

# **LYNCH MINING PTY LTD**

**EL7/2005 “LUINA”  
Annual Report for the Period 30<sup>th</sup> June 2007 to  
30<sup>th</sup> June 2008.**

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May 2008**

## **SUMMARY**

Exploration Licence 7/2005, "Luina" covering an area of 18km<sup>2</sup> lies west southwest of Waratah in northwestern Tasmania. The area is held by Lynch Mining Pty Ltd.

This report describes activities conducted on the tenement area during the Annual Period 30<sup>th</sup> June 2007 to 30<sup>th</sup> June 2008.

A total of 30 aircore drill holes were completed on the Cleveland Tin mine tailings dams for 564 metres. In addition 2 auger drill holes were completed for a total of 47.6 metres. Piezometers were installed in the 2 auger holes in conjunction with MRT personnel for environmental monitoring.

Composited samples from each of the completed holes were prepared and are currently being metallurgically evaluated at the Burnie Research Laboratory. Individual assay samples for each metre of drilling were also collected, but no assaying has been undertaken on these samples to date.

A Mine Lease Application covering approximately 508 hectares over the Cleveland Mine area was prepared and has been lodged with MRT.

Expenditure for the period totalled \$134,158.

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## **Digital File List (on CD at back of report)**

EL072005\_200806\_A\_01\_Report.pdf  
EL072005\_200806\_A\_02\_Map.pdf  
EL072005\_200806\_A\_03\_Map.pdf  
EL072005\_200806\_A\_04\_Map.pdf  
EL072005\_200806\_A\_05\_Appendix.pdf  
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## **1.0 INTRODUCTION**

This report details all exploration work undertaken on Exploration Licence 7/2005, “Luina” during the Annual Period 30<sup>th</sup> June 2007 to 30<sup>th</sup> June 2008.

Exploration Licence 7/2005, “Luina” covering an area of 18 km<sup>2</sup>, lies in western Tasmania and is situated to the west of Waratah (Figure 1). Access is via the sealed Waratah-Savage River road and then via a series of old sealed and unsealed mine access and forestry roads/tracks.

EL 7/2005 is situated in western Tasmania and lies within the Burnie (SK55-3) 1:250,000 map sheet.

The terrain is dominated by steep shrub and tree covered slopes, with a significant area of rehabilitated mine workings and former town site. Areas of former forestry clearing are also present. The Whyte River transects the tenement area.

Exploration work during the reporting period has comprised ground completion of 30 aircore and 2 auger drill holes on the major tailings dam areas and collection of representative samples for metallurgical test work. A mine lease application was also lodged with MRT during the period.

The principal exploration targets for the area are the Cleveland Mine Sn/Cu tailings dams and remaining potential unquantified underground resources in the Cleveland Mine.

## **2.0 TENURE**

Exploration Licence 7/2005 (Luina) covering an area of 18 km<sup>2</sup> was granted to Lynch Mining Pty Ltd on 30<sup>th</sup> June 2005 for a period of 5 years (Figure 1). A Mining Lease Application covering approximately 508 hectares of this licence area and over the historic Cleveland Tin Mine area was made on 15<sup>th</sup> April 2008.

## **3.0 PREVIOUS EXPLORATION**

The Cleveland deposit was discovered in 1898. Initial production of the surficial ore commenced in 1908, and ceased in 1914 after production of 295.5 tons of cassiterite. Tributing continued until 1917, during which time a further 48 tons were produced. Aberfoyle commenced mining in 1968, and mining was ceased in early 1986, primarily due to the collapse of the tin price.

At the cessation of the more recent mining approximately 7 million tonnes of ore assaying 0.82% Sn and 0.35% Cu had been processed.

Various reports show that a significant resource remains in the deposit, with Measured and Indicated resources of 5.2 million tonnes @ 0.70% Sn and 0.31% Cu and Inferred

resources of 1.3 million tonnes @ 0.72% Sn and 0.22% Cu at a 0.35% Sn cutoff. In addition, a large resource known as the Foley Zone located at the lower levels of the mine had been drilled and is reported to contain 3.8 million tonnes @ 0.28% WO<sub>3</sub> at a 0.2% cutoff. Data for these estimates has not yet been either sourced or verified.

#### **4.0 REGIONAL AND LOCAL GEOLOGY**

The Cleveland orebodies occur in a steeply dipping northeast trending succession of arenaceous, argillaceous, and chemical sediments and mafic volcanic rocks and ultramafic/mafic complexes. The sequence is unfossiliferous but has been correlated by rock type with the Cambrian Crimson Creek Formation of the Zeehan-Rosebery area. The Meredith Granite, a high level, late tectonic Late Devonian to Early Carboniferous granitic pluton believed to be genetically associated with the mineralisation, intrudes the sequence east and south of the mine. The Cleveland orebodies are located in a dominantly fine grained sedimentary sequence that is thought to lie in an embayment on the margin of a basaltic eruptive centre.

The tin-copper orebodies occur as a series of sub parallel, near vertical sulphide lenses within the Halls Formation. The mineralisation is composed largely of fine to medium grained quartz, tourmaline, fluorite, chlorite, and pyrrhotite plus chalcopyrite, cassiterite and stannite. Eleven lenses are recognised and are divided into two groups; the footwall and the hanging-wall lodes separated by a micaceous greywacke unit and an overlying basic volcanic unit. The footwall lodes are composed of three relatively thick lenses (Henrys, Lucks and Khaki) which have a strike length of less than 200 metres. The hanging-wall lodes (or Halls lenses) comprise five lenses and have a greater strike length and stratigraphic continuity than the footwall lodes, attaining a maximum thickness of about 30 metres and a maximum strike length of about 600 metres. The sulphide lenses are offset by a series of subparallel, southeast dipping reverse faults.

#### **5.0 EXPLORATION ACTIVITIES**

Exploration during the period has principally involved drilling of the two major tailings dams for metallurgical test work samples.

##### **5.1 DRILLING**

A total of 30 aircore drill holes were completed on the Cleveland Tin mine tailings dams for 564 metres. In addition 2 auger drill holes were completed for a total of 47.6 metres. Piezometers were installed in the 2 auger holes in conjunction with MRT personnel for environmental monitoring.

Drilling was undertaken using Tasmanian Drilling Services from New Norfolk with a small truck mounted rig. Drill access to the well revegetated tailings dams was made by hand on TD1 and with a small bulldozer on TD2 principally to clear thicker bushy areas of regrowth. No large trees are present on the dam areas, with many of the larger acacias

nearing the end of their lifespan and at least partly dead. Access avoided removal of any of the larger living trees. In most cases it was necessary to inject water whilst drilling to bring the partly tacky sample to the surface, resulting in a majority of damp to very wet samples. All material reaching the surface was collected at 1 metre sample intervals into green plastic sample bags. A small (100-200 gram) sample was collected from each bagged sample for assaying if required. No assaying has yet been undertaken.

Scanned drill logs are contained as Appendix 2. As no rock types are present in the tailings dams these logs have not been recorded electronically and hence no text files relating to these logs are included with this report.

Drill sites were rehabilitated immediately after drilling, with all samples removed to a central bag dump and excess cuttings placed down the drill holes prior to capping. All rubbish was removed from site and placed in the Waratah waste disposal area.

## **5.2 METALLURGICAL TESTWORK**

Composited samples from each of the 32 completed holes were prepared and are currently being metallurgically evaluated at the AMMTEC Burnie Research Laboratory. Individual assay samples for each metre of drilling were also collected, but no assaying has been undertaken on these samples to date.

## **6.0 EXPENDITURE**

Expenditure over the licence area totalled \$134,158 during the reporting period to 27<sup>th</sup> May 2008, and is broken down by expense in the table below: –

Staff Salaries & wages	\$9,150
Contract and Consulting Geologists, Field Assistants	\$44,783
Safety, Health and Environment	\$106
Ground geophysical surveys, Consultants and Interpretation	\$0
Drilling	\$36,156
Drilling Consumables	\$1,900
Assaying	\$
Petrology	\$
Communications	\$12
Equipment Hire	\$900
Printing and Digital Data	\$112
Tenure Maintenance	\$5,097
Field Expenses	\$550
Freight and Storage	\$198
Travel & accommodation	\$15,196
Vehicle hire/fuel/maintenance	\$2,499
Administration overheads @ 15% of above	\$17,499
<b>TOTAL</b>	<b>\$134,158</b>

## **7.0 CONCLUSIONS AND RECOMMENDATIONS**

EL 7/2005 covers the old Cleveland Sn/Cu Mine area in western Tasmania, which has been subject to a long period of exploration and mining.

Drilling of the tailings dams has provided samples for metallurgical testing which is ongoing.

A Mine Lease Application covering approximately 508 hectares was completed covering the principal known resources in the area, and allowing for necessary infrastructure.

Evaluation of drill samples will be continued.

Historical data which has been used for underground resource estimation will be sourced if possible and recompiled to a modern dataset for further evaluation.