

EL 14/2001- HEAZLEWOOD AREA

ANNUAL REPORT

**Year Ending
14 September 2003**

Prepared for:

Allegiance Mining NL

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1. EXPLORATION PHILOSOPHY and OBJECTIVES

Exploration Licence 14/2001 in the Heazlewood area was acquired because the area was considered prospective for nickel skarn deposits of the *Avebury style*.

Avebury style deposits are hosted by ultramafic bodies lying within the contact aureole of younger granitic intrusives. They are believed to have formed during the hydrothermal alteration of the ultramafic by the granite, resulting in the formation of nickel sulfide concentrations in structural or lithological trap sites.

In the Heazlewood area, the Heazlewood and Mt Stewart ultramafic complexes (probably components of a single ultramafic body) have been intruded by the Meredith Granite. The area thus had the fundamental criteria necessary for the formation of *Avebury style* nickel sulfide deposits.

In addition to the *Avebury style* nickel sulfide deposit targets, the Jasper Mine area is considered also to have potential for copper-gold deposits in Cambrian basaltic rocks.

2. WORK COMPLETED

No active field work was undertaken by Allegiance on the licence area during the year.

Mineral Resources Tasmania completed a wide-spaced aeromagnetic and EM survey over the licence area in conjunction with an updating of the Luina 1:25,000 State geological map covering the area. This work supported the underlying exploration principles and philosophy in the licence area.

3. WORK PLANNED

Allegiance considers the next stage of exploration should include a detailed, high resolution aeromagnetic survey of the licence area followed by ground investigation of selected targets identified from this work.

It is envisaged that the aeromagnetic survey will be integrated into a broader survey covering other Allegiance surveys over tenements near Renison Bell which are regarded as having similar prospectivity objectives to Heazlewood.

