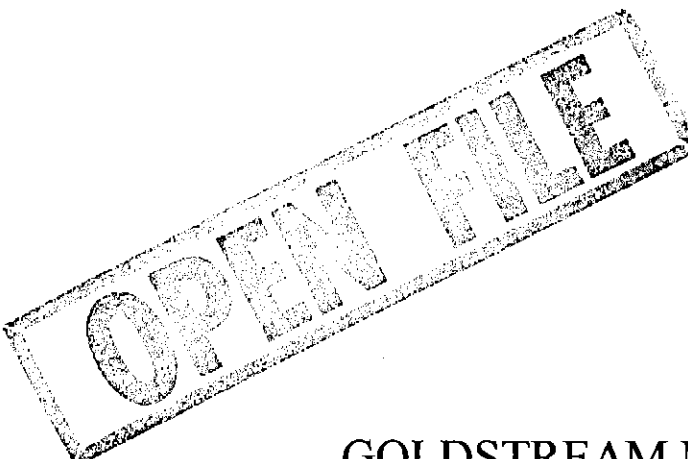


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FICHE No.013835-

EL43/94

for the period

February 3, 1995 to February 2, 1996

96-3821

ANNUAL REPORT 1995-96 CORINNA EL 43/94
GOLDSTREAM MINING - MORRIT R F C

December 1995

CONTENTS

| | |
|------------------------|----|
| 1. Abstract | 3. |
| 2. Introduction | 3. |
| 3. Tenure | 3. |
| 4. Expenditure | 5. |
| 5. Current Exploration | 5. |
| 6. Planned Exploration | 8. |
| 7. Proposed Budget | 8. |

LIST OF FIGURES

| | |
|---|----|
| 1. Location and tenement plan | 4. |
| 2. Regional geology | 6. |
| 3. Tenement geology and location of alluvial and primary gold occurrences | 7. |

LIST OF TABLES

| | |
|----------------|----|
| 1. Expenditure | 5. |
|----------------|----|

CORINNA

1. ABSTRACT

The Corinna EL 43/94 was granted on February 3, 1995. Work to date has been restricted to a preliminary field visit, data acquisition and exploration planning. The digital magnetic data set for the entire northwestern segment of Tasmania was acquired and digitally spliced and processed with hard-copy output.

An exploration team, headed by Mr Nicol Turner, is in place and will commence field work in January 1996.

Expenditure to December 31, 1995 is \$44,688 divided equally by joint venture partners Goldstream Mining NL and Titan Resources NL. The last month of this reporting period, to February 2, 1996, will include approximately 25% of the \$120,000 expenditure reported below.

A program for the next phase of exploration is outlined and will cost approximately \$120,000 for the stream sediment sampling and geology, and \$100,000 for the airborne magnetics survey

2. INTRODUCTION

The Corinna lease is an equal joint venture between Goldstream Mining NL and Titan Resources NL. The lease was acquired following a conceptual targeting exercise by RFC Morritt that focussed on Homestake-style Proterozoic iron-formation hosted lode gold in the northwest of Tasmania. Both Goldstream and Titan have had a long association in Tasmania.

3. TENURE

Exploration licence 43/94 was granted to Goldstream Mining NL (50%) and Titan Resources NL (50%) on February 3, 1995. It has an area of 12,700ha (Figure 1) and an expenditure commitment of \$132,000 in the first two years.

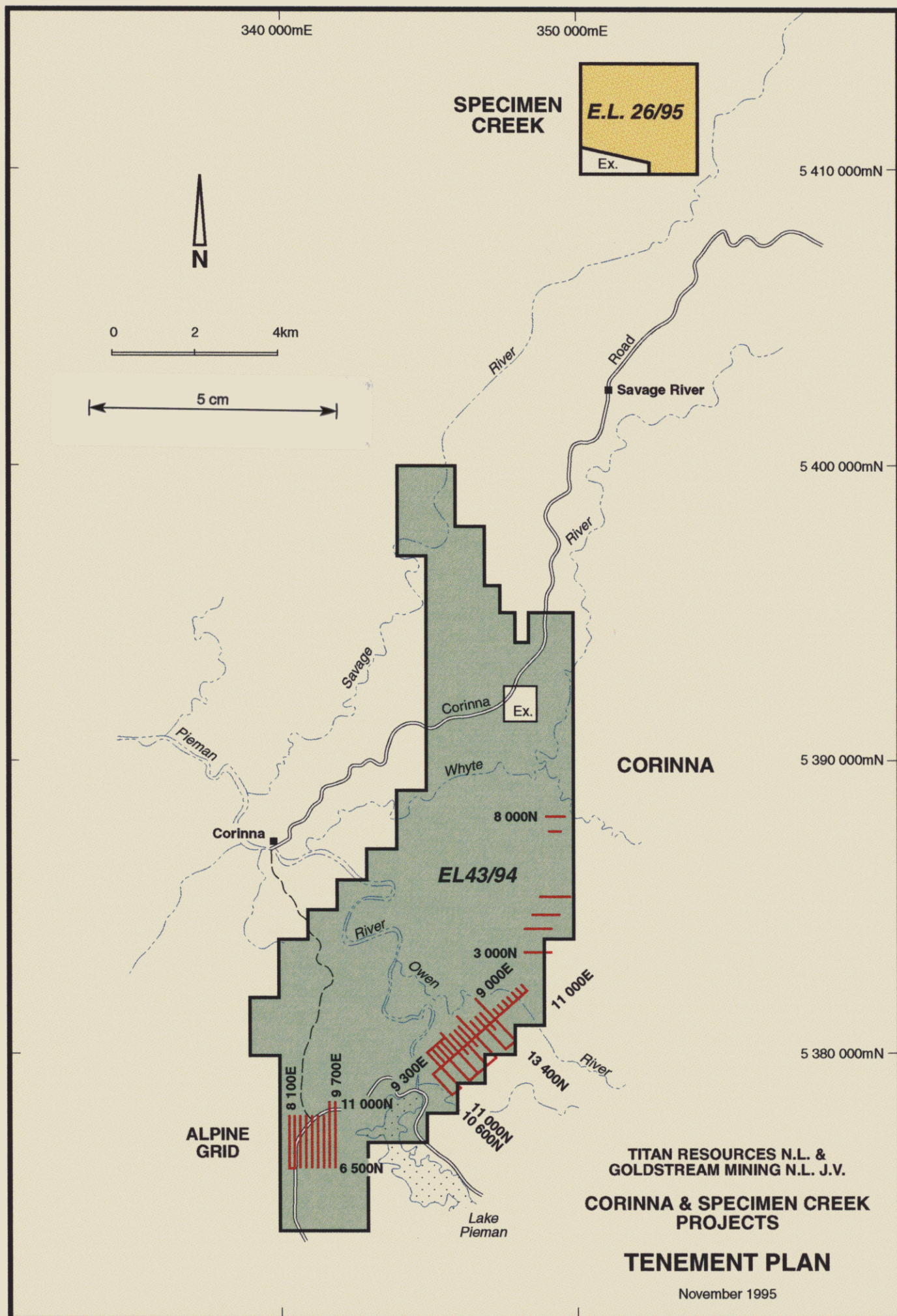


Figure 1

4. EXPENDITURE

Expenditure on the project to December 31, 1995 was \$44,688.39. The breakdown of costs is presented in Table 1. Acquisition costs are not included.

Table 1 Expenditure.

| COST CENTER | \$ |
|-------------------------|------------------|
| Accommodation | 2,024.10 |
| Analysis | 25.00 |
| Drafting/Maps | 1,743.55 |
| Equipment hire | 60.00 |
| Food and messing | 260.45 |
| Fuel | 185.60 |
| Geological Consultant | 8,397.90 |
| Geophysical Consultant | 7,715.00 |
| Office Expenditure | 306.70 |
| Salaries | 15,475.00 |
| Tenement Administration | 210.00 |
| Travel | 2,123.10 |
| Vehicles | 2,098.09 |
| Overheads 10% | 4,063.00 |
| TOTAL | 44,688.39 |

5. CURRENT EXPLORATION

The focus has been on planning an effective exploration effort for the 1995/6 and 1996/7 field seasons. All available data has been gathered and studied from the areas indicated in Figures 2 & 3. The available digital magnetic data has been acquired and processed so that it is in a suitable form for interpretation. R Morrill spent some time in Tasmania on site with Nic Turner and at Tasmania Development and Resources where he had discussions with interested parties including John Pemberton, Bill Baker and Ralph Botterill.

Encouragement to date comes from data supplied by Ralph Botterill. We were curious as to the location of Proterozoic gold sites as opposed to the alluvial sites presented in the published maps. Botterill provided a disc with the AMG co-ordinates of the known Proterozoic gold sites. To our delight these largely occur within an iron-rich unit that runs down the eastern margin of the lease; the alluvial sites occurring downstream from this horizon. This suggests that at least some of the gold is indeed derived from the Proterozoic and not from the adjacent Paleozoic and overlying Tertiary (Figure 3).

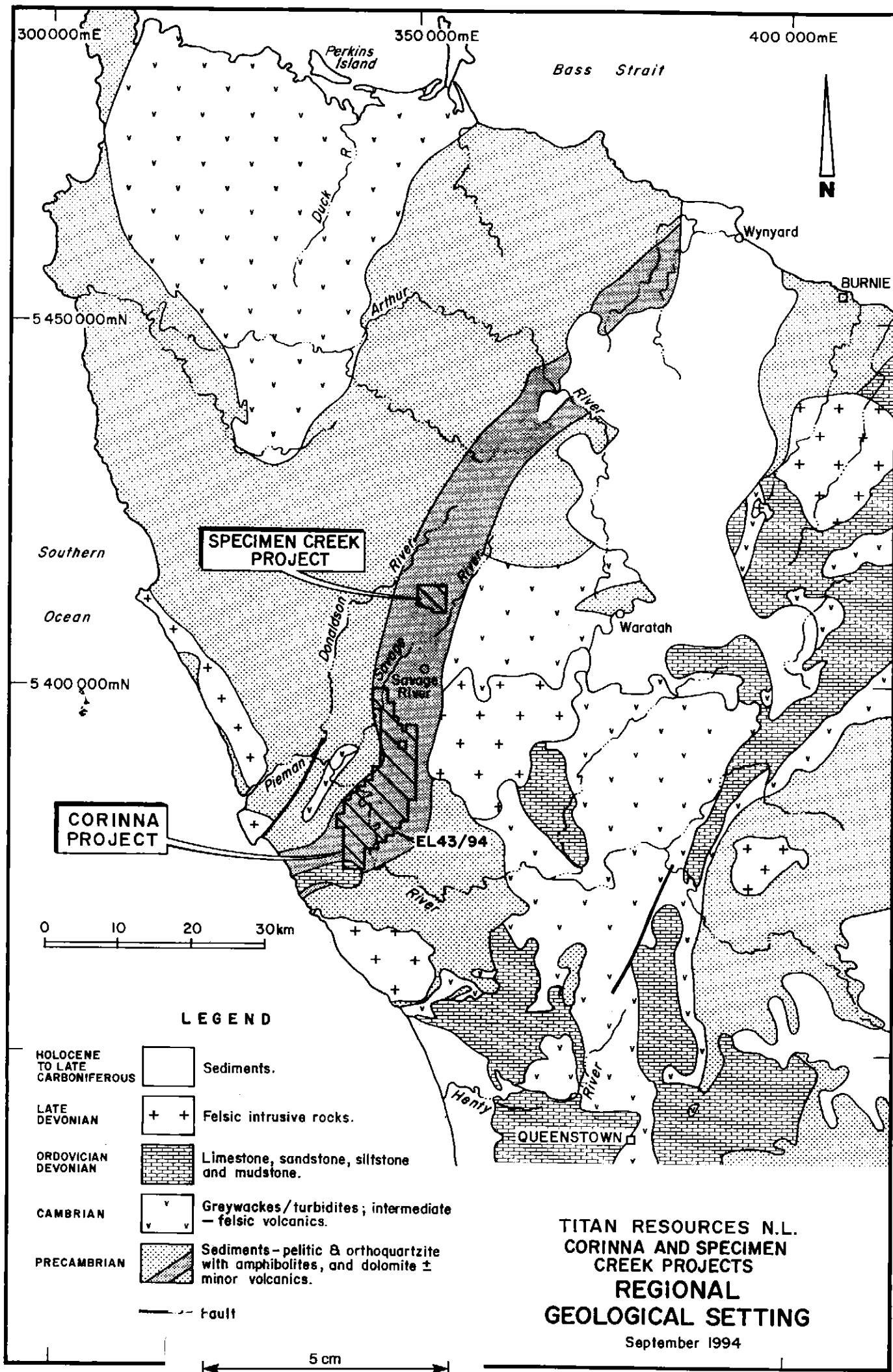
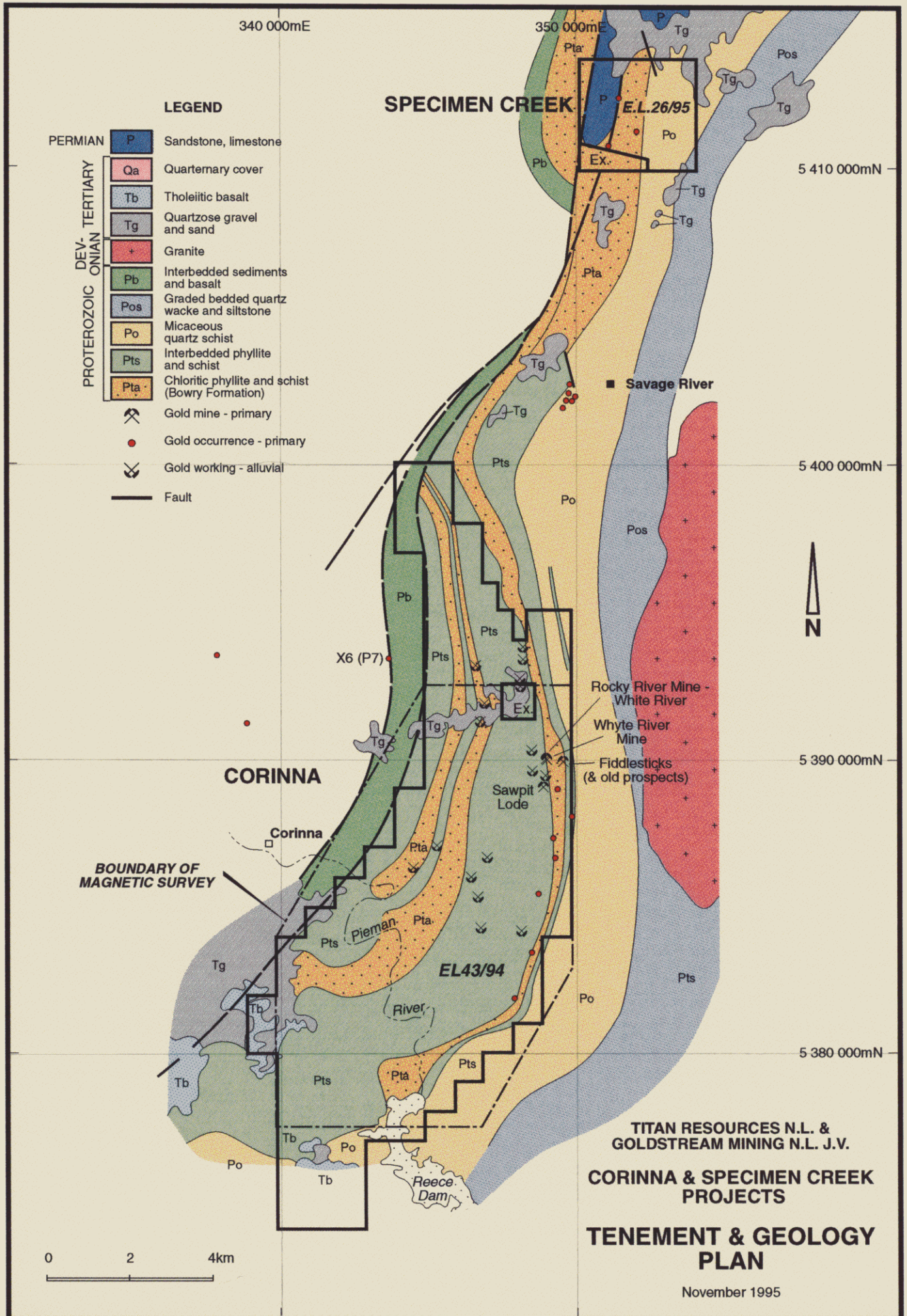


Figure 2



6. PLANNED EXPLORATION

GEOLOGY

- Attempt to locate, map and sample the historic primary lode gold sites in Proterozoic rocks; particularly those associated with the iron-rich stratigraphic units.
- Map all outcrops concurrent with the stream sediment work.

STREAM SAMPLING

The sampling technique outlined is an attempt to discriminate Proterozoic gold from the Paleozoic and Tertiary gold. If it works it will enable us to steer away from false anomalies. The results will be used in conjunction with detailed geological input and the high resolution magnetics.

- Undertake systematic stream sediment sampling gathering panned heavy concentrates from 20 litre samples at 200 sites located between the Pieman and Whyte Rivers.
- Heavy concentrates to be fine-panned and gold tails counted and examined for crystalinity, roundness etc to assist with gold provenance mapping.
- Heavy concentrates and separated fine gold to then be submitted for assay to Amdel in Adelaide and subjected to fire assay to test for gold in sulphides and fire assay using the bullion analysis method for discriminating silver in gold respectively.
- Results will be collated and plotted to determine target sites and the likelihood the target has a Proterozoic source.

Note that follow-up soil sampling utilising the Huminex technique will probably be used to pin down the source of gold. This will be undertaken in conjunction with the magnetics for drill targeting.

MAGNETICS

Acquisition of the high resolution magnetics, a cornerstone of the exploration program, will be deferred until the 1996/97 field season pending results from the phase of work being conducted in the summer of 1995/96.

DRILLING

The first round of diamond drilling is planned for late in the 1996/97 field season. It will follow acquisition and interpretation of the magnetics.

7. BUDGET PROPOSAL for 1995/1996.

A budget of \$120,000 is planned for the stream sampling and geological phase of work to be undertaken from January to April 1996. This budget includes the field team, line cutters, accommodation, vehicles and analysis. The acquisition of magnetics is now planned for January 1997 and will cost approximately \$100,000.