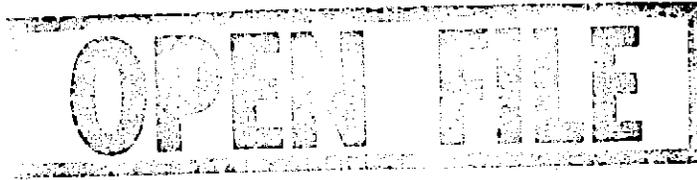


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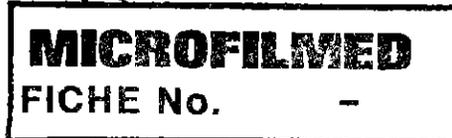


FINAL REPORT ON EXPLORATION

EXPLORATION LICENCE 7/96

**GREAT FORESTER RIVER
SCOTTSDALE DISTRICT
TASMANIA**

MAY 2000



AUTHOR : Ron Gregory
Timron Mining

C/- Private Bag 60
Launceston 7250

COPIES : Ron Gregory
Tim Parish
P.A. & S.A. Coffey
Director of Mines
File

AMG REFERENCE POINTS ADDED

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1.0 SUMMARY

158003

No exploration work was carried out during 1999/2000. A proven resource of at least 750,000 tons of quartz sand exists on the two remaining square kilometres of E.L. 7/96. No further work is required to define the deposit so that mining can begin, in the opinion of the operators.

2.0 LOCATION, ACCESS AND TENEMENT INFORMATION

E.L. 7/96 is located 12 kms. east of Scottsdale and 1 km.. north of the Tasman highway. The licence was originally for 9 sq. kms. and was reduced to 7 in 1998 and 2 in 1999.

3.0 EXPLORATION PHILOSOPHY

The aim of the exploration was to locate a quartz sand resource at Scottsdale close to roads, to supply the High Intensity Conditioning plant installed by Aberfoyle at Hellyer. Although sand is known to exist in the district it is either on other mining leases or no documentation exists of the size of the resource. It was hoped to add significantly to the existing deposit located on M.L. 21M/90 operated by Tim Parish, a partner in E.L. 7/96.

4.0 GEOLOGY

Not being suitably qualified, no comment is made on the geology of the area, other than to refer the reader to published data on the matter.

5.0 SUMMARY OF EXPLORATION 1996 to 2000

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5.1 Pitting and sampling of hills .184 and .165 at the southern part of the licence established a proven resource of 350,000 tons and a probable resource of 250,000 tons of quartz sand during 1996.

5.2 No exploration in 1997

5.3 Pitting and sampling of the hill 500 metres north of M.L. 21M/90 delineated only a small deposit of sand consequently 2 sq. kms of the licence were relinquished.

5.4. Pitting and sampling of the remaining prospective areas in 1999 added a further 250,000 tons to the tonnage located in 1996. The southern portion of the licence only was deemed to be prospective and the licence was further reduced to 2 sq. kms.

5.5 No exploration in 2000.

6.0 REHABILITATION

6.1 No new tracks were constructed during the course of exploration.

6.2 All pits have been filled in and reseeded by surrounding vegetation.

6.3 Excavator tracks from the 1996 exploration are difficult to find, due to vegetation growth and it is presumed that the more recent tracks will be similar in a few years.

6.4 Pit sites are revegetating more slowly, even though every effort was taken to retain the topsoil. The individual sites are difficult to find without tape and compass because the excavator access tracks are overgrown.

7.0 CONCLUSIONS

No further work is required to prove up the deposit sufficient to support a minimum 10 year mining operation, in the opinion of the operators. Consequently a Retention Licence has been applied for, to provide security of tenure.

8.0 BIBLIOGRAPHY

- | | |
|---------------------------|------------|
| 8.1 Annual report 1996/97 | June 1997. |
| 8.2 Annual report 1997/98 | June 1998. |
| 8.3 Annual report 1998/99 | June 1999. |

SCOTTSDALE 1:25,000 MAP
AGD 66

500 1000 2000 METRES

CONTOUR INTERVAL 10 METRES

5 cm

AMG REFERENCE POINTS ADDED

KAMONA SAND DEPOSIT

ORIGINAL LIGENCE BOUNDARIES

EL 7/96 (CURRENT)

5430000
5530000

