Australian Bulk Minerals

EL 19/2005 Long Plains

Annual Report

21 January 2006

to

20 January 2007

Michael Everitt

January 2007

copies: (1) MRT

(1) ABM Savage River

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

APPENDICES

1. INTRODUCTION

Exploration Lease EL 19/2005 “Long Plains” was granted to Goldamere Pty Ltd on 21st January 2006. Australian Bulk Minerals (ABM) is a wholly owned subsidiary of Goldamere and manages and conducts all exploration activities on this lease. ABM manages the operation of the magnetite mine and concentrator at Savage River, and the pelletising plant and shiploading facilities at Port Latta on the North West coast.

ABM’s interest is focussed on the Long Plains magnetic anomaly as a potential future source of magnetite ore as a feed material for its Savage River concentrator. Only the North Zone of the anomaly lies within EL 19/2005.

The following report summarises exploration activities completed at Long Plains during the first year (2006) of tenure.

2. TENURE

ABM's Long Plains Prospect is held under Exploration Lease EL19/2005 that comprises an area of 10km^2 (Figure 1). The lease comprises three parts located around what was formerly a collection of mine leases and a retention lease held by another party. Two of the ABM parts are peripheral to the Long Plains magnetic anomaly, but the third is centred on the North Zone of the anomaly. All activities to date have been conducted on this part. This part will be referred to in this document as 'the lease", as the other parts are not accessible at this time.

ABM's intention is to apply for an exploration lease over the remainder of the magnetic anomaly and its immediate surrounds once the ground becomes available.

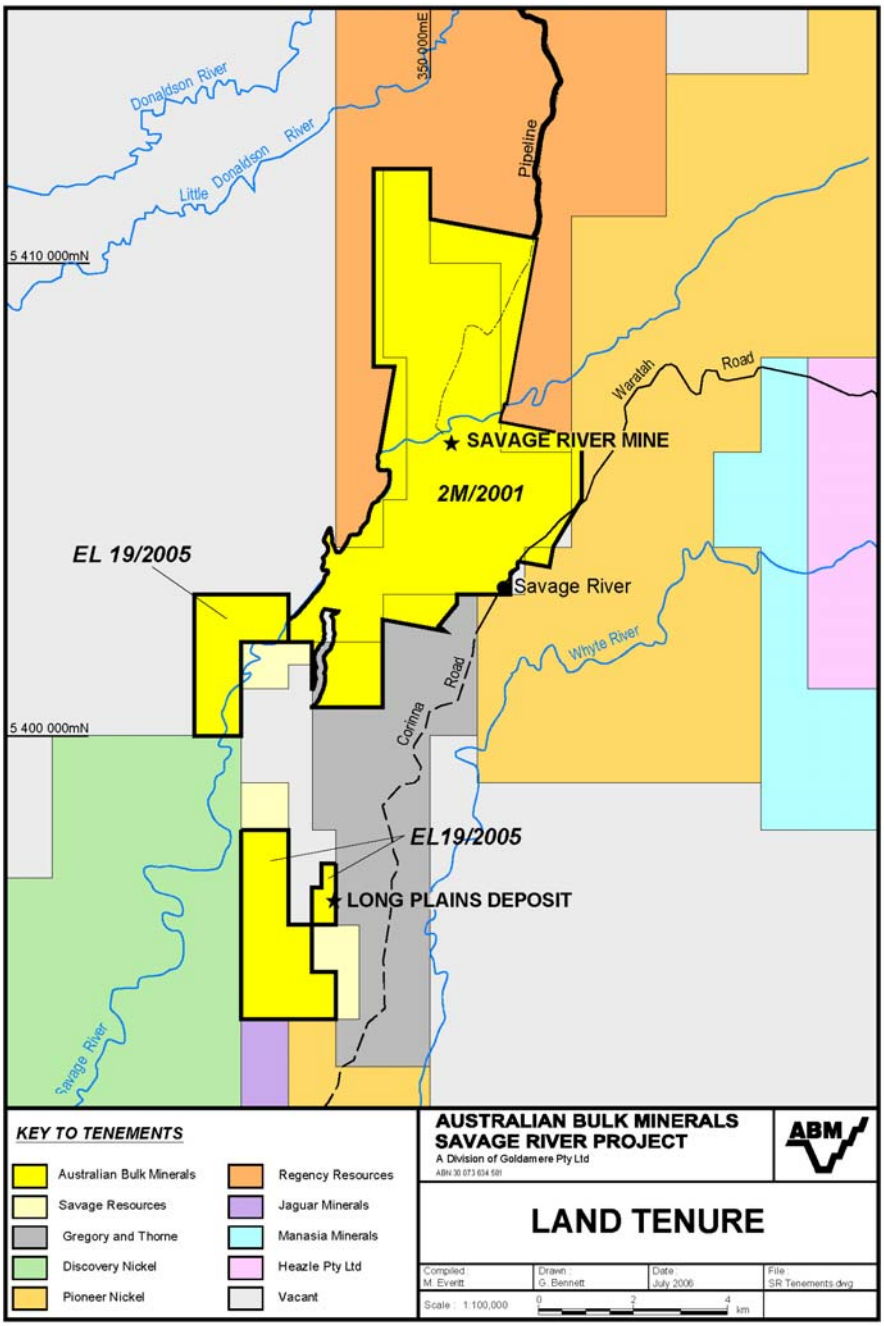

Figure 1: Land Tenure Plan - May 2006

3. LOCATION

The Long Plains Prospect is located approximately 10km south by road of the Savage River Mine and concentrator. Savage River is located approximately 100km south west by sealed road from Burnie (Figure 2). The lease is accessed by the all-weather gravel road between Savage River and Corinna, and then by a bush track approximately 2km west of the Corinna Road.

Local topography surrounding the lease is rugged, with incised valleys and steep hills. The North Zone of the anomaly is located on top of a prominent north-south trending ridge. The west flowing Bowry Creek is the main drainage in the area and runs past the northern boundary of lease area before joining with Main Creek near its junction with Savage River.

Regional vegetation includes undisturbed rain forest, wet eucalypt, acacia and open heath land. The immediate area of the prospect has previously been logged extensively approximately 20 years ago, with almost no mature trees present in the working area. A bush fire not long after this time devastated the remaining vegetation, leaving the present vegetation as thick regrowth dominated by eucalypts with several rainforest species. Climate is wet temperate with an average annual rainfall of 1,950mm and mean monthly temperatures ranging from 3-19ºC.

Figure 2: Savage River Project Location

4. PROJECT HISTORY

Ironstone outcrops on the Savage River were first discovered by State Government surveyor C.P. Sprent in early 1877 during one of his exploration journeys through western Tasmania. The deposits were first reported as a possible source of iron ore in 1919. Modern, systematic exploration techniques were employed by the Australian Bureau of Mineral Resources during 1956 that included ground and airborne magnetic surveys. The largest magnetic anomaly was detected at Savage River with two smaller anomalies being detected at Long Plains and Rocky River further to the south.

In 1965, Savage River Mines Ltd, a joint venture of Australian, Japanese and American interests was formed to develop the Savage River Project. This Project was operated for the full term of a thirty-year lease by PMI (Pickands Mather International – managers of the joint venture). In early 1997, PMI ceased mining activities at Savage River, transferring ownership of the Savage River Project to the Tasmanian Government on March 26 1997. At the end of March 1997, ABM purchased the assets of the Savage River Project from the Tasmanian Government. ABM has continued mining since 1997 with a series of cut-backs on existing pits and has developed the South Deposit.

A recently completed feasibility study into a 10-15 year mine life extension has seen extensive work carried out on evaluating extensions to existing pits as well as other sources of ore. Long Plains was identified early on as having potential to yield ore quickly with mineralisation practically outcropping at surface. However the long haul to the Savage River site for processing has restricted the development of the prospect. It was recognised that significant information needs to be obtained from Long Plains before a meaningful evaluation can be carried out and the potential for supplying ore to the mill determined.

An initial program was devised to develop a geological model. This was to involve

- relogging historic core,
- costeaning across the mineralisation,
- conducting a modern ground magnetics survey,
- synthesizing the data to develop a geological model
- and possibly drilling several holes to test the model and extent of mineralisation.

5. GEOLOGY

The Long Plains magnetite deposit lies within and near the eastern margin of the Proterozoic Arthur Metamorphic Complex in north-western Tasmania. The complex is exposed along a northeast-southwest trending structural corridor, the Arthur Lineament, which separates Proterozoic sedimentary rocks to the northwest from a variety of Palaeozoic rocks to the southeast (Figure 3).

The magnetite deposits at Long Plains represent a series of elongate, discontinuous magnetite lenses that extend over a three kilometre strike length (Figure 4). The deposit has been separated into three distinct zones on the basis of total magnetic intensity termed the Northern, Central and Southern Zones. The oblique view of the total magnetic intensity in Figure 4 illustrates the broad geometry of the Zones.

The magnetite zones are sub-vertical to strongly east dipping and hosted within ultramafic and mafic schists. A suite of late metabasalt and metadolerite intrusive dykes occur sub-parallel to the ore zones. Vein magnesite is developed at the western magnetite boundary with the contact marked by the strong weathering and the development of surface clays (Griffith, 2000).

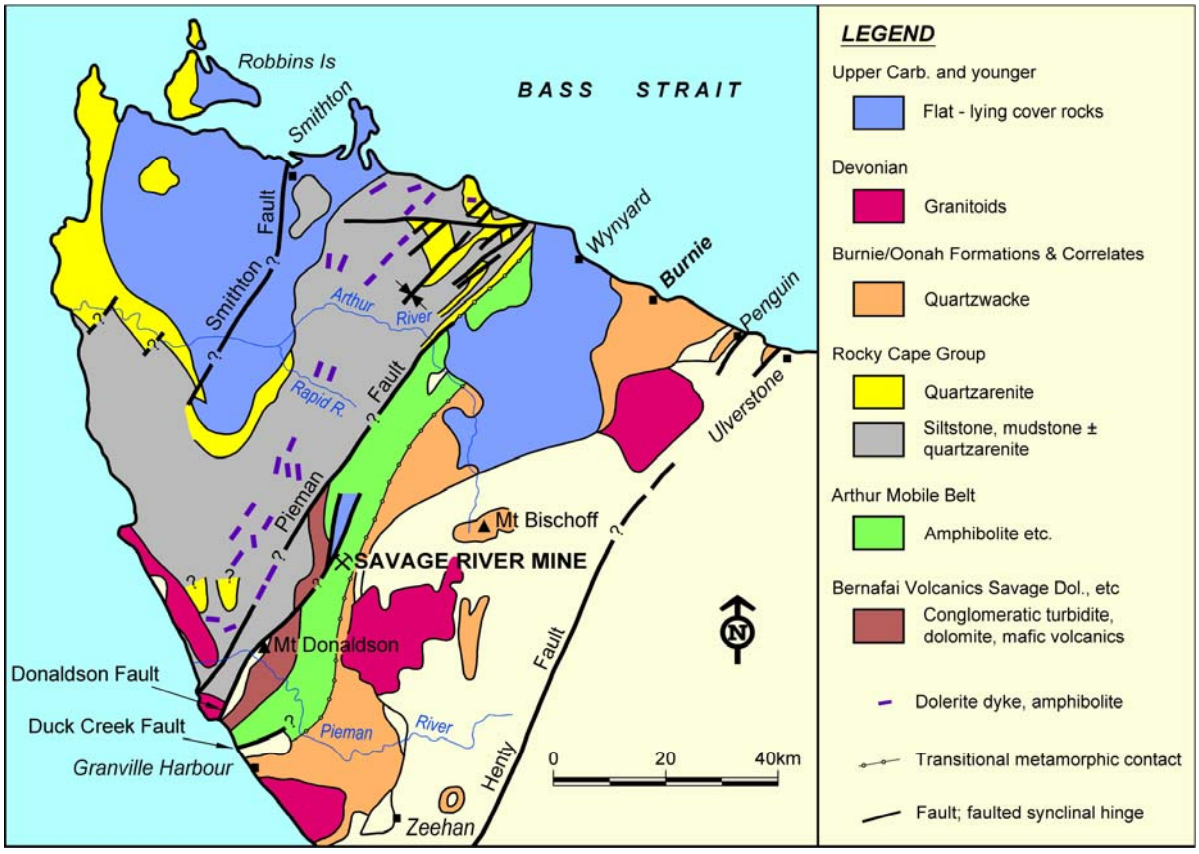

Figure 3: Regional Geology

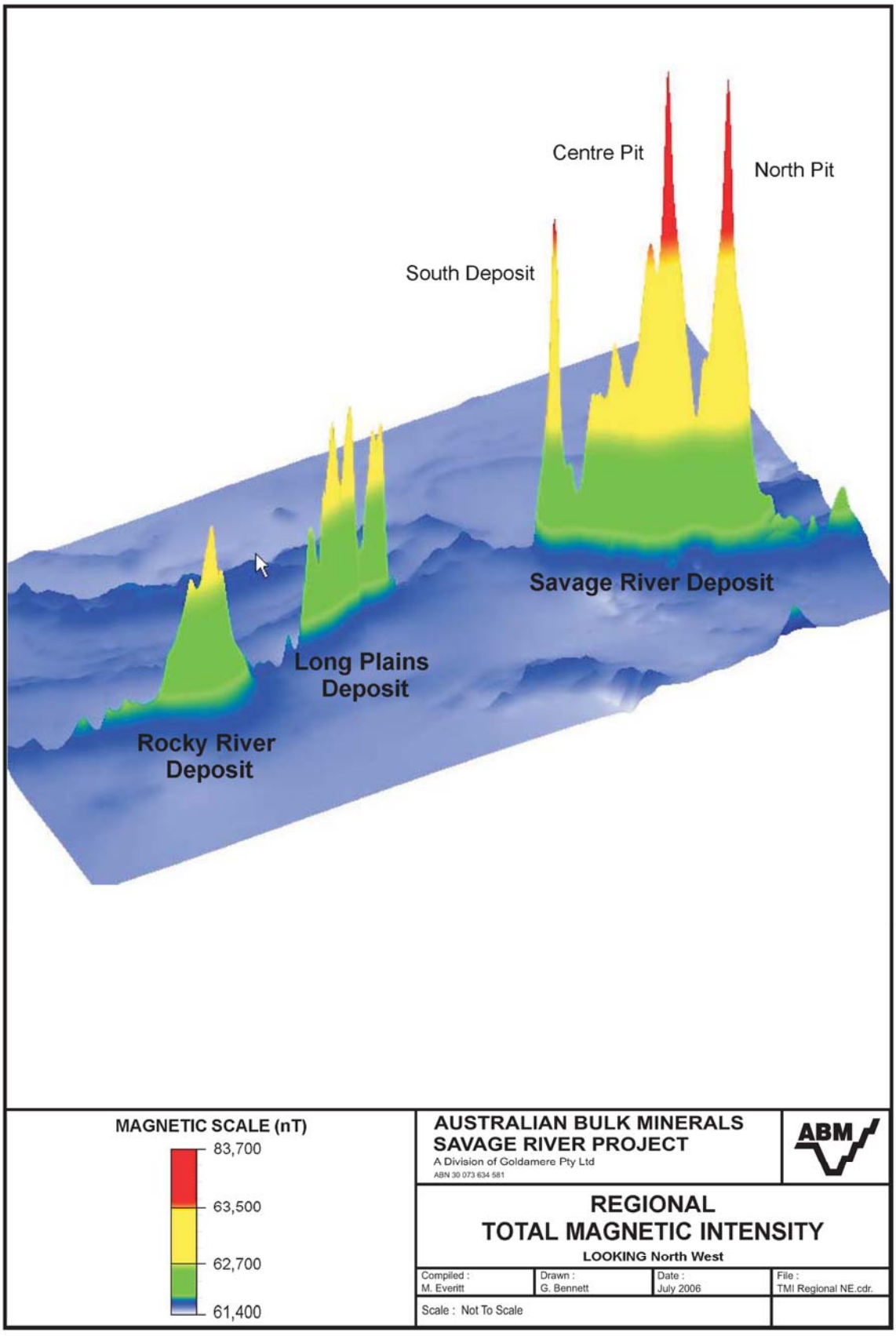
Centre Pit
North Pit
South Deposit
Savage River Deposit
Long Plains Deposit
Rocky River Deposit
MAGNETIC SCALE (nT)
83,700
63,500
62,700
61,400
AUSTRALIAN BULK MINERALS
SAVAGE RIVER PROJECT
A Division of Goldamere Pty Ltd
ABN 30 073 634 581
ABM
REGIONAL
TOTAL MAGNETIC INTENSITY
LOOKING North West
Compiled : M. Everitt
Drawn : G. Bennett
Date : July 2006
File : TMI Regional NE.cdr.
Scale : Not To Scale

Figure 4

6. PREVIOUS EXPLORATION

The Long Plains magnetite deposit was first investigated during the late 1950's by the Bureau of Mineral Resources (BMR), as part of a regional magnetic study of the Savage River area. A ground magnetics survey was completed in 1962 across the area (Eadie, 1962). The contour map produced for that report has been digitised and converted into AMG66 co-ordinates to be combined with other data (Appendix 1,4).

Diamond drilling and ground magnetic surveys were undertaken by Rio Tinto Australia Exploration (RTAE) Pty Ltd during the early 1960's. One diamond drill hole RTAE-1 totalling 195.0 metres was drilled in the northern end of the deposit.

Ownership of the deposit was transferred to Industrial and Mining Investigations (IMI) Pty Ltd during the 1960's, who completed broadly spaced diamond drilling at Long Plains. A total of seven diamond drill holes (IMI28-30; IMI33-35 and IMI46) totalling 1,135.07 metres were drilled in the northern and southern areas of the deposit.

No further significant exploration was completed at the deposit until 1994 when Savage Resources Pty Ltd completed four diamond drill holes (LPDDH100-103) in the north of the deposit. The program totalling 525 metres was designed to provide a complete cross section through the deposit in an area of moderate grade magnetite development lying between drill holes RTAE 1 and IMI 29.

Figure 5 shows the location of the historic drill holes and represents the 1961-1962 ground magnetics contours.

No other significant exploration has been completed at Long Plains since the Savage Resources drilling program.

7. 2006 EXPLORATION PROGRAM

The original work program for 2006 was broken down into 3 main areas:

- access & survey control
- costeans
- magnetic survey

Unfortunately the work was not commenced until late in the season and the onset of winter weather and internal issues with ABM curtailed the program in late May until December.

7.1. Access & Survey Control

The first task was to establish clear and safe access along the entire Prospect. Ultimately, only 4.9km of existing tracks were cleared of regrowth vegetation and overhanging branches allowing unhindered, safe access to the North Zone.

The possibility of using gravel from deposits near the Corinna Rd to upgrade the track surface was planned however this work was not completed during 2006.

If tenure had been obtained for the South/Central Zones, up to 4.3km of new tracks had been planned linking all 3 zones with the existing accesses off the Corinna Rd. As the ground has not yet been made available, this task will be considered at a future date.

A contract surveyor was engaged to establish survey control points for the North Zone. Three primary control points were set out using DGPS. Some difficulty was encountered in obtaining satellite coverage due to the thick vegetation. Using these control points, ABM survey staff have set out a network of secondary stations along the entire North Zone.

ABM will conduct all its exploration activities using the AMG66 grid. Historical drilling has all been drilled on an arbitrary grid approximately at right angles to the strike of the anomaly. This arbitrary grid appears to be rotated approximately 15 degrees off AMG66.

7.2. Costeans

A total of 1,505m of costeans were dug on selected northings. They were designed to expose all mineralised zones as indicated by the 1962 ground magnetics survey. Table 1 details the actual length against the design. A 25t excavator was used to clear scrub then dig the costeans. This machine returned to the site in December to fill in all the costeans after geological mapping and photographing of the costeans was completed.

The mapping of the costeans revealed a similar sequence of rocks to that at Savage River as expected. The sequence was highly weathered and often reduced to massive clay with little texture of the original rocks preserved. Ironstone lenses were obvious with little magnetism remaining due to the weathering. For this reason it was decided not to sample the mineralised intervals as the results would not be indicative of the nature of the fresh mineralisation.

The ironstone lenses were much thinner and more variable than expected when compared to the historical drilling nearby. It is uncertain whether this is caused by the strong weathering but the drilling indicates that the mineralisation improves substantially with depth.

The distribution of the lenses indicates that the 1962 magnetics survey cannot be relied upon to assist in program design. In some areas the survey agreed well with the mapped ironstone; however it was very common to find more or less lenses compared to peaks in the

survey. On the western margin, lenses were encountered where there was no magnetic response at all. Based on these results it was decided to go ahead with a modern ground magnetic survey.

Table 1: Comparison of Planned Costean Length against Actual

Northing	Planned Length	Actual Length
5,397,000	210	216
5,396,950	200	224
5,396,900	125	140
5,396,850	110	200
5,396,800	90	93
5,396,750	115	168
5,396,700	120	117
5,396,500	125	128
5,396,400	105	100
5,396,300	90	83
5,396,200	45	36

All costeans were picked up by ABM survey staff using the network of control stations. The geological mapping is yet to be compiled and digitised and will be supplied at a later date. Figure 5 illustrates the location of the costeans relative to the 1962 ground magnetics survey. Appendix 1 contains a 1:10000 scale plan of the costean locations. All the costeans were photographed at 2 metre intervals. A digital version of the contours is provided in Appendix 4 in DXF format.

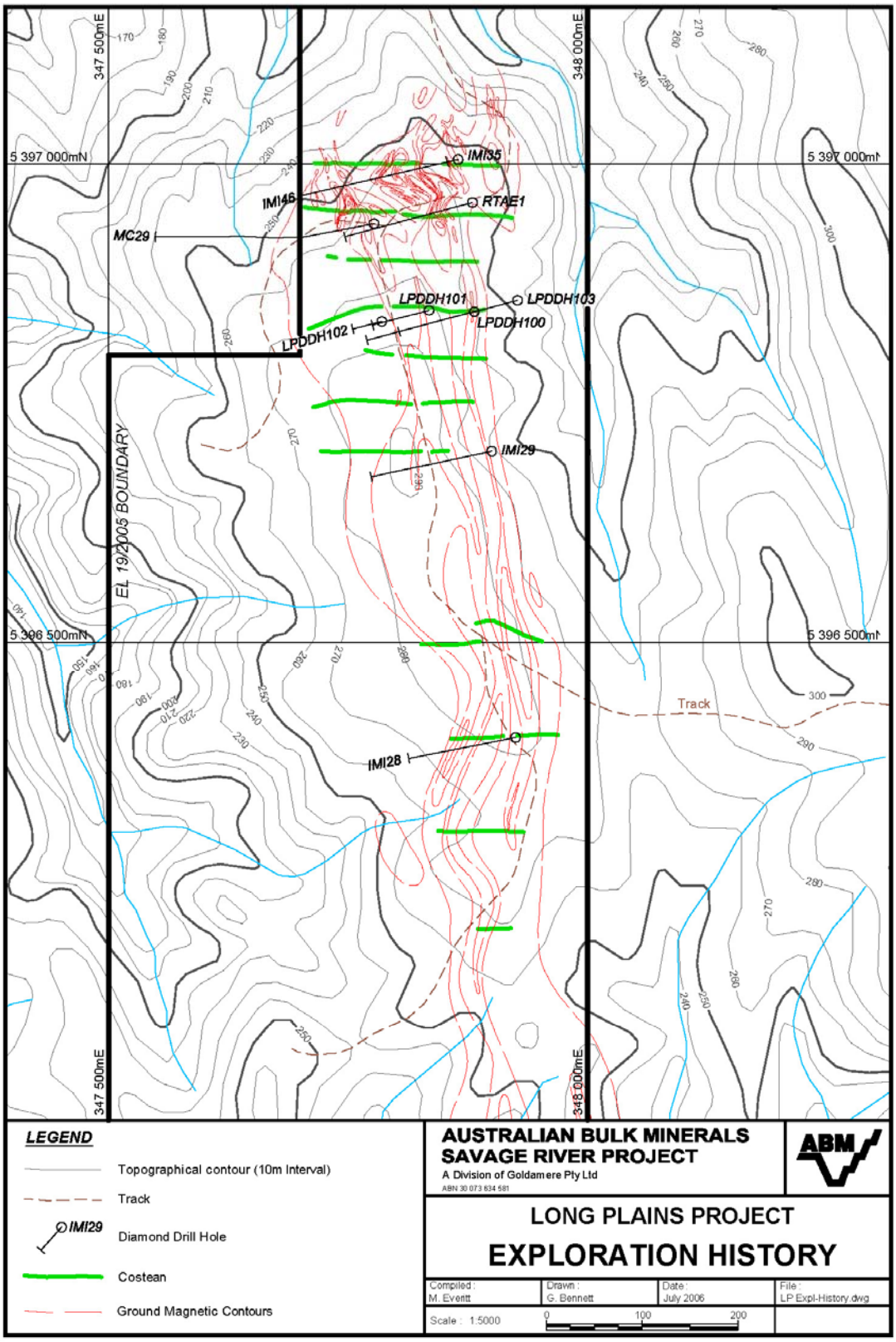

Figure 5: Location of costeans with historic drilling and ground magnetics contours

7.3. Magnetic Surveys

Apart from providing geological information, the other purpose of the costeans was to check the reliability of the 1962 ground magnetics survey. The instruments used are now out of date and there is no way of confirming the geographical position of the survey lines. If the old survey had proved accurate, it could have been used to assist in drilling design work, avoiding expensive track cutting and a carrying out a modern survey of the entire prospect.

As mentioned above, numerous discrepancies have been noted between the survey and the mapped lenses in the costeans, necessitating a modern survey. Figure 6 illustrates the extent of the proposed survey, to be conducted in early 2007. Track cutting work commenced in December 2006.

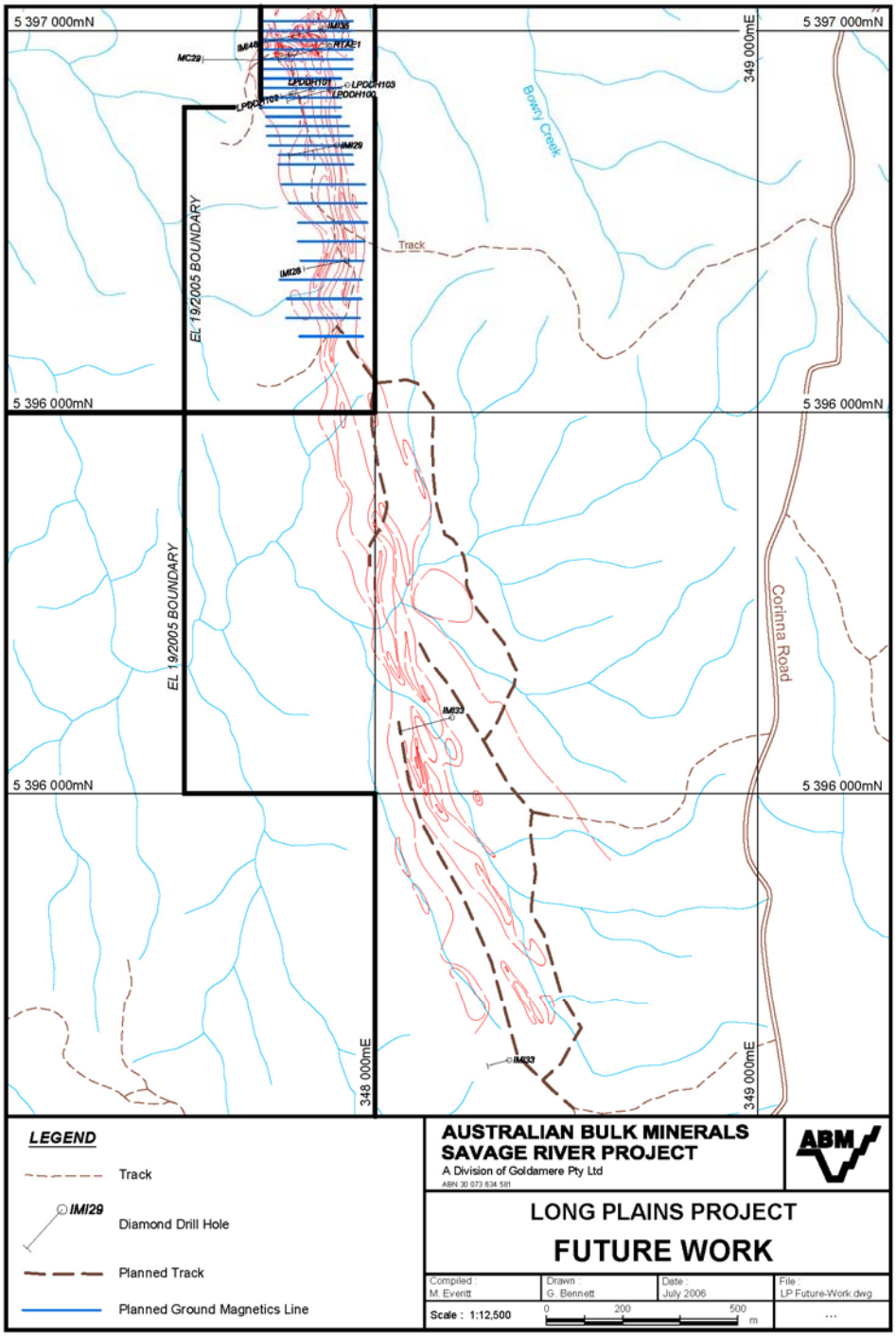

Figure 6: Proposed ground magnetic survey and planned access to southern areas

7.4. 2006 Expenditure

Table 2 below reconciles the estimated budget for 2006 against the actual expenditure. The program was not carried to completion due to internal issues within ABM and the onset of wet weather in June. Much of the unfinished work has been carried over into a revamped program for 2007 (see section 8. below).

Table 2: Planned budget against actual expenditure 2006

Activity	Budget	Actual Expenditure
Access & Survey Control	$26,900	$6,300
Costean Digging/Rehab	$16,000	$13,811
Mapping, sampling and reporting	$35,100	$36,788
Survey line clearing	$9,800	$17,444
Magnetic Survey	$20,200	------
On-costs (messing, inductions etc)	$5,600	$1,083
Total	$113,600	$75,425

8. PLANNED 2007 PROGRAM

In late 2006 a three stage program was devised to bring the North Zone from exploration potential to an indicated/measured resource suitable of detailed mine planning. The timeframe for the program could be anything from 6 months to 3 years depending on ABM's production requirements into the future.

Table 3: Long Plains North Zone exploration plan for 2007 onwards

Cost Area		Cost Estimate	Reason
Long Plains Exploration			
Stage 1	Ground Magnetic Survey	$42,400	Potential/Inferred Resource
	Earthmoving	$15,400	
	Reverse Circulation Drilling	$97,200	
	Diamond Drilling	$143,200	
	Geological Modelling	$18,300	
	Approvals	$401,648	
		$718,148	
Stage 2			Inferred/Indicated Resource
	Diamond Drilling	$639,600	
	Reverse Circulation Drilling	$195,400	
		$835,000	
Stage 3			Indicated/Measured Resource
	Diamond Drilling	$142,000	
	Reverse Circulation Drilling	$372,100	
		$514,100	
	Long Plains Cost Estimate	$2,067,300	

Stage 1 will be implemented in early 2007 with drilling and surveying expected to be completed by the end of February 2007. The approvals cost includes costs associated with fauna/flora/heritage survey costs if it is decided to go ahead with a mine lease application. Further work on Stages 2 and 3 will be dependant on results and ABM's future requirements and may not be implemented for several years.

Details of the planned survey lines for the ground magnetic survey are given below in Table 4.

Details of the planned drilling are given below in Table 5. Two diamond holes are planned to provide sample material for geochemical characterisation testing. Detailed geotechnical logging will be undertaken as well as full geological logging. Five reverse circulation holes are planned to provide a quick and cheap test of the areas of greatest interest to provide confidence in the existence of a potentially economic deposit. The locations of the planned hole collars are shown in Appendix 3.

Table 4: Ground Magnetic Survey Lines

Northing	Length	X Min	X Max
5,397,025	240	347,700	347,940
5,397,000	240	347,700	347,940
5,396,975	240	347,700	347,940
5,396,950	240	347,700	347,940
5,396,925	240	347,700	347,940
5,396,900	240	347,700	347,940
5,396,875	211	347,700	347,911
5,396,850	210	347,700	347,910
5,396,825	210	347,700	347,910
5,396,800	210	347,700	347,910
5,396,775	195	347,715	347,910
5,396,750	216	347,715	347,931
5,396,725	223	347,717	347,940
5,396,700	217	347,723	347,940
5,396,675	190	347,751	347,940
5,396,650	190	347,750	347,940
5,396,600	218	347,755	347,973
5,396,550	203	347,774	347,977
5,396,500	180	347,798	347,979
5,396,450	174	347,798	347,972
5,396,400	166	347,804	347,970
5,396,350	213	347,751	347,964
5,396,300	195	347,769	347,964
5,396,250	192	347,768	347,960
5,396,200	166	347,801	347,967
	5219		

Table 5: Planned Stage 1 Drilling Program

Planned	Northing	Easting	RL	Azimuth	Dip	Planned	Costean
Hole ID	AMG66					Depth	
LPHQ-07a	5,396,950	347,822	260	90	-55	200	LPC-06-006
LPHQ-07b	5,397,000	347,811	260	270	-55	200	LPC-06-007
LPRC-07a	5,396,950	347,822	260	270	-55	200	LPC-06-006
LPRC-07b	5,396,900	347,838	265	270	-70	200	LPC-06-005
LPRC-07c	5,396,800	347,786	280	90	-55	200	LPC-06-003
LPRC-07d	5,396,800	347,780	279	90	-68	200	LPC-06-003
LPRC-07e	5,396,750	347,792	285	90	-55	200	LPC-06-002

9. REFERENCES

Eadie, E.N., 1963. Long Plains Magnetic Survey Tasmania, 1961-1962, *Record No.1963/52. Bur. Miner. Resour. Geol. Geophys. Aust.*

Griffith, A., 2000. Long Plains Magnetite Deposit. Australian Bulk Minerals Report Ag076 (unpubl.).

Appendix 1

1962 Ground Magnetics

Digitised Contours

Appendix 2

Costean Location Plans

a) North

b) South

Appendix 3

Stage 1 Drilling 2007

Collar Location Plan

Appendix 4

Digital Data on accompanying CD

a) 1962 Ground Magnetics Digitised Contours

b) Surveyed Costeans