

**EL25/2004 Alberton**

**Combined Annual Report**

**2005 – 2006**

**&**

**2006 – 2007**

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**For LIDDS Pty Ltd**

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## **Summary.**

Exploration Licence 25/2004 comprises 12 square kilometres at Alberton was granted on 8th October 2004 to Low Impact Diamond Drilling Specialists Pty Ltd (LIDDS).

During the reporting period 2005 – 2006 only survey and work plan approval was performed along with various site inspections and literature reviews.

During 2006 – 2007 two drilling campaigns occurred with the drilling of RUL04 – RUL07 occurring for a total of 706.7 metres. None of the information pertaining to these holes has yet been presented to the owners of the Licence.

A detailed proposal has been accepted by the owners of the Licence to centralise and standardise all current information to allow for timely, coherent and rational planning to be performed.

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## **1.0 Introduction.**

Exploration Licence EL 25/2004 comprising 12 square kilometres at Alberton was granted on 8th October 2004 to Low Impact Diamond Drilling Specialists (LIDDS) Pty Ltd.

The area being explored has focussed on the major producing operation. This report combined all works undertaken on the Licence since the last lodged Annual Report for the period 2004-05.

During the reporting period October 9, 2006 to October 8, 2007 4 holes were drilled to test for down dip mineralisation. A total of 706.7 metres were drilled.

Whilst two holes (RUL04 and RUL05) had been logged by previous geological contractors, the company has failed to provide LIDDS with the drill hole logs. RUL06 and RUL07 were submitted to another geological services company and have yet to be logged.

## **2.0 Exploration Objectives.**

The philosophy and objectives of the Exploration undertaken by LIDDS is directed to the definition of a significant hard rock gold resource that would be amenable to economic extraction.

Primary exploration has focussed on testing the down dip extensions of known mineralised structures associated with the Ringarooma United Mine.

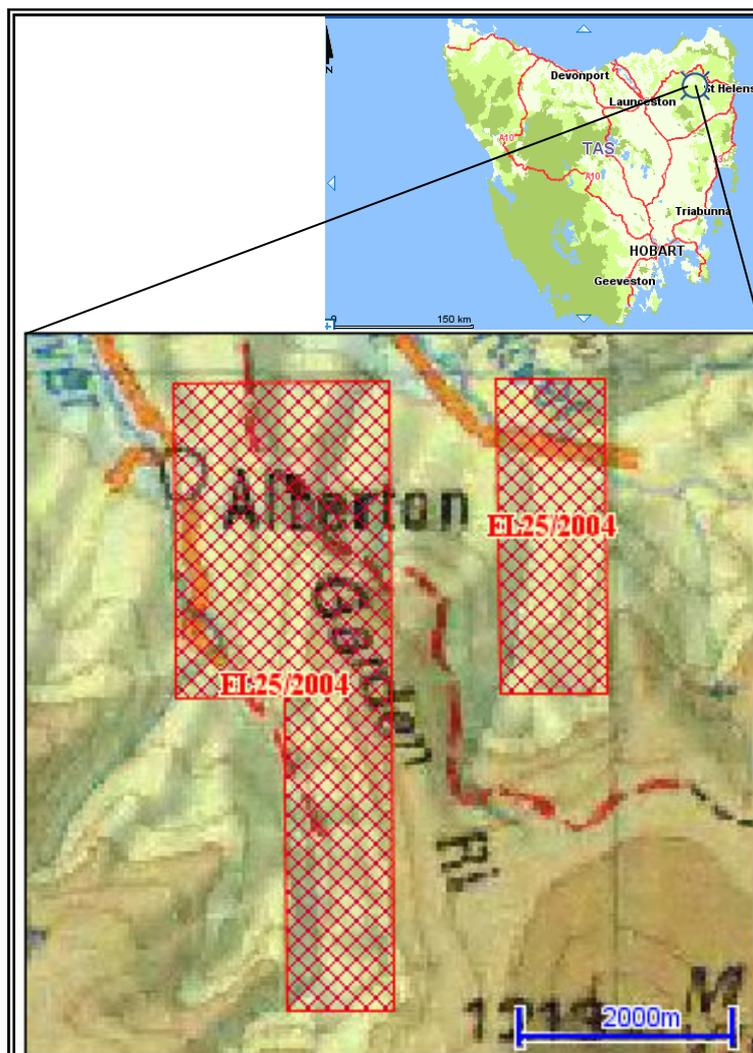
### 3.0 Location and Access.

Exploration Licence EL25/2004 is located near the rural township of Alberton, situated in the north-eastern region of Tasmania.

The licence is situated within both rural and state forest areas and is serviced by a network of sealed and all weather roads and fire trails.

Topographic relief varies from gently undulating pasture areas to steep hills and ridges with deeply incised valleys developed in the central area of the licence. Vegetation in non-farming areas is dominated by wet-scherophyll forest.

**Figure 1. Exploration Licence 25/2004**



#### **4.0 Regional Geology.**

The regional geology of EL 25/2004 has been previously described by MRT geologists and summarised on the 1:50,000 Alberton geological map. Recent publications specific to the economic geology of the area are provided by Taheri (1992 and 1993) and Keele et.al (1994) as part of the Netgold project. The following is gleaned from this work.

The exploration Licence is located within the 70 kilometres long, 2 kilometre wide northwesterly trending Mangana to Lyndhurst gold lineament. Gold mineralisation contained within the lineament is hosted by the Silurian to Devonian Mathinna Beds. The Mathinna Beds comprise an alternating sequence of bedded quartzites, sandstones, siltstones and slates. The quartzites have a lithic component and display graded structures locally. The Mathinna Beds are unconformably overlain by probable Carboniferous and Permo-Triassic sedimentary sequences of the Parmeener Supergroup.

Granites and granodiorite of Devonian age have intruded the Mathinna Beds. Sporadic tin and tungsten mineralisation is associated with granitic intrusion.

Regionally the Mathinna Beds are folded about northwest trending axes to form small scale and kilometre scale wavelength tight to moderate folds. Axial plane cleavage development takes the form of a slaty cleavage in the pelitic units. A subsequent deformation has produced regional mega kinking about steep, northeast trending kink planes, and numerous steep dipping bands with both sinistral and dextral geometry.

The age of the gold mineralisation is uncertain; however it is probable that gold mineralisation was concurrent with folding and cleavage development prior to emplacement of the Devonian granites.

## **5.0 Previous Work.**

Auriferous quartz vein hosted mineralisation was discovered in the Alberton goldfield prior to 1883. Over one hundred gold bearing lodes were subsequently discovered and mined between 1883 and 1939.

Recent exploration of the Ringarooma United Mine was first undertaken by Newcrest Mining Limited under EL23/92. An Exploration program in 1992-1993, part of work on a larger tenement, included 1:25,000 scale geological mapping, image processing and interpretation of aeromagnetic data, drainage sampling and detailed geochemical sampling.

The tenement was explored by Mancala Pty Ltd under a joint venture arrangement in 1993-1994. Mancala Pty Ltd re-established access to the Long Tunnel and completed 255 metres of drilling from underground sites with poor results.

During 2000 – 2001 (Denwar, 2001) two diamond drill holes (RUL01 and RUL03) totalling 433.6 metres were completed by Low Impact Diamond Drilling Specialists (LIDDS) in a joint venture agreement with Hercules Resources Pty Ltd (Mancala Pty Ltd had changed its name to Hercules Resources in 1998). A 0.8 metre interval in hole RUL01 assayed 85.9 grams per tonne gold with coarse visible gold. A 0.4 metre interval in hole RUL03 resulted in an assay of 14.8 g/t gold from a different structure.

During 2004 – 2005 (Carswell, 2005) a further hole was completed (RUL02) for 223.7 metres without any significant mineralisation being encountered.

## **6.0 Exploration Completed During the Reporting Period**

### **6.1 2005 – 2006**

During this period the Licence was subject to significant review of all available data by both LIDDS and various geological consultants. Survey work was undertaken to allow for drilling in the following period.

### **6.2 2006 – 2007**

Drilling occurred in two campaigns with two holes (RUL04 & RUL05) drilled between 10th October and 11th November 2006 for a combined total of 388.20 metres and two holes (RUL06 and RUL07) completed between 9th June and 25th July 2007 for a combined total of 318.5 metres.

Total drilling for the period 2006 – 2007 was 706.70 metres.

Drill holes RUL04 and RUL05 were logged by J Carswell & Associates during the period but the drill log results and recommendations for sample analysis had not been forwarded to LIDDS at the time of the compilation of this report.

Core from drill holes RUL06 and RUL07 was dispatched to G Purvis of Laguna. However drill log results and recommendations for sample analysis had not been forwarded to LIDDS at the time of the compilation of this report.

### **6.3 Data compilation.**

Previously reported data collected utilising Differential GPS (Annual Report 2004-05) has only been partially compiled. Survey traverses were undertaken as part of the drill Work Plan in 2006 and this data will need to be uploaded into a computer based modelling program.

## **7.0 Discussion and Conclusions.**

In order to optimise exploration expenditure on the Licence it is proposed that the following works will be undertaken during the upcoming reporting period

- Compilation of a single database and collation of all available geological data into a single site.
- All existing data will be transformed from all previous grid systems into a single coordinate system. GDA94 will become the only data reference system due to it's compatibility with all regulatory departments.
- Production of a 3-D computer based structural and geological model of the Ringarooma United Mines workings and surrounds in order to fully understand the relationship between all previous drilling and the structural controls on mineralisation.
- Detailed spatial models of the ore structures should be produced.
- Logging and where required analysis of all outstanding drill core in order to bring drilling database up to date.

Once these tasks have been completed it will be possible to determine the future works to be completed on the Licence.

Due to the significant amounts of data still waiting to be collated it is not yet possible to determine whether the drilling undertaken during this period has adequately tested the down dip extensions of the mineralisation.

## 8.0 Expenditures.

### 8.1 Expenditure 2005 – 2006

#### Geoscientific Costs

- Geology \$23,600
- Geochemistry -
- Geophysics -
- Remote Sensing -

#### Drilling & Gridding Costs

- Gridding -
- Drilling \$79,862 (388.2 metres)

Land Access Costs -

Rehabilitation Costs -

Feasibility Study Costs -

Other Items -

Administration Costs \$3,600

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**Total Costs \$107,062**

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Note: Drilling expenses associated with RUL04 & RUL05 occurred within the 31<sup>st</sup> December 2006 quarterly period.

### 8.2 Expenditure 2006 – 2007

#### Geoscientific Costs

- Geology \$16,000
- Geochemistry -
- Geophysics -
- Remote Sensing -

#### Drilling & Gridding Costs

- Gridding -
- Drilling \$61,705 (316.2m)

Land Access Costs -

Rehabilitation Costs -

Feasibility Study Costs -

<b>Other Items</b>	<b>-</b>
<b>Administration Costs</b>	<b>\$4,000</b>
<b>Total Costs</b>	<b>\$81,705</b>

## 9.0 References

**Carswell, J.T., 2005.** EL25/2004 Alberton. Annual Report 2005 - 2005 *Unpublished report for Low Impact Diamond Drilling Specialists*

**Denwer, K.P., 2001.** Annual Report for EL 23/92- Alberton for the period 2000-2001. *Unpublished report for Low Impact Diamond Drilling Specialists (LIDDS) TCR 02-4634.*

**Keele, R.A., Taheri, J., and Bottrill, R.R., 1994.** Structural and veining in the Devonian aged Mathinna-Alberton Gold Lineament, northeastern Tasmania. *Report 1994/06, Mineral Resources Tasmania*

**Reed, A.R., 2004.** Gold mineralisation and the regional Palaeozoic structure of the Mathinna Supergroup, eastern Tasmania. *Record 2004/01, Mineral Resources Tasmania*

**Taheri, J., 1992.** Northeast Goldfields: A summary of the Tower Hill, Mathinna and Dans Rivulet Goldfields. *Report 1992/10, Mineral Resources Tasmania*

**Taheri, J., 1993.** Northeast Goldfields: A summary of the Alberton Goldfield. *Report 1993/34, Mineral Resources Tasmania.*

## Appendix 1

### Drill Hole RUL04 Low Impact Diamond Drilling Specialists.

#### Drill Hole Summary.

Drill lithology data still outstanding.

#### **Collar Survey (GDA94)**

5,428,141.4 mN  
566,761.7 mE  
385.5 mAHD

#### **Down Hole Survey.**

Date Started 10/10/06  
Date Completed 22/10/06  
Final Depth 190.0 m

Survey Depth (down hole)	Inclination	Magnetic Bearing	GDA94 Converted Bearing (+12.5°)
51.5	-50.5	098.5	111.0
121.0	-46.5	100	112.5
190.0	-44.5	100	112.5

#### **Assays**

At the time of compilation of this report it is unknown whether samples have been taken from this hole.

## Appendix 2

### Drill Hole RUL05 Low Impact Diamond Drilling Specialists.

#### Drill Hole Summary.

Drill lithology data still outstanding.

#### **Collar Survey (GDA94).**

5,428,141.6 mN

566,761.7 mN

395.5 mAHD

#### **Down Hole Survey.**

Date Started 23/10/06

Date Completed 11/11/06

Final Depth. 198.2 m

Survey Depth (down hole)	Inclination	Magnetic Bearing	GDA94 Converted Bearing (+12.5°)
70.0	-48.75	090	102.5
128.2	-46.0	090	102.5
198.2	-41.5	089	101.5

#### **Assays**

At the time of compilation of this report it is unknown whether samples have been taken from this hole.

## Appendix 3

### Drill Hole RUL06 Low Impact Diamond Drilling Specialists.

#### Drill Hole Summary.

Drill lithology data still outstanding.

#### **Collar Survey (GDA94).**

5,428,142.0 mN  
566,761.8 mE  
395.4 mAHD

#### **Down Hole Survey.**

Date Started 09/05/07  
Date Completed 06/06/07  
Final Depth 199.0 m

Survey Depth (down hole)	Inclination	Magnetic Bearing	GDA94 Converted Bearing (+12.5°)
33.0	-44.0	110.0	122.5
73.0	-46.0	110.0	122.5
103.0	-46.5	110.0	122.5
133.0	-48.0	109.5	122.0
163.0	-49.0	109.0	121.5
199.0	-50.0	109.0	121.5

#### **Assays**

Assay intervals yet to be determined.

## Appendix 4

### Drill Hole RUL07 Low Impact Diamond Drilling Specialists.

#### Drill Hole Summary.

Drill lithology data still outstanding.

#### **Collar Survey (GDA94).**

5,428,122.0 mN  
566,808.5 mE  
409.4 mAHD

#### **Down Hole Surveys.**

Date Started           07/06/07  
Date Completed       25/06/07  
Final Depth

Survey Depth (down hole)	Inclination	Magnetic Bearing	GDA94 Converted Bearing (+12.5°)
40.0	-55.0	120.0	132.5
90.0	-55.0	119.5	132.0
119.5	-55.0	120.0	132.5

#### Assays

Assay intervals yet to be determined.