

# TasGold Ltd

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## COMPANY ANNOUNCEMENTS OFFICE

### TECHNICAL REPORT – QUARTER ENDED 30th JUNE 2004

#### 1.0 SUMMARY

Highlights from the quarter include:

- ❖ The only hole drilled at the Wart Hill Prospect (last hole drilled during the 'Summer' field season) intersected potentially economic, high-grade, and high-value, base and precious metals. The intercept of 3.9m of 12.6% Zinc + 7.2% Lead + 123g/t Silver + 0.6g/t Gold is the best ever drilled at the Southern Mount Read Volcanic Project (SMRV) and known in the entire Mt Read volcanics to the south of the World Class Mt Lyell Mine. This resoundingly demonstrates the excellent potential of TasGold's SMRV project and the company's decision to diversify and explore for base metals in addition to gold.

Significant gold mineralisation (5.18 g/t Au over a 1m width) indicative of possible hybrid epithermal – VHMS Henty style gold style was intersected at depth in the same hole at Wart Hill.

The Pleiades (V30) Prospect drilled for the first time ever and returned 3m of 1.00g/t Au + 2.00%Zn + 0.67% Pb, from 37 to 40m downhole, with strong silica-sericite alteration and intense shearing showing many similarities to the Henty Gold deposits of the northern Mount Read Volcanics. A wide gold zone was intersected at Sassy Creek which included a 94.4m interval (entire sampled interval) of geochemically anomalous (0.09 g/t Au) mineralisation. Further work is warranted.

- ❖ An excellent arrangement was negotiated with Toronto Venture Stock Exchange (TSX) listed Fraserfund Financial Corp. on 10 of TasGold's Exploration License Applications (ELAs) in Papua New Guinea (PNG), covering a total of ~11,000 km<sup>2</sup>.

Fraser will provide 15% free carried interests on all 10 ELAs and issue 3,000,000 fully paid ordinary Fraserfund shares to TasGold (certain provisions apply). If issued today, these shares would equate to ~33% of Fraser's present share capital. TasGold's Managing Director has been appointed the CEO /President /Director of Fraserfund. Fraser has assumed all financial responsibility with these 10 ELAs until mine construction on any specific ML/SML. A 15% free carried interest on a major mining project would have substantial fiscal benefit to TasGold.

- ❖ TasGold has joined with Malachite Resources NL to Farm-In to BHP Billiton's Mt Ramsay Project in Tasmania. Mt Ramsay is believed to be highly prospective for major tin deposits like those at the nearby Renison Bell tin mine. The tenement covers two newly recognised groups of attractive EM anomalies located within the well mineralised rock sequences of western Tasmania.
- ❖ A non- renounceable rights issue to shareholders is in progress, the record date was 22 July 2004 and the issue will close on 12 August 2004. It is on the basis of an allotment of 2 shares for every 3 shares held, at 16 cents, with one free option accompanying each New Share allotted, to raise up to a maximum of approximately \$4 million.

The funds raised by the Issue will be used to advance exploration at the Company's Tasmanian Projects; in particular the SMRV Project, to commence exploration on those Papua New Guinea properties which are not being funded by third parties and for working capital.

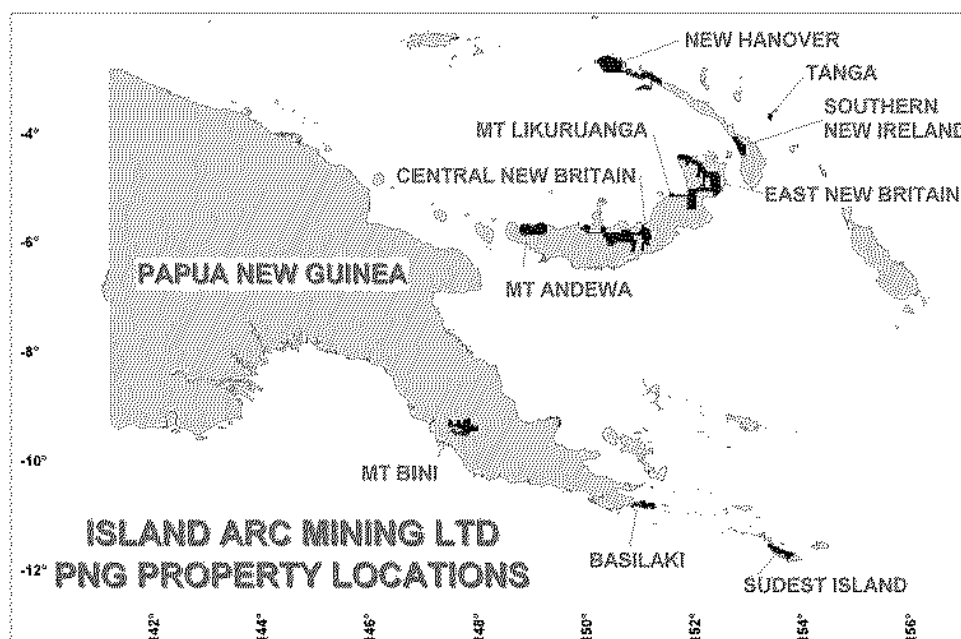
## 2.0 ASX RELEASES

'Significant' and other 'Technical' releases to the ASX during the reporting period have been compiled below:

TasGold made the following release to the ASX on July 12<sup>th</sup>, 2004 (the colour prospect summary figures have been removed because of file size constraints – see the figures in the original release at [www.tasgold.com.au](http://www.tasgold.com.au)).

### PAPUA NEW GUINEA PROSPECT SUMMARIES

TasGold noted earlier today in a release to the ASX, that it has transferred its ownership of Island Arc Mining Ltd (IAML - previously a 100% owned subsidiary) with 10 EL applications in Papua New Guinea covering ~11,000km<sup>2</sup>, to Fraserfund Financial Corp. (Fraser) of Canada in exchange for 15% free carried interests on all ELAs, 15% contributing interests in subsequently granted Mining Licenses or Special Mining Licenses for project development, ~33% initial equity in Fraser itself and the right to nominate P.McNeil as the new President / CEO/ Director of Fraser.



Papua New Guinea hosts mega gold mines/ deposits at Lihir (>45Moz), Porgera (>26Moz) & Misima (>5Moz), porphyry copper/gold deposits such as Ok Tedi (>10MozAu + 3Mt Cu), Panguna (>16 Moz Au + 5Mt Cu), Frieda (>9Moz Au + 5.3Mt Cu) & Grasberg (Irian Jaya - >52M oz Au+12.5Mt Cu) and nickel/cobalt at Ramu (~220 Mt of 0.98% Ni+0.1% Co) and has a long history of profitable resource developments. Island Arc Mining believes its ELAs have mineralisation potential, geologic and structural characteristics similar to the above mines / deposits.

Available geological and geochemical information has confirmed that all Island Arc's properties in PNG have good potential for various combinations of very large epithermal gold, porphyry copper / gold, various intrusive related, skarn, quartz- sulphide vein, lateritic nickel and/or platinum group metal deposits and also excellent potential for smaller to medium tonnage, medium to high grade gold deposits.

The flagship property of the IAML group is the Mt Bini Project (Ofi Creek Deposit) which has gold equivalent Inferred Resources historically calculated in 1996, totalling >3.7 million ounces (TasGold has not re-calculated this resource). Other IAML ELAs have trenches with 205m of 1.9g/t Au (incl. 55m of 5.8g/t) and 10.9m of 26.9g/t Au (incl. 1.0m of 147.8g/t) in separate prospects and neither have been evaluated by drilling. I believe that it is a property portfolio that is second to none for a Junior Resource company and estimate that more than US\$15 million was spent between the mid-1960's and late-1990's locating and defining the projects and bringing the database to its present form.

Fraser's 'Independent Geologist' and TasGold's Managing Director, Consultant Geologist and Senior Geologist have recently initiated/undertaken extensive data compilation/evaluation on all projects and/or visited the Mt Bini Project site, undertaken ground truthing, evaluated possible drill targets and completed public relations/landowner liaison with the enthusiastic local people. It is anticipated that drilling will commence on well defined epithermal gold and porphyry copper/gold targets at the Mt Bini ELA as soon as possible subsequent to granting by the Minister for Mining (which is expected to occur imminently).

Highlights of the 10 Island Arc Mining Ltd ELAs are listed below.

#### MT. BINI PROPERTY (ELA 1348)

##### Ofi Creek Porphyry Copper/Gold Deposit + Epithermal Gold Prospects

- Inferred Resource of ~85Mt of 0.6 g/t Au + 0.4 % Cu was calculated by BHP (3.7 Moz. Au equiv.)

- ❑ Deposit is open in several directions and at depth, with excellent potential for increasing it.
- ❑ **Only 11 holes drilled for ~3,600m** (8 terminated in mineralisation)
- ❑ Results such as BND003 – 184m of 1.00 g/t Au + 0.31% Cu (42 to 226m dh) and BND004 – 401m of 0.56 g/t Au + 0.51% Cu (entire hole)
- ❑ Trenches include 110m of 1.25 g/t Au + 0.1% Cu.
- ❑ The associated gold in soil anomaly is open ended to the SW and NE (>2,500m x 700m)
- ❑ Gold in soil anomaly includes 3 cohesive known higher grade zones, 2 of which are undrilled and 1 is ~700 x 500m in size, located ~1,000m WSW of the existing holes and probably represents an epithermal target (outcrop quartz veining to 20.3 g/t Au in trench).
- ❑ ~1,084km<sup>2</sup> ELA with ~570km<sup>2</sup> of drainage gold anomalies in 13 zones that have only had limited follow-up completed.
- ❑ Excellent logistics for exploration / development
- ❑ Located ~50km from the National capital of Port Moresby and ~ 12 linear km from road access.

#### **MT ANDEWA PROPERTY (ELA 1345)**

- ❑ Five high stratigraphic level, **undrilled** epithermal gold prospects
- ❑ Prospects contained within a 7,000m x 2,500m NW trending fracture /structural zone in an ~9km wide, eroded, breached to the NW, calc-alkaline, multi-phase, extinct stratovolcano /caldera with substantial hydrothermal alteration.
- ❑ Very near the coast in West New Britain Province.
- ❑ Gold/arsenic anomalous soil geochemistry reported over an embayed triangular shaped area of ~18km<sup>2</sup>.
- ❑ >1,000m long vein system at the Komsen Prospect.
- ❑ Assays include many anomalous stream sediments (silts to 0.629 g/t Au and pan-concentrates to 525ug contained gold/12.1 g/t Au)
- ❑ Soils to 4.06 g/t Au and outcrop rock to 58.4 g/t Au [often with high silver +/-Pb/Zn]
- ❑ Trenches to 15.6m of 5.12 g/t Au + 5.9m of 3.86 g/t Au + 5.1m of 3.27 g/t Au, 9m of 6.80 g/t Au and 9m of 6.06 g/t Au.
- ❑ Large 1,067 km<sup>2</sup> ELA has 'barely' been examined and also covers the Mt Schrader volcano (to the west)
- ❑ Similar tectonic setting to the Lihir deposit & perhaps with similar potential.

#### **MT LIKURUANGA PROPERTY (ELA 1351)**

- ❑ Significant untested exploration potential exists in the 811km<sup>2</sup> ELA

##### **Bukuam Prospect**

- ❑ Limited trenching returned 205m of 1.9 g/t Au (incl. 55m of 5.8 g/t Au, incl. 5m of 13.1 g/t Au), 10m of 5.1 g/t Au and 70m of 1.7 g/t Au in different zones
- ❑ Only 3 holes drilled with results such as 6m of 2.2 g/t Au + 9.5 g/t Ag + 1.2% Zn, 2m of 3.5 g/t Au + 9.5 g/t Ag and 10m of 1.7 g/t Au + 2.7 g/t Ag + 4.8% Zn.
- ❑ The 205m trenched interval remains untested by drilling.
- ❑ Gold grade in the skarn could increase towards the shear zone with a possible bonanza at the contact according to previous CRA workers.

##### **Ulete and Esis Porphyry copper occurrences**

- ❑ No significant work for about 30 years and no emphasis on gold.
- ❑ Cu anomalies are developed on the western margin of an ~100km<sup>2</sup> Oligocene calc-alkaline intrusive complex.
- ❑ Complete data compilation required to ascertain importance of porphyry copper targets.
- ❑ Gold was not routinely analysed for, but the limited soil lines show significant gold anomalous requiring follow up.

##### **Mt Likuruanga Prospect**

- ❑ A conceptual play, with strongly clay-pyrite altered exposures on the lower north-western slopes of the volcano, near where it is breached towards the sea.
- ❑ Some intensely pyritic (~20%) rocks occur as a prominent knob that is weakly copper, molybdenum, gold, mercury and arsenic anomalous.
- ❑ Hydrothermal alteration, pyritisation and the presence of a weak geochemical anomaly is encouraging
- ❑ The geochemical association, alteration assemblages and structural setting suggests a Lihir target.

#### **EAST NEW BRITAIN PROPERTY (ELA 1356)**

- ❑ Large ELA covering 2,112 km<sup>2</sup>

##### **Doilene Prospect**

- ❑ Limited bulldozer trenching included 10.9m of 26.9 g/t Au (incl. 40cm of 136.4 g/t Au and 1.0m of 147.8 g/t Au), 2m of 16.9 g/t Au, 4m of 9.84 g/t Au, 3.5m of 5.14 g/t Au & 3m of 4.65 g/t Au.
- ❑ Visible gold and anomalous pan concentrate gold values are noted associated with an altered intrusive dyke
- ❑ Limited previous soil sampling
- ❑ Scout drill testing required of this coastal prospect.

#### **Mali Prospect**

- ❑ Toxic element anomaly defined over an 80 km<sup>2</sup> area associated with the Sikut caldera

#### **LKI Breccia Prospect**

- ❑ Outcrop sampling up to 2.5m of 9.6 g/t Au, with grab samples to 17.8 g/t Au

#### **Palang Hill Prospect**

- ❑ 500m by 100m brecciated and veined zone
- ❑ Trenches to 12m of 2.64 g/t Au in the central part of the prospect and 15m of 2.13 g/t Au in the northern section of the area.
- ❑ A 2.5 m rock-chip channel sample returned 9.66 g/t Au + 0.198%Cu + 12 g/t Ag.

#### **Angbitki Creek Prospect**

- ❑ Alluvial platinumoids (Pt, Pd) and gold occur in two adjacent tributaries
- ❑ Pan concentrates to 29.44 g/t Au (385ug), 22.7 g/t Pt (282ug) and 0.45 g/t Pd (5.5ug)
- ❑ No follow-up in the 3 km<sup>2</sup> target area
- ❑ Unique in the PNG islands.

### **SUDEST ISLAND PROPERTY (ELA 1346)**

- ❑ 469km<sup>2</sup> ELA contains the first known gold occurrence in PNG
- ❑ Proximal to the highly successful +5M oz Misima Deposit/ Mine
- ❑ Never been drilled and very limited follow-up ever undertaken
- ❑ Contains a 25km long zone of highly anomalous gold geochemistry in drainages
- ❑ Less than 10% of the strike has even been cursorily evaluated by soil geochemistry or trenching
- ❑ Results to 151.2 g/t Au in outcrop, 2m of 104.5 g/t Au in trench and 260.0 g/t Au in float rock
- ❑ 2,540 ppb Au in BLEG, 1.49 g/t Au in stream sediment and 387.0 g/t Au in pan-concentrate
- ❑ High-grade gold quartz veins and variably altered intrusive suites (similar to mineralised porphyry systems) offer very attractive targets
- ❑ Logistics for exploration and development are very good.
- ❑ Further detailed exploration is strongly warranted

### **BASILAKI ISLANDS PROPERTY (ELA 1347)**

- ❑ 345km<sup>2</sup> ELA with 5 undrilled prospect areas

#### **Tunawala Prospect**

- ❑ Results to 0.12 g/t Au in silt, 1.1 g/t Au in pan-concentrates and 180 ppb in BLEG
- ❑ Detailed follow-up investigation included geological mapping and soil sampling (to 1.25 g/t Au)
- ❑ Whacker 'bedrock sampling' to 21.0 g/t Au (25m spacings on 100m lines)
- ❑ Rock chip sampling to 28.1 g/t Au in outcrop and channel sampling to 1.75 m of 17.8 g/t Au
- ❑ 1 km<sup>2</sup> soil anomaly with gold values >0.05 g/t Au and >200 ppm Cu
- ❑ Soil anomalies defined cover up to 500 x 300 metres averaging >0.2 g/t gold and up to 500 x 100 metres averaging >1.0 g/t gold.

### **CENTRAL NEW BRITAIN PROPERTY (ELA 1360)**

- ❑ Very Large 2565km<sup>2</sup> ELA located near the provincial capital and deep water port of Kimbe in West New Britain Province

#### **Uasilau / Yau Yau Prospect**

- ❑ Elongate 9,000 x 2,000m zone of anomalous copper in region with variable ash cover and gold anomalism (where evaluated).
- ❑ Large associated area of advanced argillic alteration – possible epithermal gold mineralisation
- ❑ Gold analyses are limited, but significant gold anomalous areas in soils and rock-chips warrant follow up in addition to the porphyry copper potential.

#### ***Pelepuna Prospect***

- ❑ Located ~14 km south of Uasilau
- ❑ Zinc-+/-gold skarn - data to be better compiled and evaluated.
- ❑ Gold analyses are limited, but significant gold anomalous areas in soils and rock-chips warrant follow up.

#### ***Mt Du Faure Prospect***

- ❑ Fracture controlled, northwesterly trending zone (5 kms by 1 -2 kms) of advanced argillic alteration and arsenic and mercury anomalies
- ❑ Located on the northern side of partially eroded extinct Quaternary volcano with excellent logistics

#### ***Iglik Prospect***

- ❑ A major gold anomalous zone defined by stream sediment sampling (up to 233 g/t Au in PC)
- ❑ Limited bulldozing showed quartz porphyry dykes and quartz-limonite vein stockworks with up to 3m of 4.5 g/t Au and four inconclusive holes were drilled.

#### ***North Iglik***

- ❑ To 16.5 g/t Au in anomalous stream sediments.
- ❑ Never effectively followed up

#### ***General***

- ❑ Many unchecked drainage anomalies
- ❑ Uasilau porphyry copper occurrence and associated possible epithermal targets – no work in >20 years

#### ***TANGA ISLAND PROPERTY (ELA 1358)***

- ❑ ELA covers 79km<sup>2</sup> over discrete “Lihir Deposit” type targets.

#### ***Sereng Prospect***

- ❑ I.P. survey conducted
- ❑ Almost circular (~250m in diameter) strong chargeability and resistivity anomaly revealed coincident low resistivity anomaly possibly in altered zone from a fossil geothermal system, open to the southeast
- ❑ Weakly anomalous soils, with up to 1.9 g/t Au in float
- ❑ Limited hand / bulldozer trenching and 12 fairly ineffective ‘aircore’ holes drilled with 9 revealing open vugs infilled with pyrite, indicative of boiling (a very good indicator in epithermal systems)

#### ***Put Cliff Prospect***

- ❑ Defined by cliffs of strongly ferruginous weathered smectite clay and strongly altered fault breccia boulders
- ❑ Six air core holes completed which showed major zones of strong hydrothermal alteration (argillisation) and associated pyritisation.
- ❑ No additional effective follow up completed on the island for 18 years

#### ***NEW HANOVER ISLAND PROPERTY (ELA 1359)***

- ❑ ELA covers 2014km<sup>2</sup> over several geologically prospective environments
- ❑ 15 kilometre long (width undefined), highly prospective broad discontinuous northwest trending zone, on the south coast of the island
- ❑ Quartz veins up to several metres wide contain gold grades of up to 5 g/t.
- ❑ Many prospects and mineralised areas identified by floats and sub-crops of intrusives which have been hydrothermally altered, brecciated and mineralised by cherty and fine grained silica, quartz, pyrite and arsenopyrite.
- ❑ Zone defined by anomalous gold in stream silts, pan concentrates and soils
- ❑ Significant BLEG anomalies in the Sania and Taimo Rivers
- ❑ Very good, only marginally tested area with potential for large 'high sulphidation' gold deposits
- ❑ Systematic detailed exploration is strongly warranted.

#### ***SOUTHERN NEW IRELAND PROPERTY (ELA 1357)***

- ❑ ELA covers 479km<sup>2</sup> with 3 main prospects

#### ***Danlillian River***

- ❑ Four by two kilometre area of intense argillic alteration
- ❑ Pan concentrate anomalies and low gold in rock occurrences
- ❑ Indicative of a high- sulphidation epithermal system

### **Palabong Prospect**

- ❑ Gold in stream sediment and pan concentrates
- ❑ Silicified and clay altered rocks
- ❑ Large area of intensely altered granodioritic intrusive / acid volcanics

### **Palabong/ Hirudan Plutonic Complex**

- ❑ Prospective for epithermal vein and disseminated precious metal mineralisation.

Previous releases noted that TasGold's 2 PNG subsidiaries, TasGold PNG Ltd (TGDPNG) and IAML, had applied for 9 and 5 ELAs in PNG respectively. Restructuring of the applicants for these ELAs has occurred and 5 of the original TGDPNG ELAs have been transferred to IAML, so that the Fraser agreement can proceed as noted. TGDPNG remains 100% owned by TasGold, it's 4 ELAs are all geographically clustered in the highly geologically prospective Highlands of PNG and TasGold will either seek a new stock exchange listing for TGDPNG, work the areas itself, joint venture them or combinations of the possibilities, depending on circumstances.

The TGDPNG ELAs cover ~2,500km<sup>2</sup> with many well defined, high quality prospects with immediate drill and trenching targets, many less advanced prospects and numerous grassroots drainage anomalies requiring follow-up exploration. Year 1 required expenditure for all the TGDPNG ELAs is only K365,000 (~A\$160,000) after they are granted. The ELAs are subject to normal granting procedures, being Mining Advisory Board recommendation and Ministerial approval. Descriptions of the TDGPNG projects and plans will be released in due course.

TasGold made the following release to the ASX on July 12<sup>th</sup>, 2004.

**EXCELLENT FINANCING TERMS SECURED  
(15% FREE CARRIED INTEREST AND ~33% EQUITY IN THE PARTNER)  
TO FUND 10 PNG EXPLORATION LICENCE APPLICATIONS**

TasGold Ltd has signed a Share Purchase Agreement with Toronto Venture Stock Exchange (TSX) listed Fraserfund Financial Corp. (Fraser) for the purchase of TasGold's shares in Island Arc Mining Ltd (IAML). IAML was formerly a 100% owned subsidiary of TasGold that holds 10 Exploration License Applications (ELAs) covering a total of ~11,000 km<sup>2</sup> in Papua New Guinea (PNG).

TasGold has transferred its ownership of IAML to Fraser in exchange for 15% free carried interests on all 10 ELAs. After Fraser completes a Bankable Feasibility Study(s), with financial closure for development debt funding, TasGold will have a 15% contributing interest in the subsequently granted Mining License(s) or Special Mining License(s) [ML(s) or SML(s)]. This applies to all MLs and SMLs granted over the area of the 10 ELAs, not just the first deposit + Bankable Feasibility Study.

In addition, TasGold will be issued 3,000,000 fully paid ordinary Fraserfund shares (within 4 months of the Mt Bini ELA being granted) and they will be escrowed for 12 months, or more if required by the TSX. If issued today, these shares would equate to ~33% of Fraser's present share capital. TasGold's only condition precedent is to secure the granting of the Mt Bini ELA within 4 months of signing or the agreement can be terminated (the ELA is subject to normal application procedures and the Minister's decision is expected imminently).

Fraser has now assumed sole funding responsibility for IAML. TasGold's direct equity in Fraser will decrease as they raise equity based capital (unless TasGold contribute pro-rata – which is unlikely) and is projected to be ~18% after their proposed raising of ~C\$3,000,000 to fund exploration.

TasGold's Managing Director - Peter McNeil (exploration geologist and a 19 year veteran of PNG) has been appointed the CEO /President /Director of Fraserfund. He commented "Both companies are very enthusiastic about the joint venture and the potential for significant corporate growth. Island Arc Mining has a large portfolio of first rate ELAs that include the Mt Bini Porphyry Copper/Gold Project with a 3.8 million ounce gold equivalent inferred resource and very good future development possibilities".

**This agreement relieves TasGold of all financial responsibility with these 10 ELAs until mine construction on any specific ML/SML. A 15% free carried interest on a major mining project would have substantial benefit to TasGold; as a comparison, New Guinea Mining achieved a market capitalisation of ~A\$1.5 billion on a similar JV (but only 8% carried equity) in PNG in the 1980's.**

Prospect highlights from Island Arc Mining's ELAs will be documented in a subsequent release today.

TasGold's Board of Directors consider the agreement is an excellent outcome and the significant equity held in both the projects and Fraser should provide both short and long term direct and indirect fiscal benefits to the company and its shareholders.

TasGold made the following release to the ASX on July 5<sup>th</sup>, 2004.

### **DIAMOND DRILLING UNDERWAY AT POTOROO PROSPECT, NE TASMANIA**

*TasGold holds a significant land position in NE Tasmania over most of the historic Lisle goldfields. The company recently commenced diamond drilling at the Potoroo Prospect to assess high-tonnage, lower-grade gold potential in altered granodiorites. This prospect was never discovered by historic prospectors / miners and was located by TasGold management from regional reconnaissance type soil sampling. The target model for Potoroo is the Fort Knox Mine (with >5.0 Moz of gold within >169 million tonnes grading 0.93g/t gold) and exploration to date has confirmed many geochemical and geological similarities.*

*Last July, reverse circulation hole P018 returned 26m of 0.57 g/t gold (drilled toward the west), but unfortunately had to be terminated prior to reaching target depth due to adverse drilling conditions; the hole was entirely mineralised with gold grades increasing with depth (end of hole = 0.71 g/t gold). Hole P017 was drilled from the same basic location to the SE and it intersected 106m of 0.24 g/t gold; the entire hole was mineralised with a peak of 2.60g/t gold.*

*Limited short RC drill holes at Potoroo in 2002 targeted narrower, higher-grade quartz veining and returned intersections at / very near surface such as 1m of 6.42 g/t gold (including a grab sample of quartz vein with 86 g/t gold), 2m of 4.51 g/t gold and 2m of 4.25 g/t gold with some intercepts within broad lower-grade gold mineralised zones such as 20m of 0.62 g/t gold and 30m of 0.30 g/t gold.*

*Potoroo is located at the confluence of adjacent and nested circular intrusion patterns, that define apparent ENE and N trending structural zones and high-grade gold vein mineralisation in granodiorites/ overlying sediments is known to be associated with both these trends in the local area / district. In addition, the Potoroo, Gold Crest and Enterprise Prospects are located over a >2 kilometre strike length within a NW trending magnetic low (between significant highs), that appears to host the entire mineralised system in this immediate area. The specific orientation of the gold mineralisation is not well constrained at Potoroo and as such it is difficult to assess the overall potential of the prospect. Additional drilling is strongly warranted and 5 diamond core holes are planned at this stage for ~500m (the last 2 are dependent on results obtained).*

*Target models also include high-grade vein style deposits such as Pogo in Alaska (5.15 Moz of gold - 9 M tonnes at 17.8g/t gold) and Beaconsfield in Tasmania (>1.85 Moz of gold- 2.91M tonnes at 19.8g/t gold) . RC drill assay results for the Enterprise Prospect (located approximately 1.5 kilometres to the SE of Potoroo) last year confirmed the existence of high-grade gold ore shoots to 4m of 12.8 g/t Au, within each of two closely associated, sub-parallel, stacked, moderately westerly dipping, north striking quartz veins over a strike length of ~400m.*

*The Lisle EL has several additional high-grade targets requiring drill testing including Panama (adit samples to 71 g/t gold and never drilled) and Gold Crest (previous results to ~66 g/t gold in old workings and 1 very short but gold mineralised hole in a different sub zone) and these will also probably be tested this quarter.*

TasGold made the following release to the ASX on 28<sup>th</sup> June 2004

### **3.9m of 12.6% Zinc + 7.2% Lead + 123g/t Silver + 0.6g/t Gold - in TasGold's only drill hole at the Wart Hill Prospect and the SMRV 'Summer' program's last drill hole – SW Tasmania**

*TasGold holds the premier land position in SW Tasmania in the highly mineralised Mount Read Volcanic Province (holding >40 kilometres of strike length) and has drilled a potentially economic, high-grade and high-value, base and precious metal intersection at the Wart Hill Project on the last diamond drill hole of the 'summer' program.*

*The target at Wart Hill is a volcanic hosted massive sulphide deposit such as the World Class Rosebery Deposit / Mine, which is located ~125km to the north in the same Mount Read Volcanic sequence, with >32 million tonnes at 14.6% zinc, 4.5% lead, 146g/t silver and 2.3g/t gold (total contained metal value of ~A\$16 billion).*

*This intersection is the best result ever drilled at the project area and known in the entire Mt Read volcanics to the south of the World Class Mt Lyell Mine; it resoundingly demonstrates the excellent potential of TasGold's Southern Mount Read Volcanic Project (SMRV) and the need for additional systematic exploration and drilling.*

*The 3.9m interval is approximately true width (i.e. it is an accurate or representative width as opposed to an apparent width) and is contained within a 7m mineralised zone of 7.8% zinc + 4.4% lead + 78g/t silver + 0.4g/t gold, in semi-massive to massive sulphides that are located only ~35m vertically below surface.*

In addition, significant gold mineralisation (5.18 g/t Au over a 1m width) indicative of possible hybrid epithermal – VHMS Henty style gold was intersected at depth and will also be evaluated during the next drilling program.

TasGold's excellent drill result demonstrates that high-grade, near surface resources can potentially be located at Wart Hill and other prospects in the district by future exploration. TasGold operates it's own diamond drilling rig year round and has a philosophy of drilling as the prime method of exploration and means to discover ore deposits.

Other TasGold base-metal prospects are proximal to Wart Hill and have similar potential based on limited (or no) historical drilling and extensive soil geochemistry, geological mapping and isotope systematics. These will all be evaluated carefully, systematically and probably through drilling.

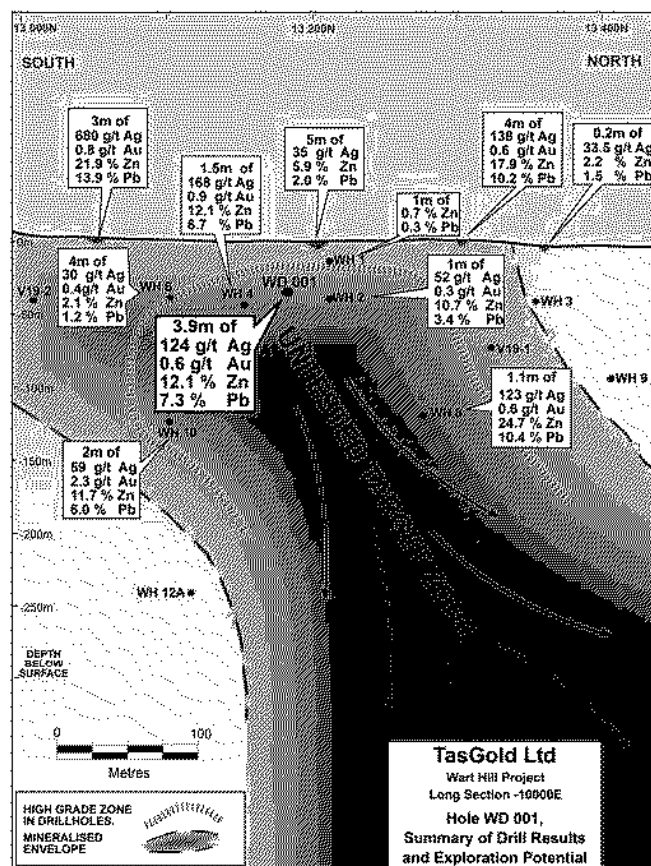
At the Wart Hill Prospect, mostly during the 1980's, about 11 drill holes traversed the lithologic horizon hosting the mineralisation over a strike length of approximately 500m, with only 3 of those holes at depths greater than 100m vertically below surface, leaving the possible plunge or dip extent to the high-grade, very high-value zinc, lead, silver and gold mineralised zone almost completely open at depth.

The historic drilling showed narrow high-grade zones of massive sulphides, generally in wider lower-grade geochemical halos, that were interpreted to be discontinuous in a mass flow host lithology. The area was left highly under-explored (effectively untested at depth but also inadequately evaluated near surface) because of the mineralisation model imposed /associated geological dogma, that TasGold have not found to be representative of reality. It is quite possible that an in-situ volcanic hosted massive sulphide deposit exists at Wart Hill within the area constrained by the green dashed line on the long section (above) and TasGold intend to drill test this concept following the winter.

The previous mineralisation model predicted that a hole drilled in the WD001 position should not have intersected any substantive mineralisation. This is clearly incorrect as TasGold's diamond core assay results have documented a potentially economic grade and width of base and precious metal mineralisation. TasGold's successful drill hole has shown that the previous attitude advocating the prospect had been tested near surface is fallacious and it opens Wart Hill and several other prospects in the highly mineralised district up for continued near-surface and thus less expensive, drill evaluation.

The first hole drilled by TasGold this year was at the Aldebaran Prospect (still the only hole ever drilled there), located ~1700m to the east of Wart Hill and potentially located in the same lithologic sequence. This hole returned 27m of 0.30% Zn and 0.10%Pb in a highly prospective lithologic sequence and this result /associated alteration is similar to that observed in holes proximal to the main mineralised zone at Wart Hill such as V19- 2 (see the long section).

The table below documents averages of ore grade assays on separate sample splits of half core and assay repeatability was very good.



| WD001 Significant Intervals - Average |          |        |            |            |              |          |          |            |                       |               |
|---------------------------------------|----------|--------|------------|------------|--------------|----------|----------|------------|-----------------------|---------------|
|                                       | From (m) | To (m) | Length (m) | Gold (g/t) | Silver (g/t) | Zinc (%) | Lead (%) | Copper (%) | Total Base Metals (%) | Value / Tonne |
|                                       | 46.0     | 47.0   | 1.0        | 0.63       | 66.0         | 4.13     | 2.46     | 0.05       | 6.64                  | \$112.12      |
|                                       | 55.0     | 62.0   | 7.0        | 0.41       | 77.6         | 7.75     | 4.43     | 0.06       | 12.23                 | \$180.57      |
| including                             | 55.0     | 58.9   | 3.9        | 0.57       | 123.1        | 12.61    | 7.22     | 0.09       | 19.92                 | \$291.03      |
| including                             | 56.4     | 58.0   | 1.6        | 0.85       | 218.3        | 18.63    | 10.13    | 0.07       | 28.84                 | \$435.59      |
|                                       | 56.4     | 57.3   | 1.2        | 0.87       | 264.9        | 20.27    | 11.05    | 0.10       | 31.42                 | \$481.31      |
|                                       | 105.0    | 106.0  | 1.0        | 5.18       | 1.5          | 0.11     | 0.14     | 0.02       | 0.27                  | \$94.97       |

NB: The 3.9m interval noted above is equivalent to ~15.5 g/t Au in terms of metal 'value'.



*Managing Director Peter McNeil noted:*

*The 3.9m high-grade, massive sulphide intersection at Wart Hill is very significant because it is of potentially economic grade and width. The known mineralised zone is easily large enough to accommodate a major or World Class orebody commencing near surface and TasGold intend to assess this possibility by drilling as soon as practical. In addition, other high quality prospects in the area, such as Aldebaran, will be re-evaluated and also probably drill tested.*

TasGold made the following release to the ASX on 15<sup>th</sup> June 2004

### **HIGHLY SIGNIFICANT VISIBLE BASE METAL MINERALISATION AND ENCOURAGING GOLD GRADES DEFINED BY DRILLING AT THE SMRV PROJECT, SOUTHWEST TASMANIA**

*A seven metre (approximately true width) interval of semi-massive to massive base metal sulphides, consisting predominantly of sphalerite and galena, was drilled from 55 to 62m downhole at the Wart Hill Prospect in the last hole of the recently completed diamond drilling program.*

*The tenor of the base and precious metal mineralisation is now being verified on new sample splits of half core using ore grade analyses for zinc, lead and silver and 50 gram fire assays for gold. Results are expected in approximately one week and will be reported on forthwith.*

*Only one hole was drilled by TasGold at the Wart Hill Prospect during the summer program because the company's emphasis was on gold at the Sassy Creek Prospect, located ~3km to the SSW.*

*The target at Wart Hill is a high-grade / very high-value, volcanic hosted massive sulphide deposit such as the World Class Rosebery Deposit / Mine (>32 million tonnes at 14.6% zinc, 4.5% lead, 146g/t silver and 2.3g/t gold), which is located ~125km to the north in the same Mount Read Volcanic sequence.*

*During the 1980's, sixteen holes were drilled at the Wart Hill Prospect over a strike length of approximately 500m, thus partly testing the general zone with a near surface, low drilling density. Only 3 of those holes pierced the lithologic horizon hosting the base metals at depths greater than 100m vertically below surface, leaving the dip extent to the high-grade, very high-value zinc, lead, silver and gold mineralised zone almost completely open.*

*Of the sixteen holes drilled historically, four holes intersected excellent grades of base and precious metal mineralisation over narrow intercepts (eg: 1.1m of 35.1% combined zinc /lead with 123g/t Ag and 0.63 g/t Au and 2.0m of 17.7% combined zinc /lead with 59g/t Ag and 2.33 g/t Au) and significantly the 2 intercepts/ holes noted above pierced the zone at about 120m vertical depth with a strike separation of ~200m. The present TasGold hole is located much closer to surface (~35m vertically), is mid-way between these 2 holes, is the longest interval of base metal sulphides drilled at the prospect or in the entire Mt Read volcanics to the south of Macquarie Harbour to date and is likely to be the most significant mineralisation so far encountered.*

*Managing Director Peter McNeil noted:*

*It will be very exciting to assess the check assays when they are returned. It certainly is a case of serendipity that the holes that make you stand up and pay attention are often the last in a drilling program; they give the shareholders renewed excitement and hope and the company impetus to further test the mineralised zone for that elusive deposit.*

*The massive sulphide base metal intersection at Wart Hill is very significant because of its potentially economic width, showing that wider zones of mineralisation are down there. The intercept is substantially wider than the previous limited number of narrow, but very high-grade drill intersections.*

*The known mineralised zone at Wart Hill is easily large enough to fit a substantial orebody and TasGold intend to re-evaluate all the previous drill core at Mineral Resources Tasmania's core shed, carefully model all existing drill and surface data and formulate a drilling program to test this exciting new development.*

*In addition, encouraging diamond drilling results were returned from the final drilling by TasGold at the Sassy Creek and Pleiades Prospects. All assays for 1,058.9m of core from 6 'new' holes and one 'partial' hole (the megascopically best looking zone was analysed and reported previously and then the remainder of the hole was analysed and reported herein) are in an attached table. The drilling results have continued to document significant gold mineralisation in narrow zones contained in wide intercepts of low grade gold mineralisation.*

*The geochemical signature at the Sassy Creek and Pleiades Prospects (Pleiades is located proximal to and immediately south of Sassy Creek) is gold with accessory zinc / lead in sericite altered and silicified zones; this signature supports the hybrid epithermal – VHMS target concept as represented by the Henty (about 1M oz of gold at 11g/t) and Eskay Creek Mines (>5M oz of gold equivalent [i.e. Au +Ag]).*

*The Henty (+Mt Julia) deposit, interestingly, is located near the Rosebery Mine and together they form a 'cluster' or continuum of mineralisation styles similar perhaps to the Sassy Creek and Wart Hill Prospects. Henty was discovered by re-analysing existing core (from VHMS drill targets) for gold and Eskay Creek was 'discovered' by company number 19 after 57 years of exploration, with drill hole number 109 in the 21B Zone with 61m of 99g/t gold and 29g/t silver (TasGold has no equity/ interest in either of these deposits).*

*Peter McNeil also commented in relation to the Sassy Creek / Pleiades Prospects:*

*There is no doubt that we are drilling a major gold mineralised system. This assertion is strongly supported by the widespread and abundant visible gold in drainages and the wide intersections of low grade gold we drilled this year.*

*The company believes the 'Mother Lode' is located in the vicinity we are working and additional near surface and deeper drill testing is strongly warranted and will be undertaken in the late spring/summer field season. Persistence is a very important factor in the discovery of mineral deposits and TasGold are persistent.*

TasGold made the following release to the ASX on 2 June 2004

### **TASGOLD AND MALACHITE FORM ALLIANCE TO EXPLORE A NEW JOINT VENTURE WITH BHP BILLITON**

*TasGold Ltd (ASX:TGD) has joined with Malachite Resources NL (ASX: MAR) to farm into BHP Billiton's **MT RAMSAY PROJECT**, located in the western Tasmania mineral belt, approximately 30 km northeast of Zeehan.*

*The Mt Ramsay tenement (EL 42/2002) was taken up in 2003 by BHP Billiton, utilising data generated by the Tasmanian Government's airborne electromagnetic ("EM") geophysical survey conducted in 2002. The tenement covers two newly recognised groups of attractive EM anomalies located within the well mineralised rock sequences of western Tasmania.*

*The principal anomaly group lies within the Cambrian-aged Crimson Creek Formation, which also hosts the Renison Bell tin deposit 23 km to the south. The second group of anomalies lies within the Proterozoic-aged Oonah Formation, which hosts the Mt Bischoff tin deposit 17 km to the north. Until recently, Renison Bell was the world's largest underground tin mine, with an estimated pre-mining resource of 26 million tonnes at 1.46% Sn, while Mt Bischoff, once one of the richest tin mines in the world, had an estimated pre-mining resource of 10.5 million tonnes at 1.1% Sn. The ore bodies at both Renison Bell and Mt Bischoff comprised cassiterite-bearing massive sulphide lenses that are electrically conductive, allowing detection by EM surveys.*

*Managing Director, Peter McNeil noted:*

*"Electromagnetics are one of the few exploration methods that can be used to directly detect specific types of metal deposits.*

*The Mt Ramsay targets have EM signatures that look quite similar to those associated with the Renison Bell and Mt Bischoff deposits and they occur in similar geological environments. The world class Hellyer base metal mine is located 19km to the east and was originally discovered by drilling an EM anomaly.*

*Apart from our targets, virtually all of the EM anomalies with similar signatures that we have identified elsewhere in the region using the Government EM data are coincident with existing mines. The Mt Ramsay anomalies have only been recently recognised and have never been previously tested."*

*No field work has yet been undertaken at Mt Ramsay and there is no information on the surface expression of the airborne EM anomalies within the EL. However, a small skarn deposit occurs 1 km or so to the west of the EM anomalies, at the contact between the Devonian-aged Meredith Granite and the Crimson Creek Formation. This skarn deposit was discovered in the 1870s and was drilled in the early 1980s. It contains anomalous values of tin, tungsten, copper, gold and bismuth in a sulphide-bearing skarn host rock, although it appears to have been too small to show up in the Government EM survey.*

*The presence nearby of the old Mt Ramsay skarn prospect provides further encouragement that the Mt Ramsay EM anomalies reflect massive sulphide lenses, analogous to those at Renison Bell and Mt Bischoff, or perhaps analogous to other well known economic mineral deposits of western Tasmania such as Rosebery and Hellyer. It is, however, also possible that the EM anomalies are caused by an unmineralised source, such as graphite-bearing sedimentary rocks or barren pyrite bodies.*

*Under the agreement, TasGold and Malachite, on a joint 50/50 basis, must spend a minimum of \$25,000 in evaluation of the Mt Ramsay tenement. Once TasGold and Malachite have spent a total of \$500,000 on exploration at Mt Ramsay,*

including at least 2,000m of drilling, BHP Billiton must either participate in the joint venture, or withdraw. If BHP Billiton participates, it will (unless it later withdraws) fund all future expenditure to completion of bankable feasibility (with expenditure beyond \$10 million on a recoupable basis) and Malachite and TasGold will each hold a 15% interest in the joint venture. If BHP Billiton elects not to participate, it will withdraw and transfer its 100% interest in the Mt Ramsay project equally to TasGold and Malachite.

Malachite will be Manager of the Mt Ramsay joint venture during the farm in stage and plans to begin field work as soon as weather permits, probably in October, 2004. This will involve geochemical sampling of soils and rocks in the vicinity of the anomalies and a preliminary ground EM survey using portable equipment. Drilling is likely to follow during the 2004-2005 summer.

Mr McNeil also commented:

*“TasGold consider the EM targets have high mineralisation prospectivity and can be relatively easily and cost effectively explored. Malachite is one of TasGold’s significant shareholders and this alliance to explore the new BHP Billiton joint venture could provide excellent possible returns to TasGold while minimising risk and costs. The possibilities for locating an economic deposit are very exciting, with the LME tin price (in Australian dollars) up by over 100% since mid 2003 to around \$14,000 per tonne”*

TasGold made the following releases to the ASX on 18<sup>th</sup> May 2004

### ***PROPOSED CELTIC / TPJ JOINT VENTURE AGREEMENT TERMINATED***

*The Letter of Agreement signed with Celtic Minerals Limited / Triple Plate Junction PLC (TPJ) on 27/2/2004 for a joint venture on 9 Exploration Licence Applications in Papua New Guinea (PNG) and subsequent share placement has been terminated by mutual consent.*

*A further release in the near future will detail the company's revised plans for it's PNG tenement applications. It is expected the ELAs will be granted in due course, subject to Mining Advisory Board approval and Ministerial discretion.*

### ***FUNDING PROPOSAL FOR PNG EXPLORATION LICENCE APPLICATIONS***

*TasGold Ltd has agreed in principle with a company listed on the Toronto Stock Exchange – Venture Board, for that company to assume funding responsibility for 10 of TasGold's 14 Papua New Guinea (PNG) Exploration Licence Applications (ELAs).*

*Under the proposal Tasgold (PNG) Ltd will retain a 15% free carried interest to completion of bankable feasibility and be granted a 20% equity in the TSX-V company. Peter McNeil (Managing Director of TasGold Ltd) is likely to join the Board of Directors of the TSX-V company and have significant operational input. Details are still being finalised but the directors are hopeful that formal agreement will be concluded in the near future.*

*Funding opportunities, including a rights issue to TasGold shareholders are currently being considered to fund exploration and drilling on the Tasmanian properties and possibly the 4 remaining PNG ELAs.*

TasGold made the following release to the ASX on 13<sup>th</sup> April 2004

### ***ENCOURAGING DRILLING RESULTS RETURNED FROM THE SMRV PROJECT, SOUTHWEST TASMANIA***

#### ***SUMMARY***

*The Pleiades (V30) Prospect was drilled for the first time ever and it produced the best assay result from the batches just returned. Drill hole SC006 had an intercept of 3m of 1.00g/t Au + 2.00%Zn + 0.67% Pb, from 37 to 40m downhole, with strong silica-sericite alteration and intense shearing showing many similarities to the Henty Gold deposits of the northern Mount Read Volcanics. This result is considered to be very encouraging, as the hole was noted to be proximal to a major fault that could have acted as a mineralising conduit and additional work is planned as and when possible.*

*A wide gold zone was intersected at Sassy Creek including a 94.4m interval (entire sampled interval) of geochemically anomalous (0.09 g/t Au) mineralisation, but it was not of sufficiently high tenor to explain the consistent visible and high*

grade gold in pan concentrate anomalies noted proximal to and upstream of the holes in sub-parallel drainages located to the NW and SE of the drilling. Further drilling is required.

## DETAILS

Assay results from the ongoing diamond drilling program at the SMRV Project (ELs 21/99 and 20/96) have now been returned for holes NW001 (North Wart Prospect), SC004, SC005, SC006 (additional sampling pending – only 5m sampled initially), SC008 and SC009. Results for holes SC007, SC010 and SC011 are pending and SC012 has just been completed and that core will be despatched to the laboratory tomorrow. See table 1 below for details relating to hole collars, end of hole depths and assay results.

Drill holes SC006 and SC008 were designed to test the strong gold soil and coincident VLFEM anomaly in the centre of the Pleiades (V30) grid.

The first 26m of drill hole SC006 intersected deeply weathered quartz-crystal rich volcanoclastic sandstones. Recoveries were poor, particularly near the top of the hole, with much of the 'core' washing away. From 26m to 54m the hole intersected quartz crystal-lithic volcanoclastic breccias intense pervasive sericite alteration with silica-pyrite altered lithic clasts. The altered volcanoclastics contained variable amounts of disseminated pyrite and sphalerite-galena stringer veins to 5%. Particularly intense alteration and sulphide veining was noted around 36 to 39m. Sphalerite veins are folded and deformed and obviously predate the foliation suggesting the hydrothermal alteration is Cambrian and possibly of volcanogenic origin.

Best results from this zone was 3m of 1.00g/t Au + 2.00%Zn + 0.67% Pb, from 37 to 40m downhole. The alteration is very similar to the sericite-silica halo (MV) around the massive silica lenses (MO) that host mineralisation at the Henty Deposit. The silica sericite alteration at Pleiades (V30) has the same distinctive yellow / green colouration as the Henty deposits and contains similar anomalous gold values. This is highly encouraging and this zone will be further tested near the end of April (time permitting) or next field season.

Table 1. Drilling summary

| Prospect Name    | BHID  | Easting | Northing | RL (m) | Azm | Dip | Depth (m) | From (m)                              | To (m) | Length (m) | Au (g/t) | Pb (%) | Zn (%) |
|------------------|-------|---------|----------|--------|-----|-----|-----------|---------------------------------------|--------|------------|----------|--------|--------|
| Sassy Ck (V24)   | SC004 | 378180  | 5247370  | 70     | 270 | -60 | 150       | No significant results.               |        |            |          |        |        |
| Sassy Ck (V30)   | SC005 | 378325  | 5246360  | 55     | 270 | -60 | 221.2     | 31.0                                  | 32.0   | 1.0        | 0.43     | -      | -      |
| Sassy Ck (V30)   | SC006 | 378715  | 5246125  | 65     | 270 | -60 | 186.6     | 37.0                                  | 40.0   | 3.0        | 1.00     | 0.67   | 2.00   |
|                  |       |         |          |        |     |     |           | 5m sampled -Remaining Results Pending |        |            |          |        |        |
| Sassy Ck (V30)   | SC007 | 378720  | 5246370  | 66     | 270 | -60 | 186.6     | Results Pending                       |        |            |          |        |        |
| Sassy Ck (V30)   | SC008 | 378652  | 5246175  | 60     | 90  |     | 165.1     | 39.0                                  | 40.0   | 1.0        | 0.15     | -      | 0.16   |
|                  |       |         |          |        |     |     |           | 92.0                                  | 93.0   | 1.0        | 0.11     | -      | 0.12   |
|                  |       |         |          |        |     |     |           | 95.0                                  | 96.0   | 1.0        | 0.26     | -      | 0.07   |
|                  |       |         |          |        |     |     |           | 102.0                                 | 103.0  | 1.0        | 0.13     | -      | -      |
| Sassy Ck (V24)   | SC009 | 378370  | 5247650  | 78     | 270 | -55 | 105.0     | 10.6                                  | 105.0  | 94.4       | 0.09     | -      | -      |
|                  |       |         |          |        |     |     | incl.     | 22.0                                  | 32.0   | 10.0       | 0.34     | -      | -      |
|                  |       |         |          |        |     |     | incl.     | 30.0                                  | 31.0   | 1.0        | 2.18     | -      | -      |
|                  |       |         |          |        |     |     |           | sampling commenced at 10.6m downhole  |        |            |          |        |        |
| Sassy Ck (V24)   | SC010 | 378380  | 5247700  | 81     | 270 | -65 | 140.0     | Results Pending                       |        |            |          |        |        |
| Sassy Ck (V24)   | SC011 | 378380  | 5247700  | 81     | 270 | -45 | 120.0     | Results Pending                       |        |            |          |        |        |
| Sassy Ck (V24)   | SC012 | 378120  | 5247400  | 70     | 270 | -45 | 30.0      | Results Pending                       |        |            |          |        |        |
| North Wart (V33) | NW001 | 379111  | 5252700  | 142    | 60  | -60 | 56.0      | No significant results.               |        |            |          |        |        |
| Total            |       |         |          |        |     |     |           | = 1210.5 m                            |        |            |          |        |        |

The host breccias are massive bedded and grade down hole suggesting a westerly facing to the sequence. Alteration intensity also decreases down hole. The coarse volcanoclastics possibly acted as an aquifer for ascending hydrothermal fluids. A quartz-feldspar phyrlic rhyolite lava or intrusive was intersected between 85.4m and 116.5m. The rhyolite contained abundant large (4mm) quartz phenocrysts and carbonated altered feldspar phenocrysts. The matrix of the rhyolite is strongly sericite altered and foliated.

From 116.5m to the end of hole at 186.6m the hole intersected a coarse sequence of rhyolitic volcanoclastic breccias composed predominantly of quartz-phyric rhyolite clasts. This unit may represent a partially reworked hyaloclastic breccia associated with the rhyolite lava. The breccias were again sericite-carbonate altered. These breccias, although altered did not contain the distinctive yellow sericitic alteration. Assay results for the rest of the hole (only 5m were analysed initially) are still pending.

The volcanics are increasingly foliated towards the base of the hole with numerous brittle-ductile faults. This appears to be part of a major shear zone, which has been interpreted as a NE-SW trending fault with a sinistral strike slip offset from the limited information available.

SC008 was designed to test the SC006 hole down dip and 40m north of the sericite-carbonate altered volcanics. The hole was collared 60m to the west and 50 m north and was drilled back to the east. The hole intersected identical rhyolitic quartz crystal lithic sandstones and breccias as those logged at the top of the SC006 hole. The volcanics were similarly altered with pervasive yellow/green sericite and silica-pyrite altered lithic clasts, however, only minor sphalerite stringer mineralisation was noted in the altered zone. It is likely that the host horizon has been offset to the west between SC006 and SC008. This offset is possibly related to the intense shearing noted in the base of SC006.

SC008 intersected rhyolitic volcanoclastic sandstones and breccias to a depth of 108.3m before intersecting a large brittle/ductile fault zone. The fault zone contained sheared and foliated volcanoclastic breccias, quartz-phyric rhyolite and greywacke. The eastern side of the fault defines the boundary of the Stoney Creek granitic porphyry. Narrow intervals of weak gold and base metal mineralisation were noted over 4 separate intervals including 1m of 0.15 g/t Au + 0.1% Zn from 39 to 40m, 1m of 0.11 g/t Au + 0.12% Zn from 92 to 93m, 0.26 g/t Au from 95 to 96m and 0.13 g/t Au from 102 to 103m. The presence of low grade gold mineralisation is encouraging and indicates possible narrow structural control and proximity to a gold bearing system.

SC007 was targeted on the gold soil anomaly and a coincident VLF anomaly to the north of the SC006, SC008 area. The hole did not intersect any significant megascopically visible alteration or mineralisation, but may not have gone far enough to fully test the target. The hole was collared in siliciclastic conglomerates of Precambrian derivation and passed into siliciclastic sandstone intruded by a quartz phyric rhyolite. The rhyolite displays excellent peperitic textures with the fine siliciclastic sandstone. A distinctive quartz-biotite-(hornblende?) porphyritic intrusive with a strongly chlorite altered groundmass overlay the siliciclastics. Several 1 to 5m wide, fine-grained andesite or basaltic dykes intrude the quartz porphyry, but no significant sulphide mineralisation or hydrothermal alteration was observed. Assay results from this hole are still pending and will be reported on in due course.

## **DISCUSSION**

The Pleiades (V30) Prospect is the most promising and poorly tested gold prospect identified by TasGold's work to date on EL20/96. Drilling at Pleiades identified a zone of significant volcanogenic alteration associated with strong shearing and faulting in the vicinity of drill holes SC006 and SC008. SC008 was designed to test the SC006 intersection down dip and to the north, however it appears that a significant cross fault is located between these two holes with SC008 missing the main mineralised zone (which is interpreted to lie further west behind the collar).

Both the silica-sericite alteration and intense shearing has many similarities to the Henty Gold deposits of the northern MRV. The geology of the Prospect is complex with strong shearing and late brittle cross faulting. This Prospect requires further drilling to clarify the geological setting and test the extent of the gold mineralisation. The Prospect remains open in all directions at this stage.

The Pleiades (V30) Prospect appears to have more intense alteration and be focused on possible Cambrian structures. The folding and shearing of the sulphide and silica veining suggest the mineralisation predates Devonian deformation and this is required to have a substantial gold deposit.

Four additional drill holes have been recommended for Pleiades to better test the mineralisation identified in drill holes SC006 and SC008. One hole is proposed to intersect the mineralised zone identified in SC006 a further 20m to the south and two others are designed to test the western and eastern margins of the large fault intersected in SC006 plus the coincident gold soil anomaly. The fourth hole is designed to test an undrilled, NE trending gold + arsenic anomalous soil zone that has coincident IP anomaly, that is probably indicative of sulphides (sulphides generally accompany gold mineralisation in this style of deposit).

Drillholes SC002, SC003, SC004, were completed at the Sassy Creek Prospect in early February 2004. No significant gold results were reported for these holes despite strong alteration and minor basemetal mineralisation. It was subsequently discovered that a grid location error has been propagated through previous explorers reports and the Mineral Resources Tasmania database. As such those 3 holes were spotted and drilled ~80m to the SE of their intended locations. This is very disappointing but does explain the complete absence of gold in those holes. It will probably be possible to re-enter those holes and extend them to intersect the wide interval of low-grade mineralisation noted in SC006 at greater depth, particularly if holes SC 011 and SC012 locate encouraging gold mineralisation.

TasGold the following release to the ASX on 8<sup>th</sup> April 2004

## **HIGHLY SUCCESSFUL JOINT VENTURE AGREEMENT INDUCES NEW APPLICATIONS FOR EXPLORATION LICENCE IN PAPUA NEW GUINEA**

TasGold's initial tenement applications (ELAs) in Papua New Guinea met with rapid joint venture agreement success to

*Celtic Minerals and this success has prompted the company to apply for a further 5 highly prospective ELAs in that country through 100% owned subsidiary Island Arc Mining Ltd.*

- *Historical results from Island Arc's applications include trenches with 205m of 1.9g/t Au (incl. 55m of 5.8g/t) and 10.9m of 26.9g/t Au (incl. 1.0m of 147.8g/t) in separate prospects and neither have been evaluated by drilling.*
- *The excellent deal with Celtic Minerals announced last month (also Harmony's purchase of controlling equity in Abelle, DRD's activities and others) shows there is a substantial appetite in North America and South Africa to acquire and / or joint venture into prospects in geologically prospective Papua New Guinea.*
- *The Celtic deal relieves all financial responsibility from TasGold until project construction. A 20% carried equity on a major mining project would have substantial benefit to TasGold. New Guinea Mining achieved a market capital of ~\$1.5 billion on a similar JV deal (but only 10% carried equity) with Kennecott in the 1980's.*
- *The long term experience in PNG of the Managing Director allowed him to rapidly identify the best districts containing many high value projects with significant past exploration results and acquire them.*

## **DETAILS**

*Island Arc Mining Ltd recently applied (100%) for 5 ELs covering 7,220 km<sup>2</sup> in the 'Islands' of PNG to create an exploration subsidiary based on a specific highly geologically prospective region.*

*Available geological and geochemical information has confirmed that these properties have good potential for very large epithermal, various intrusive related, skarn, quartz- sulphide vein, porphyry copper / gold, and/or platinum group metal deposits and excellent potential for smaller to medium tonnage, medium to high grade gold deposits.*

*The company will either work these areas itself, joint venture them or a combination of both, depending on circumstances. The ELAs cover several well defined, high quality prospects with immediate drill targets, many less advanced targets and numerous grassroots drainage anomalies requiring follow-up exploration. Regional reconnaissance to be undertaken will likely define additional areas for follow up sampling, trenching and drilling. TasGold estimate that more than US\$10 million was spent between the mid-1960's and early 1990's bringing the projects and database to its present form.*

*Highlights of some of the prospect areas are listed, but as yet the data has not yet been compiled on the porphyry copper / gold targets and as such they are not discussed below.*

## **EAST NEW BRITAIN ELA**

### **Bukuan Prospect**

*Prospect has significant untested potential. Limited trenching returned 205m of 1.9 g/t Au (incl. 55m of 5.8 g/t Au, incl. 5m of 13.1 g/t Au), 10m of 5.1 g/t Au and 70m of 1.7 g/t Au. Only 3 holes drilled with results such as 6m of 2.2 g/t Au + 9.5 g/t Ag + 1.2% Zn, 2m of 3.5 g/t Au + 9.5 g/t Ag and 10m of 1.7 g/t Au + 2.7 g/t Ag + 4.8% Zn. The gold grade in the skarn could increase towards the shear zone with a possible bonanza zone at the contact. There are porphyry copper deposits/mineralisation locally nearby that have had only initial evaluation and no work for about 25 years (basically somewhat after discovery, when gold was generally not even analysed for). The 205m intersection has not been tested / evaluated by drilling to date and scout drill testing is required.*

### **Doilene Prospect**

*Bulldozer trenching returned 10.9m of 26.9 g/t Au (incl. 40cm of 136.4 g/t Au and 1.0m of 147.8 g/t Au), 2m of 16.9 g/t Au, 4m of 9.84 g/t Au, 3.5m of 5.14 g/t Au and 3m of 4.65 g/t Au. Visible gold and anomalous pan concentrate gold values are noted associated with an altered intrusive dyke and previous soil sampling was quite limited. Scout drill testing is required.*

### **Mali**

*A toxic element anomaly was defined over an 80 km<sup>2</sup> area with a large area of argillic alteration associated with the Sikut caldera. The LK1 breccia prospect returned outcrop sampling to 2.5m of 9.6g/t Au + 0.198%Cu + 12 g/t Ag with grab samples to 17.8 g/t Au. The Palang Hill prospect is a 500m by 100m brecciated and veined zone with trenches to + 0.198%Cu + 12 g/t Ag in the central part of the prospect and 15m of 2.13 g/t Au in the northern section of the area. Outcrop grab samples returned 16.7 g/t Au + 0.189%Cu + 122 g/t Ag, 17.8g/t Au + 3.44%Cu + 134 g/t Ag, 16.2g/t Au + 1.56% Cu + 30 g/t Ag, 10.5g/t Au + 3.32% Cu + 69 g/t Ag, 3.16 g/t Au + 5.10% Cu + 112g/t Ag. Several holes have not been successful but there are additional areas of strong alteration requiring bulldozer costeaning.*

### **Angbitki Creek Pt-Pd-Au Prospect**

*The presence of alluvial platinoids (Pt, Pd) and gold in two adjacent tributaries is a relatively recent discovery. Results of some of the panned concentrates are 29.44 g/t Au (385ug), 22.7 g/t Pt (282ug) and 0.45 (5.5ug Pd) and 1.49 g/t Au (23.5ug), 4.9 g/t Pt (78.8ug) and 0.10 g/t Pd (1.5ug). Intensive panned concentrate sampling upstream of the discovery samples confirmed the widespread occurrence of alluvial platinoids and gold, but there has had no follow-up in the 3 km<sup>2</sup> target area. The*

occurrence is unique in the New Guinea islands and there is no obvious ultramafic source for the platinoids.

#### **Kairak-Akakak**

Adjacent to New Guinea Gold's proposed Sinivit Mine, and prospective for repetitions and extensions of the Wild Dog vein systems. Stream sediment defined two gold and associated toxic element anomalies at Akaket with possible collapsed caldera structures. An active hot spring has been located peripheral to the stream sediment anomaly and a fossil sinter deposit has been found at another location within the anomaly. The Kairak area covers the eastern section of the large Keravat Caldera and quartz vein material, similar to that found at Sinivit, is found in the main drainage

#### **Marambu**

Gold can be panned from a number of the creeks associated with a high level, strongly argillically altered diorite. Maximum from pit sampling was 1.6 g/t Au.

### **CENTRAL NEW BRITAIN ELA**

#### **Mt Du Faure**

The prospect covers a partially eroded extinct Quaternary volcano with excellent logistics near the provincial capital - Kimbe. The prospect is a **fracture controlled, northwesterly trending zone (5 kms by 1 -2 kms) with advanced argillic alteration on the northern side of Mt Du Faure**. Soil sampling delineated a series of arsenic and mercury anomalies in an area of strongly altered volcanics. A small area of strongly anomalous arsenic in soil values was subsequently gridded showing a 300 x 100 - 200m arsenic anomaly peaking at 1.83% As, with low gold values. Only very limited bulldozer costeaning has been undertaken to date and was centred on a fossil hot spring.

#### **Kulu**

Located ~15 kms SW of Kimbe with several acid to intermediate plutons. Stream sediment sampling delineated two gold major anomalous areas - **Iglik with up to 233 g/t Au in PC and North Iglik with 16.5 g/t Au**, plus several others. At Iglik, bulldozing showed quartz porphyry dykes with **quartz-limonite vein stockworks with up to 3m of 4.5 g/t Au**. Three other 3 metre intervals returned values of between **1.03 g/t Au and 1.21 g/t Au**. Selective grab sampling returned up to **5.0 g/t Au**. Four inconclusive holes were drilled.

### **TANGA ELA**

#### **Dawal and Sereng Prospects**

The I.P. surveys revealed a **strong chargeability and resistivity anomaly, almost circular, 250m in diameter**, at Sereng creek. The coincident low resistivity could be an altered zone from a fossil geothermal system. The low resistivity is open to the southeast. To **1.9 g/t Au** in float. Soil are weakly anomalous over most of the surveyed area. Hand / dozer trenching and limited air core drilling completed, documenting **strong hydrothermal alteration, argillisation, pyritisation, hydraulic fracturing, brecciation, silicification and open vugs infilled with pyrite indicative of boiling**. These were noted in 9 of the 12 holes drilled. The best gold intercept was 2-5m (3m) of 0.23g/t in hole TDH-6. Volcanic breccia with pyrite and strong limonite clays associated with bleached light coloured (smectite clays ?) were mapped as similar to sections in the Lihir deposit.

#### **Put Cliff Prospect**

Strongly ferruginous weathered (possible smectite clay altered) cliffs were observed west and northwest of Put village. Fault breccia boulders were found in a creek east of Put village and rocks northeast of the village were described as having strongly altered groundmass but no noticeable sulphides. No significant assays were obtained and the area was considered as low priority. Geophysics was abandoned, six air core holes were completed with no significant mineralisation but **major zones of strong hydrothermal alteration (argillisation) and associated pyritisation**. The best gold intercept was 23-24m (1m) of 0.20 g/t from TDH-1.

#### **Main (Central) Range Prospect**

Boulders and outcrops of fractured lava and pyroclastics containing up to 20% fine pyrite and silica veined volcanics with minor sulphides.

#### **Bitlik and Bitbok Islands Prospect**

Widespread kaolin-like clays, opal with minor chalcedony and pyrite alteration., plus magnetite to hematite alteration and leaching in gossanous looking rocks. **Strong argillic alteration to NW end of each island and milled breccia zones with pyritised fragments**. The highest rock assay was 0.12ppm gold.

#### **Salkangkis Prospect**

The thermal area, with strong bleaching of the surrounding basaltic lava and H<sub>2</sub>S gas, pyrite being deposited and nearby thermal activity (~2km E) with As to 175ppm, Hg to 3900ppb and Cu to 288ppm.

### **NEW HANOVER ELA**

*A highly prospective, broad discontinuous northwest trending zone of approximately 15 kilometres in length and an as yet undefined width on the south coast of the island.*

*There are many prospects and mineralised areas identified by floats and sub-crops of intrusives which have been hydrothermally altered, brecciated and mineralised by cherty and fine grained silica, quartz, pyrite and arsenopyrite. Hot springs and anomalous gold in pan concentrates define the zone.*

*Significant BLEG anomalies in the Sania and Taimo Rivers, quartz veins up to several metres wide contain gold grades up to 5 g/t. The New Hanover ELA has very good, only marginally tested potential for large 'high sulphidation' gold deposits.*

## **SOUTHERN NEW IRELAND ELA**

### **Danlillian River Prospect**

*Four by two kilometre area of intense argillic alteration with pan concentrate anomalies and low gold in rocks. Quartz-alunite, propylite and dickite alteration minerals and low tenor gold at Danlillian are positive indicators of a high-sulphidation epithermal system and gold is often depleted and its geochemical signature is poor in such an environment.*

### **Palabong Prospect**

*Gold in stream sediment and pan concentrates with silicified and clay altered rocks in a large area of intensely altered granodioritic intrusive / acid volcanics has never been followed up.*

### **Hirudan Prospect**

*Area of gold in drainages at the south-eastern end of the Palabong/Hirudan Plutonic complex that is prospective for epithermal vein and disseminated precious metal mineralisation.*

*Papua New Guinea hosts mega gold mines/ deposits at Lihir (>45Moz), Porgera (>26Moz) & Misima (>5Moz), porphyry copper/gold deposits such as Ok Tedi (>10MozAu + 3Mt Cu), Panguna (>16 Moz Au + 5Mt Cu), Frieda (>9Moz Au + 5.3Mt Cu) & Grasberg (Irian Jaya - >52MozAu+12.5Mt Cu) and nickel/cobalt at Ramu (~220 Mt of 0.98% Ni+0.1% Co) and has a long history of profitable resource developments.*

*TasGold's ELAs have mineralisation potential, geologic and structural characteristics similar to the above mines / deposits.*

*Australia administered PNG prior to independence in 1975, it has a stable democracy with a Westminster style democratic government, separation of political and judicial powers, well defined mining / taxation law (based on Australian models) and English language. The sovereign /country risk levels assigned to PNG are drastically overstated and TasGold are comfortable working and trying to develop mineral resources there.*

*TasGold is in a good financial position and will be quite capable of meeting Island Arc Mining Ltd's expenditure commitments (Year 1 for all the ELAs is only ~A\$600,000) after they are granted. The management team is competent, accomplished and financially committed to the company's success.*

*The ELAs are subject to normal granting procedures, Mining Advisory Board recommendation and Ministerial discretion.*

## **ADDITIONAL EXPLORATION DETAILS**

One drill hole (the easiest access location, not highest priority site unfortunately) was completed at the Lone Star South Prospect in EL 41/2002 for a total of 64m. Altered granodiorite, greisen-like alteration and arsenopyrite veinlets in quartz veining indicate that the area has the hallmarks of a prospect with potential. Drilling was extremely problematic due to the ~20m thickness of eluvial overburden, swelling weathered granite-derived clays, caving, redrilling and bogging the bit. Core recovery was not good with much of the sample washing away (alternative drilling methods are now being evaluated). There were no significant gold assays in the samples that were submitted for analysis.

The first hole at the Potoroo Prospect (EL 2/92) was completed for 80.5m and analysed. Swelling clays on the granites made drilling difficult as at Lone Star South. Core recovery was adequate, however, there were no significant gold assays returned. Hole 2 was completed at Potoroo for 149.3m and several relatively narrow strongly arsenopyritic quartz veins at a low angle to the core axis were intersected, indicating we were drilling at least partly down the dip of the veins. The samples from this hole were despatched to the laboratory 29/7/2004 and results are expected in ~10 days. The remaining holes in the program have had their orientations modified to attempt to intersect the gold mineralised zone at a better angle of incidence. A ground magnetic survey has now been completed to aid drill hole siting and hole 3 (currently drilling) is targeting the western strike extension of the known mineralised trend.



## CORPORATE

On July 12<sup>th</sup>, 2004, TasGold lodged a prospectus with the ASX and ASIC for a 2 for 3, non-renouncable Rights Issue of shares at 16 cents, with one free option accompanying each New Share allotted, to raise up to a maximum of approximately \$4 million. The record date is 22 July 2004 and the issue will close on 12 August 2004.

The funds raised by the Issue will be used to advance exploration at the Company's Tasmanian Projects, in particular, the SMRV Project; to commence exploration on those Papua New Guinea properties which are not being funded by third parties; and for working capital.

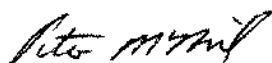
The recently announced high-grade zinc-silver intersection at the SMRV Project (release to ASX dated 28 June 2004), suggests a significant body of mineralisation may exist within that Project. An extensive drilling program, to commence in December 2004, is planned for the 2004/2005 field season to further define this mineralisation. In addition, further follow up of some of the gold in drill hole intersections and extensive gold in creeks (to locate "hard rock" source), will be carried out. \$1.8 million has been budgeted for this project over the next two years.

Exploration will continue at the Lisle, Gowrie Park and other Tasmanian Projects to follow up previous gold in drill hole intersections, gold geochemical anomalies and other targets. \$800,000 has been budgeted for these programs over the next two years. Initial exploration will commence on some Papua New Guinea licences while joint venture financing is sought from potential financing partners. \$500,000 has been budgeted for these licences over the next two years. \$850,000 has been budgeted for working capital and the cost of the Issue is estimated to be \$50,000.

The above expenditures are budgeted expenditures and consequently may change, dependent on exploration results.

For additional information, please visit [www.tasgold.com.au](http://www.tasgold.com.au).

TasGold Ltd



P.A. McNeil  
Managing Director M.Sc.

This report is based on & accurately reflects  
information compiled by a competent person  
as defined in Appendix 5A of the ASX Listing Rules

**Appendix 5B**  
**Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**TasGold Ltd**

ABN

96 095 684 389

Quarter ended ("current quarter")

30 June 2004

**Consolidated statement of cash flows**

|   | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---|----------------------------|--|
| <b>Cash flows related to operating activities</b>               |                            |  |
| 1.1 Receipts from product sales and related debtors             | -                          | -                                      |
| 1.2 Payments for (a) exploration and evaluation                 | (475)                      | (1,322)                                |
| (b) development   | -                          | -                                      |
| (c) production  | -                          | -                                      |
| (d) administration  | (94)                       | (379)                                  |
| 1.3 Dividends received  | -                          | -                                      |
| 1.4 Interest and other items of a similar nature received       | 9                          | 54                                     |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                      |
| 1.6 Income taxes paid   | -                          | -                                      |
| 1.7 Other - Mines Dept and premises deposits                    | (1)                        | (20)                                   |
| <b>Net Operating Cash Flows</b>                                 | <b>(561)</b>               | <b>(1,667)</b>                         |
| <b>Cash flows related to investing activities</b>               |                            |  |
| 1.8 Payment for purchases of: (a) prospects                     | -                          | -                                      |
| (b) equity investments  | -                          | -                                      |
| (c) other fixed assets  | (11)                       | (298)                                  |
| 1.9 Proceeds from sale of: (a) prospects                        | -                          | -                                      |
| (b) equity investments  | -                          | -                                      |
| (c) other fixed assets  | -                          | -                                      |
| 1.10 Loans to other entities                                    | -                          | -                                      |
| 1.11 Loans repaid by other entities                             | -                          | -                                      |
| 1.12 Other (provide details if material)                        | -                          | -                                      |
| <b>Net investing cash flows</b>                                 | <b>(11)</b>                | <b>(298)</b>                           |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(572)</b>               | <b>(1,965)</b>                         |

+ See chapter 19 for defined terms.

|      |  |       |         |
|------|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (572) | (1,965) |
|      | <b>Cash flows related to financing activities</b>          |       |         |
| 1.14 | Proceeds from issues of shares, options, etc.              | -     | 564     |
| 1.15 | Proceeds from sale of forfeited shares                     | -     | -       |
| 1.16 | Proceeds from borrowings                                   | -     | -       |
| 1.17 | Repayment of borrowings                                    | -     | -       |
| 1.18 | Dividends paid   | -     | -       |
| 1.19 | Other (provide details if material)                        | -     | -       |
|      | <b>Net financing cash flows</b>                            | -     | 564     |
|      | <b>Net increase (decrease) in cash held</b>                | (572) | (1,401) |
| 1.20 | Cash at beginning of quarter/year to date                  | 948   | 1,777   |
| 1.21 | Exchange rate adjustments to item 1.20                     | -     | -       |
| 1.22 | <b>Cash at end of quarter</b>                              | \$376 | \$376   |

**Payments to directors of the entity and associates of the directors****Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 55                         |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | Nil                        |

## 1.25 Explanation necessary for an understanding of the transactions

Directors: salaries and consulting fees

**Non-cash financing and investing activities**

## 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

|  |
|--|
|  |
|--|

## 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

|  |
|--|
|  |
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+ See chapter 19 for defined terms.

**Financing facilities available***Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

**Estimated cash outflows for next quarter**

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 325        |
| 4.2 Development                | -          |
| <b>Total</b>                   | <b>325</b> |

**Reconciliation of cash**

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 21                         | 19                          |
| 5.2 Deposits at call  | 355                        | 1,345                       |
| 5.3 Bank overdraft  | -                          | -                           |
| 5.4 Other (provide details) Fixed Term Deposits   | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>376</b>                 | <b>1,364</b>                |

**Changes in interests in mining tenements**

|     | Tenement reference | Nature of interest (note (2))                                 | Interest at beginning of quarter | Interest at end of quarter |
|-----|--------------------|---|----------------------------------|----------------------------|
| 6.1 |                    | Interests in mining tenements relinquished, reduced or lapsed |                                  |                            |
| 6.2 |                    | Interests in mining tenements acquired or increased           |                                  |                            |

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

|   | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|--------------|---------------|---|--|
| 7.1 <b>Preference <sup>+</sup>securities</b><br><i>(description)</i>    | Nil          | Nil           |   |  |
| 7.2 Changes during quarter  |              |               |   |  |
| (a) Increases through issues  | -            | -             |   |  |
| (b) Decreases through returns of capital, buy-backs, redemptions        | -            | -             |   |  |
| 7.3 <b><sup>+</sup>Ordinary securities</b>                              | 38,151,451   | 27,253,861    |   |  |
| 7.4 Changes during quarter  |              |               |   |  |
| (a) Increases through issues  | -            | -             |   |  |
| (b) Decreases through returns of capital, buy-backs                     | -            | -             |   |  |
| 7.5 <b><sup>+</sup>Convertible debt securities</b> <i>(description)</i> | Nil          | Nil           |   |  |
| 7.6 Changes during quarter  |              |               |   |  |
| (a) Increases through issues  | -            | -             |   |  |
| (b) Decreases through securities matured, converted                     | -            | -             |   |  |
| 7.7 <b>Options</b> <i>(description and conversion factor)</i>           | 16,487,812   | 16,387,812    | <i>Exercise price</i><br>20 cents             | <i>Expiry date</i><br>30 Nov 2007                |
|   | 3,977,000    | -             | 20 cents                                      | 31 Dec 2007                                      |
| 7.8 Issued during quarter   | 367,000      | -             | 20 cents                                      | 31 Dec 2007                                      |
| 7.9 Exercised during quarter  | -            | -             |   |  |
| 7.10 Expired during quarter   | -            | -             |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>                          | Nil          | Nil           |   |  |
| 7.12 <b>Unsecured notes</b> <i>(totals only)</i>                        | Nil          | Nil           |   |  |

+ See chapter 19 for defined terms.

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

30 July 2004  
Date: .....

Print name: .....  
Garry M. Edwards

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.