

MAYDENA SANDS PTY LTD

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EXPLORATION LICENCE NO. 17/2002

MAYDENA, TASMANIA

PARTIAL RELINQUISHMENT **REPORT**

GERHARD K. KRUMMEI

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Suite 28, 487 St.Kilda Road, Melbourne Vic 3004 Australia
Telephone and Facsimile: 61 3 9820 2595

ABSTRACT

Reconnaissance within the existing tenement boundaries to the NE and SW beyond the grid lines established over the Hedgehog Ridge Prospect gave no surface indications of the presence of silica sand or flour.

Consequently, the seemingly unprospective areas, totalling 2sq.kms, are recommended for relinquishment.

Keywords:

Maydena; Kallista.
Silica sand; Silica flour.
Relinquishment.

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1. INTRODUCTION

This brief report has been compiled to comply with the statutory reduction in the size of EL17/2002 as required by the Mineral Resources Development Act 1995.

This partial relinquishment of 2 sq.km occurs at the end of the fourth year of tenure of the Exploration Licence which remains in force until 10.01.08 and applies to all Category 3 and Category 5(a) Minerals. It represents the second partial relinquishment, reducing the size of the tenement from an original 13 sq.km to 2 sq.km.

The tenement, initially held by J.J. McDonald & Sons Mining Pty. Ltd., was transferred early in 2005 into a new entity, Maydena Sands Pty. Ltd. The latter company continued to focus under the same management primarily on the exploration and assessment of high quality silica sand and silica flour resources within the Licence area.

Land classifications within the relinquishment areas comprise:

State Forest – Multiple use forest land

MDC Informal Reserve Area

Private land

A Crown Reserve – (part of 14 Mile Creek)

Extractive Industry is a permitted activity in the area under the Upper Derwent Shire Planning Scheme (1993).

Previous work in the area is summarized by Ellis (in Jones, 1989) and Krummei (2003, 2004).

2. LOCATION AND INFRASTRUCTURE

Reduced EL 17/2002 of 4 sq.km lies to the west of Pine Hill with its eastern boundary approximately 7 km west of Maydena and about 95 km by sealed road west of Hobart (Fig.1).

The sealed Gordon River Road traverses the tenement diagonally from south east to north west providing excellent basic access to the area. However, thick vegetation, topography and drainage impede access within the immediate area of interest.

Other basic facilities, including housing and labour, are available in the small township of Maydena (pop. ca. 400) and surrounding district.

A single strand power line follows the Gordon River Road through the tenement.

A 700 m long, east-west oriented, fair weather gravel airstrip is located about 1 km eastwards off the eastern boundary of the tenement.

A narrow gauge railway line from New Norfolk to Maydena has been progressively upgraded as far as the entrance to the Mt Field National Park. There are plans to complete the remaining 15 km section to Maydena in due course.

3. EXPLORATION TARGETS

The main targets of exploration activities in the reduced exploration licence area were accumulations of high quality silica sand and silica flour.

High quality silica rock remained a subsidiary target.

4. ACTIVITIES

In the areas ear-marked for relinquishment, activities were limited, with the assistance of aerial photo-interpretation, to general reconnaissance to the south west and north east beyond the grid lines established over the Hedgehog Ridge Prospect. The aim was to gauge the potential of these areas to host additional resources of silica sand and silica flour.

5. RESULTS

No surface indications of significant accumulations of silica sand or silica flour were found in the areas examined.

On the fire track to the west and south west of the grid extremities around and to the south of sample locations 70450 and 70451 (See Fig.2) there are frequent patches of rock float assemblages consisting of dolerite, chert, quartzite and silicified (?pyritic) sandstone.

Sediment float is more dominant along the southern half of the track. Similar material, possibly derived from the same bedrock sequence and collected along 14 Mile Creek track (Krummei, 2003) assayed up to 1.80% Al₂O₃, 1.11% Fe₂O₃, 0.186% TiO₂ and 26ppm Cr₂O₃ with elevated values for MgO, K₂O and Na₂O. This low purity material and its bedrock source is unsuitable for use in the production of silicon metal.

Samples 70450 and 70451 are composites of float of honeycombed silica rock fragments from two localities about 80m apart on the fire track.

Assays were encouraging at:

	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	Cr ₂ O ₃ ppm	CaO %	MgO %	Na ₂ O %
70450	0.024	0.014	0.030	< 1	0.013	0.005	0.005
70451	0.011	0.016	0.019	1	0.010	0.004	0.004

These samples resemble material found on the surface at the Loading Bay Spur prospect upslope to the south west, where exploration was suspended due to low tonnage potential.

Sample 70452 was a single cobblestone of similar material found on the flank of a low rise on the button-grass plain just west of the grid. Assay results for this sample at 0.30% Al₂O₃, 0.015% Fe₂O₃, 0.022% TiO₂ and 2ppm Cr₂O₃ are in line with those from Loading Bay Spur material, although CaO at 0.122% is high.

No rock outcrops were found in the rainforest beyond the extremities of the grid in the North East of the tenement. Creek incisions revealed yellow-brown, brown or red-brown soils under a layer of organic material, and an absence of white sands.

6. ENVIRONMENTAL AND REHABILITATION ACTIVITIES

The reconnaissance work discussed in this report had no environmental impact. No rehabilitation was necessary.

7. CONCLUSIONS

There appears to be little likelihood of the near surface presence of significant amounts of silica sand and silica flour in the areas subject to the elimination reconnaissance activities.

8. RECOMMENDATION

- 8.1** Relinquish remaining areas with low prospectivity for silica sand and flour in the current tenement.
- 8.2** Retain an area of 2 sq.km around the Hedgehog Ridge prospect, as indicated in Fig 2.

9. REFERENCES

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ILLUSTRATIONS



