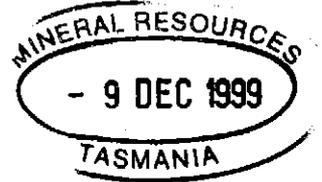


NEUNHAM EXPLORATION & MINING SERVICES

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EL 43/94 CORINNA AREA

ANNUAL REPORT

**FOR YEAR ENDING
31 DECEMBER 1999**

For:

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10 November 1999

Stamp: EL43/94
Stamp: 31 DEC 1999
Handwritten: See folio 46

A. L. Newnham

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1. INTRODUCTION

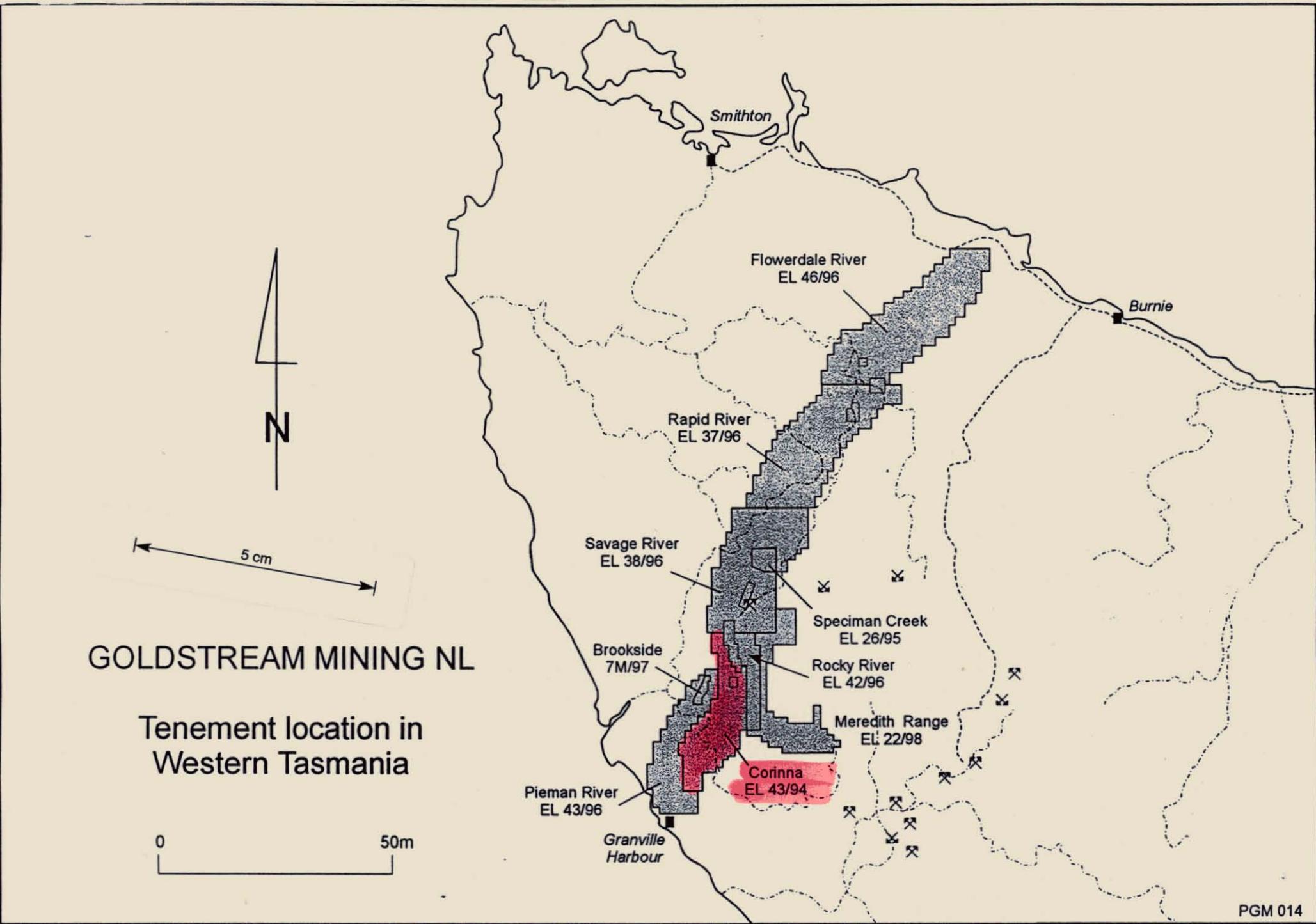
Exploration Licence 43/94 of 127 sq km lies south of Savage River township.

It was granted on 02 February 1995 and is due to expire on 01 February 2005. The licence area must be reduced by a minimum 50% by 05 February 2000, and Mineral Resources Tasmania must be advised of the proposed reduction before 05 January 2000.

The licence is jointly held by Goldstream Mining NL and Titan Resources NL, and is explored under a joint venture heads of agreement dated 21 December 1995.

The principal exploration target is Proterozoic iron formation hosted gold deposits.

Total expenditure to date on the licence is \$1,540,780.



623004

2. WORK COMPLETED PRIOR TO 1999

Prior to 1999 the principal exploration activities, in chronological order, were:

- (a) **Aeromagnetic survey** of the whole licence at 50 m line spacings and flight height of 40 m.

The dual purposes of this survey were, firstly, to define iron formation which might host gold deposits and, secondly, to identify structures which may have influenced the formation of such deposits.

- (b) **Stream sediment survey** involving collection of panned concentrates and -80# fraction samples from 115 sites. This work outlined several gold anomalous areas, two of which reflected known historical workings at Rocky River and Lucy Spur. The third area was an area known as Lefroy Ridge East.

Studies of panned gold suggested that the gold was locally derived from Proterozoic sources and was not subjected to substantial transport.

- (c) **Detailed stream sediment sampling** programs were then undertaken at 334 sites around these three prospect areas. Extensive low order anomalies were defined.

- (d) **Eight (8) cored drill holes** totalling 2,200 m were drilled into these three prospects.

At Lefroy Ridge East two drill holes intersected chloritic schists and metabasalts, which contained spotty weakly anomalous gold in places.

An EM survey was completed on one of these holes.

At Lucy Spur three drill holes intersected schist which had been intruded in places near the old workings by a greisenised granite. Rock chip samples from this granite were Au and Sb anomalous.

Two adits were channel sampled. The drilling and adit sampling generally produced only low order anomalous results.

At Rocky River three drill holes intersected only patchy, weakly anomalous gold.

- (e) **The stream sediment sampling** was then extended to more distal areas around Lucy Spur, Rocky River and Lefroy Ridge East.
- (f) **Soil sampling programs** were undertaken on grids established over the Lucy Spur, Rocky River and Lefroy Ridge East areas and defined a number of low order anomalies.

3. WORK COMPLETED 1999

No field work was undertaken in 1999.

4. WORK RECOMMENDED FOR 2000

4.1 Base Metal Geochemical Anomaly Follow-up:

Completed stream and soil geochemical surveys have defined a number of low order base metal anomalous areas, which may warrant follow-up work.

However, a similar but more extensive anomaly has been defined on the adjacent EL 42/96 licence to the east of the Rocky River workings. It is recommended that this anomaly be further evaluated (see EL 42/96 Annual Report, November 1999) before further work is undertaken on the more disparate anomalies on EL 43/94. If the recommended work on EL 42/96 points to this anomaly type being of real significance, follow-up work on EL 43/94 may be justified.

4.2. Detailed Review of Data on the Alpine Grid:

The Alpine Grid was established by CRA in 1985 over a major aeromagnetic anomaly south of Corinna. They completed mapping, soil sampling, ground magnetic and EM surveys over the grid.

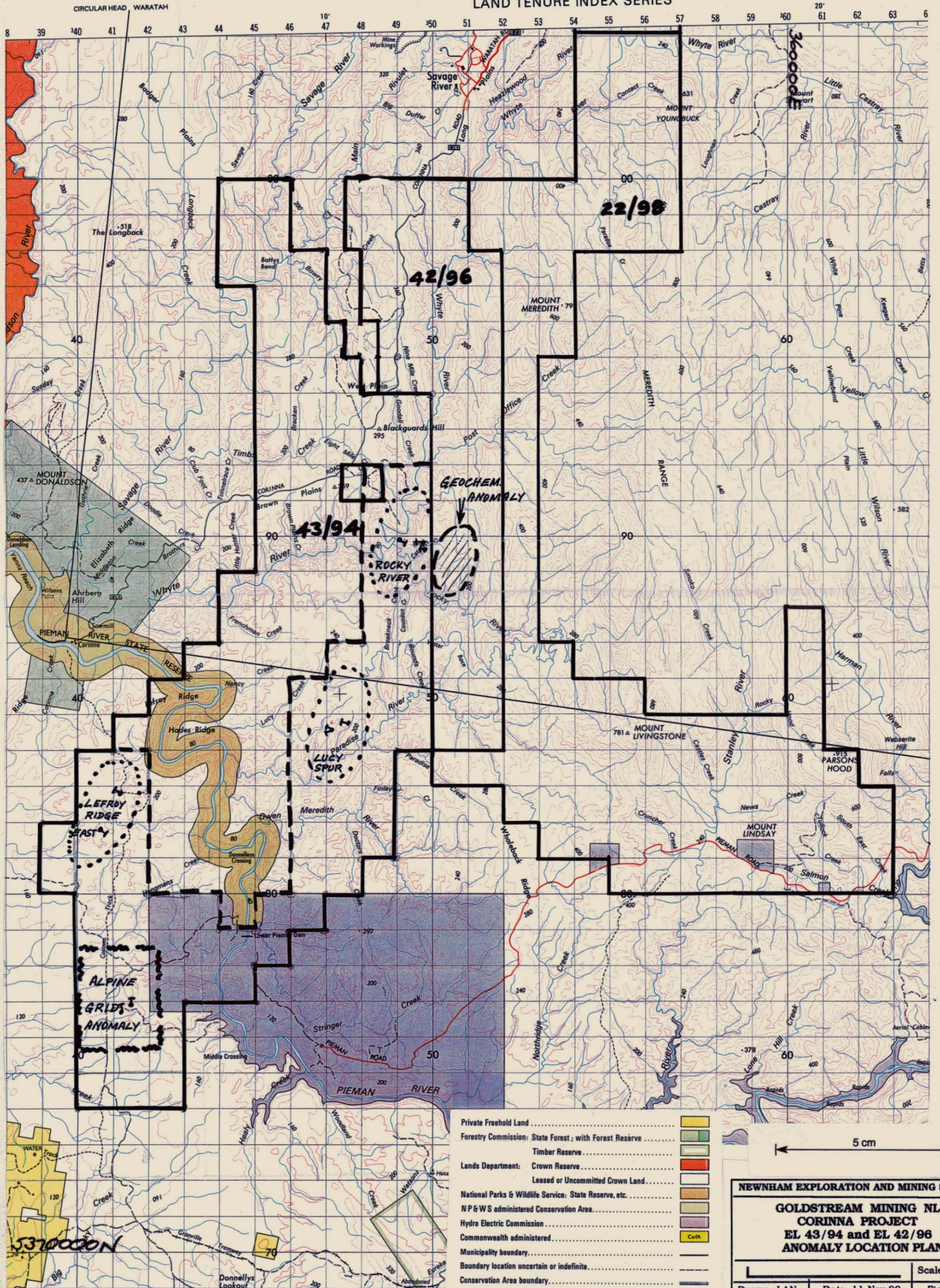
Massive copper bearing pyrite was previously logged in road cuttings in this area. CRA then drilled two (2) cored holes. The first hole (AP 1) intersected 8.2 m 0.19% Zn, followed by 12.7 m 0.24% Cu in schist.

The second hole (AP 2) intersected 27.4 m 0.53% Cu in similar schists.

Later assaying of selected sections of the copper rich zone returned low gold values (max 0.1 g/t).

This mineralisation is the most significant intersected to date on EL 43/94 , but does not appear to have been **re-assessed in detail** by Goldstream.

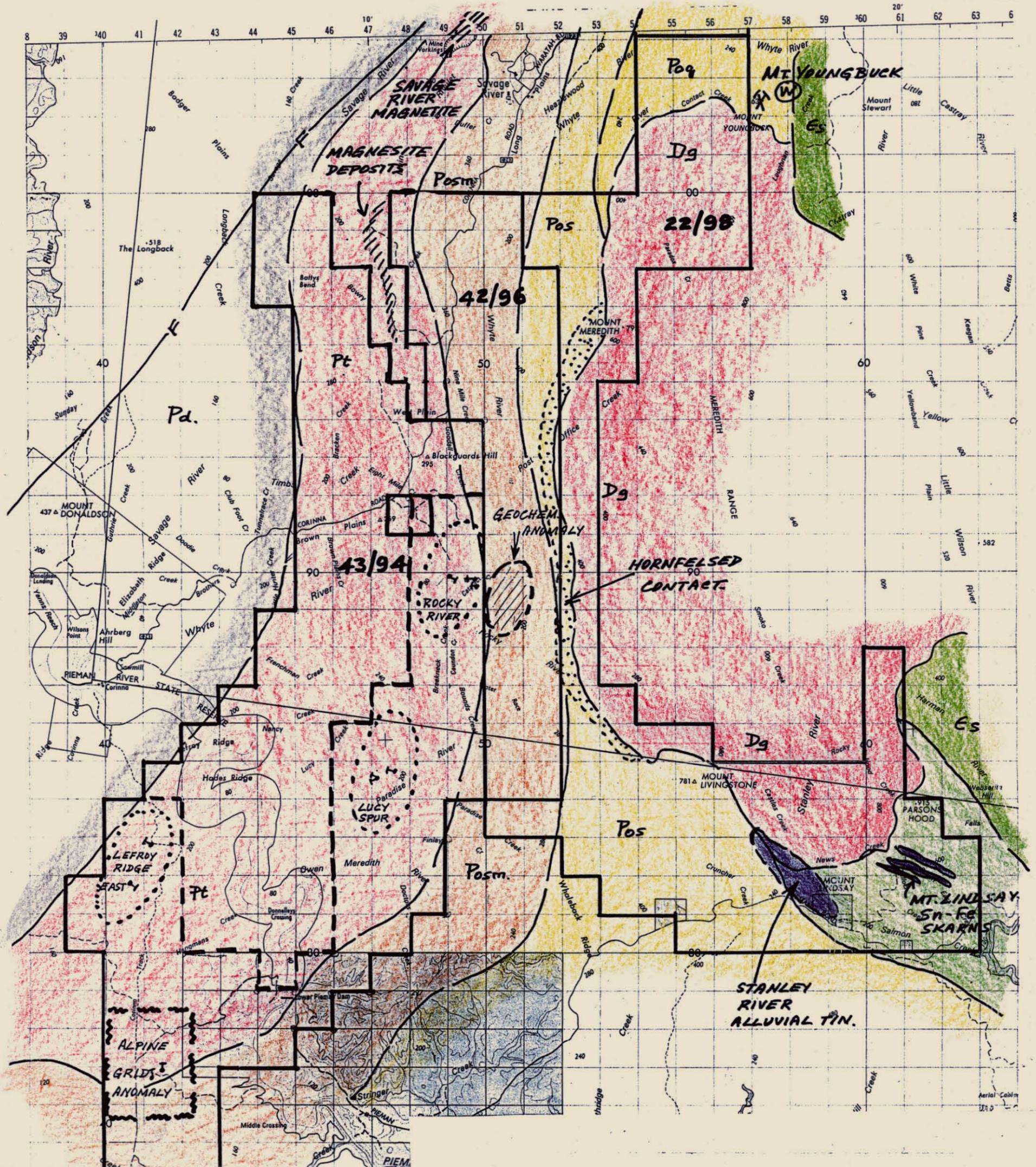
It is strongly recommended that this be done in 2000. A total budget of \$5,000 should cover this work, including a brief field inspection of the area.



- Private Freehold Land
- Forestry Commission: State Forest; with Forest Reserve
- Timber Reserve
- Lands Department: Crown Reserve
- Leased or Uncommitted Crown Land
- National Parks & Wildlife Service: State Reserve, etc.
- NP & WS administered Conservation Area
- Hydro Electric Commission
- Commonwealth administered
- Municipality boundary
- Boundary location uncertain or indefinite
- Conservation Area boundary

NEUHAM EXPLORATION AND MINING SERVICES
GOLDSTREAM MINING NL
CORINNA PROJECT
EL 43/94 and EL 42/96
ANOMALY LOCATION PLAN

Scale: 1 : 100,000
 Drawn: LAN Date: 11 Nov 99 Fig 2



- Dg** Meredith Granite, Devonian-Carboniferous age
- Es** Cambrian ultra mafic and mafic units
- Ecc** Cambrian volcanoclastic sediments and carbonates of Crimson Creek Formation over mudstones, siltstones of Success Creek Group
- Poq** Quartzite, minor carbonate and conglomerate; upper Oonah Formation
- Pos** Quartzites, siltstones and mudstone of upper Oonah Formation
- Posm** Precambrian micaceous quartz schists, equated with lower Oonah Formation
- Pt** Precambrian phyllites and schist, part of Bowry Formation and Timbs Group
- Pd** Precambrian siltstones, slates, minor carbonates and chert; equated with Ahrberg and Interview River Groups;

Geological information taken from State 1:50000 Corinna geological map

623010

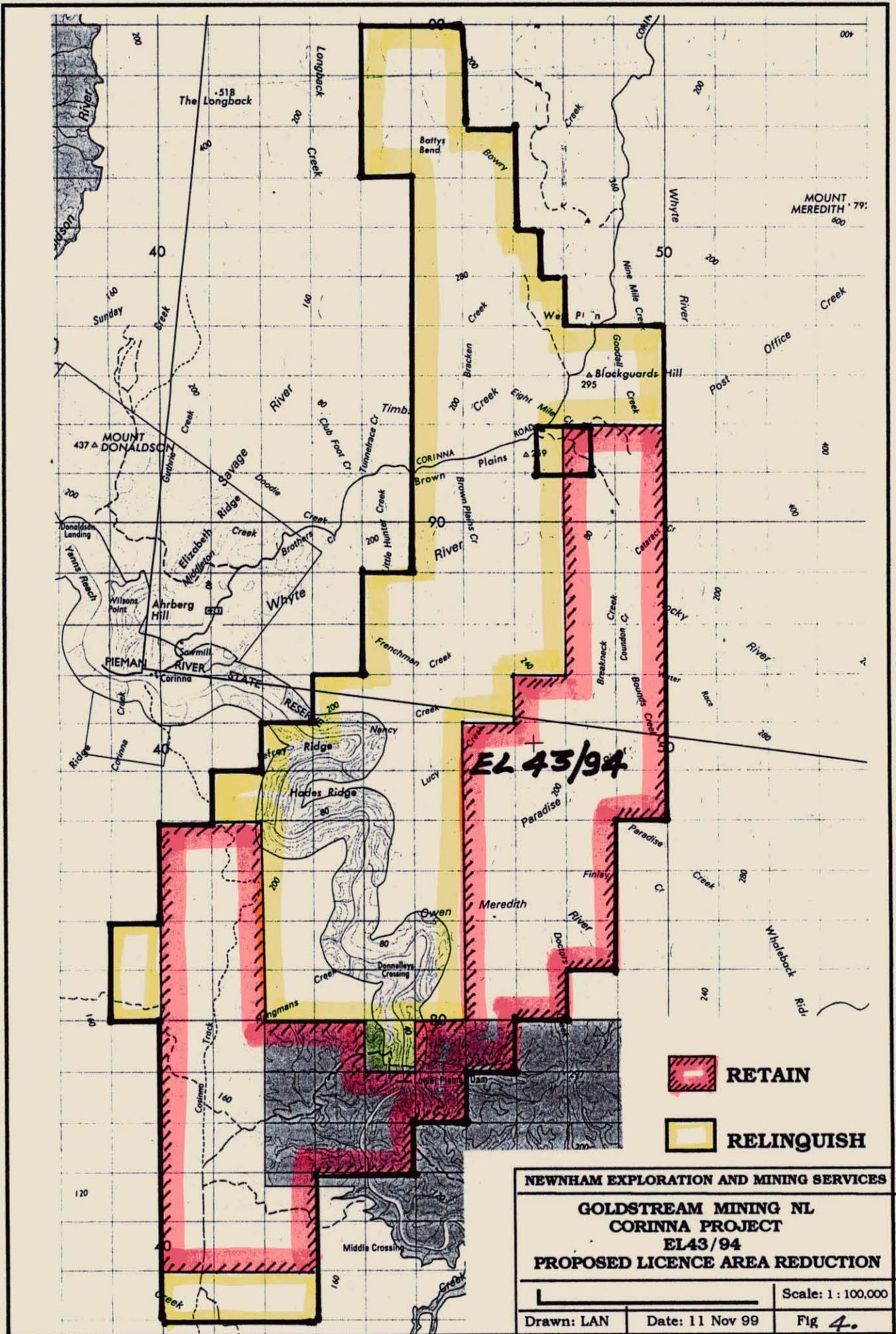
NEWHAM EXPLORATION AND MINING SERVICES		
GOLDSTREAM MINING NL		
CORINNA PROJECT		
EL 43/94, EL 42/96 and EL 22/98		
PRINCIPAL GEOLOGICAL ELEMENTS		
	Scale: 1:100,000	
Drawn: LAN	Date: 11 Nov 99	Fig 3

5. AREA RECOMMENDED FOR RELINQUISHMENT

The licence area must be reduced by a minimum 50% before 05 February 2000.

MRT will require the notification of the area to be relinquished, accompanied by a relinquishment report, before 05 January 2000.

Attached is a plan of the area recommended for relinquishment (Fig 4).



623012

6. REFERENCES

(a) "Corinna EL 43/94 Annual Report for the Period February 3, 1995 to February 2, 1996", by Robin FC Morrill, December 1995, MRT ref 96-3821

(b) "Exploration Licence No 43/94 Corinna, Western Tasmania Annual Report to 4/1/97", by NJ Turner Geological Services Pty Ltd, 22 October 1997, MRT ref 97-4074

Contains two attached reports:

- "Microscopic Examination of Gold Particles in Panned Concentrate Samples", by HD Nolan
- "A Petrographic and Geochemical Investigation of Gold: Arthur Mobile Belt, Western Tasmania", by Paul Kitto

(c) "Exploration Licence No. 43/94 Corinna, Western Tasmania Annual Report to 4/1/98", by NJ Turner Geological Services Pty Ltd, 18 December 1997, MRT ref 97-4108

Contains two attached reports dealing with:

- logs and petrographic reports for eight cored drill holes
- interpretation of magnetic anomalies
- down-hole EM survey
- enhanced digital plans

(d) "EL 43/94 Corinna Western Tasmania Annual Report to 4/1/99", by NJ Turner Geological Services Pty Ltd, 31 July 1998, MRT ref 99-4261

Contains a report on rock sample petrography by Terry Leach and Co.