



Adamus Resources Limited

ACN 094 543 389

Exploration Licence 29/2002

Selina

NW Tasmania

**2005 Partial Release from EL29/2002 report to Mineral
Resources Tasmania**

S Brooks
02/05/2005
Adamus Resources Ltd
PO Box 568
West Perth
WA6872

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Figure 1: EL28/2002 Retention and release areas

Coordinates are AMG in AGD66 Zone 55

1 Summary

Exploration Licence 29/2002 located in western Tasmania and held by Adamus Resources Ltd, covers prospective units of the Mt Read Volcanics. These units are host to a number of large VHMS deposits in the nearby area, including Rosebery Pb-Zn, Hellyer Zn-Pb-Ag-Au and the large copper deposits of the Mount Lyell field. The licence area has been the site of historical copper mining in the 1890's to early 1900's. Concerted modern exploration for base metal VHMS deposits has continued since the 1950's. Following review of historical and aeromagnetic data 51 km² has been identified as non-prospective and marked for release.

2 Introduction

The Selina Exploration Licence 29/2002, a 24 km long by 5 km wide belt, is located in Western Tasmania, between Queenstown to the south and Rosebery to the north. EL 29/2002 is found on the Sophia (8014) and Franklin (8013) 1:100,000 map sheets, and initially covered an area of 109km². Topography is rugged and varied, comprising steep timbered slopes with deeply incised valleys and gentler button grass marshland on elevated plateau's and broad plains. Numerous lakes and closed catchment basins are found throughout the area. The Sticht and Tyndall Ranges bound the licence area to the east and west, whilst the slopes of Mount Murchison and the Comstock Valley define the northern and southern boundaries, respectively. The sealed Anthony Road bisects the Northwest corner of the tenement, whilst access to the central and southern areas is limited to a few gravel tracks controlled by the HEC, Parks & Wildlife Service and Copper Mines of Tasmania. Further access around the licence area is limited to foot or helicopter. The Tyndall Range Regional Reserve and the Lake Beatrice Conservation Area cover the greater part of the licence area. Other land use includes HEC water catchments, and some Crown Land in the northwest and southern corners.

Target mineralised units of the Mount Read Volcanics which contain large VHMS polymetallic deposits in other areas, including Rosebery Pb-Zn, Hellyer Zn-Pb-Ag-Au, Henty Au-Ag-Pb-Cu and the large copper deposits of the Mount Lyell Field have been wholly retained in the tenement.

3 Geology

The released areas at the eastern margin of the tenement mainly cover Precambrian quartzite basement and siliciclastic conglomerates and sandstones interbedded with micaceous siltstone and volcanoclastic rocks of the Sticht Range Beds. These units bound the prospective Eastern Quartz Pyritic Sequence of the Mount Read Volcanics which consists of Mid Cambrian volcanoclastics and sediments. To the west a strip of Ordovician units mainly from the Owen Conglomerate constitutes the release. The main area of this is bedded to massive, pebble-cobble to cobble-boulder conglomerate of the lower Owen Conglomerate. Also in the release are areas of the Upper Owen Conglomerate. These units are composed of volcanoclastic conglomerates, breccias, pebble conglomerates, sandstone, limestone, silts and shales. They are relatively unaltered and only weakly mineralised in the basal volcanoclastic conglomerate (Funnell 1988).

The released units are overlain in places by a thin layer of Quaternary (Pleistocene) glacial deposits which are generally bouldery in nature. Patches of Holocene alluvium also cover part of the release.

4 Previous Mining and Exploration

Modern exploration efforts, covering the Selina EL29/2002 licence area, commenced in the late 1950's. Prior to that work consisted of small to moderate scale prospecting and limited mining ventures. Historical work in the region commenced in 1891 with the discovery of The Red Hills and Lake Dora Mineral Fields. Primarily searching for copper, a number of leases, between 15 to 80 acres, were taken up in these areas. At Lake Dora trenches and a number of prospecting shafts and tunnels were excavated, with only moderate success. Smith, (1898) in a visit to the field notes two samples of moderate mineralisation. 3oz 18dwts 8grains per ton Ag, 1% Cu with traces of gold from a 25ft long trench sample and a 5 to 6 ft face sample grading 6.2% Cu, 1% Zn, 6dwts 12 grains per ton Ag and trace Au. Minor cobalt mineralisation is noted by the presence of erythrite in outcropping chloritic volcanoclastics (Smith 1898). The Lake Dora Field

was abandoned in 1908 due to poor copper grades. Little exploration of note occurred in the area for the next fifty years.

Exploration efforts, during the past 40 years, have focused on Rosebery / Hellyer style VHMS deposits and Mount Lyell style copper deposits. Primary commodity interest was given to base metals (Cu, Pb, Zn), with later sporadic and incomplete exploration for Au. As a result of this target philosophy, licences have entirely covered or held specific prospective zones of the Mount Read Volcanics.

Work by all licence holders has involved reappraisal and or collection of primary geophysical data, to locate or define buried magnetic anomalies and VHMS conductors. This work has involved airborne magnetic surveys, ground based magnetics, down hole EM, gravity, dipole dipole IP and resistivity surveys. The bulk of this work was carried out by MLM&RC / Goldfields (EL9/66) and CRA / Aberfoyle Resources (EL5/85) as the longest holders of the current licence area. The principle targets identified by this work are the Eastern Pyrite Zone (EPZ) at East Selina - Anthony and the Western Pyrite Zone (WPZ) in the West Selina - Lake Rolleston area. Work over the remainder of the area located a number of geophysical targets, including Lake Dora, Lake Spicer and the Beatrice Dome. Follow up ground based magnetics, IP and geochemical surveys led to the conclusion that these areas had a low probability for hosting VHMS base metal deposits. (Funnell 1987, Hutton et al 1982, McNeill 2001 (a & b), Morrison 1997)

Throughout this historical exploration, sporadic attention has been given to gold mineralization. Most work consisting of limited rock chip sampling of outcrop and old workings. The limited and variable nature of Au sample results probably reflects more on the base metal driven nature and sampling methodology of earlier programs rather than on a lack of viable Au mineralization.

4.1 Selina

Extensive soil geochemistry, stream sediment sampling and a number of rock chip sampling programs have identified moderately anomalous zones of Pb-Zn-Ag mineralization in the Mount Selina and Anthony prospect areas. In the early 1980's a total of 1750 soil samples were collected and analysed for Cu, Pb, Zn, Ag, Mn, Co. Results defined a 900m x 760m Pb-Zn-Ag soil anomaly to the South of the EPZ. Peak soil values of 0.4% Pb, 0.14% Zn and 8g/t Ag were

recorded. Rock chip sampling between 1979 and 1983 returned maximum assays of 1.4% Zn, 0.5% Pb, 24g/t Ag and 0.5% Cu from about 80 samples. No significant gold results were returned. In 1990 a further 67 rock chip samples were collected from outcrops in the EPZ. These returned maximum assays of 0.19g/t Au and 10g/t Ag. To the North of the Selina area stream sediment and rock chip sampling, in 1990, identified two moderate Pb-Zn stream anomalies, with an associated rock chip returning 0.43g/t Au. (Hutton et al 1980, 1981 & 1982, Noonan 1990, Fitzgerald et al 1983)

4.1.1 Western Pyrite Zone

A 4km long by 100 – 300m wide zone of disseminated and stringer pyrite associated with chlorite, silica altered volcanics, to the East of a major Northwest Fault. Originally located by magnetics, a total of nine diamond drill holes, LS1 to LS7, LS9 and LS12, for a total of 2707.7m, were completed between 1969-1993. Drilling intersected Cu, Pb, Zn and Ag mineralisation. Later re-assaying for gold and silver returned the following significant results. (Hutton et al 1980 & 1981, McKibben 1971 & 1972, Webber 1997)

LS2: 1.5m @ 10g/t Ag

LS3: 9m @ 0.28% Cu, 4m @ 1.18% Pb and 1.5m @ 11g/t Ag

LS4: 5.2m @ 3.4g/t Ag and 0.2g/t Au

LS5: 9m @ 0.35% Cu, 4.6m @ 0.42% Cu, 9.1m @ 14.6g/t Ag, 3m @ 17.5g/t Ag

LS6: 3m @ 0.82% Cu, 4.6m @ 54.5g/t Ag and 1.5m @ 0.67% Pb, 0.38% Zn and 20g/t Ag

4.1.2 Eastern Pyrite Zone

A 3.5km long by 50 – 150m thick zone of pyrite alteration in chlorite altered, felsic volcanoclastics. A total of five diamond drill holes LS8, LS10, LS11, LS13 and LS14, for a total of 2220.6m, were completed between 1981 and 1992. Broad, low grade Cu-Zn mineralisation and zones of narrow, higher grade Zn-Pb-Ag mineralisation were intersected. Significant results are as follows. (Hutton et al 1982, Fitzgerald & Cartwright 1986, Richardson 1992 & 1993, Roberts & Cartwright 1984, Webber et al 1997)

LS8: 5.6m @ 0.3% Zn

LS10: 7.9m @ 0.4% Cu, 1m @ 0.21g/t Au and 23m @ 0.1% Cu, 0.3% Zn. Inc 6m @ 0.4% Cu, 0.2% Zn, 3.5g/t Ag

LS11: 2m @ 0.15g/t Au

LS13: 1m @ 4.8% Zn, 0.3% Pb and 16g/t Ag

LS14: 7.2m @ 0.23% Cu

4.2 Lake Dora – Rolleston

Covering the historical Lake Dora Copper field, from the Southwest corner of Lake Dora to the Northeast corner of Lake Rolleston. This area has been the focus of many phases of exploration. MLM&RC undertook a soil sampling survey for Pb, Zn, Cu in 1970, with follow up program of 235 samples, for Pb, Zn, Cu, Ag, Mn, Co, in 1981. During this period a number of anomalous rock chips were sampled from outcrop and old workings. Best results were 6.2% Cu, 2.3% Pb, 5.5% Zn, 152g/t Ag and 2g/t Au. Stream sediment sampling, for Cu, Pb, Zn, Ag and Au, in 1987 gave disappointing Au peaks of 150 ppb and 1800 ppt. Rock chip sampling in 2001 returned significant results from Walford Peak. One Sample 48.4g/t Au, 250g/t Ag, 3.85% Cu, 0.1% Zn, 0.46% Pb, and 2.25% Co. (Fitzgerald et al 1983, Funnell 1987, McNeill 2001a)

4.3 Lake Dora – Spicer

Very little work has been done in this area. Most work has concentrated on mapping with a program of 467 soil samples undertaken, to the South of Lake Dora, in 1980. These samples were analysed for Cu, Pb, Zn, Ag, Mn, and Co. Results defined a Cu, Zn anomaly associated with mapped alteration zones in the felsic volcanoclastics. No geochemical analysis has been undertaken between Lake Spicer and the previous soil program. A number of geophysical anomalies lie in the south of this belt. A number of rock chips (23) have been collected, one dump sample returned 0.2% Cu, 4% Pb, 5.7% Zn, 160g/t Ag. (Hutton et al 1980, 1981, 1982)

4.4 East Beatrice

Similarities to the Red Hills Pb-Zn-Cu-Ag-Au deposit have driven the exploration focus in the southern part of the licence. A number of stream sediment and soil sampling programs for Cu, Pb, Zn, Ag ± Au have been conducted over the rhyolitic Beatrice Dome and the Comstock River valley. A number of low order Pb-Zn anomalies have been identified, in the central eastern area and to the Northwest, outside the current licence area. A rock chip program in 1981 returned a peak value of 0.44% Zn. A number of Au, Zn stream anomalies were located in 1997. Follow up rock chip sampling returned a peak gold value of 94 ppb. Anomalous silver values of 6 to 37g/t, from soil sampling in 2000, are noted in the Comstock Valley. These later stream and soil results are difficult to qualify as the area is covered by Quaternary alluvium and glacial deposits. (Hutton et al 1980, Morrison 1997, McNeill & Simpson 2001)

EPZ and WPZ at Mount Selina contains long zones of alteration (>3km) over widths of 100-300m. These alteration zones are typified by pyrite associated with minor chalcopyrite, galena mineralization and quartz-sericite-chlorite alteration. Results from soil programs conducted in the EPZ and WPZ, identify a broad halo of low grade Zn-Pb-Ag mineralisation covering an area of 900m by 700m. Diamond drilling points to the presence of spatially extensive zones of low grade Cu-Zn mineralization. Ranging from 3-23m in thickness and grading from 0.1% to 0.8% Cu and 0.3% Zn. Zones of higher grade Pb-Zn-Ag are also intersected, whilst Au results are in the range of 0.2g/t. (Hutton et al 1982, Fitzgerald & Cartwright 1986, Richardson 1992 & 1993, Roberts & Cartwright 1984, Webber et al 1997) These drill holes are spread between 200m to 1km along strike, so potentially narrow zones of high grade Au mineralisation may remain undetected. Although a number of soil and rock chip sampling programs have been conducted over the area no systematic sampling has been undertaken for gold.

In the Lake Dora area, work to date has identified a 1.2km long zone of Cu-Zn mineralization, up to 150m wide. This soil anomaly is associated with a previously identified IP anomaly, mapped areas of alteration and minor sulphide mineralisation. A significant rock chip from this area returned 0.2% Cu, 4% Pb, 5.7% Zn & 160g/t Ag. (Hutton et al 1980). Other significant rock chip results, on the slopes of Mt Walford, returned 48.4g/t Au, 250g/t Ag, 3.85% Cu, 0.1% Zn, 0.46% Pb, and 2.25% Co.

5 Reporting Period Work and Discussion

Work on the released areas of the licence during the 2004 field season was mainly restricted to a review of previous work conducted in the area, including historical and publicly available aeromagnetic data. Limited field inspection by a geologist and field assistant was also undertaken. No sampling was carried out in the surrendered area of tenement. Areas marked for release contain units with weak to absent alteration and are not relevant for target mineralization in the area.

A limited stream and soil sampling programme was carried out in areas of the tenement that are being retained.

6. Conclusions and Recommendations

Following a review of historical data, publicly available aeromagnetic data and a limited field inspection, 51 km² of EL29/2002 has been identified as non prospective and marked for release (Figure 1).

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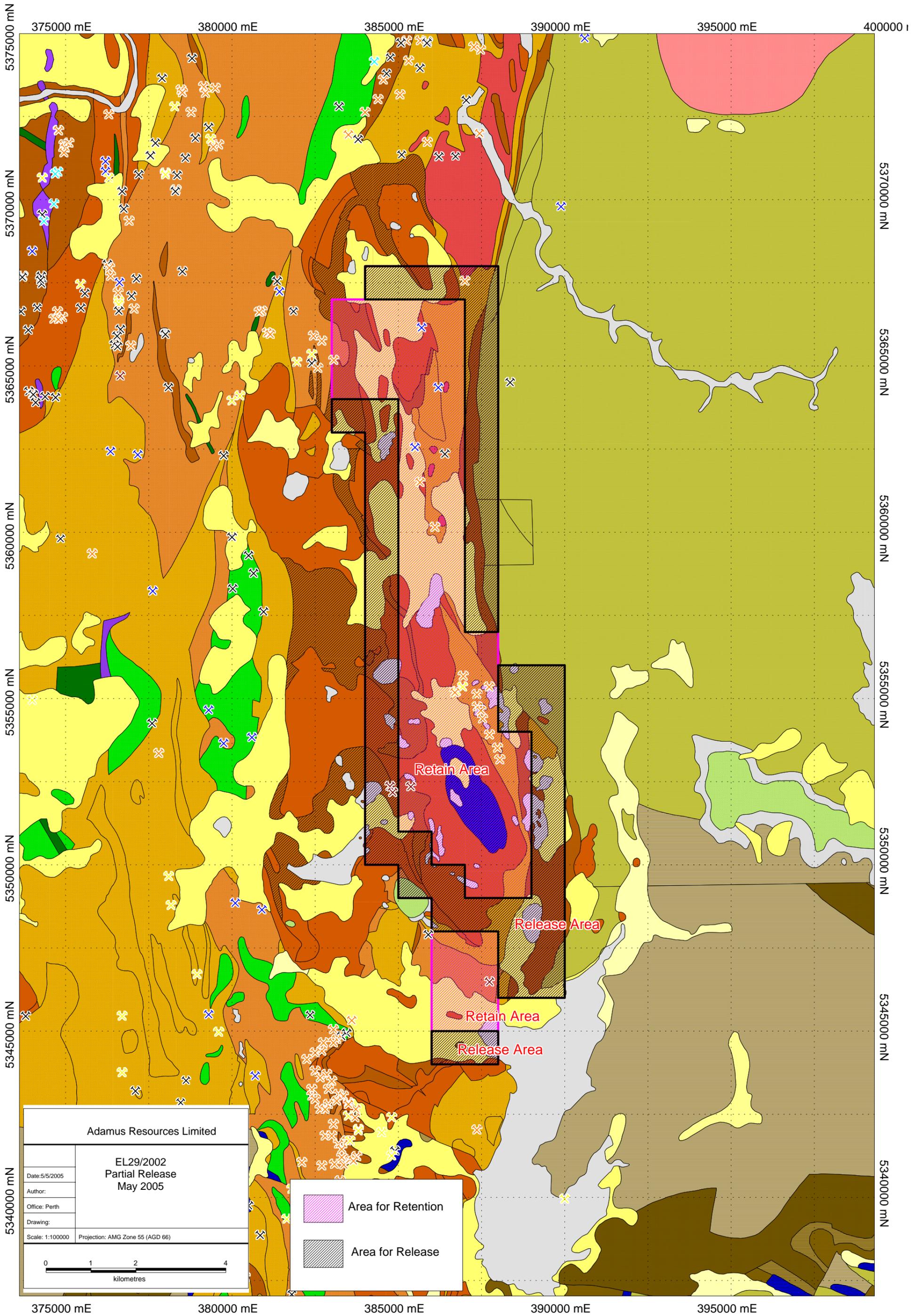
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Adamus Resources Limited

EL29/2002
Partial Release
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Date: 5/5/2005

Author:

Office: Perth

Drawing:

Scale: 1:100000

Projection: AMG Zone 55 (AGD 66)



Area for Retention



Area for Release

Retain Area

Release Area

Retain Area

Release Area

375000 mE

380000 mE

385000 mE

390000 mE

395000 mE

400000 mE

5375000 mN

5370000 mN

5365000 mN

5360000 mN

5355000 mN

5350000 mN

5345000 mN

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