Australian Bulk Minerals

EL 46/2007 Bowry Creek

Annual Report

26 November 2007

to

25 November 2008

Michael Everitt

Oct 2008

copies: (1) MRT

(1) ABM Savage River

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This annual report comprises this document only, there are no appendices.

1 INTRODUCTION

Exploration Lease EL 47/2007 “Bowry Creek” was granted to Goldamere Pty Ltd on 26th November 2007. Australian Bulk Minerals (ABM) is a wholly owned subsidiary of Goldamere and manages and conducts all exploration activities on this lease. ABM also manages the operation of the magnetite mine and concentrator at Savage River, and the pelletising plant and ship loading facilities at Port Latta on the North West coast.

ABM’s interest is focussed on the Long Plains magnetic anomaly as a potential future source of magnetite ore as a feed material for its Savage River concentrator. EL46/2007 contains the southern two thirds of the magnetic anomaly as well as covering the host sequence between Long Plains and Savage River.

The following report summarises exploration activities completed at Bowry Creek during ABM’s first year of tenure.

All work to date has been undertaken utilising the AMG66 datum. Future work after the completion of the North Zone ground mag will use GDA94.

2 TENURE

ABM's Long Plains Prospect is held under a collection of three exploration leases, EL19/2005, EL46/2007 and EL30/2003 as shown in figure 1 below.

EL19/2005 comprises an area of 10km^2. The lease comprises three parts located around what was formerly a collection of mine leases and a retention lease held by another party. Two of the ABM parts are peripheral to the Long Plains magnetic anomaly, but the third is centred on the North Zone of the anomaly. All activities to date have been conducted on this part.

ABM was granted EL46/2007 on the 26th November 2007. This leases comprises two parts covering the former mine and retention leases. The two leases (EL19/2005, EL46/2007) encompass almost the entire Long Plains magnetic anomaly and provide continuous leasehold connecting all parts of EL19/2005 and the Savage River Mine Lease 2M/2001.

ABM has successfully applied to transfer EL30/2003 to Goldamere after negotiating with the holders, Gregory and Thorne. This lease completes the coverage of the anomaly and incorporates ground adjacent to the anomaly necessary for extended exploration activities and potential mine infrastructure.

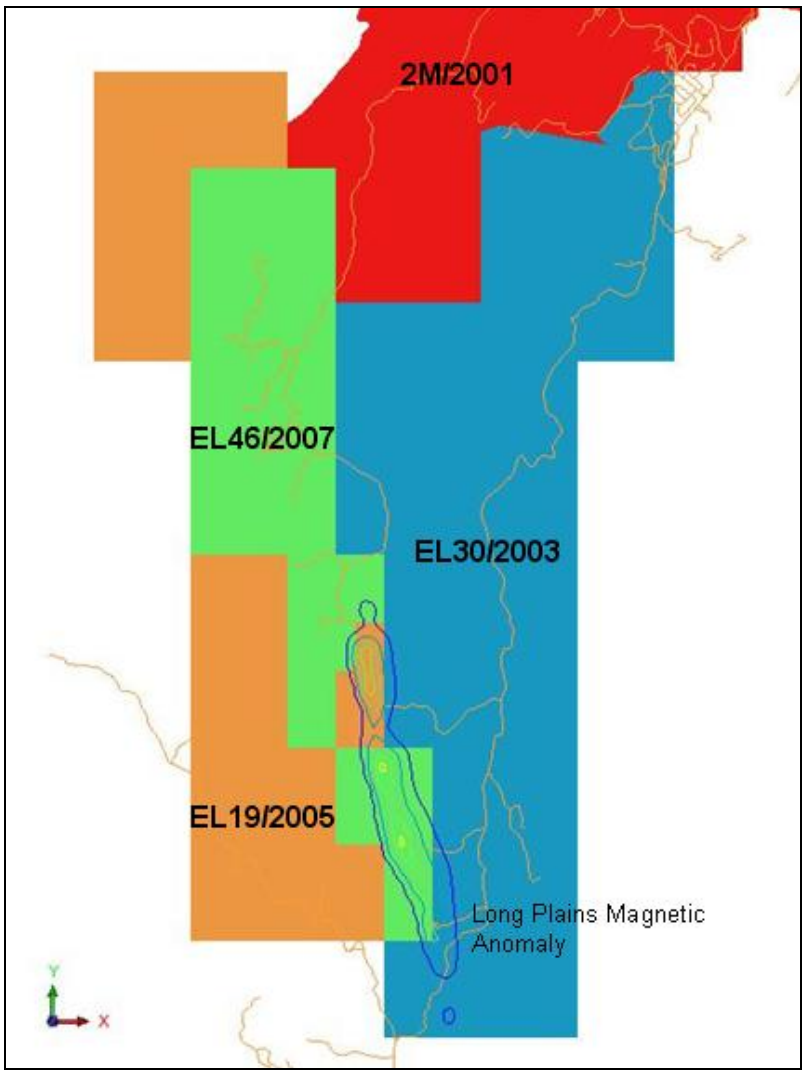

Figure 1: Land Tenure

3 LOCATION

The Long Plains Prospect is located approximately 10km south by road of the Savage River Mine and concentrator. Savage River is located approximately 100km south west by sealed road from Burnie (Figure 2). The lease is accessed by the all-weather gravel road between Savage River and Corinna, and then by a bush track approximately 2km west of the Corinna Road.

Local topography surrounding the lease is rugged, with incised valleys and steep hills. The North Zone of the anomaly is located on top of a prominent north-south trending ridge. The west flowing Bowry Creek is the main drainage in the area and runs past the northern end of the anomaly before joining with Main.

Regional vegetation includes undisturbed rain forest, wet eucalypt, acacia and open heath land. The North Zone of the prospect has been extensively logged approximately 20 years ago, with almost no mature trees present in the working area. A bush fire not long after this time devastated the remaining vegetation, leaving the present vegetation as thick regrowth dominated by eucalypts with several rainforest species. Climate is wet temperate with an average annual rainfall of 1,950mm and mean monthly temperatures ranging from 3-19ºC.

Figure 2: Savage River Project Location

4 PROJECT HISTORY

Ironstone outcrops on the Savage River were first discovered by State Government surveyor C.P. Sprent in early 1877 during one of his exploration journeys through western Tasmania. The deposits were first reported as a possible source of iron ore in 1919. Modern, systematic exploration techniques were employed by the Australian Bureau of Mineral Resources during 1956 that included ground and airborne magnetic surveys. The largest magnetic anomaly was detected at Savage River with two smaller anomalies being detected at Long Plains and Rocky River further to the south.

In 1965, Savage River Mines Ltd, a joint venture of Australian, Japanese and American interests was formed to develop the Savage River Project. This Project was operated for the full term of a thirty-year lease by PMI (Pickands Mather International – managers of the joint venture). In early 1997, PMI ceased mining activities at Savage River, transferring ownership of the Savage River Project to the Tasmanian Government on March 26 1997. At the end of March 1997, ABM purchased the assets of the Savage River Project from the Tasmanian Government. ABM has continued mining since 1997 with a series of cut-backs on existing pits and has developed the South Deposit.

A 15 year mine life extension project was commenced during 2007 based on a further cutback on North Pit. Further studies on mine life extensions and production expansions are evaluating the potential of additional ore sources including redeveloping South Deposit and Centre Pit. Long Plains was identified as having potential to yield ore quickly with mineralisation practically outcropping at surface. However the long haul to the Savage River site for processing has restricted the development of the prospect. It was recognised that significant information needs to be obtained from Long Plains before a meaningful evaluation can be carried out and the potential for supplying ore to the mill determined.

An initial program in 2006 was devised to develop a geological model. This involved

- relogging historic core,
- costeaning across the mineralisation (1505 meters),
- logging the costeans,
- establishing survey control points

A follow-up program in 2007 completed 6 RC drill holes and 1 diamond hole, and completed a ground magnetic survey over part of the Northern Zone.

5 GEOLOGY

The Long Plains magnetite deposit lies within and near the eastern margin of the Proterozoic Arthur Metamorphic Complex in north-western Tasmania. The complex is exposed along a northeast-southwest trending structural corridor, the Arthur Lineament, which separates Proterozoic sedimentary rocks to the northwest from a variety of Palaeozoic rocks to the southeast (Figure 3).

The magnetite deposits at Long Plains represent a series of elongate, discontinuous magnetite lenses that extend over a three kilometre strike length (Figure 4). The deposit has been separated into three distinct zones on the basis of total magnetic intensity termed the Northern, Central and Southern Zones. The oblique view of the total magnetic intensity in Figure 4 illustrates the broad geometry of the Zones.

The magnetite zones are sub-vertical to strongly east dipping and hosted within ultramafic and mafic schists. A suite of late metabasalt and metadolerite intrusive dykes occur sub-parallel to the ore zones. Vein magnesite is developed at the western magnetite boundary with the contact marked by the strong weathering and the development of surface clays (Griffith, 2000).

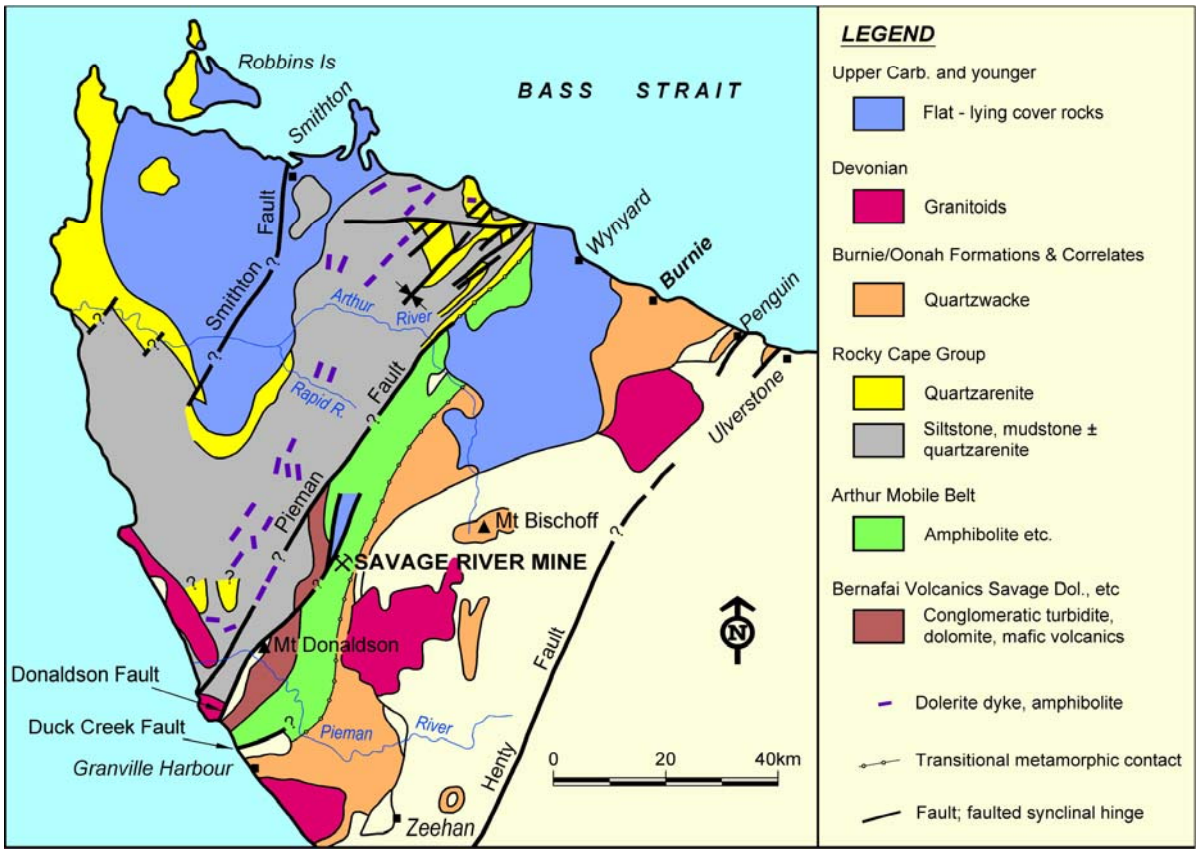

Figure 3: Regional Geology

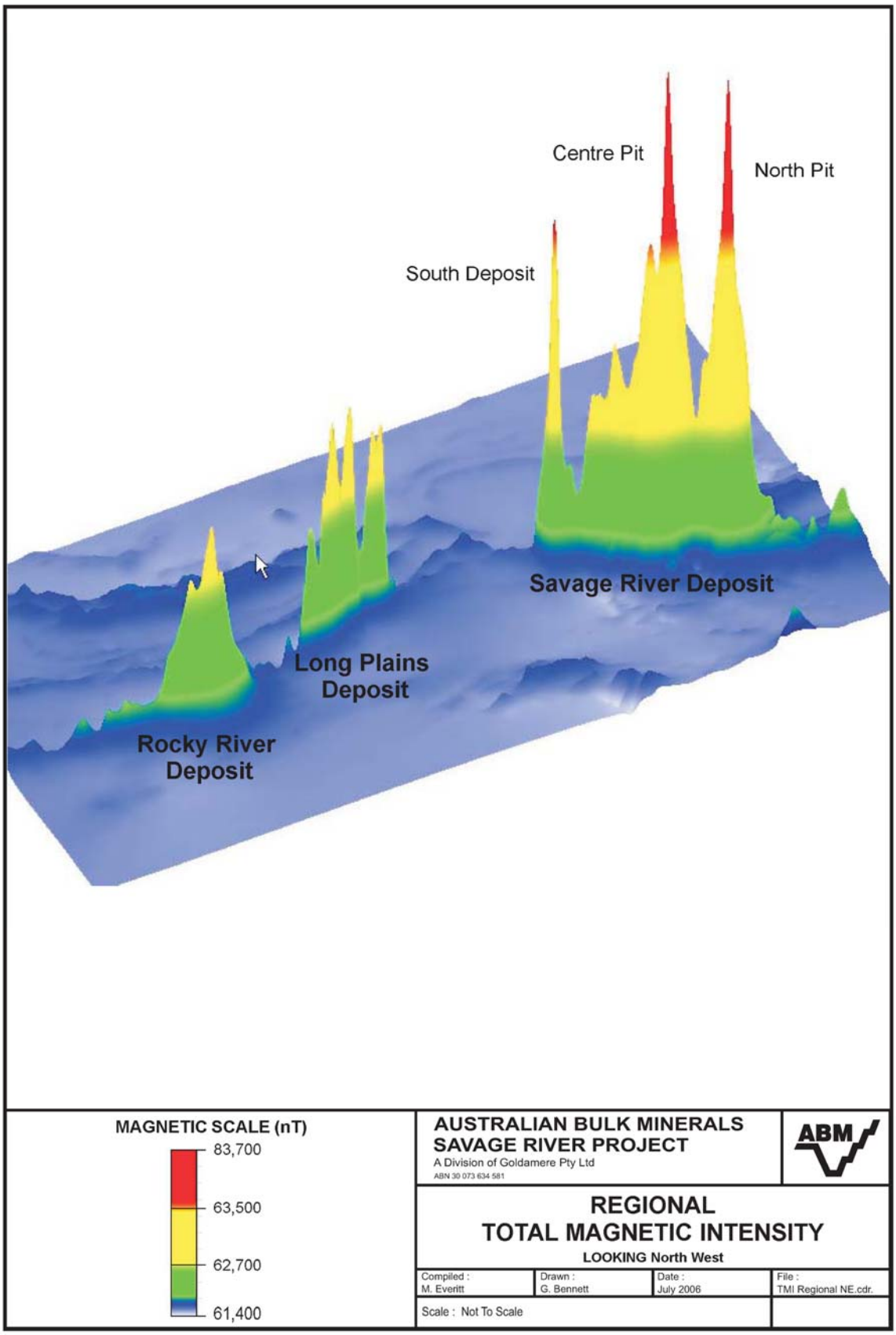
Centre Pit
North Pit
South Deposit
Savage River Deposit
Long Plains Deposit
Rocky River Deposit
MAGNETIC SCALE (nT)
83,700
63,500
62,700
61,400
AUSTRALIAN BULK MINERALS
SAVAGE RIVER PROJECT
A Division of Goldamere Pty Ltd
ABN 30 073 634 581
ABM
REGIONAL
TOTAL MAGNETIC INTENSITY
LOOKING North West
Compiled : M. Everitt
Drawn : G. Bennett
Date : July 2006
File : TMI Regional NE.cdr.
Scale : Not To Scale

Figure 4

6 Exploration History

The Long Plains magnetite deposit was first investigated during the late 1950's by the Bureau of Mineral Resources (BMR), as part of a regional magnetic study of the Savage River area. A ground magnetics survey was completed in 1962 across the area (Eadie, 1962). The contour map produced for that report has been digitised and converted into AMG66 co-ordinates to be combined with other data.

Diamond drilling and ground magnetic surveys were undertaken by Rio Tinto Australia Exploration (RTAE) Pty Ltd during the early 1960's. One diamond drill hole RTAE-1 totalling 195.0 metres was drilled in the northern end of the deposit.

Ownership of the deposit was transferred to Industrial and Mining Investigations (IMI) Pty Ltd during the 1960's, who completed broadly spaced diamond drilling at Long Plains. A total of seven diamond drill holes (IMI28-30; IMI33-35 and IMI46) totalling 1,135.07 metres were drilled in the northern and southern areas of the deposit. IMI33 and IMI34 are the only holes drilled on EL46/2007.

No further significant exploration was completed at the deposit until 1994 when Savage Resources Pty Ltd completed four diamond drill holes (LPDDH100-103) in the north of the deposit. The program totalling 525 metres was designed to provide a complete cross section through the deposit in an area of moderate grade magnetite development lying between drill holes RTAE 1 and IMI 29.

7 PREVIOUS WORK BY ABM

There has been no significant field work undertaken on this lease area since the drilling of the IMI holes in 1966. In 2007 ABM undertook the following activities on the adjacent North Zone on EL19/2005:

- access & survey control
- Costeaning and mapping of exposures
- Track-cutting and completion of a ground magnetic survey
- 6 RC holes and 1 diamond hole

8 2008 WORK PROGRAM

No field work was undertaken on the lease during the first year due to ABM's commitment to the expenditure on the mine life expansion project at Savage River. Track cutting and a ground magnetics survey was extended from the North Zone south to the EL46/2007 lease boundary in accordance with the approved work program for EL19/2005.

Detailed design and planning was undertaken for future work on the lease including:

- Construction of vehicle tracks along the entire strike length of the anomaly to allow access for track cutting and drilling
- Track cutting and ground magnetics on the central and southern zones
- Multiple stages of diamond and RC drilling to bring the entire deposit up to the measured resource category

9 2008 EXPENDITURE

The following table details expenditure on the lease up to the 20th October 2008.

Cost Area	Cost Estimate
Program design	$4,260
Program planning	$822
Total	$5,082

Table 1: 2008 Expenditure for EL46/2007

ABM made payment of the environmental bond of $18,080.

10 FUTURE WORK PLANS

The scale of future work will depend to a large degree on the outcome of long term schedule planning by ABM and consulting engineers currently under way. This work seeks to optimise the extraction of all of ABM's identified resources and mineralisation, including further cutbacks in North Pit beyond 15 years, South Deposit, Centre Pit South and Long Plains. The proposed merger of ABM with Grange Resources Limited which was recently announced has added another facet into that planning. A long term development plan for all of ABM's resources will be formulated once the merger is complete.

Detailed plans have been developed for the evaluation of the remainder of the anomaly as summarised in the tables below. The timing and pace of this work will be determined once ABM's long term plan is formulated.

Zone	Level	Type	Holes	Metres
NZ	Inferred	HQ3	31	6,730
		RC	30	5,760
	Indicated	HQ3	20	4,160
		RC	15	2,910
Total			**96**	**19,560**
CZ	Strike factored estimate		50	10,670
SZ	Strike factored estimate		90	18,230
TZ	Strike factored estimate		40	8,450

Table 2: Planned drilling requirements for each zone

In addition to the drilling there are also plans for 7.7km of roads and 38km of track cutting for ground magnetics. These plans are illustrated below.

Figure 7: Planned access construction (red & purple) and magnetic survey lines