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**EL35/03 STEPHENS RIVULET-HAWKES CREEK
ANNUAL REPORT TO 9th April, 2006**

Volume 1 of 1

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1. Summary

- Chemical analyses and sizing analyses are given for 21 uncontaminated test pit samples of silica flour from prospects in the Arthur River district.
- Sizing analyses are given for 19 samples from auger holes drilled at the same prospects.
- The data are regarded as encouraging in terms of future commercial development.

2. Introduction

EL35/03 is located in north western Tasmania and comprises a 2 km² block near Hawkes Creek and a 3 km² block near Stephens Rivulet. The former block is referred to as the Hawkes Creek Prospect and the latter block is referred to as the Blackwater West Prospect. A nearby prospect called Blackwater East was part of EL61/94, but is now RL2/2005.

3. Previous work

In late 2004 a program of test pitting and auger drilling was carried out in EL35/03. Locations and logs of the test pits and auger holes are given in Turner (2005). Uncontaminated samples were collected from the test pits at depths of about 2 m. Samples were also collected from the drill holes but these are of limited usefulness due to contamination from the auger rods and by other materials in the holes.

4. Work in the current period

Samples were sent to Japan for chemical analysis and sizing analysis. At this stage the laboratory has not provided full details of the analytical methods used and some results are not yet to hand.

5. Results and conclusions

Results are presented in Appendix 1 where test pit samples are identified by the prefix ATP and auger samples by the prefix AAH. The data are still being assessed, but are regarded as encouraging in terms of future commercial development.

6. Reference

Turner, N. J. 2005. EL35/03 Stephens Rivulet-Hawkes Creek. Annual report to 9.3.05. Cominex Pty Ltd and Sumitomo Australia Ltd

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EL35/03 Stephens Rivulet-Hawkes Creek. Annual Report to 9/4/06

Appendix 1: Chemistry and sizing analyses of silica flour. Test pit samples are prefixed ATP and auger hole samples are prefixed AAH. Locations and logs of the test pits and the auger holes are given in Turner, 2005.

Tasmania Silica (Arthur River Prospect)

2005/6/17

Pit No.	place	status	depth (m)	size(mic.)	ratio (%)	raw sand(ppm)				after HCl(ppm)				after Heavy Water(ppm)			
						Fe2O3	TiO2	Cr	Ni	Fe2O3	TiO2	Cr	Ni	Fe2O3	TiO2	Cr	Ni
ATP01-A	Sand	2.2	250-75	21.6	17	62	0.58	0.01	14	31	0.49	0.04	14	31	0.39	0.04	
			75-20	68.4					13	40	0.38	0.02	13	40	0.45	0.03	
ATP01-B	Rock	1.4			12	84	0.4	0.02									
ATP02	Sand	2.2	250-75	46.1	59	460	2.7	0.08	38	230	1.0	0.01	32	180	0.52	0.01	
			75-20	46.9					38	210	0.91	0.02	40	180	1.00	0.01	
ATP03	Sand	2.5	250-75	31.4	83	780	6.0	0.08									
			75-20	56.4													
ATP04-A	Sand	2.6	250-75	38.4	18	120	0.50	0.02									
			75-20	53.9													
ATP04-B	Rock	2.5			20	220	0.3	0.01									
ATP05	Sand	2.2	250-75	35.2	110	670	3.5	0.07									
			75-20	54.8													
ATP06	Sand	2.2	250-75	33.6	150	990	8.4	0.10									
			75-20	55.3													
ATP07	Sand	2.7	250-75	37.5	40	330	0.70	0.01	57	190	0.54	0.05	33	170	0.54	0.01	
			75-20	51.3					20	190	0.49	0.01	18	160	0.45	0.01	
ATP07-B	Rock	2.7			54	1000<	1.1	0.03									
ATP08	Sand	2	250-75	8.2	24	300	0.58	0.15									
			75-20	67.5													
ATP08-B	Rock	0-1			86	1000<	1.5	0.01									
ATP09-A	Sand	2.5	250-75	24.9	38	230	0.65	0.04									
			75-20	65.7													
ATP09-B	Rock	0-2			130	1000<	2.2	0.01									

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Tasmania Silica (Arthur River Prospect)

2005/6/17

Pit No.	place	status	depth (m)	size(mic.)	ratio (%)	raw sand(ppm)				after HCl(ppm)				after Heavy Water(ppm)			
						Fe2O3	TiO2	Cr	Ni	Fe2O3	TiO2	Cr	Ni	Fe2O3	TiO2	Cr	Ni
ATP10		Sand	2.6	250-75	48.2	140	1000<	15	0.1	56	470	4.0	0.05	47	420	1.7	0.01
				75-20	40.2					48	450	3.7	0.01	44	410	3.0	0.05
ATP11		Sand	2.4	250-75	52.0	120	1000<	14	0.04								
				75-20	45.3												
ATP12		Sand	2.4	250-75	56.9	37	230	0.40	0.09								
				75-20	40.1					37	230	0.4	0.03	36	110	0.65	0.03
ATP13-A	Blackwater East EL61/94	Sand	2.4	250-75	31.5	37	240	0.80	0.02								
				75-20	58.9												
ATP13-B		Rock	2.4			26	180	0.45	0.01								
ATP14		Sand	?(2.5)	250-75	53.0	24	410	2.8	0.02								
				75-20	37.6					18	160	1.4	0.01	15	140	0.43	0.01
										15	150	1.3	0.04	13	160	0.70	0.05
ATP15		Sand	1.6	250-75	15.7	10	110	0.37	0.04								
				75-20	63.7					6	70	0.49	0.01	5	64	0.40	0.01
										6	71	0.54	0.04	6	80	0.55	0.08
ATP16		Sand	2	250-75	25.9	10	100	0.50	0.01								
				75-20	57.4												
ATP17		Sand	2.2	250-75	40.3	15	140	0.42	0.07								
				75-20	43.4												
ATP18	Hawks Creek EL35/03	Sand	0.7	250-75	33.8	77	480	5.5	0.12								
				75-20	49.0					21	150	2.9	0.03	19	93	0.62	0.07
										26	220	1.4	0.04	29	240	1.0	0.05
ATP19		Sand	?(2.5)	250-75	25.3	11	190	0.78	0.06								
				75-20	55.7												
ATP20		Sand	1.1	250-75	27.1	120	890	32	0.15								
				75-20	51.6												
ATP21		Sand	?(2.5)	250-75	39.8	40	460	12.0	0.12								
				75-20	40.4												
				250-75av.	34.6												
				75-20av.	52.5												

Tasmania Silica (Arthur River Prospect)

25/08/2005

Pit No.	place	status	depth (m)	size(mic.)	ratio	raw sand(ppm)				after HCl(ppm)				after Heavy Water(ppm)				
						Fe2O3	TiO2	Gr	Ni	Fe2O3	TiO2	Gr	Ni	Fe2O3	TiO2	Gr	Ni	
AAH11/04	Blackwater West EL35/03	Sand	8.5-9.0	250-75	28.8%													
				75-20	57.3%													
AAH12/04		Sand	8.5-9.0	250-75	25.3%													
				75-20	60.1%													
AAH13/04		Sand	8.5-9.0	250-75	19.9%													
				75-20	57.9%													
AAH14/04		Sand	8.5-9.0	250-75	26.2%													
				75-20	48.4%													
AAH20/04		Sand	8.5-9.0	250-75	43.5%													
				75-20	44.7%													
AAH21/04		Sand	8.5-9.0	250-75	32.7%													
				75-20	48.3%													
AAH22/04		Sand	8.5-9.0	250-75	30.8%													
				75-20	50.5%													
AAH28-1/04		Sand	8.5-9.0	250-75	31.6%													
	75-20			56.3%														
AAH28-2/04	Sand	17.5-18.0	250-75	27.8%														
			75-20	58.1%														
AAH 4/04	Sand	6.9-7.5	250-75	42.7%														
			75-20	43.4%														
AAH 5/04	Sand	6.9-7.5	250-75	42.3%														
			75-20	46.9%														
AAH 7/04	Sand	8.5-9.0	250-75	42.6%														
			75-20	38.4%														
AAH 8/04	Sand	9.9-10.5	250-75	48.4%														
			75-20	31.3%														
AAH33/04	Sand	5.5-6.0	250-75	46.8%														
			75-20	47.6%														

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Tasmania Silica (Arthur River Prospect)

25/08/2005

Pit No.	place	status	depth (m)	size(mic.)	ratio	raw sand(ppm)				after HCl(ppm)				after Heavy Water(ppm)			
						Fe2O3	TiO2	Cr	Ni	Fe2O3	TiO2	Cr	Ni	Fe2O3	TiO2	Cr	Ni
AAH37-04		Sand	11.5-12.0	250-75 75-20	35.9% 47.7%												
AAH39-04		Sand	5.5-6.0	250-75 75-20	32.8% 45.0%												
AAH46-04		Sand	2.5-3.0	250-75 75-20	18.1% 58.2%												
AAH48-04		Sand	5.5-6.0	250-75 75-20	32.3% 45.1%												
AAH49-04		Sand	2.5-3.0	250-75 75-20	30.6% 48.8%												
AAH51-04		Sand	5.5-6.0	250-75 75-20	27.8% 44.6%												
				250-75av. 75-20av.	35.3% 46.5%												