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Annual Report 2006 to 2007, Diamond Hill  
Low Impact Diamond Drilling Specialists Proprietary Limited\*  
de Vries, P.J. EL1/2006

## EL01/2006 – Diamond Hill

### Annual Report

2006 – 2007

MINERAL RESOURCES		
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For LIDDS Pty Ltd

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## **Summary.**

Exploration Licence 01/2006 originally comprised 11 square kilometres near Queenstown and was granted on 6th September 2006 to Low Impact Diamond Drilling Specialists Pty Ltd (LIDDS). The Licence was subsequently combined with EL67/2007 Davies Hill during 2008 with the new area being 13 square kilometres in total.

During 2007 – 2008 no additional exploration was undertaken.

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## **1.0 Introduction.**

Exploration Licence EL01/2006 comprising 13 square kilometres near Queenstown was granted on 4th September 2006 to Low Impact Diamond Drilling Specialists (LIDDS) Pty Ltd.

During the reporting period September 5, 2007 to September 3, 2008 the amalgamation and consolidation of the licence, no additional field work was undertaken on the licence.

## **2.0 Exploration Objectives.**

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

The proximity of the lease to the Pearl Creek - Firewood Siding Fault system, the defined edge of the Mt Read Volcanics and the inferred interaction of the splay off the South Henty Fault all allow for the potential of either gold or massive sulphide mineralisation.

During the reporting period EL 67/2007 Davies Hill comprising 2 square kilometres was amalgamated with the existing Licence bring it up to a total of 13 square kilometres.

Primary exploration will continue to focus on testing discrete anomalies as defined by independent re-interpretation of historic geophysical data.

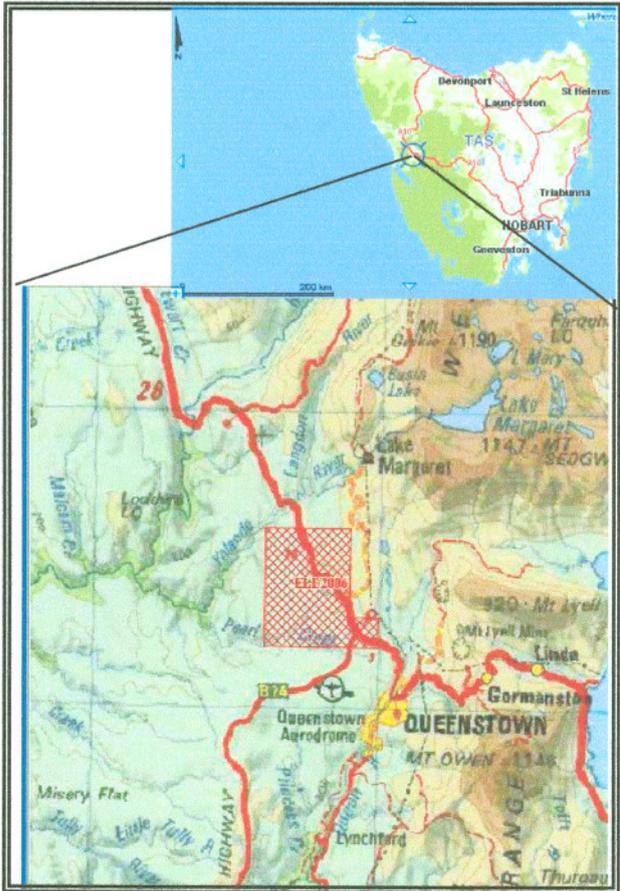
### 3.0 Location and Access.

Exploration Licence EL01/2006 is located near the township of Queenstown, situated in the west coastal region of Tasmania.

The licence is situated within open crown land areas and is serviced by a network of unsealed tracks, all weather roads and fire trails.

Topographic relief varies from gently undulating heath areas to steep hills and ridges with deeply incised valleys developed in the western area of the licence. Vegetation is dominated by low scrub and the license is not subject to any agricultural practices.

Figure 1. Exploration Licence 01/2006



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

The regional geology of EL 01/2006 has been previously described by other authors (Qualyle, 1995). The area is adjacent to and may contain fault offset blocks of the main Mount Read Volcanic (MRV) suite that host mineralisation at Queenstown.

The Firewood Siding Fault and its Henty River offset zone appear to connect northward into the Ewart Creek Fault system, dominates the region and rock distribution. Ordovician to Devonian rocks is exposed south of this predominately E-W structure while Cambrian volcanoclastic suites are exposed to the north of it.

In the area east of 373500 E and generally east of the Henty River, the Cambrian rocks have been described as greywacke siltstone with interbedded acid tuffs (Baillie, 1977) contained within the Youlande River Sequence. The materials (Corbett et al, 1989) appear to be enriched in volcanic components and include at least three quartz-feldspar porphyry variants. Some of these bodies have a NW extension but all appear to terminate a little north of the Madam Howard Deposits

The license is dominated by these quartz–feldspar porphyry intrusives some of which (Diamond Hill) are cut by quartz veins carrying gold mineralisation.

## **5.0 Previous Work.**

The area has been subject to both limited production of industrial minerals (barite from the Madam Howard Barite deposits as well as gold exploration in the form of four hand dug exploration adits (circa 1809 – pre-Mt Lyell discovery).

The area has been held under licence by many major companies including Pasminco Exploration, Copper Mines of Tasmania who have undertaken various regional exploration programmes.

Detailed geophysical coverage has been undertaken by Leaman Geophysics (Leaman, 1993) for Pasminco Exploration. This work and that of Copper Mines of Tasmania Pty Ltd (Morrison, 2001) who also undertook significant ground based regional work that included the current Licence area, have provided a large amount of geological and geophysical data. It is noted that several recommendations for additional follow-up exploration specifically related to the Diamond Hill area were never acted upon.

During the period 2006 – 2007 Low Impact Diamond Drilling; the licence holder undertook drilling of a single drill hole designed to test both the presence of a projected cross cutting fault zone and to confirm localised geology.

A single diamond drill hole (MHD004) was completed and returned a best result of 1.0 metre from 128.2 metres down hole of 79,000 ppm Pb (7.9%) and 5.0 g/t Ag associated with bleaching and minor stockwork quartz-carbonate-chlorite-sericite veining within altered siltstones and minor volcanoclastic sandstones.

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

During the current reporting period no further work has been undertaken as the licence as it has been subject to consolidation by the combining of EL67/2007 Davies Hill into the licence.

## **7.0 Discussion and Conclusions.**

The results obtained during the 2006 – 2007 period from MHD004 combined with the detailed geological logging, confirms the presence of a broad alteration zone that has been subject to fluid flows containing base metals. The presence of several faulted

zones also indicates a potentially significant dilatational zone which may act to trap remobilised mineralising fluids.

Further additional work is still required in order to prioritise targets within the licence, a focus on obtaining all available electronic geophysical data will be conducted to assist in geological mapping and drill targeting.

Diamond Hill requires follow-up to confirm historically anomalous gold values and to determine optimal drilling direction and drill hole targets.

## **8.0 Expenditure.**

### **Geoscientific Costs**

- Geology \$ 7,700
- Geochemistry \$ 4,955
- Geophysics
- Remote Sensing

### **Drilling & Gridding Costs**

- Gridding
- Drilling

### **Land Access Costs**

### **Rehabilitation Costs**

### **Feasibility Study Costs**

### **Other Items**

**Administration Costs \$ 1,620**

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**Total Costs \$14,275**

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## 9.0 References

**Baillie, P.W., 1977.** Strahan. 1:50,000 Geological Map Sheet. *Tas Department of Mines Geological Atlas.*

**Corbett, K.D., Calver, C.R., Everard, J.L., & Seymour, D.B., 1989.** Queenstown. 1:25,000 Geological Mapping Sheet. . *Tas Department of Mines Geological Atlas.*

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