

COMINEX PTY LTD
P.O.Box 77, Sorell
Tasmania 7172
SUMITOMO AUSTRALIA LTD
GPO Box 4241, Sydney
NSW 2001

EL61/94 ARTHUR RIVER
ANNUAL REPORT TO 9th June, 2005

Volume 1 of 1

Prepared by N. J. Turner Geological Services Pty Ltd
65 Lochner St, West Hobart, Tasmania 7000

10th March, 2005

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Coordinates are AMG in AGD66 Zone 55

1. Summary

- Fifteen new auger drill holes were put down in EL61/94 in December, 2004. These holes are additional to eight auger holes drilled in 2001.
- Out of the combined twenty three holes, thirteen were used to delineate a shallow resource of 209,160 tonnes of probably commercial silica flour.
- Four test pits were dug to obtain material for geochemical analysis. Results are not yet to hand.

2. Introduction

This is the final annual report for EL61/94 Arthur River, which is located in State Forest just south of the Arthur River in north western Tasmania. The tenement consists of a northern and a southern block of ground (Figure 1). Work in the current period has been concentrated in the northern block, which is called the Blackwater East prospect. Access to this block is gained via Forestry Tasmania's Blackwater Number 1 Spur Road.

3. Previous work

Over the life of the tenement its area has been reduced from 23km² to the 2km² contained in the present blocks (Turner, 1997; 2000). Good access in the northern block facilitated a round of auger drilling in 2001 that delineated an inferred resource of 90,000 tonnes of probably commercial silica flour (Turner, 2001). Although access in the southern block is good along Blackwater Road where there are small exposures of potentially commercial silica flour, lack of access off the road has inhibited further exploration of the block.

4. Work in the current period

There was a new round of fifteen holes of auger drilling in the Blackwater East prospect during December, 2004. Stacpoole Enterprises Pty Ltd of Launceston carried out the drilling with a track mounted CMV Geomeccanica Mk 600 rig supported by a flat tray, 4WD utility vehicle. Solid flight augers were used. This method of drilling enables a visual assessment of the quality of the silica flour that is recovered. However, it is an unsatisfactory sampling method for geochemical work due to steel contamination from the augers and to contamination by other materials in the drill holes.

Material for geochemical work was obtained from four test pits dug adjacent to drill collars. A 7 tonne excavator was used for digging the test pits and sampling was carried out at maximum depths of 2-2.5m. A wooden implement was used to scrape away material contaminated by the steel bucket of the excavator and to dig out the sample from the wall of the test pit. Samples were collected in strong, plastic bags.

5. Results

Logs for the auger drilling and test pitting at Blackwater East are presented in Appendix 1 and Appendix 2 respectively. Geochemical results are not yet to hand.

6. Conclusions

6.1 MATERIALS

It is likely that very pale coloured, silica flour at Blackwater East is of commercial quality though geochemical results are needed to confirm this. The promising colours include cream, off-white, very pale grey and very pale brown. The very pale brown colour may partly result from grinding and mixing by the augers of fine, brown, plant rootlets that occur in the silica flour. Also, a tiny proportion of pale brown clay is present in thin seams in some of the silica flour.

The product of the augering was almost entirely in the form of disaggregated quartz silt and quartz sand (silica flour) with varying proportions of coarse grit and larger particles. However, the test pits revealed that the natural, undisturbed state of much of the silica material is as a very weakly coherent solid. This weakly coherent material or 'lump silica flour' is generally very soft, being readily crushed in the hand. Hard lump material may also be present. It includes strongly indurated flour, colloform quartz ('lacy agate') and milky, vein quartz.

6.2 INFERRED RESOURCE

Eight new drill holes have been used in combination with five of the 2001 holes to delineate an area of shallow resource of pale coloured, silica flour (Figure 2). It appears that the silica flour is at least 1m thick at the eastern end of the delineated area. Thus, the average minimum thickness is 7m.

Area of resource	14,940m ²
Average thickness	7m
Volume of resource	104,580m ³
Density of silica flour	2 tonnes/m ³
Mass of inferred resource	209,160 tonnes

The amount of hard lump in the silica flour varies through the deposit and no estimate of the overall proportion was possible. The four test pits suggest that the proportion is low and no cut has been made to the resource figure.

7. Environmental matters

Blackwater East is the site of an old sawmill and there are numerous old tracks, which are overgrown to varying degrees. Some of these tracks were reopened

for short distances and remain open. As the drilling rig did not require special preparation of drill pads, there were no drill sites to rehabilitate. All test pits were rehabilitated immediately upon completion of logging and sampling.

8. References

Turner N. J. 1997. Exploration Licence No 61/94 Arthur River, Tasmania. Annual report 1996-1997. H. D. Nolan, Sorell

Turner N. J. 2000. EL61/94. Partial relinquishment at 9.6.2000. Cominex Pty Ltd.

Turner N. J. 2001. EL61/94 Arthur River. Annual report to 9th June 2001. Cominex Pty Ltd.

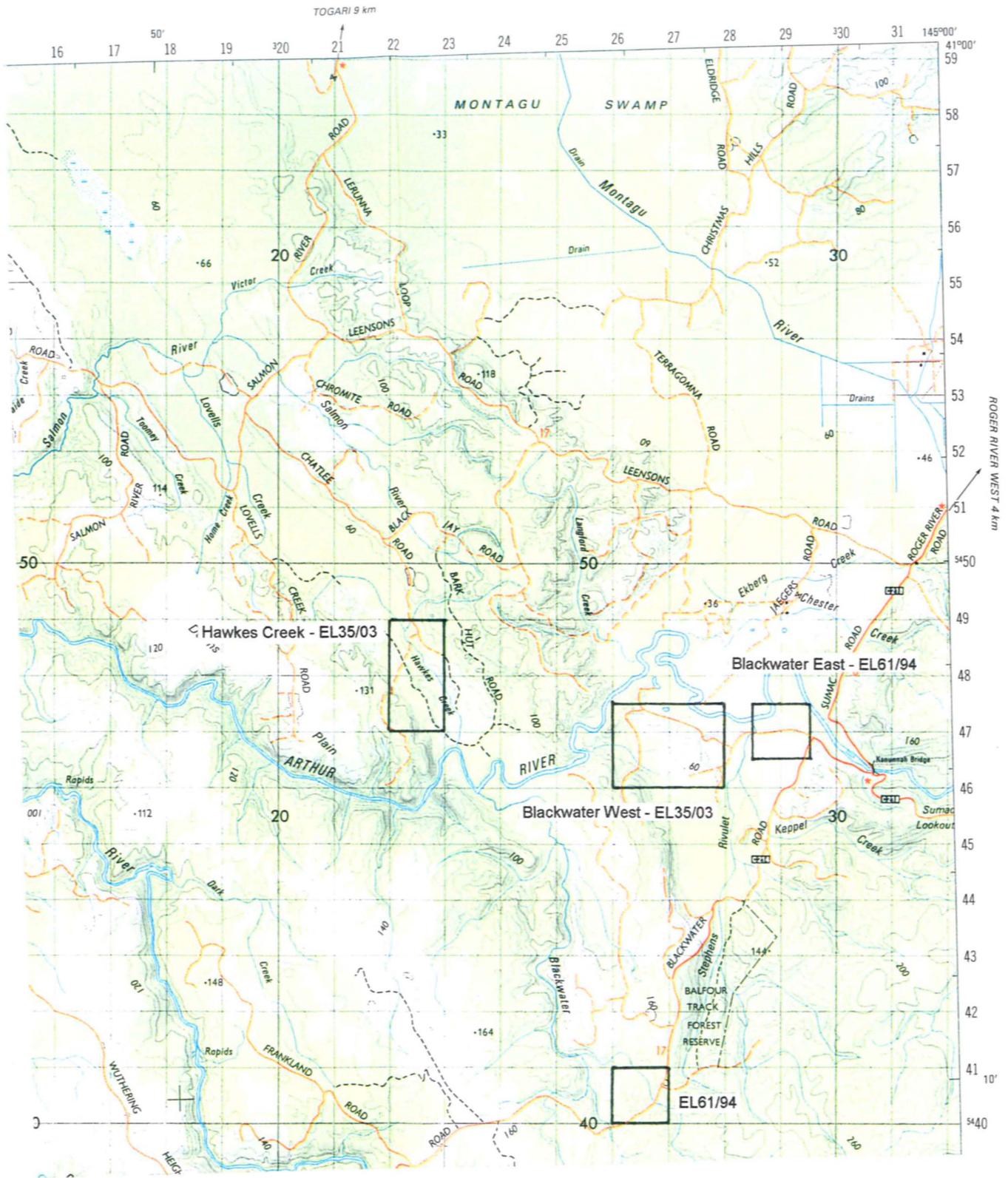
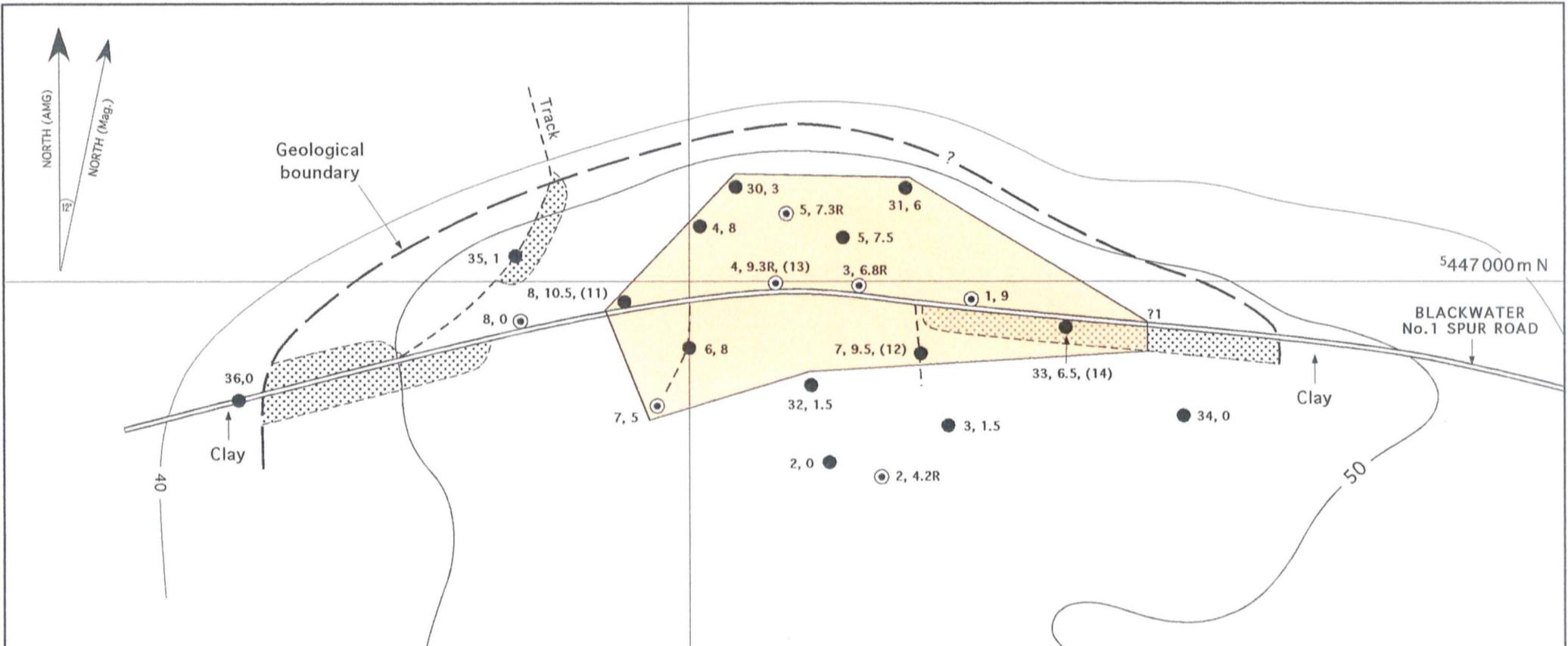


Figure 1: Locality map of Cominex Pty Ltd's exploration licences in the Arthur River district, north west Tasmania. The base map is portion of the Nelson Bay 1:100,000 Sheet, Land Information Services, Tasmania.



	Auger hole - 2001
	Auger hole - 2004
	Auger hole location with number of hole, thickness of potentially commercial silica flour, and number (in brackets) of adjacent test pit where present. R indicates auger refusal.
	Exposed silica flour
	Shallow resource (average thickness 7m)

0 50 100 150 200m

EL61/94 Arthur River	
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Blackwater East Prospect	6.1.2005
Location of auger holes & test pits with thickness of potentially commercial silica flour.	Compiled by Nic Turner
	Drawn by Ray Carroll
	Scale 1: 2 500 (at A4)
N J Turner Geological Services Pty Ltd	Figure 2

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Appendix 1: Blackwater East auger drill logs, 2004.

The collars of holes in Blackwater East were surveyed by compass and tape and their AMG coordinates were determined with a hand held GPS (Magellan 315). For holes 3, 5, 7, 33 and 35 an adjustment of -0.5m has been made in Figure 2 to the thickness of potentially commercial silica flour in order to allow for stripping of the humus-rich soil horizon.

Hole Number	AMG Easting (m)	AMG Northing (m)	Interval (m)	Comment
AAH1 /04	329093	5446919	0-3.5	Cream, moderately gritty, silica flour.
			3.5-6 6	Wet, dark brown, silica flour. Hole abandoned.
AAH2 /04	329064	5446922	0-1.5	Dark brown, friable, floury soil over pale green, floury clay.
			1.5	Hole abandoned.
AAH3 /04	329114	5445937	0-2	Pale grey, gritty flour.
			2-3	Pale brown, clayey, silica flour.
			3	Hole abandoned.
AAH4 /04	329020	5447032	0-3	Mottled white and brown, gritty, silica flour that contains a lot of lump silica. Possibly bulldozed material.
			3-11	Cream, silica flour. Much less gritty. A little pale orange mottling near 6m. Poor recovery towards bottom of interval - too tight to retrieve the loaded augers.
			11-12	Dark brown, silica flour.
			12	Hole abandoned.
AAH5 /04	329070	5447012	0-3	Very pale brown, silica flour with a little grit.
			3-8	Off-white, silica flour. Not much grit, not much lump.
			8-10.5	Orange, white and yellow flour. Not much grit.
			10.5	Abandoned hole.
AAH6 /04	329005	5446972	0-8	Cream flour with very pale brown mottling below 3m. Minor grit present.
			8-9	Dark brown, silica flour.
			9	Hole abandoned.
AAH7 /04	329112	5446966	0-10	Very pale brown, silica flour. Relatively coarse grained with a lot of lump.
			10-10.5	Dark brown, silica flour.
			10.5	Hole abandoned.
AAH8 /04	328979	5446994	0-1.5	Disturbed due to road building. Mixed cream and brown, silica flour.
			1.5-7.5	Very pale brown flour with very little grit.
			7.5-12	Wet from 7.5m. Flour has slightly stronger colour, but still pale. Ground water brown due to organics

Hole Number	AMG Easting (m)	AMG Northing (m)	Interval (m)	Comment
			12-15	Pass from pale to dark brown, silica flour.
			15	Hole abandoned.
AAH30 /04	329020	5447041	0-1.5	Possibly bulldozed material. Medium brown, silica flour.
			1.5-4.5	Very pale brown, gritty, silica flour. Dry.
			4.5-6	Damp, orange and brown, clayey flour containing angular fragments of milky, vein quartz.
			6	Hole abandoned
AAH31 /04	329095	5447041	0-1.5	Pale brown, silica flour. Colour possibly too strong to be commercial.
			1.5-7.5	Very pale brown, gritty, silica flour.
			7.5-9	Wet, dark brown, silica flour.
			9	Hole abandoned. Note: Two holes in this locality were refused on rocks at about 6m.
AAH32 /04	329052	5446953	0-1.5	Pale brown, gritty, silica flour.
			1.5-3	Very pale brown, dry, silica flour.
			3-9	Grades from medium to dark brown, silica flour.
			9	Hole abandoned
AAH33 /04	329164	5446976	0-7	Very pale brown and cream, gritty, dry, silica flour.
			7-8	Medium brown, silica flour.
			8	Hole abandoned.
AAH34 /04	329216	5446936	0-3	Rapidly grades from pale brown to dark brown, silica flour.
			3	Hole abandoned
AAH35 /04	328921	5447035	0-1.5	Very pale grey, silica flour.
			1.5-3	Rapidly becomes dark brown.
			3	Hole abandoned.
AAH36 /04	328803	5446952	0-1.5	Orange-brown, lumpy, silica flour underlain by orange clay.
			1.5	Hole abandoned.

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Appendix 2: Blackwater East test pit logs, 2004.

The test pits were dug with a 7 tonne excavator.

Pit Number	AMG Easting (m)	AMG Northing (m)	Interval (m)	Comment
ATP11 /04	328979	5446994	0-2.4	<p>Located adjacent AAH8/04.</p> <p>Due to removal of material during road construction the pit commenced at an approximate depth of 0.3m below the natural surface.</p> <p>Cream, dry, silica flour. Thin, discoloured (black) flour of limited lateral extent is present at 1m. The excavated material consists of silica flour with about 25% by volume of lump silica. Colloform quartz and milky, vein quartz is present as lump, as is weakly coherent silica flour. Samples: 2Xflour and 1Xlump from 2.4m.</p>
ATP12 /04	329112	5446966	0-0.3 0.3-2.4	<p>Located adjacent AAH7/04</p> <p>Soil of humus and silica flour.</p> <p>Very pale brown, dry, silica flour ranging in grain size from silt to coarse grained sand. Excavated material comprises about 10% by volume of lump. Most of the lump is very weakly coherent and can be crushed to flour in the hand. There is a minor amount of milky, vein quartz. Samples: 2Xflour from 2.4m.</p>
ATP13 /04			0-2.4	<p>Located adjacent to the 4/2001 auger hole (Figure 2).</p> <p>Due to removal of material during road construction the pit commenced at an approximate depth of 0.5m below the natural surface.</p> <p>Cream, dry, silica flour ranging from silt to medium grained sand. A 1cm vein of granular, grey quartz is present that has an adjacent thin (1-2cm) seam in which the silica flour grains are thinly coated with pale brown clay. Material excavated from the pit includes about 10% of weakly coherent lump silica flour. Samples: 2Xflour from 2.4m.</p>

Pit Number	AMG Easting (m)	AMG Northing (m)	Interval (m)	Comment
ATP14 /04	329164	5446976		<p>Located adjacent to AAH33/04.</p> <p>Due to removal of material by bulldozing the pit commenced at an approximate depth of 0.3m below the natural surface.</p> <p>0-2.2 Creamy white, dry, gritty, silica flour. Excavated material includes about 10% of lump silica. The lump comprises weakly coherent silica flour and minor colloform quartz. Samples: 2Xflour from 2.2m.</p>