Copper Mines of Tasmania Pty Ltd

Exploration Licence 52/1994 – Linda

Annual Report
for the period ending 01 May 2006

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EXECUTIVE SUMMARY period Jan 05-Jan 06

An aggressive exploration campaign was completed during the review period following the program outline submitted to MRT in 2005.
The planned program focused on:

1. Confirming the geometry and resource estimate of the King Lyell Copper Clay resource by diamond drilling.
2. Conducting follow-up CSAMT lines on several geophysical anomalies at the Chamouni and Burbery prospects and
3. Conducting focused soil sampling / mapping at Burbery Volcanics to follow up on gold in soils anomalies from the 1997 soil sampling campaign and to conduct preliminary stream sediment sampling on a geophysical anomaly found in 2005 denoted the West Burbery prospect.
4. Drill testing the CSAMT conductivity high at Chamouni (to understand why the hole drilled in 1998 did not explain the anomaly) and,
5. Drill testing the zinc geochemical anomaly found by the two RC holes drilled underneath Cemetery creek in 1996.

King Lyell Copper Clays:

Drill holes KLD001, 2,3 and 4 were drilled in a fence along section 6493E to test the extents of the mineralised clays.
Six drill holes totalling 242.2m were completed in the Copper Clays at King Lyell, which aided the resource confirmation re-modelling and provided some metallurgical samples for testing the mineral species. The best intersection at the edge of the interpreted resource returned 40m at 0.51% Cu as 50% digenite and 50% native copper. All other holes either confirmed the existing interpretation or encountered drilling problems that resulted in termination of the holes before target depth.

Three shallow auger holes were drilled on outcropping copper clays material in an attempt to obtain a metallurgical sample.

Geophysics:

Four CSAMT lines and one small magnetometer survey were completed to augment the Chamouni and Burbery datasets.

Burbery Volcanics:

As follow-up on a previously identified gold anomaly, seven line km of line cutting, soil sampling and geological mapping were conducted on the gossan outcrops and gold in soils anomalies on the eastern side of the old 1997 grid at Burbery (see Figure 5) Seven line km of in-fill grid was cut between the 1997 grid lines to infill and confirm the gold in soil anomaly. 162 soil samples were collected but the analyses failed to support the 1997 ppb Au anomaly. Only 11 of the samples showed any gold at between 10-20 ppb. The samples were resubmitted and subjected to exactly the same analytical technique at the same lab that was used in 1997. The re-analysis failed to show any repeat of the up to 50ppb Au values found in the 1997 soils survey.

West Burbery:

Stream sediment sampling was completed on the West Burbery geophysical anomaly. The geophysical anomaly was discovered in 2005 as a weak CSAMT high coincident with a deeply incised creek bed (see Figure 6) in the Owen/Tyndal contact area. One of the four stream concentrates returned 10 ppb Au.

Chamouni Zinc:

The CSAMT high conductivity target is coincident with the interpreted contact of the Owen conglomerates and Gordon limestones. Work in 2005 consisted of adding three geophysical (CSAMT) lines (see Figure 4), a magnetometer survey and, finally, by drilling an NQ sized hole (05CZ01) to a depth of 285.7m to test the target (see Figure 9). The drill hole encountered Gordon limestone / micrite throughout it’s length and had many very thin graphitic stylolites that are thought to be highly conductive. No significant mineralisation was encountered and the CSAMT response is deemed to be from a geological feature other than economic mineralisation.

Cemetery Creek:

The two RC holes drilled in 1996 on the banks of Cemetery Creek encountered weak zinc mineralisation in “pug”; decomposed Gordon limestone. The drill hole 05CZ02 was drilled to 187m, directly below the 1996 holes (see Figure 9). The NQ sized diamond drill hole encountered Gordon limestone / micrite throughout it’s length and encountered many vugs and cavities below the zinc anomaly discovered in 1996. No significant mineralization was encountered.

INTRODUCTION

Exploration Licence EL52/94 was granted on 2nd February 1995 and is held 100% by Copper Mines of Tasmania Pty Ltd (CMT). Towards the end of 2002 EL52/1994 was consolidated with some of the area formerly held under EL5/98 Queenstown following relinquishment by CMT of that and other EL's. The consolidated EL52/1994 includes some of the area immediately south of the Mine Lease ML1M/95, which is currently held and operated by CMT.
The annual expiry date of the new EL 52/1994 changed to 1st May 2005. The rental payment date is 13th January 2006 whereas the lease renewal date for EL 52/1994 for the 05/06 period is 1st May 2006. The Lease expires on 1st May 2006, unless renewed by MRT.
This report summarises work carried out on the EL52/94 over the period from 01 May 05-01 May 06.

LAND TENURE

EL 52/94 Linda covers an area of 24km^2. The EL can be broadly described as wrapping around the east and southern parts of ML1M/95, containing ground that CMT considers prospective for copper, gold and base metals.

The western boundary of EL52/1994 is the eastern boundary of the Mt Lyell Mine Lease ML1M/95. Lake Burbury lies on the eastern boundary of the EL. The central part of the licence is covered by the Chamounix (Linda) Valley and, to its north-east by the Burbury Volcanics and part of the Comstock (Sedgewick) Valley. The southern part of the EL encompasses Mt Owen and, in the south-western corner part of the town of Queenstown. The Lyell Highway runs through the bottom part of the EL and includes the town sites of Gormanston and Linda.

Exclusions from EL52/1994 include Crown Reserves, HEC land and a small mining lease.

A tenement location map is included as Figure 1

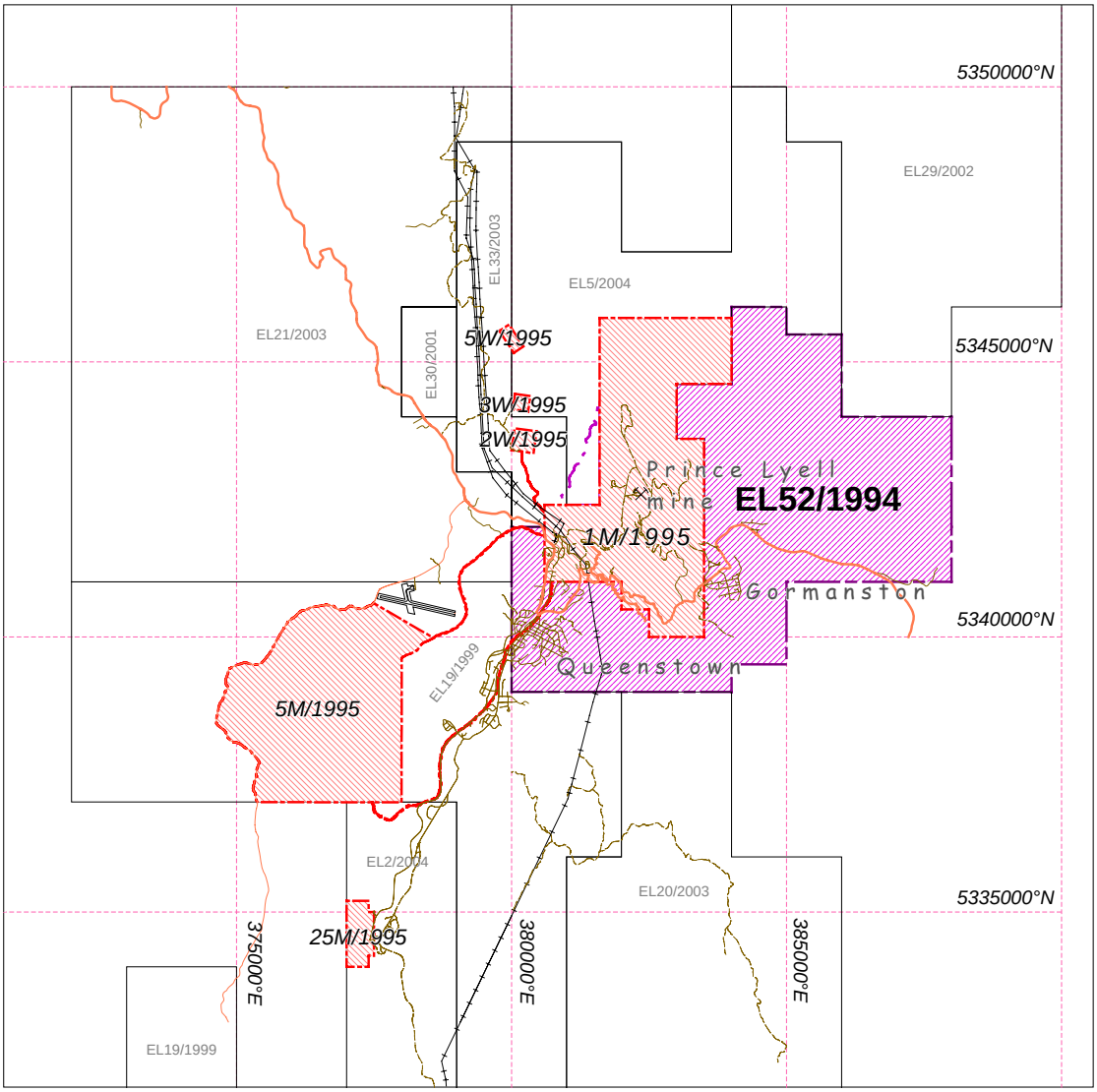


Figure 1: EL52/1994 –Tenement Location Map
(showing other tenements held by CMT)

EL52/94 Lease renewal and relinquishment strategy

The EL52_1994 exploration lease renewal / annual report is due 01 May '06. CMT has recommended to Vedanta a partial relinquishment of some 30 of the 37sq km of the existing EL52/94. Retained areas would comprise ~3sqkm as a retention lease for the Copper Clays and a 4sq km Exploration lease south of the mine lease to explore Glen Lyell strike extensions and review the Copper Estates prospects found there (Figure 2).
The retention lease is also covering a land use permit # 2M/88 that consists of a gravel storage site operated by J. Gaspersic.
Vedanta has approved the proposal providing ground being relinquished is non-prospective.

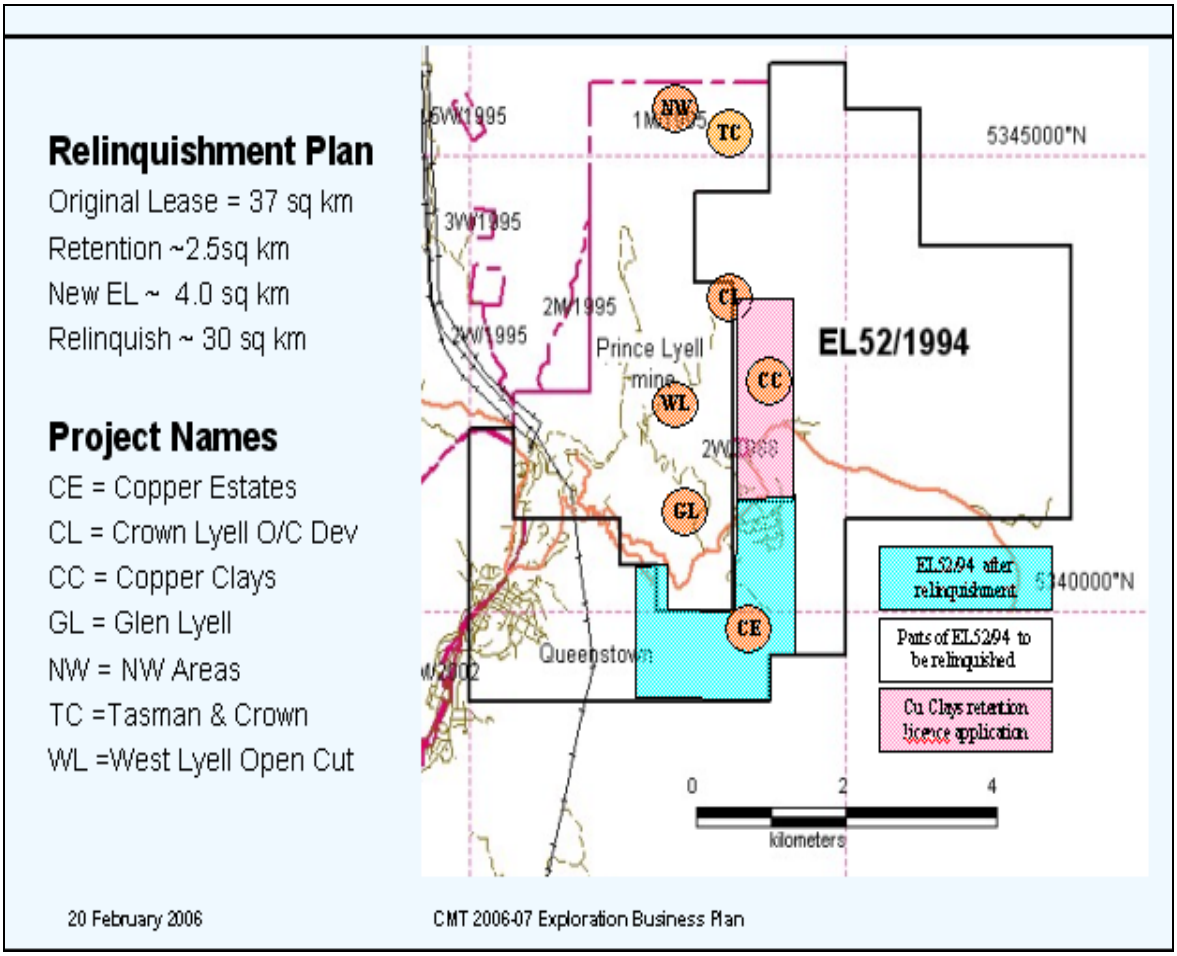


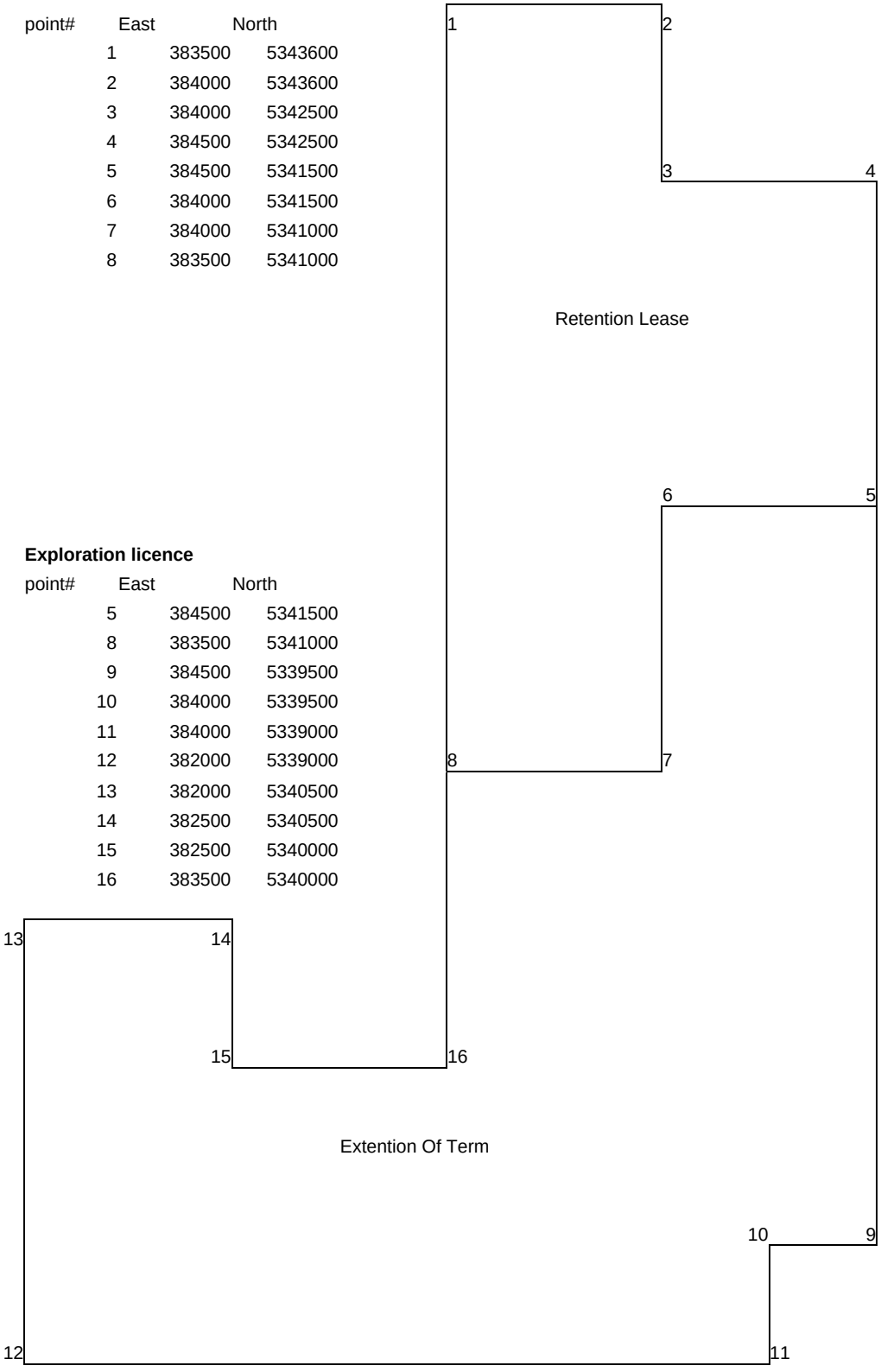
Figure 2: EL52/1994 – showing proposed relinquishment of lease and retention area

Retention licence

point#	East	North
1	383500	5343600
2	384000	5343600
3	384000	5342500
4	384500	5342500
5	384500	5341500
6	384000	5341500
7	384000	5341000
8	383500	5341000

Exploration licence

point#	East	North
5	384500	5341500
8	383500	5341000
9	384500	5339500
10	384000	5339500
11	384000	5339000
12	382000	5339000
13	382000	5340500
14	382500	5340500
15	382500	5340000
16	383500	5340000



nb: diagram not to scale

Figure 3: EL52/1994 – co-ords for retention and exploration licences 2006

EL52/94 Expenditure 2005

EL 52/94					
Activity	**KL**		**CZ**	**BV**	
Diamond Drilling	$	30,794	$ 69,912	$	-
Sundry Drill	$	2,980	$ 9,120	$	-
Drill and geochem Assays	$	-	$ 8,000	$	3,050
Geophysics	$	-	$ 9,487	$	21,821
Geology and Misc	$	3,424	$ 3,562	$	11,923
Total	**$**	**37,198**	**$ 100,081**	**$**	**36,794**
			Grand Total	**$**	**174,073**

EL52/94 Drilling in 2005

Project	Hole_ID	Hole_Type	Metres Drilled
CZ	05CZ01	DD NQ size	285.7
CZ	05CZ02	DD NQ size	187.0
KL	05KLD001	DD NQ size	32.2
KL	05KLD002	DD NQ size	72.2
KL	05KLD003	DD NQ size	42.4
KL	05KLD004	DD NQ size	48.8
KL	05KLD005	DD NQ size	46.6
KL	05KLD006	DD NQ size	93.7
		2005 Total	**808.6**

2005-06 Exploration Results

Chamouni geophysical prospect:

CSAMT geophysics completed on the Chamouni prospect in 2005 (A$9,487) confirmed the large coherent NW trending anomaly recognized from previous surveys (Figure 4). This geophysical anomaly was later followed up by ground magnetometer to ascertain whether cultural features (old railway ballast) could account for the strong shallow CSAMT anomaly. The strength of the response indicated a good drill target in the absence of any other geo-chemical / geological anomalism, so a 286m hole was designed (05CZ01) and drilled to test the CSAMT response (Figure 8). The hole was drilled to 285.7m and encountered a dirty Gordon limestone with limestone/ micrite - styolite associated brecciation with frequent minor graphite in the stylolites. These stylolites and a conductive water seam are thought to be responsible for the strong CSAMT anomaly.

This target has been sufficiently tested and does not warrant further work by CMT.

Drill Hole	Collar N,E,rl	Azim	Dip	Drilled length
05CZ01	5341609.7 N, 384998.3 E, 261 rl	063.4	-51	285.7m

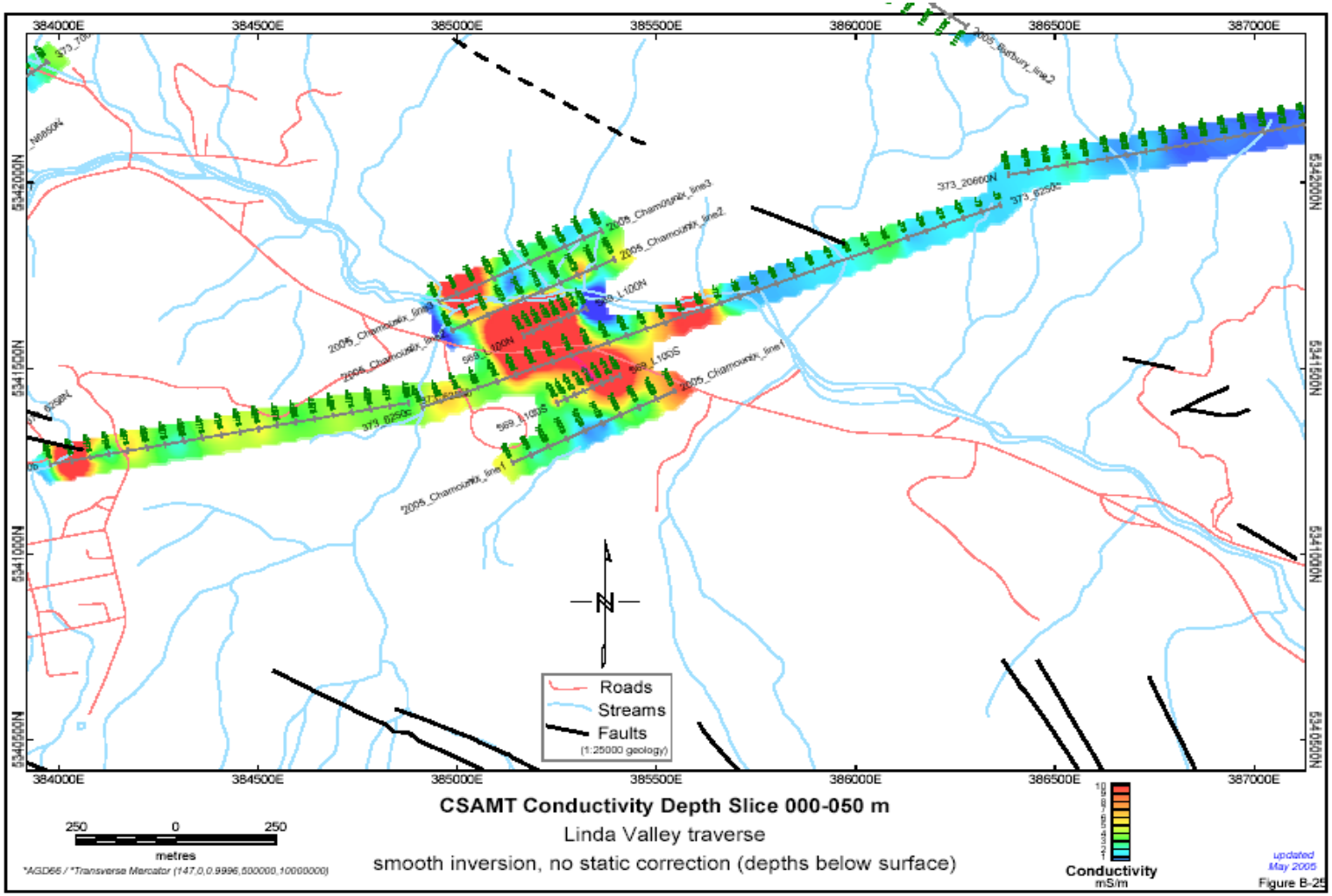


Figure 4: 2005 Chamouni Zinc CSAMT lines (slice shown at 0 – 50m)

Cemetery Creek:

The two RC holes drilled in 1996 on the banks of cemetery creek encountered weak zinc mineralization in “pug”; decomposed Gordon limestone. The drill hole 05CZ02 was drilled to 187m, directly below the 1996 holes, through Gordon limestone and siltstones and encountered substantial karst cavities at target depth.

No significant mineralised intersections were encountered and no further work is planned.

This target has been sufficiently tested and does not warrant further work by CMT.

Drill Hole	Collar N,E,rl	Azim	Dip	Drilled length
05CZ02	5341434 N, 384977.7 E, 265 rl	222	-50	187m

Key Milestones: Drop the Chamouni and Cemetery Creek prospects in Linda valley as these have been adequately tested and are non-prospective.

Burbery Volcanics:

The prospect sits in highly prospective stratigraphy low in the Tyndall group. Two gossanous outcrops located at AMG 387408E, 5341910N show 0-0.2%Cu and 0-0.1 g/t Au in rock chips. The 1997 soil geochemistry survey shows anomalous Au in soils down slope from the two gossanous outcrops.

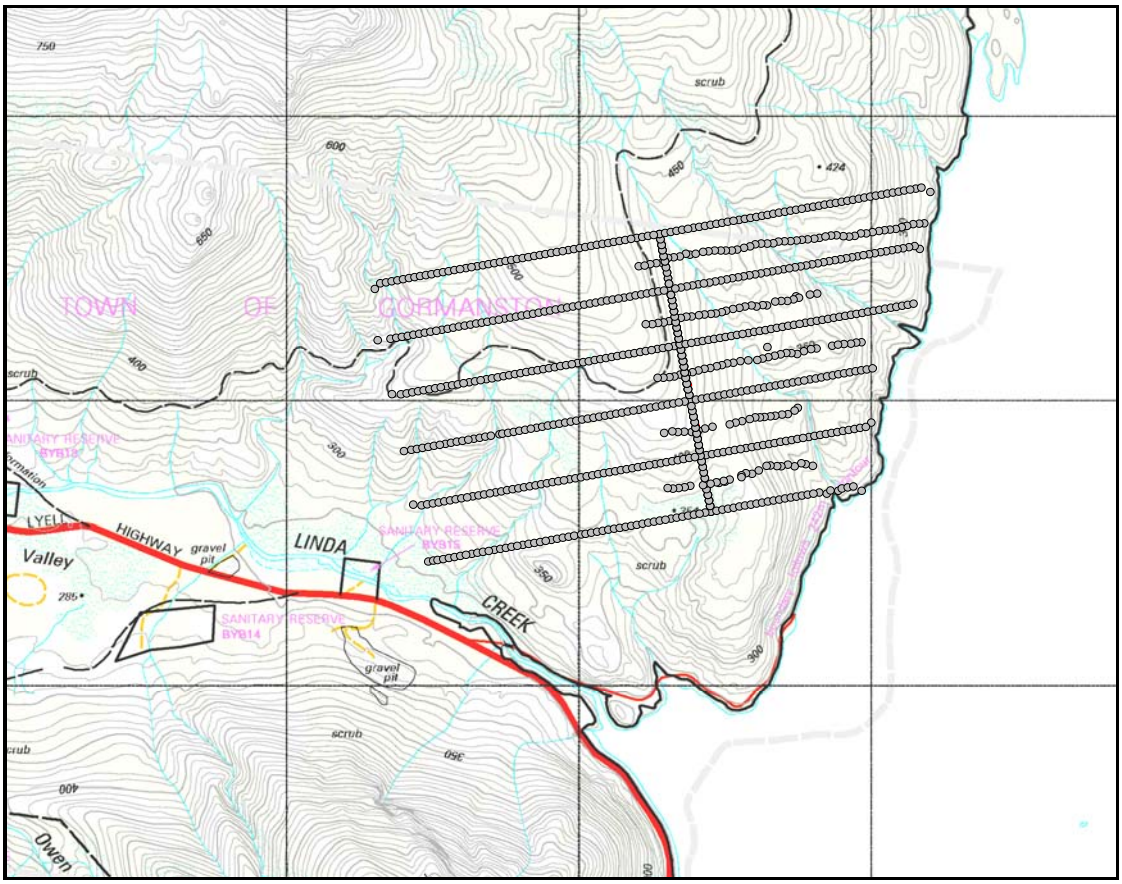


Figure 5: 2005 Burbery Volcanics sampling and mapping grid infilling pre-existing 1997 grid.

Seven line kilometers of line cutting, infill soils sampling and surface outcrop mapping was completed on the East Burbury prospect grids to corroborate the c. 1997 Au in soils anomalies coincident with the two gossanous outcrops near the baseline. 168 soil samples and assays were completed (A$21,821) but only 10 of these reported between 10 –20 ppb Au result. The remaining samples were below detection limit.
The first analytical run failed to corroborate the 1997 Au in soils data so the soil coarse rejects from the 2005 survey were re-run by SGS labs to exactly match the analytical technique used in the 1997 survey. The new soil analyses in thye second analytical run also failed to duplicate / corroborate the weak Au in soils anomalism from the 1997 survey.

- Au in soils anomaly (c1997) was checked and no anomalism was corroborated
- Mapping showed a lithological contact but little mineralised outcrop or veining
- To date there has been no geophysics run on the Burbery grid.

The 2005 geochemistry and geology mapping work has downgraded the likelihood that electrical geophysical methods such as IP will result in locating a conductor in the area.

While a low order geo-chem (1997Au in soils) anomaly remains unexplained, the target is deemed too small to meet CMT's exploration criteria. Accordingly the target is dropped and the exploration lease will be relinquished in this area.

***Key Milestones*:** Drop prospect and relinquish that portion of the exploration lease

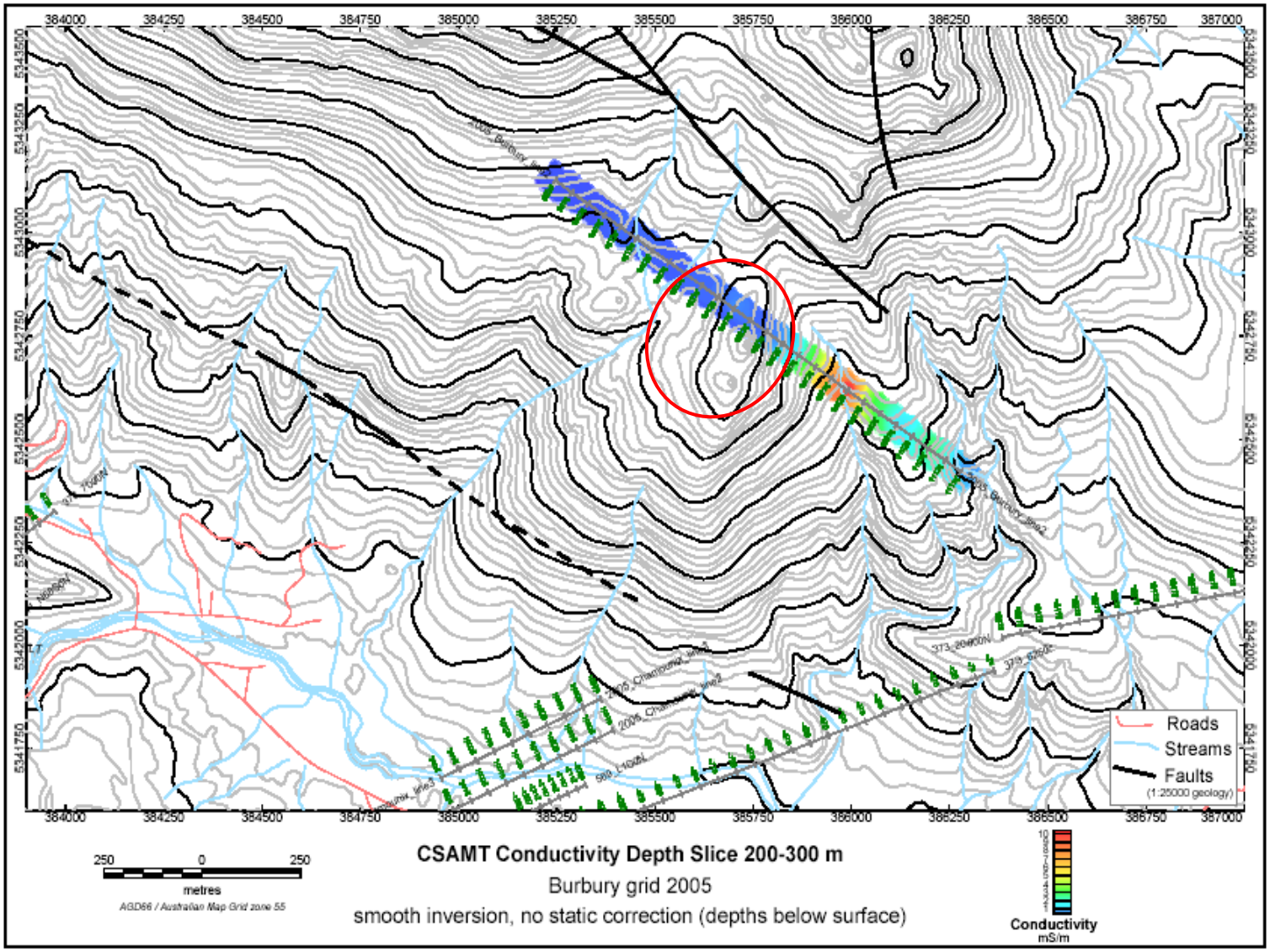


Figure 6: 2005 West Burbery Volcanics CSAMT lines (slice shown at 200 – 300m)

In 2005, a weak CSAMT conductor was identified on the eastern end of line 2005-1 (Figure 6) and reconnaissance mapping and stream sediment sampling was completed.

King Lyell Copper Clays

Current resource at King Lyell stands at 1.2Mt Inferred at 1.37%Cu.

Drilling:

During June-July 2005, 6 diamond holes totaling 452m were drilled along section 6493E in the King Lyell Copper Clay deposit on the western edge of the Linda EL.

The drilling program was designed to test the reproducibility of previous drilling results and to provide better definition of the extent of mineralisation where drill density was low. The drilling also tested the ability of modern diamond drilling techniques to recover core in a deposit where historically core recovery has been poor.

Two of the holes drilled: 05KLD002 and 05KLD003 intersected the mineralized clay system. 05KLD002 intersected a strongly oxidized clay returning 0.51%Cu in a zone 41-55m while DDH 05KLD003 intersected an oxidized zone in the Pioneer Sandstone returning 0.3% Cu in one sample. Results from 05KLD002 have reasonable correspondence with nearby RC hole 96KLC001 with 14m @0.51% Cu and 8m @ 1.27% respectively. Assessment by MODA and sequential copper analysis confirm that the dominant Cu species are Native copper (Cu) and Digenite (Cu_5S_9).
The drilling confirmed the reproducibility of adjacent holes, acceptable recovery and indicated that a systematic pattern-drilling program can outline a larger economic resource. There was too little ore grade material to make up a metallurgical sample.

Metallurgical sample:

A ~120kg metallurgical (auger) sample from a surface showing of King Lyell Copper clay was processed and returned an assay of only 0.38% Cu. At this grade it is not suitable for metallurgical testing and CMT will have to wait until new holes are drilled in the Cu clays to obtain sufficient ore grade sample to form metallurgical testing. The auger sample was only 1m deep at a location where previous drilling indicated a grade of 40m @ 2.2%Cu and the adjacent Batchelor shaft (c.1914) graded 45m @ 1.05%Cu.

Drill Hole	Collar N,E,rl	Azim	Dip	Drilled length
KLD001	5341830.3 N, 383598.7 E, 307.3 rl	360	-90	32.2
KLD002	5341830.3 N, 383598.7 E, 307.3 rl	360	-80	72.2
KLD003	5341831.7 N, 383598.7 E, 307.3 rl	360	-45	42.4
KLD004	5341736.1 N, 383599.3 E, 311.7 rl	360	-90	48.8
KLD005	5341736.1 N, 383599.3 E, 311.7 rl	360	-80	46.6
KLD006	5341729.9 N, 383600.5 E, 311.3 rl	270	-90	93.7

***Key Milestones*:** Issue an inferred resource on the Copper Clays and apply for a retention lease on all copper clay prospects (King Lyell, Lyell Consols and Lyell Blocks areas in order to;

1. Drill off a complete mineral inventory,
2. Conduct test mining / bulk sampling to aid a pilot plant design
3. Establish final scope for tailings pond design.

2005 Geophysics-Glen Lyell area on EL 52/1994

Three CSAMT lines were completed in 2005 to identify a conductor adjacent to Glen Lyell. The survey failed to show a prospective conductor.

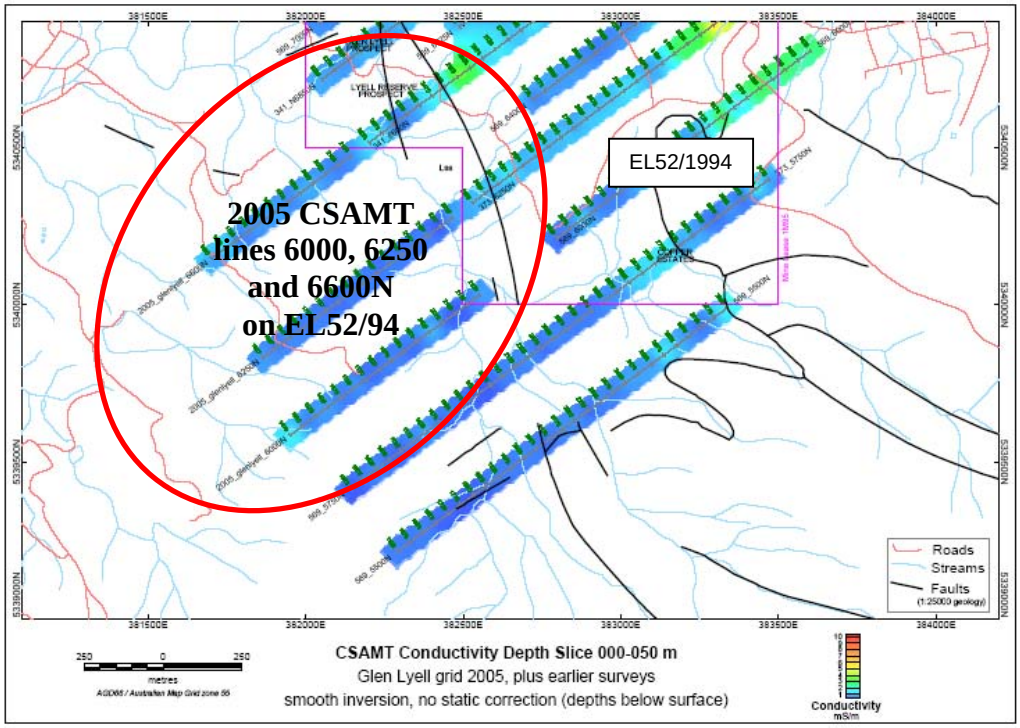


Figure 7: 2005 Glen Lyell CSAMT lines (slice shown at 0 – 50m)

2005 Geophysics-Chamouni

Three CSAMT lines were added to the existing dataset in 2005 to help identify a viable drill target for the Chamouni area (see Figure 4) The survey confirmed the highly conductive response and this response was drill tested by DDH 05CZ01 in 2005. Figure 7 shows the high conductivity CSAMT response from 1998 that was targeted by DDH05CZ02 in 2005

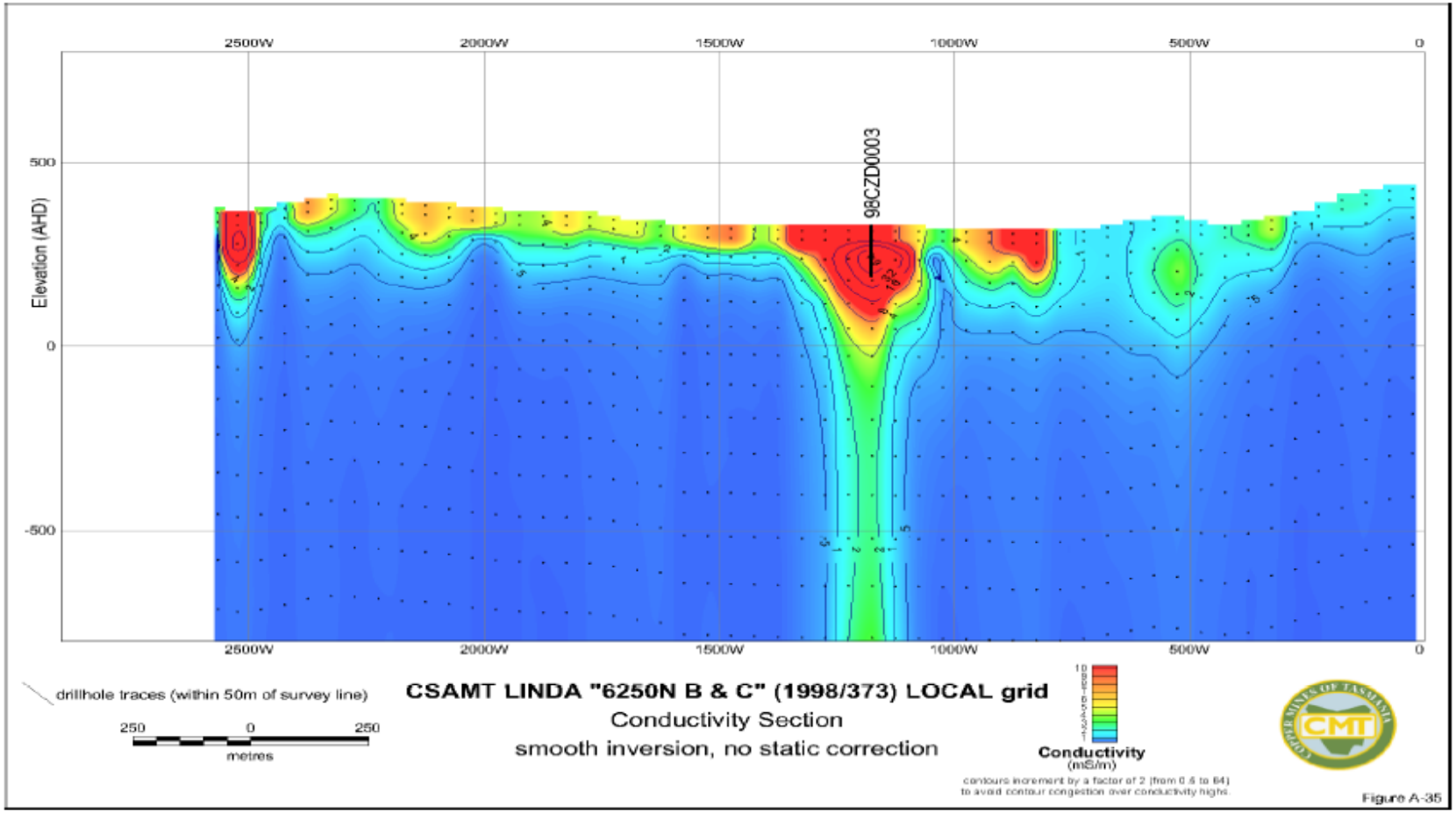


Figure 8: 1998 CSAMT line showing 2500W high used in planning hole # 05CZ02

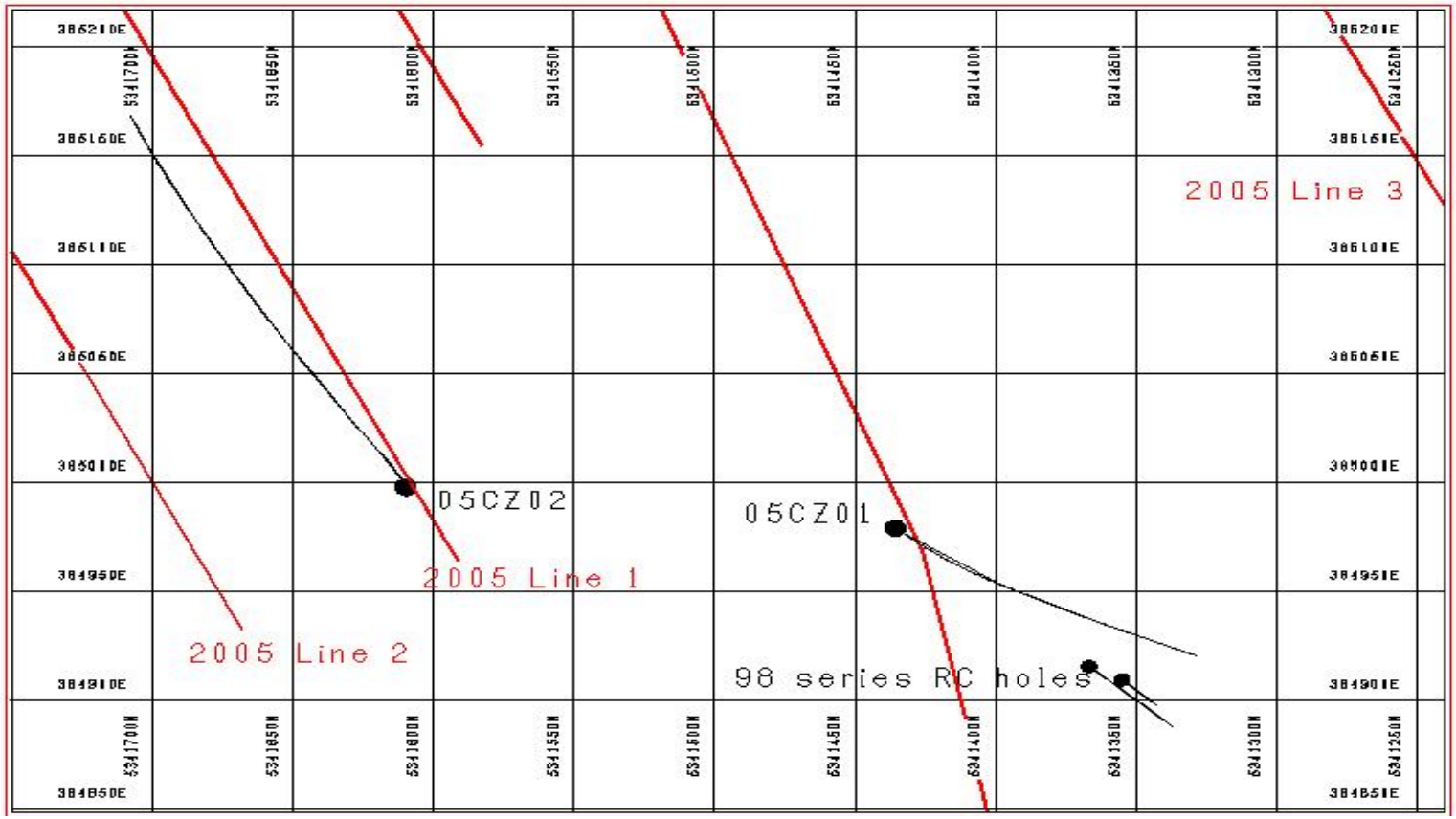


Figure 9: 2005 Chamouni DDH locations with CSAMT lines shown in red.

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PROPOSED EXPLORATION PROGRAM 2006 / 7

Future exploration in the retained blocks on the EL will focus on prospective areas remaining after relinquishment. The only area of interest remaining on the EL is the Copper estates area that encompasses the area south of the mining lease ML1M/95 where subtle geochemical and geophysical responses from previous exploration work have not been fully explained. The geology has distinctive rock types, alteration assemblages, sulphide mineralisation and structural controls all of which make the area highly prospective for major resource discoveries.

Projects Apr 2006-Mar 2007	Exploration lease	Capital Expenditure Request A$	Verbal Approval	Req'd now	Req'd in 6 months
Copper Clays New retention lease	EL52/94	$ 600,000	Deferred to mid year	$ 10,000	$ 590,000
Copper Estates (EL 52 /1994)	EL52/94	$ 30,000	Apr15th 06	$ 10,000	$ 20,000
	Work program April 2006- March 2007				
Copper Clays	Establish drill sites, then commence staged delineation program to evaluate total copper clays resource.				
Copper Estates	Start compilation, then commence mapping, sampling programs				

- Gormanston and Native Copper (Copper Clays)

Subsurface geology in the Gormanston area requires interpretation with emphasis on known alteration / mineralisation close to the boundary with ML1M/95. A resource has been defined for the Copper Clay deposits (ref: Wills 1995). This has been validated and a resource of 1.2Mt at 1.4%Cu has been reported in Vedanta's 2006 resource and reserve statements. The A retention licence application has been submitted separately for the Copper clays area and thus the work programs for the Copper clays does not appear in the work program for the remaining blocks in EL 52/1994.

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APPENDIX 1 CD Contents

Folder / File Name	File Type	Description / Contents
EL_52-94-annual_report_2006	word document	This report
Diagrams	image files	Diagrams accompanying the report

APPENDIX 2 - REGIONAL GEOLOGY AND PREVIOUS EXPLORATION

Regional Geology

Salient features of the regional geology can be summarized as follows:

- topography dominated by Owen Group conglomerates and sandstones (Mt Lyell and Mt Owen)
- glacial and fluvial sediments blanketing the geology of the northern and central parts of the EL
- minor Gordon Group limestones outcropping extensively in the west
- Mount Read Volcanics (MRV) present to the east (Burbury Volcanics) with prospective Tyndall Group rock types
- Central Volcanic Complex (CVC) rocks present in the south (strike extension to ML1M/95) showing distinctive hydrothermal alteration assemblages
- structure dominated by three regional faults:
    - ◊ the Linda disturbance
    - ◊ the North Lyell fault
    - ◊ the Great Lyell fault

Pre CMT Exploration

Details of pre CMT exploration activities in the area covered by the EL are summarised in Table 1.

Table 1 Summary of Pre – CMT Exploration

Year	Company	Licence	Exploration Summary
1966-67	Placer Exploration Ltd.	SPL-6	Linda Valley - gridding, SP survey, soil geochemistry.
1966-84	Mt Lyell Mining and Railway Co. Ltd.	ELs 9/66, 10/69 and Leases	Linda Valley - gridding, IP, SP and EM surveys. Drilling; King Lyell (Copper Clays), Gormanston (conceptual Great Lyell fault), Comstock Valley (IP anomaly, Gordon Limestone).
1984-87	Goldfields Exploration Pty. Ltd.	ATP Queenstown	Linda Valley - stream sediment survey and moss geochemistry. Drilling; Gormanston (conceptual Great Lyell fault) McDowells – old gold workings and North Lyell fault.
1985-88	CRA Exploration Pty. Ltd.	EL 5/85	Comstock Valley - stream sediment geochemistry.

1987-91	BHP Minerals Ltd.	EL 102/87	Comstock Valley – gridding and EM survey. Drilling; Comstock Valley (EM anomaly, Gordon Limestone). Relogging MLMRC Comstock and McDowells drill core. Comstock and Linda Valleys - stream sediment geochemistry.
1988-93	Aberfoyle Resources Ltd.	EL 5/85	Reconnaissance mapping – east Mt Lyell.

(a) CMT EL 52/94 Exploration Summary and Tenement History

Year 1 – 1995 *(12 month period ending 13th January 1996)*

- Helimagnetics survey flown by UTS.
- Literature review of previous exploration.
- Copper Clays study (CMT reference: Wills, 1995).
- Reconnaissance mapping and prospect confirmation at:
    - Chamounix Zinc
    - Burbury Volcanics
    - King Lyell Copper Clays
    - North Lyell Fault Zone

Year 2 – 1996 *(12 month period ending 13th January 1997)*

- Chamounix Zinc: Outcrop plus costean mapping and rock chip sampling. Two percussion drill holes gave best intersection down hole of 12m @ 2.1% Zn in the weathered zone.

LINDA - EL 52/94

The geology of the Linda EL is dominated by Owen Group conglomerates and sandstones (with minor overlying Gordon Group limestones) that crop out extensively in the west. The Mt. Read Volcanics or 'Burbury Volcanics' are present to the east of the EL. An extensive sheet of recent glacial and fluvial sediments blanket the geology in the northern portion of the EL.

Two significant prospective areas have been identified within the EL:

1.) Chamounix Zinc (Zn): Gordon Group sediments hosting sphalerite and galena mineralisation. In 1996, two reverse circulation drill holes to test vertical continuity gave significant intersections of zinc mineralisation down-dip of surface exposure. Best intercepts are 13m @ 1.68 %Zn and 12m @ 2.43 %Zn. Nearby, a significant CSAMT anomaly identified has not been resolved through drilling in 1998. Deep drilling is required to determine geometry and to assess whether higher grades exist in the fresh host rock beneath the base of oxidation.

2.) King Lyell: Outcrop mapping and sampling. Three percussion gave best intersection down hole of 8 metres @ 3.5% Cu.

- Burbury Volcanics: Stream sediment survey produced several gold and base metal anomalies. Weak copper, gold and lead mineralisation detected in outcrops of silica-hematite-pyrite altered Tyndall Group volcaniclastics.

Year 3 – 1997 *(12 month period ending 13th January 1998)*

- ERA Maptec study of major structures based on local and regional geology, magnetics and gravity.
- King Lyell resource estimate of 1.2 million tonnes @ 1.37% Cu. Preliminary metallurgy and economic investigations concluded the project was probably sub-economic and further exploration was postponed.
- King Lyell Copper Clays (Native Cu): Gordon Group ferruginous clays which host a conceptual pit resource of 1.2Mt @ 1.37 % Cu. Mineralisation is open down-plunge. Preliminary metallurgy and economic investigations concluded the project is sub-economic and that at least six times the current resource base is needed to meet viability requirements.
- Burbury Volcanics: Grid based magnetics and soil surveys completed. A broad gold in soil anomaly detected over the basal Tyndall Group stratigraphy.

Year 4 – 1998 *(12 month period ending 13th January 1999)*

- Chamounix Zinc

A CSAMT anomaly identified on a single regional survey line was drill tested with an RC percussion hole that was diamond tailed to depth of 120 metres. Surface geology was interpreted to be synformal Gordon Limestone overlain by glacial gravels. The drill hole returned base metal assays of 0.14% Zn and 0.012% Pb at a depth of 78-79 metres, as well as elevated background Ag throughout the interval sampled. Conductivity measurements did not show any significant variations. Lead isotopes yielded a typical Ordovician Gordon signature (Pb206/204 = 18.143, Pb208/204 = 38.469) with one interpretation being redeposition of Cambrian-aged lead by Ordovician fluids.

- Comstock Valley

Review of previous exploration identified weakly developed sulphide mineralisation at the base of dolomitised carbonaceous limestone identified by EM survey. Reassessment and interpretation indicated potential for the stratabound EM anomaly to extend to the SE under Eldon Group cover. The similar geological setting and geophysical responses to the Linda Valley enhances the prospectivity of the Comstock Valley.

- McDowells prospect

Previous work was reviewed and followed up by mapping, rock chip sampling, and relogging/resampling of drill hole G14/14A. The resampling exercise focused on gold with all results being below detection limit (<10 ppb). Reinterpretation concluded a substantial original carbonate content to the host

rocks, and reverse movement on the North Lyell Fault. No further work was recommended on this prospect.

At the end of year 4 approximately 50% of the tenement was relinquished reducing the size of the EL from 37km^2 to 20km^2.

Year 1999 *(12 month period ending 13th January 2000)*
Year 2000 *(12 month period ending 13th January 2001)*

No exploration carried out by CMT, - *Exemption From Conditions* granted from 1st April 1999 to 31st March 2001.

Year 5 - 2001 *(12 month period ending 13th January 2002)*

No work carried out.

Year 6 - 2002 *(12 month period ending 13th January 2003)*

Tenement was reduced in size and amalgamated with part of EL5/1998 Queenstown. The remainder of that EL was relinquished and the consolidated EL52/1994 increased in size from 20km^2 to 24km^2 with the expiry date changed to 1st May 2005.

Year 7 – 2003 *(12 month period ending 13th January 2004)*

- EL and Mine Lease

The EL was explored as part of a broader CSAMT survey that was carried out over ML1M/95 and which was extended into parts of EL52/1994. Two traverses were carried out in the EL. One comprised 450 metres of IP work in the Chamounix Zinc prospect. The other comprised two CSAMT lines (lines 5500N and 5750N) that targeted the area south of the mine lease between Glenn Lyell and Copper Estates. The second of these lines (line 5750N) ran across the tenement boundary into the mine lease. Two other CSAMT lines were also extended east of the mine lease into the Gormanston area.

- Regional (Mount Read Volcanics)

A regional aerial spectral survey (HyMap) that covered the CMT tenements was acquired by the CSIRO in February 2003. The objective of the survey was to test and update regional exploration vectors through spectral imaging of "typical" alteration minerals. Seven flight lines were flown, approximately 2.5kms wide, length of 34kms, covering an area of approximately 475km^2 and with data acquired to a spatial resolution of 5metres.

- PhD Study

Towards the end of the reporting period a PhD study into the Mount Lyell mineral field was started under the supervision of CODES (University of Tasmania) with CMT providing funding in kind. The study will broadly focus on the mining lease ML1M/95. It is expected to have direct implications and possible flow on effects on the exploration strategy of the Linda EL,

particularly over the southern part of the EL where the geology is contiguous with that of the mining lease. Initial PIMA and geochemical work focused on the Iron Blow (in the south eastern portion of ML1M/95).

Year 8 – 2004 *(12 month period ending 13th January 2005)*

No significant work was done during the twelve-month reporting period. The proposed work program was submitted for inclusion in the CMT budget and is intended to be executed over the months leading up to the expiry date of the licence.

Results were received for the regional CSIRO spectral survey. Zones of pyrophyllite and other characteristic alteration–associated minerals (white mica, chlorite, kaolin, topaz, goethite, hematite, jarosite) were identified. Of particular interest is pyrophyllite alteration in the broader Glen Lyell area over that encompasses the southern part of the ML1M/95 and flows into the adjoining EL52/1994. Pyrophyllite alteration in Owen group lithologies is considered surficial. Compositional variations in white mica were also noted. Tentative conclusions are Al-rich white mica with pyrophyllite proximal to bornite mineralisation and Al-poor white mica with chlorite distal to Cu mineralisation.

Year 9 – 2005 *(12 month period ending 13th January 2006) (This report)*

- Chamouni Zinc – Linda Valley

Three CSAMT traverse lines (line 1, Line 2 and Line 3) were completed in the Chamouni area complementing the high CSAMT anomaly resulting from the CSAMT surveys conducted in 2003. Two drill targets were identified and two DD holes, 05CZ01 and 05CZ02 totalling 470m, were drilled. No significant mineralisation was intercepted in either of the two holes drilled. It is believed that stylolites and a conductive water seam are responsible for the strong CSAMT anomaly. This target has been sufficiently tested and does not warrant further work by CMT. Accordingly, the exploration lease will be relinquished in this area.

- Burbery Volcanics

One CSAMT line traverse was completed in the West Burbery area and a weak CSAMT high coincident with a deeply incised stream was identified. Four stream concentrate samples were submitted, one of which returned 10ppb Au.

Seven line km of line cutting, soil sampling and geological mapping were conducted on the gossan outcrops and gold in soils anomalies on the eastern side of the old 1997 grid at Burbery. 162 soil samples were collected but the analyses failed to support the 1997 ppb Au anomaly. While the low order geo-chem (1997Au in soils) anomaly remains unexplained, the target is deemed too small to meet CMT's exploration criteria. Accordingly the target is dropped and the exploration lease will be relinquished in this area.

- King Lyell Copper Clays

Six drill holes totalling 242.2m were completed in the Copper Clays at King Lyell, which aided the resource confirmation re-modelling and provided some metallurgical samples for testing the mineral species. The best intersection at the edge of the interpreted resource returned 40m at 0.51% Cu as 50% digenite and 50% native copper. All other holes either confirmed the existing interpretation or encountered drilling problems that resulted in termination of the holes before target depth.

- PhD Study

The existing PhD study into the Mount Lyell mineral field under the supervision of CODES (University of Tasmania), with CMT providing funding in kind, has continued during the reported year. The study will broadly focus on the mining lease ML1M/95. It is expected to have direct implications and possible flow on effects on the exploration strategy of the Exploration lease to the south of the mining lease in the Glen Lyell area.