi grades.

Drilling

Sites picked up by surveyor. Assay zones split and pulverized prior to sub-sampling and 50gm fire-assaying.

[Grades are as good as Narrawa Creek and just as erratic, but individual assays more repeatable, ie: gold less coarse than Narrawa Creek.]

Holes Assayed for Au, Zn, Bi, Mo. Zn all <0.1%, most <0.01%. Mo all <10ppm.

All core in skarn assayed but only patchy asaying outside skarn, very little in some holes.

Interpretation

Skarn at least 35m thick. Syncline plunges gently NW, terminated north of old open cut by Moina Sst in steep Lea River valley. Moina Sandstone outcrop to south suggests syncline terminated under thin basalt 200-300m south of current drilled area.

Mineralization (variable amounts of magnetite-gold-basemetals) is concentrated in the syncline keel. The NE-dipping Stormont Thrust parallels and cuts the skarn off to the east. *[A change from earlier ideas: mineralization not related to any fault in the synclinal keel, ie: the Stormont Fault does not exist.]*

Resource Calculations

Calculations use channel samples in old workings, 1988-89 holes SD1, 3 &10, and 1995-96 holes SD33, 36 & 39.

Drilling has defined a flat-lying cigar-shaped body about 200m long x 20-30m wide, 20m thick (N) and 4m thick (S). Combined, the three blocks below indicate a body of 100,000-150,000t at 2-4g/t Au.

Defined as pre-resource because:

- # Only 5 drill intersections
- # Limited information on boundaries and geological controls.
- # No quantitative data on SG or metallurgy.

Resource Details:

Northern Block

Extending around W side of opencut and beneath it. 30m long, 30m wide, averaging about 4m thick (between 0-20m). Using 2.5SG, this block contains 9,000t.
Channel sampling in opencut averaged 4.8g/t Au.
[Thickness unknown:
Width on x-section and plan is 24m maximum.]

Central Block

Extends 90m SE of the opencut, with drill intersections in SD1, SD36 and SD39, as well as u/g channel samples averaging 9.5g/t.
Assuming average width of 30m, 13m thickness and SG 2.5, this section contains 88,000t.
The weighted average grade of the drill holes is 3.2g/t Au. Details:

SD1: vertical, 30m SE of opencut and 18m NE of SD39. 4.5-17.5m: 13m @ 4.12g/t Au, 0.46% Bi. No recovery in first 4.5m but mineralization here known from other drilling to extend to surface, so this taken as 17.5m intersection.

SD39: -70°, 35m SE of opencut. 100% recovery. 0-19.6m: 19.6m @ 2.95g/t Au & 944ppm Bi, (incl 4m @ 9.7g/t Au & 0.35% Bi). Best grade is in magnetite skarn.
[cf: early ideas of HW Au-Bi magnetite-poor skarn & FW magnetite-rich, Au-Bi poor, skarn].
[On SD39-SD1 section body is 35m wide and 18m thick].

SD36: vertical, 35m SE of SD39–SD1 section. 82% recovery. 0-27.3m: 27.3m @ 1.4g/t Au, including 9.5m (10.2-19.7m) @ 2.7g/t Au (72% recovery). Best zone 14.2-19.7m: 5.5m @ 4.16g/t Au. Zn 500ppm, Bi 300-700ppm. Skarn partly magnetite-bearing.
[The 27.3m zone includes lots of <0.2g/t Au.]

Southern Block

Extends 80m SE of Central Block and embraces intersections in SD3 & SD33 (former 42m and latter 90m, SE of SD36), and influenced by SD8 & SD10, 50m SE of SD33.

SD3: vertical. 16.9-19m: 2.1m @ 12.8g/t Au, 0.35% Bi. Top 11m triconed, 11-13.9m only 10% recovered. Mineralization probably extends to surface, based on result in SD36 42m NW of SD3.

SD34 (8m E of SD3) was unmineralized, which shows body size is limited on this section to a maximum of 30m wide and 18m thick.

SD33: vertical. 86% recovery. 24.5-35.0m: 10.5m @ 1.4g/t Au, 0.08% Bi, in magnetite skarn.
zone is 1.5m @ 8.8g/t Au @ 27.5-29m (90% recovery), then rest is <0.15g/t

SD31, 25m NE of SD33 on same section, should have been good hole but got barren skarn.
[Shows mineralized zone is becoming smaller going SE.]

SD10: vertical. 8.6-23.0m: 14.4m @ 0.95g/t Au, incl 4.4m @ 2.9g/t Au.

SD8: vertical. 7.4m @ 0.67g/t Au.
[Includes 1.3m @ 2.99g/t, indicating rest averages just 0.14g/t!

[Some discrepancies and inaccuracies between sections and plan and logs, incl thickness of basalt eg: SD33 section shows 2m of basalt when log shows there was 8m].

Assuming a width of 15m, thickness of 4m and SG of 2.5, this Southern Block contains 12,000t. This may be conservative because of poor recoveries above the zone in SD3. The average grade may be anywhere between 2-5g/t Au.

[Southern extension possibilities south of here don't look good based on skarn thickness contours: skarn forms thicker "basin" centred between SD1 and SD10 (180m apart) with main part 130m long between SD1 and SD33. Strong evidence body is getting smaller and weaker going SE – need new mineralization development in order to get further reserves.]

[See my re-calculation below. The Central Section is only part that should be taken into consideration: the Southern Section may not exist as mineable body, and tonnage of Northern Section speculative because thickness unknown.

Potential of Stormont Area
Such bodies easy to miss. Potential exists in skarn zones east and west of Stormont Mine for more them because the earlier drill patterns were too wide-spaced.

Stacked thrust model proposed for Stormont-Fletchers, with at least four thrusts trending NW. Stacked thrusts quite common in this region.

Opportunities to increase size of the Stormont mineralized zone are only to SE. Moina Sandstone outcrops 300m south of drilling, intervening area covered by thin basalt.
[Further resources here require new development of mineralization and thickening of skarn.]

Recommendations
Find more Stormont bodies as deposit too small.
Drill extensions of Stormont and adjacent skarns.
Follow up any aeromag anomalies, map & sample skarns in Stormont-Fletchers Adit area.

Recommended drilling at Stormont:
a) 3 x 50m holes, 15m apart on fence 50m south of SD10 (14.4m @ 0.95g/t Au and 210m south of opencut).
8 x 40m holes in undrilled mineralized skarn body to NE parallel to Stormont.
8 x 40m holes in skarn area to SW (2 previous holes).

Other recommended work:
Mapping & sampling in 2 undrilled skarn bodies on N side of Lea River, N & NE of Stormont.
Possible NW and SE extensions of Fletchers are concealed by basalt and may extend to Ti-Tree Sn-W-F skarn 1.25km to SE.

Taylor considered Fletchers and Ti Tree not as favourable as Stormont for Au deposition, but it is recommended that prior to accepting this hypothesis mapping and sampling be undertaken.

SIZE OF BODY: JGP Calculations

Extends from old opencut SE to midway between SD36 and SD3: a distance of 90m.
In SD36 body extends from 0-19.7m (70% recovered) @ 1.83g/t Au, 0.05% Bi.
In SD39 body is 19.6m @ 2.95g/t Au, 0.09% Bi (100% recovery); and in SD1 it is 13m @ 4.12g/t Au, 0.46% Bi, giving an average for this block of 16.3m @ 3.42g/t Au, 0.24% Bi.

90m long x 18m thick x 25-35m wide (30m) x SG 2.75 (assumes +10% magnetite and some leaching):

= 134,000t @ 3.16g/t Au, 0.14% Bi

Holes are needed: *1) 20m vertical hole in floor of opencut*
2) 50m vertical hole 15m NE of SD3
3) 21m NW of SD3, midway back to SD36.

The latter two holes have a good chance of extending the body 50m SE to midway SD3 and SD33, adding 50% to the resource. There is also some remanent good-grade ore around and beneath the old opencut (estimated at 9,000t @ 4.8g/t Au by Goldstream).

Therefore, total resource could be around 200,000t at 3.2g/t.

There are zones of significant core loss (30-50%) in parts of some skarn intersections. Not known if these materially affect the results, but suspect it understates the grade. Note, in the 1995-96 drilling the best grade is in hole SD39, which had 100% recovery.

EL 20/92 GOLDSTREAM

EL 37/97 JERVOIS

AMG 4370000E
5408000N

STORMONT
Au / Bi

HUGO
SKARN
Au-Zn.

NARRAWA
Au

J.V. AREA
0-57 Og + Odf
57-236 Odm
235-288 Dg

RL 8810

AMG 4200000E
5405430N

Stormont Bismuth Mine
(Bi-Au-Ag-Pyrite)

Stormont Gold Mine
(Au-Pyrite)

Fletchers Adit
(Bi-Ag-Au-W)

Tree Creek
(F-W-Sn-Fe)

Shepherd and Murphy
(Sn-W-Bi)

Moina
(Mo, Sn, W, F, Fe, Bi)

Narrawa Reward
(Au-Ag)

Squibs
(W-Bi-Mo-Sn)

Blacks
(W-Bi-Mo)

Packers
(Au)

All Nations
(W-Mo-Bi)

Bismuth Creek Pits
(W)

Quartz Blow
(W)

Pockets
(W-Bi)

Lawkenlaw
(W)

Lawson and Rileys
(W)

Pig and Whistle
(W-Bi-Sn)

Iris Mine
(Sn-W-Bi)

Dolcoath
(W-Sn-Mo)

Bell Mountain
(Au)

Higgs
(Au)

Payey
(W-Mo)

Sayers
(W-Bi-Mo-Sn)

Southern Wolfram
(W)

Tb Tertiary Basalt
Tg, Ts Tertiary sediments and gravels
Og Gordon Limestone
(Vertical stripes = skarn)
Odm Moina Sandstone
Odmc Roland Conglomerate
€Vax Various Cambrian Volcs + Seds
Dg Dalcoath Granite
Contact alteration zone around Dg.

Hugo Fault projected outcrop
Hugo Skarn Au-Zn mineralisation
Possible skarn extensions beneath Basalt.

Map is a photocopied section of the State 1:25000 Winterbrook-Moina Geol. Map (MRVP Map 9.).

AMG REFERENCE POINTS ADDED

600016

NEWNHAM EXPLORATION AND MINING SERVICES

MOINA AREA

REGIONAL GEOLOGY

0km 0.5km 1 | Scale 1:25

Drawn LAN | Date APR 96 | Figure 3

5 cm