St Dizier Diamond Drilling Program Report, March – April 2007
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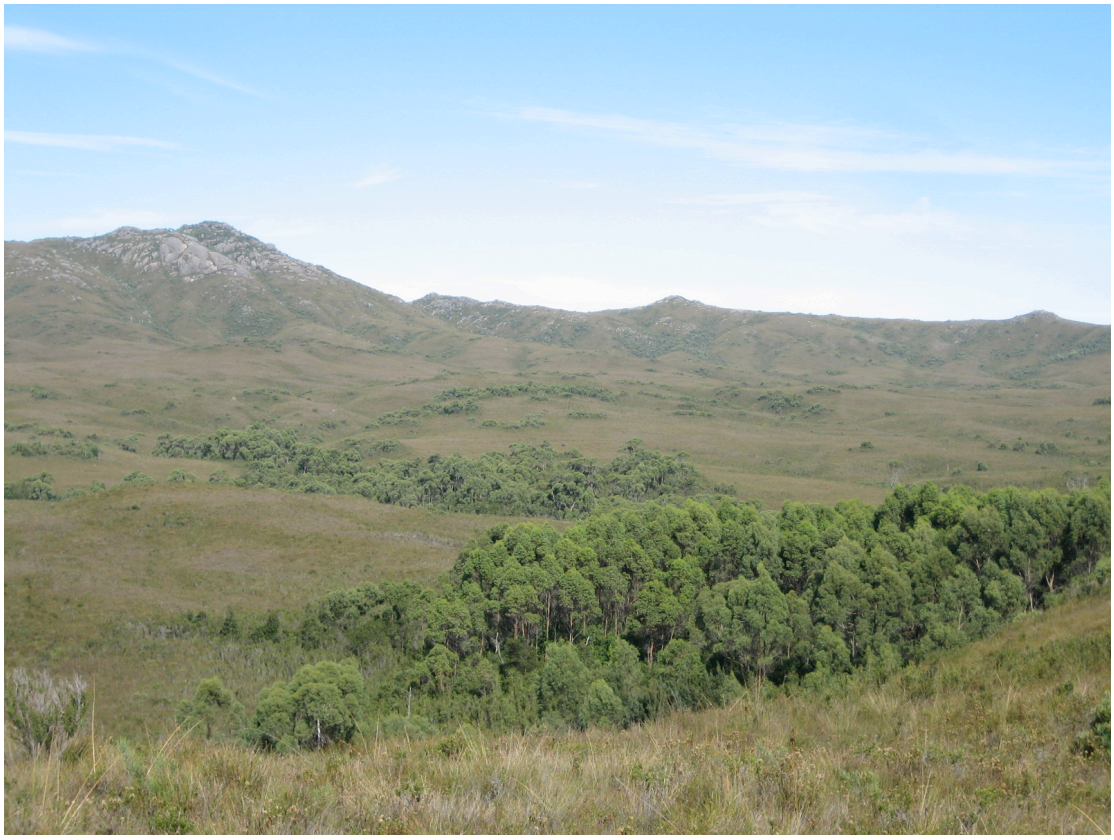
Introduction

A three hole diamond drilling program was conducted during March – April 2007 at the St Dizier tin prospect within Heemskirk EL 46/2003.

The St Dizier prospect is located in open, button grass country, 18 km WNW from Zeehan along the Corinna Road. The deposit occurs in a flat marshy area bounded to the west by St Dizier Creek and surrounded by rolling quartzite hills and Heemskirk Granite.



View of St Dizier area looking west. The mineralised zone occurs beneath the regrowth eucalypts in the centre of the photo.

Drilling was proposed to confirm the reported geological features of the deposit, the style of mineralisation and to identify and characterise the tin minerals prior to carrying out metallurgical test work.

St Dizier is one of four discrete mineralised skarn deposits within hornfelsed calcareous sediments of the Oonah Formation. The host sediments trend approximately E-W over a distance of 3.0km generally following the contact of the Heemskirk Granite (Figure 1).

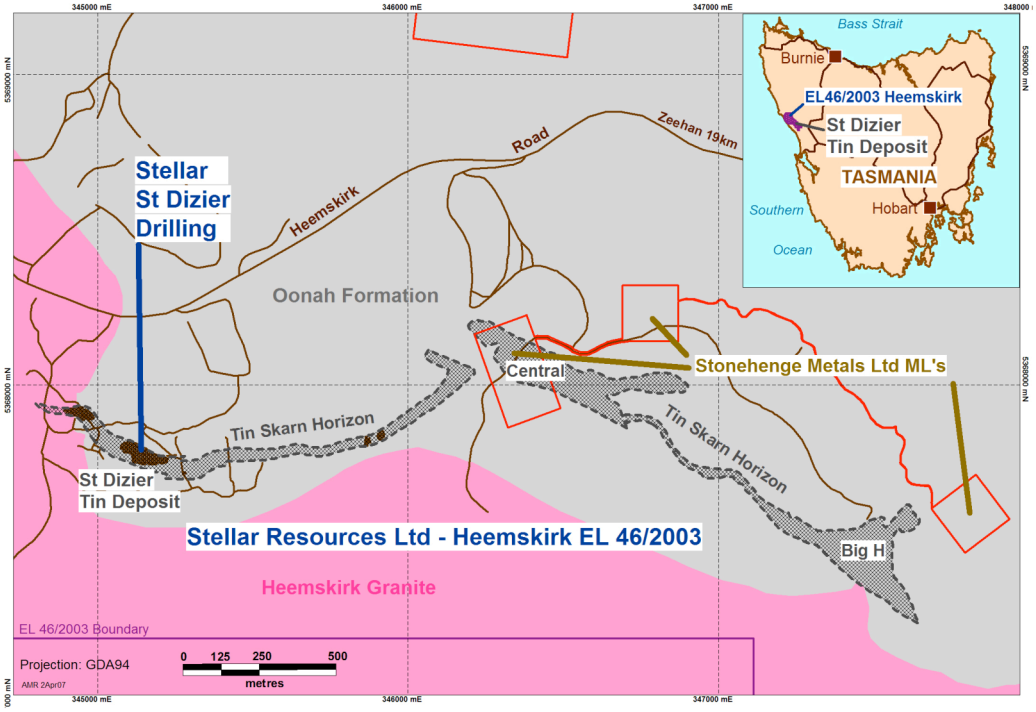


Figure 1. Regional setting, St Dizier Tin Deposit

Previous drilling at St Dizier defined three bodies of tin-bearing magnetite-pyrrhotite mineralisation. The recently completed three holes tested the central St Dizier body which is a cone shaped, mineralised body of skarn suggested to be up to 150m long, 20-50m wide and steeply dipping to the north. The mineralised zone thins rapidly from about 120m below surface but extends to a depth in excess of 150m in a roof pendent of host Oonah Formation sediments underlain by granite. Reported mineralisation includes cassiterite, pyrrhotite, serpentine, tremolite, chlorite, talc, carbonate, minor traces of arsenopyrite and scheelite.

Reports compiled in the 1980's by Renison indicate that the central St Dizier deposit contains 0.8Mt @ 0.7% Sn.

This report describes the work carried out and results obtained.

Work Completed

The proposal was to drill three holes along the north side of the known mineralisation to facilitate drilling angled holes north to south which would complement previous drilling by Renison. The program comprised one central hole and two others to test the known extremities of the body. The holes were shallow and designed to test the mineralisation close to surface.

Work was carried out in accord with a current Work Approval in place since 16 June 2005. Additional approval was given by Mineral Resources Tasmania to upgrade and extend an access track from which the drilling was conducted.

The holes were drilled by Low Impact Diamond Drilling Systems (LIDDS) who have a small, readily transportable rig that uses a NTW size bit (56mm), slightly smaller than the regular HQ.

The rig was not able to overcome the problem of drilling the top 20-30m where poor core recovery is commonplace. However this was not important as the zone of interest occurred below this depth where core recovery was satisfactory.

Driller Lance Stebbings beside the diamond drill rig

Three holes were drilled for a total of 315.5m. Details of the drilling are shown below and drill hole locations are shown on the attached Figure 2. A Garmin GPS was used to fix the collar locations. No down hole surveys were recorded. The skarn is highly magnetic and magnetic susceptibility readings were taken from the drill core at one metre intervals. Three readings were recorded for each metre.

Prospect	Hole ID	Easting AGD66	Northing AGD66	Azimuth	Inclination	Hole Depth
St Dizier	ST01	345034	5367624	190	-70	109.2
	ST02	345080	5367600	190	-60	95.1
	ST03	344992	5367640	190	-60	111.2

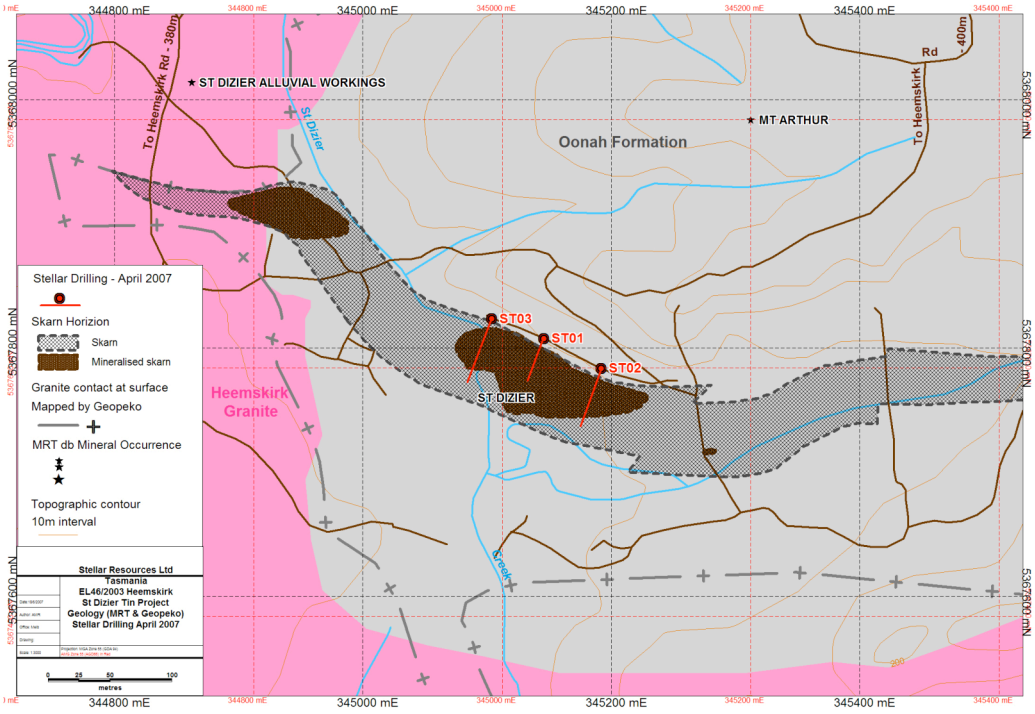


Figure 2. Drill hole locations and geology

Holes were marked up, photographed, scanned for magnetic susceptibility and split for assay. One metre samples of quarter core were sent to the Burnie Research Laboratory for analysis. The requested elements included Sn by XRF, acid soluble Sn, Wo_3 and S by XRF, As, Cu, Zn, Fe, Ag and Bi by AAS, Au, Pt and Pd by fire assay fusion.

Summary tables containing results for core recovery, geological logging, magnetic susceptibility readings and assay results for each hole are included in Appendix 1.

Four samples considered to be representative of the mineralisation were submitted to Ian Pontifex & Associates for routine petrographic and mineragraphic description.

The samples included

ST01 35.3 metres – magnetite skarn rock
ST01 80.6 metres – zoned sulphide vein
ST01 90.55 metres – magnetite skarn rock
ST02 31.4 metres – veined sulphide in fluorite, magnetite rock.

The report is included in Appendix 2

Discussion

ST01

This hole was drilled to test the central part of the deposit in the vicinity of a previous vertical drillhole M1 which was reported to have intersected 101m @ 1.68% Sn as confirmed by Renison reassay in 1980-83.

ST01 started in highly weathered pale grey to white quartzites and laminated sandy siltstone typical of Oonah Formation before intersecting massive to banded, slightly magnetic, pale green serpentinite rock at 29.5m. Further down the hole the serpentinous skarn contains remnants of marble and host dolomite and then passes into typical banded, highly magnetic, dark black magnetite-pyrrhotite-serpentine-chlorite rock which previous workers have suggested carries tin mineralisation. This siliceous skarn extends to about 93m before the rock becomes kaolinised but with the black magnetite bands still visible. The hole was stopped at 109.2m in what is possibly kaolinised, magnetic skarn or weathered greisen. The hole appears to have traversed about 73m of magnetic skarn that could be mineralised.

A number of late stage, cross-cutting, zoned, (?)hydrothermal sulphide veins, which contain phlogophite-pyrite-chalcopyrite and silver-grey arsenopyrite mineralisation were mapped between 53 and 90m.

As reported to the ASX the main tin mineralised interval in ST01 included 57m @ 0.60% Sn from a depth of 44m using a 0.2% Sn cut off.

ST02

This hole was designed to test the eastern third of the mineralised body.

The hole started in grey, weathered quartzite and intersected partly oxidised, greenish-grey, hornfelsed carbonate sediment and skarn at 13.2m. The skarn zone between 13.2 and 34.5m contains two strongly magnetic bands of serpentinous magnetite-pyrrhotite rock and several cross-cutting narrow veins of massive phlogopite-pyrite-chalcopyrite mineralisation. The remainder of the hole intersected altered sediments, a slightly magnetic zone from 76 to 83m and then dark grey graphitic siltstone/shales believed to be the FW slates referred to by Renison. The hole was stopped at 95.1m in graphitic slate.

The hole contained a best interval of 22m @ 1.12% Sn from 13m.

ST03

This hole tested the western third of the mineralised body.

The top of the hole to 30.2m contains quartzite rubble and brown clays. Beyond this to 43.7m the core consists of strongly weathered, green saprolitic clay and micaceous tremolite rock thought to be after hornfelsed carbonate sediment and weathered siliceous skarn. There is a possible fault at 44m where there is a change to orange brown, poorly sorted, small pebble greywacke which is weathered and extremely friable and contains laminated pelite. Carbonate hornfels starts again at 63.6m and BOCO is at 75m. The grey, laminated carbonate sediment contains remnants of marble, yellow-green serpentine alteration and thin bands of magnetite-pyrrhotite mineralisation from 96.6m. The hole could be approaching another skarn zone but, unfortunately, the rods became blocked in the hole at 111.2m and the hole was abandoned.

The hole contained 4.5m @ 3.82% Sn from 39.2m but core recovery over this interval was poor (40%).

Forthcoming results, including metallurgical test work under the supervision of R H Goodman, will provide an indication as to whether a resource upgrade drilling program should proceed.

APPENDIX 1

Summary tables containing core recovery, geological logging, magnetic susceptibility readings and assay results for holes ST01, ST02 and ST03

APPENDIX 2

Petrological Reports