

FINAL REPORT

BEACONSFIELD GOLD PROJECT

EXPLORATION LICENCE EL 17/73

LICENSEES - ALLSTATE TASMANIA PTY LTD AND
AUSTAMAX GOLD PTY LTD

OPERATOR - AUSTRALIAN CONSOLIDATED MINERALS LTD
ON BEHALF OF
BEACONSFIELD GOLD MINES LIMITED

DATE - 11 DECEMBER 1987

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PLAN OF EL 17/73 GEOLOGY AND SURFACE LAYOUT

FINAL REPORT FOR EL 17/73 - BEACONSFIELD1. INTRODUCTION

EL 17/73 is due for total relinquishment on 12 January 1988. Beaconsfield Operations Pty Ltd, a wholly owned subsidiary of Beaconsfield Gold Mines Ltd (BGML), is committed to re-develop the Tasmania Gold Mine contained within EL 17/73 and have applied for eight Mining Leases to cover the known resource area and proposed plant and tailings site.

The EL covers an area of 40 square kilometres, but within this area there are a number of mining and gravel leases and one prospecting claim. The location of the EL and these other tenements is shown on the accompanying plan.

In March 1987 Beaconsfield Gold Mines Ltd raised \$15 million to fund re-development work and surface exploration. Australian Consolidated Minerals Ltd (ACM), BGML's largest shareholder, provides management to the project.

Since the granting of the original EL in 1973, approximately \$8 million has been expended on exploration, mining and feasibility studies. Despite the exploration efforts no economically attractive gold mineralisation was located outside the mine area. Consequently all of EL 17/73 excluding the eight mining leases will be relinquished on 12 January 1988.

2. TENEMENT HISTORY

Exploration Licence EL 17/73 was first granted to Allstate Exploration NL on 14 July 1973.

EL 17/73 was transferred to Allstate Tasmania Pty Ltd on 23 August 1973.

On 8 July 1983 EL 17/73 was transferred to Allstate Tasmania Pty Ltd, Tricentrol Pty Ltd (Tricentrol) and Amax Australia (Gold) Pty Ltd.

Note: Amax Australia (Gold) Pty Ltd - name changes to Austamax (Gold) Pty Ltd and ACM (Gold) Pty Ltd were effected in 1984 and 1986.

3. JOINT VENTURE OWNERSHIP

A Letter Agreement dated 29 October 1979 was agreed between Amax Iron Ore Corporation (Amax) and Allstate Tasmania Pty Ltd (Allstate) whereby Amax could earn a 50% interest by incurring expenditure on exploration and development of \$3.0 million within three years of such date.

An Agreement (the Beaconsfield Joint Venture Agreement) dated 5 February 1981 was signed by both parties (Amax and Allstate). The earnings commitment was satisfied in early 1982.

An Acquisition Agreement dated 18 April 1984 was drawn-up between Amax and Austamax Gold Pty Ltd whereby Amax agreed to sell, transfer and assign all of it's rights and obligations under the Beaconsfield Joint Venture to Austamax Gold Pty Ltd (following the ACM takeover of Austamax Resources Limited, Austamax Gold Pty Ltd became a 100% subsidiary of ACM Gold Pty Ltd).

Beaconsfield Gold Mines Limited (BGML) was incorporated in Tasmania under the Companies (Tasmania) Code on 9 December 1986.

A prospectus for the flotation of BGML was issued on 9 March 1987. Corporate Affairs Commission in Hobart accepted the prospectus for registration on 20 March 1987. BGML was listed on the Australian Stock Exchanges on 19 May 1987.

The ownership of BGML is ACM Gold Pty Ltd 34.06%, Allstate 32.35%, Public 33.59%.

4. EXPLORATION ACTIVITIES 1973-1987

During the last fourteen years there have been various changes in the project ownership and management, these resulted in various phases of activity which are summarised as follows:

4.1 1973 to 1979 - Project Manager - Allstate

Allstate carried out a diamond drilling programme which obtained three reef intersections below the old workings at approximately 500 metres below the surface.

Additional exploration work, including geochemical and petrological investigations, was carried out along with auger and rotary drilling.

Feasibility studies were carried out to investigate the re-opening and operating of the Tasmania Gold Mine.

4.2 1979 to 1983 - Project Manager - Amax

Amax commenced a work programme to recover the Hart Shaft in an attempt to gain access to the old workings and the resource outlined below the old workings, the shaft was recovered to approximately 55 metres. Due to extreme difficulties with this work and after the expenditure of \$3.0 million, work was suspended in 1982.

Other work undertaken during this period included:

- exploration in the Salisbury Hill and Cabbage Tree Hill and other areas, including auger drilling, mapping and sampling
- ✗ - magnetic and geochemical surveys
- groundwater investigation studies and monitoring
- geotechnical and stabilisation studies
- feasibility and engineering studies and investigation
- ore resource estimates

4.3 1983 to April 1985 - Project Manager - Renison (RGC)

RGC entered into an agreement to expend \$2.0 million on exploration, including the drilling of deep diamond holes, to earn a 30% interest in the joint venture, this interest was not earned.

However, during the RGC management period, a total of 14 diamond drillholes including wedges were drilled.

The Hart Shaft water level was maintained at approximately 55 metres below surface during this period.

4.4 May 1985 to December 1987 - Project Manager - Austamax/ACM

During the period May 1985 - December 1986 the Hart Shaft water level was maintained at -50 metres.

A full re-assessment of the ore reserves was undertaken including re-logging of core, re-assaying and mineralogical work.

An independent consultant reviewed the resource estimates and carried out a feasibility study in preparation for the BGML prospectus.

BGML was successfully floated in early 1987 and site works commenced on 23 March 1987.

Activities to December 1987 included:

- Hart Shaft renovation and stabilisation 38-45 metres, steel sets and concrete, plus surface filling and levelling
- Geotechnical drillhole investigations around Hart Shaft
- Engineering and design work for Hart Shaft recovery
- Hydrological surveys, pump tests and groundwater monitoring
- Drilling through the shaft blockage and underwater video work
- Exploration activities including surface mapping, sampling, geochemical and geophysical surveys.

5. LIST OF REPORTS

In addition to the statutory quarterly and annual reports submitted to the Mines Department numerous reports have been prepared, a list of reports prepared during 1973-1987 is appended.

Recent reports, those marked with an asterisk, are confidential and it is requested they remain on closed file.

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APPENDICES

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LIST OF REPORTS PREPARED DURING 1973-1987

Report on the Auger Geochemistry Beaconsfield Gold Prospect; Allstate Explorations N.L.

Beaconsfield Gold Recovery Plant; Sala Australia Pty Limited.

Beaconsfield Gold Project Composite Geological Logs DDH 3I, 3II and 3III; Allstate Explorations N.L.

Beaconsfield Gold Prospect Report; Allstate Explorations N.L.

Beaconsfield Deep Lead Gravity Survey, 1965, A.W. Howland-Rose.

A Review and Evaluation of the Beaconsfield Gold Prospect for Allstate Explorations N.L.; T.V. Willsteed - Watts, Griffis & McQuat (Australia) Pty Limited, Sydney, 24 May 1973.

Preliminary Feasibility Study for the Reopening of Beaconsfield Gold Field for Allstate Explorations N.L., Sydney, 3 August 1973; T.V. Willsteed - Watts, Griffis & McQuat (Australia) Pty Limited.

Description of Sulphide - Bearing Carbonate Rock, Report MP 3634/74, 3 April 1974; The Australian Mineral Development Laboratories Adelaide, South Australia.

Description of Gold - Bearing, Sulphide Rocks, Report MP 3929/74, 22 May 1974; The Australian Mineral Development Laboratories Adelaide, South Australia.

Reopening and Confirmation Programme, Beaconsfield Gold Mine, 12 July 1974; T.V. Willsteed - Watts, Griffis & McQuat (Australia) Pty Limited.

Gold Recovery Tests R684, October 1974; Tasmania Department of Mines.

Beaconsfield Gold Project; March 1975; K Parsons.

75-1108 Report on the Feasibility of Reopening and Operating the Tasmania Gold Mine at Beaconsfield, Tasmania.
Part A Initial Report, August 1975; Allstate Explorations N.L.
Part B Attachments, August 1975; Allstate Explorations N.L.

Petrological Examination of Seven Rock Samples Report No. 79/14, 15 March 1979; G.G. Lowder, Lowder Geoscience.

79-1341 1979 Revision of Capital and Operating Costs Beaconsfield Mine - Allstate Explorations N.L., 20 March 1979, A. Silver - T.V. Willsteed & Associates, Sydney.

79-1346 EL 17/73 Potential for Locating Reefs Near to and Approximately Parallel to the Tasmania Reef; T.E. Bates - Allstate Explorations N.L.

EL 17/73 Report on the Geology, Mineralisation and Exploration Potential of the Beaconsfield Licence Area, April 1979; T.E. Bates - Allstate Explorations N.L.

79-1329 Report on Auger and Rotary Drilling on EL 17/73 Beaconsfield, Lines 1-3 Holes RB1-RB52, 16 May to 12 June 1979; T.E. Bates, Allstate Explorations N.L.

Hydrogeological Appraisal in Relation to Reopening the Gold Mine Beaconsfield, October 1979; Australian Groundwater Consultants.

79-1403 Summary Report on Auger and Rotary Drilling on Lines 1-4, EL 17/73 Beaconsfield, 30 November 1979; Allstate Explorations N.L.

Tender Documents for the Drilling, Construction, Development and Test Pumping of a Test Production Well and Observation Wells as Beaconsfield, January 1980; Australian Groundwater Consultants.

Report on Detailed Literature and Data Search Relevant to Water Inflow Preliminary, January 1980; Australian Groundwater Consultants.

Geophysical Programme Results - Preliminary, January 1980; Australian Groundwater Consultants.

Geophysical Programme Results, March 1980; Australian Groundwater Consultants.

Amax Iron Ore Corporation Beaconsfield Gold Mine Electrical Power Supplies Preliminary Design Report, August 1980; Merz & McLellan & Partners, Melbourne.

Order of Magnitude Study Beaconsfield, June 1981; AMAX.

Access Alternatives - Order of Magnitude Study, July 1981; Hardcastle & Richards Pty Ltd for Amax Iron Ore Corporation.

Order of Magnitude Study Beaconsfield, November 1981; AMAX.

Report to Hardcastle & Richards Pty Ltd on Geotechnical Investigation for Stabilisation of Hart Shaft Beaconsfield Tasmania, December 1981; Golder Associates.

Feasibility Study - Beaconsfield Gold, December 1981; Roberts Construction Limited.

Compendium of Historical Information on Water at the Tasmania Mine, 1982; S Ireland.

Hart Shaft Dewatering Review Beaconsfield, February 1982; Australian Groundwater Consultants Pty Limited for Amax Australia Limited.

Beaconsfield Project Review, March 1982; Amax Australia Limited.

Amax Iron Ore Corporation Report on Contingency Plan for Hart Shaft Beaconsfield Gold Mine Tasmania, May 1982; Hardcastle & Richards Pty Ltd.

Beaconsfield Geology and Exploration, March 1982; D.A. Hamlyn.

83-2021 Beaconsfield Project Progress Report Period Ending 30 June 1983, 30 June 1983; L.A. Newnham, C. Pease.

Beaconsfield Project Progress Report Period Ending 30 June 1983, Gold Fields Exploration Pty Ltd

84-2107 Progress Report on Exploration of Tasmania Reef Beaconsfield Tasmania, March 1984; C. Pease Gold Fields Exploration Pty Ltd.

Beaconsfield Gold Project Order of Magnitude Evaluation, January 1984; T.V. Willsteed and Associates.

Progress Report on Exploration of Tasmania Reef Beaconsfield Tasmania, March 1984; C. Pease Gold Fields Exploration Pty Ltd.

85-2371 * Metallurgical Investigations of Beaconsfield Gold Deposit Tasmania, Report No. 1, March 1985; Gold Fields Exploration Pty Limited.

85-2368 Progress Report on Exploration of the Tasmania Reef, Beaconsfield to end February 1985, April 1985; C. Pease Gold Fields Exploration Pty Limited.

85-2370 * A Preliminary Economic Study of the Beaconsfield Gold Project Tasmania, April 1985; R J Hanson Gold Fields Exploration Limited.

* Summary Report Beaconsfield Tasmania, June 1985; Austamax Resources Limited.

* Preliminary Project Development Programme, September 1985; B Blanchard.

* Preliminary Project, Development Programme, June 1986; B Blanchard.

* Project Description, Capital and Operating Costs, June 1986; B Blanchard.

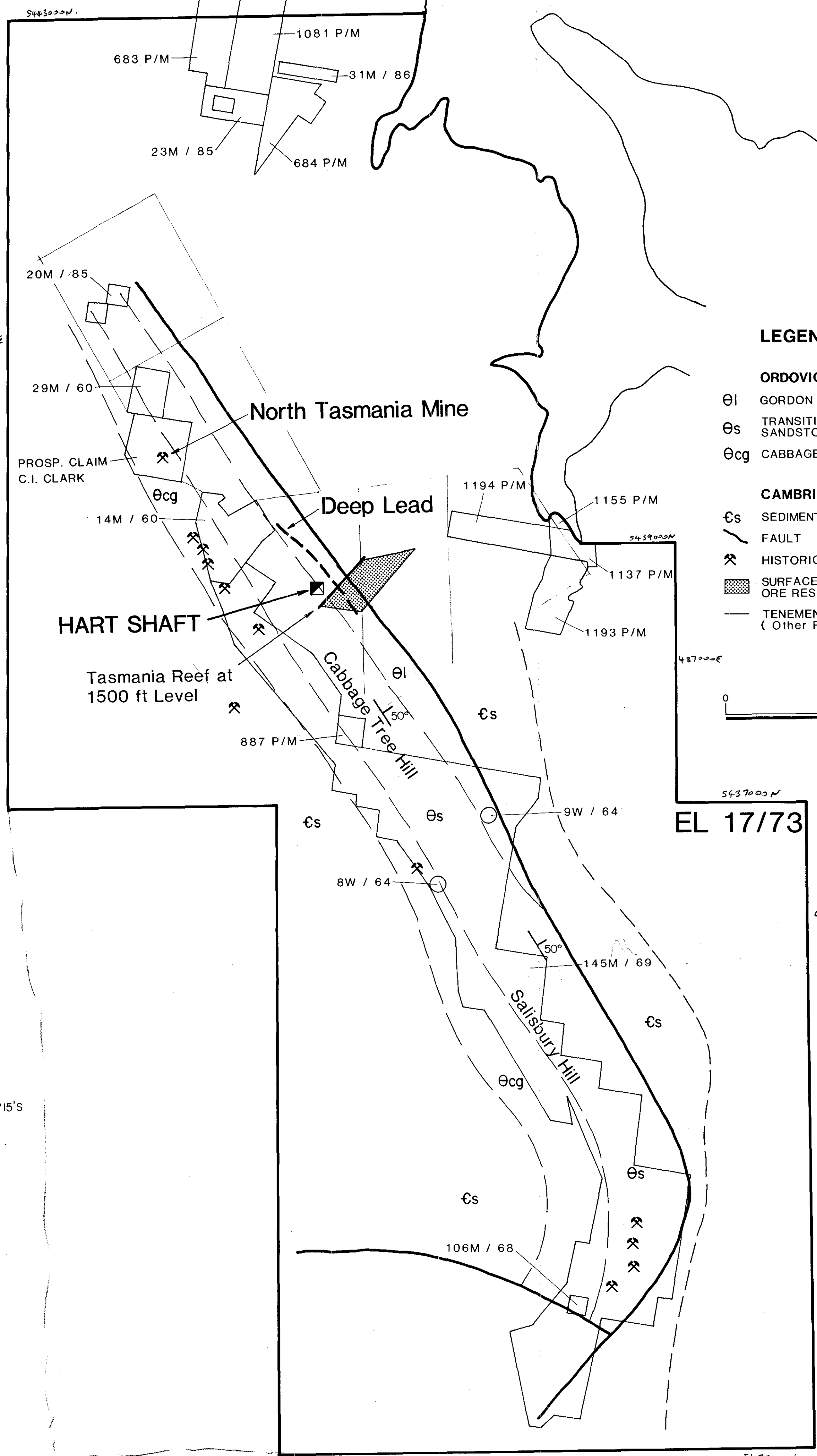
87-2632 * Estimate of Resource Below Old Workings Tasmania Mine, August 1986; N R Sheppy.

* Programme to Dewater, Confirm Ore Resource and Prepare Final Feasibility Study, September 1986; James Askew & Associates.

87-2630 * Assessment of Economic Potential of Tasmania Gold Mine Beaconsfield, October 1986; James Askew & Associates.

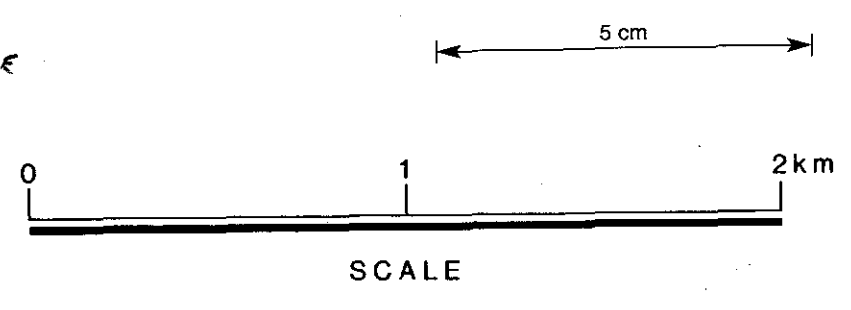
* THESE REPORTS ARE CONFIDENTIAL AND IT IS REQUESTED THEY REMAIN ON CLOSED FILE.

Tamar River



LEGEND

- ORDOVICIAN**
- θl GORDON LIMESTONE
 - θs TRANSITION BEDS - SANDSTONE / SILTSTONE
 - θcg CABBAGE TREE CONGLOMERATE
- CAMBRIAN**
- εs SEDIMENTS
 - FAULT
 - HISTORIC GOLD WORKINGS
 - SURFACE PROJECTION OF ORE RESOURCE
 - TENEMENT BOUNDARIES (Other Parties)



EL 17/73

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AUSTRALIAN CONSOLIDATED MINERALS LTD

**BEACONSFIELD GOLD PROJECT
EL 17/73 GEOLOGY AND SURFACE
LAYOUT**