

EL28/2007 – Bell's Hill

Annual Report

27th September 2007 – 26th September 2008

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For LIDDS Pty Ltd

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Summary.

Exploration Licence 28/2007 comprises 1 square kilometre near Ringarooma was granted on 27th September 2007 to N Brown and Low Impact Diamond Drilling Specialists Pty Ltd (LIDDS).

During 2008 – 2008 work concentrated on undertaking a review on all available data and literature pertaining to the Bell's Hill area in preparation to lodging a Work Plan. Site visits were also undertaken and surface rock material submitted for analysis.

Key findings of the literature review are as follows;

- Approximately 300 tons of tin concentrate was produced from the Bell's Hill underground at 3.5% Tin between 1890 and 1914.
- Approximately 100 tons of surficial material grading 1.5% Tin was also hand picked from the surface during the above mentioned period.
- Previous exploration work undertaken predominantly by Union Corporation (1977 – 1982) included prospect scale geological mapping, track establishment and channel sampling.

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1.0 Introduction.

Exploration Licence 28/2007 comprises 1 square kilometre near Ringarooma was granted on 27th September 2007 to N Brown and Low Impact Diamond Drilling Specialists Pty Ltd (LIDDS).

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- Approximately 300 tons of tin concentrate was produced from the Bell's Hill underground at 3.5% Tin between 1890 and 1914.
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- Previous exploration work undertaken predominantly by Union Corporation (1977 – 1982) included prospect scale geological mapping, track establishment and channel sampling.

2.0 Exploration Objectives.

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

The presence of historic surface alluvial sluicing and hard-rock exploration of stanniferous veining indicates that the licence has proven potential.

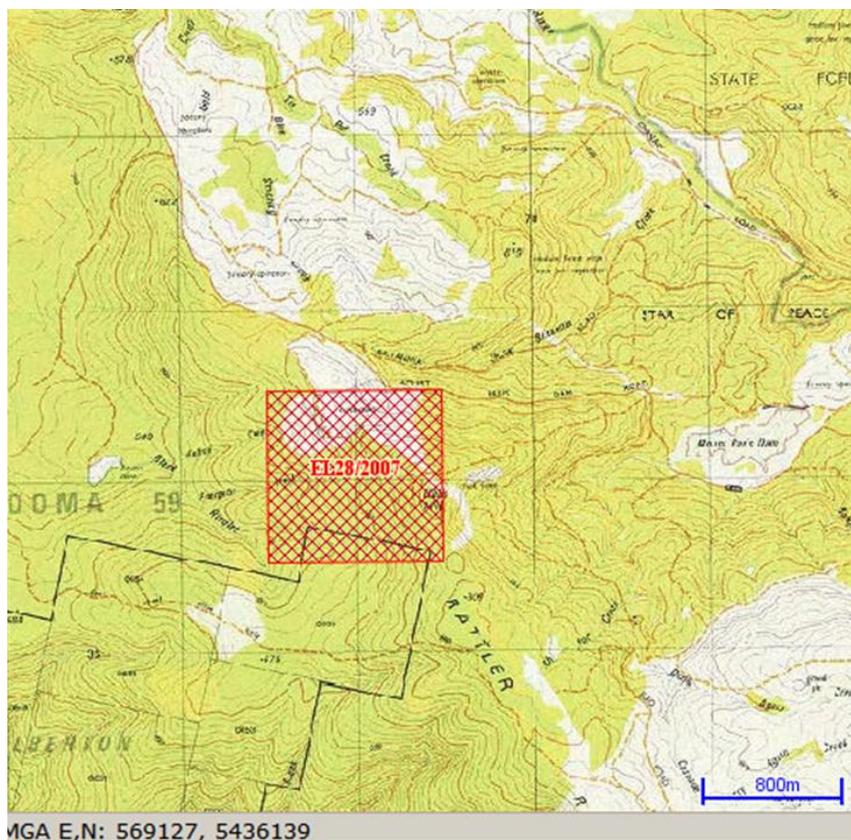
Primary exploration has focussed on testing discrete anomalies as defined by independent re-interpretation of historic data.

- Confirm the veracity and extent of previous mapping and anomalous tin mineralisation
- Inspect and sample any available underground openings
- Drill test below historic underground workings at depth to determine structural controls and geometry of primary source.

3.0 Location and Access.

The Bell's Hill Prospect is located in North East Tasmania, about 2 kilometres north-east of Ringarooma. The main access route to the area is via the sealed New River Road and the unsealed Dead Horse Hill and Mount Paris Dam Roads.

The licence covers 1 square covering a portion of previously sluiced workings.



**Figure1:
Location of
EL28/2007.
(from MRT)**

4.0 Regional Geology.

The regional geology is described as the south – western extension of Devonian aged, Blue Tier batholith that have been exposed through the erosion of Devonian – Silurian sandstones, slates and mudstones of the Mathinna Group (Solomon, 1971).

The mineralisation at Bell's Hill consists of quartz – topaz +- cassiterite +- sulphides hosted by soft altered, medium to coarse grained, equigranular, muscovite granite.

5.0 Previous Work.

The area has been subject to both limited production of tin from both surface and underground sources (Nye 1925, Cundy 1925). Early reviews concentrated on the underground prospectivity with both authors mentioning the presence of multiple mineralised vein systems being developed along underground. Cundy stated that 300 tons of 3% Sn were extracted from a No3. Lode.

Samples and assays results taken by Cundy (1925) indicate sporadic grades ranging from 0.47% up to 6.55% being present with the high grade result reportedly coming from a vein system 4' 6"(1.42m) in width.

Regional exploration by Union Corporation (Australia) Pty Ltd (Union Corp) between 1977 and 1982 eventually focussed on the Bell's Hill area and was followed up by the construction of several bulldozer constructed costeans with were sampled along their entire length.

Significant exploration sampling was completed by Union Corp which focussed on the presences of what was described broadly as a greisen vein swarm focussed around several preferential orientations.

Costeaming on a north-trending granite/sediment which dips approximately 30° west exposed the largest vein system (The Main Lode developed along from underground) which strikes approximately east-west and terminates against the Mathinna Beds. Coarse cassiterite and a fine network of Quartz-tourmaline veinlets occur in the main lode and Mathinna Bed sediments respectively.

Several other greisen vein swarms returned significant zones of elevated tin mineralisation. The greisen veins contain between 0.002% and 3.26% tin, commonly 0.15% (Windall, 1981)

Union Corps conclusions prior to their relinquishment of the area were that the area had the potential to host a significant low grade tin resource. A diamond drill hole was proposed but never completed prior to the licence being dropped.

Preliminary analysis of sulphides collected from the surface were undertaken for Union Corp (Taylor, Rubenach, 1981) and it was concluded that “ the veins were essentially quartz (topaz?) +-cassiterite, arsenopyrite, chalcopyrite with accompanying quartz-topaz alteration of the surrounding granite. Surface samples had apparently given up to 3% Cu with some Ag. Taylor suspected that the presence of both the elevated copper and silver were a result of supergene mineralisation.

6.0 Exploration Completed During the Reporting Period

During this period the Licence was subject to significant review of all available data by LIDDS. Data collation involved all available information on open file as well as sourcing Union Corporation reports that had not been available from the MRT.

Several site inspections were also undertaken during the reporting period by N Brown, and representatives of both LIDDS Pty Ltd and GEMS Pty Ltd. A grab sample of siliceous, sulphidic vein material was collected during a visit to site in December 2007 and submitted to Genalysis Laboratory Services Pty Ltd for analysis (Appendix 1.).

7.0 Discussion and Conclusions.

The discovery of the detailed surface sampling program undertaken by Union Corporation up to relinquishment in 1981 indicates that Bell's Hill is a legitimate target for low grade bulk tin mineralisation. The presence of a higher grade 'core' related to previous underground development also enhances the overall potential of the project.

Analysis of some material indicated that the rock contains elevated amounts of tin, silver and copper. These results confirm previous analysis undertaken by Taylor & Rubenach (1981).

The lack of production from underground when confronted with higher grade tin assays (up to 6%) (Cundy, 1925) indicates that metallurgical issues may also have been responsible for the non-development of the project; the presence of supergene sulphides may also have caused recovery issues for the underground operation.

Additional work is still required to decipher the Union Corporation data in order to prioritise targets within the licence; however a review of specific higher grade zones within the costeamed areas and a preliminary diamond drill hole targeted below the historic workings will be priorities for the next 12 month period.

Bell's Hill requires follow-up to confirm historically anomalous tin values and to determine optimal drilling direction and drill hole targets.

8.0 Expenditure.

Geoscientific Costs

- Geology \$ 4,800
- Geochemistry \$ 165
- Geophysics
- Remote Sensing

Drilling & Gridding Costs

- Gridding
- Drilling

Land Access Costs

Rehabilitation Costs

Feasibility Study Costs

Other Items

Administration Costs \$ 6,120

Total Costs \$ 9,720

9.0 References

Cundy W.H., 1925. Bells Hill Tin Mine. *Unpublished Report.*

Nye, P.B., 1925. Notes on the Bells Hill Tin Mine. *Tas Department of Mines Unpublished Report.*

Solomon, M., 1970 Report on EL15/68 near Derby, North East Tasmania. *MRT 4109/70.*

Solomon, M., 1971 Reconnaissance Geological Survey of Exploration Licence 15/68 near Braxholm, North East Tasmania. *MRT 71-735.*

Taylor, R.G., Rubenach, M.J., 1981. Some Observations upon Bells Hill Tin Prospect, N.E. Tasmania. *Union Corporation (Australia) Pty. Limited. Unpublished Report.*

Winnall, N.J., 1981. The Bells Hill Tin Prospect, North East Tasmania. *Union Corporation (Australia) Pty. Limited. Unpublished Report.*

Appendix 1

Rock Chip - BH01 Grab Sample – Bell's Hill

ELEMENTS	Au	Ag	Al	As	Bi	Ca	Cr	Cu	Fe	Ni	S	Sn	W
UNITS	ppb	ppm	%	ppm	ppm	ppm	ppm						
DETECTION	1	1	50	10	10	50	5	1	0.01	1	50	10	10
METHOD	B/ETA	AT/OES											
COMMENTS: 1088.0/0804397 (15/07/2008) CLIENT O/N: 22755 1/1													
SAMPLE NUMBERS													
BH01	2	50	4689	8973	107	243	7	6694	3.27	1	16203	2160	77
CHECKS													
BH01	2	51	4513	8996	102	208	7	6721	3.23	X	15807	2152	75
STANDARDS													
AMIS0045		X	26851	118	X	1240	384	124	2.47	56	2821	10	X
NGL-19	22												
BLANKS													
Control Blank	X	X	X	X	X	X	X	X	X	X	X	X	X
Control Blank	X	X	121	X	X	X	X	X	X	X	X	X	X
Control Blank	X												
Acid Blank		X	X	X	X	X	X	X	X	X	X	X	X