

Combined Exploration Report**October 2008****Exploration Licences:****EL22/2002, EL27/2001, and EL21/2002****Location:**

South Mt Cameron

Moorina

Main Creek

Reference Site:

Riverside Alluvial Mine

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Licensee:

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Report Date:

2 October 2008

Abstract

Kangaroo Metals Limited (KML) has conducted exploration of tin-bearing gravels in the vicinity of South Mount Cameron in Northeast Tasmania on exploration licenses EL21/2002, EL22/2002, and EL27/2001 during September 2008. Activities were also carried out on the Riverside Mining Area on mining leases 14M/1998 and 7M/2001 from January 2008 until September 2008.

KML exploration will be primarily in the form of pits/costeans dug using a 20t excavator to maximum depths of 5-6m and will target the sites of previous drill results to assess result quality. The intent of these operations is to define an inferred resource under JORC. From each pit either one or two 20-litre samples were removed for analysis. Panning of samples and panning from non-pitting test samples was also undertaken.

KML has undertaken bulk sample testing at the reference site as a means of direct comparison of the existing drill grades at Riverside and the true values recoverable from the site by bulk samples and identified significant variance to historic drill results. Therefore pit samples were collected to more accurately reflect the potential grade.

KML will need to conduct additional bulk sampling exploration of tin-bearing gravels in the vicinity of South Mount Cameron, ABC Creek, Corduroy Creek, Main Creek and the Drag Line region of the Moorina lease to further add to the potential inventory.

KML believes that continuing exploration of the tenements is warranted due to the identification of additional sites during this round of exploration which have the potential for further quantities of tin.

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Introduction

Kangaroo Metals Limited (KML) has conducted exploration of tin-bearing gravels in the vicinity of South Mount Cameron in Northeast Tasmania on exploration licenses EL21/2002, EL22/2002, and EL27/2001 during September 2008. Activities were also carried out on the Riverside Mining Area on mining leases 14M/1998 and 7M/2001 from January 2008 until September 2008 and they are contained in the attached Consultants report.

The geological setting and the basis for exploration are contained in the Summary of Previous Exploration data, below.

Methods

KML exploration will be primarily in the form of pits/costeans dug using a 20t excavator to maximum depths of 5-6m and will target the sites of previous drill results to assess result quality. The intent of these operations is to define an inferred resource under JORC. From each pit between one and five 20-litre samples will be removed for analysis. The heavy minerals in each sample will be concentrated using a rotor sluice (Knudsen Bowl) then these concentrates will be sent for analysis. Immediate analysis of heavy mineral concentration will also be undertaken through the employment of panning methods. Pits will be located on local grids that will begin on a 100x100m grid, increased in density (50x50m) where tin has higher concentration levels, but will not exceed a density of 25x25m. It is not expected that large amounts of land will need to be cleared as each pit sample area will have a footprint of 10x10m maximum and pit sites may be modified.

Review of Previous Data

Background

South Mount Cameron, Moorina and Main Creek are situated in North East Tasmania, south of Gladstone and North of Derby on ground with a strong history of alluvial tin recovery. Cyclic fluctuations in price and improved methods of recovery have increased the economic potential of the region. The potential for sale of the Riverside Alluvial site to KML requires further resources to be identified within viable transport proximity to justify investment and acquisition.

Comprehensive Background is available in the Attached Consultants Report.

Location



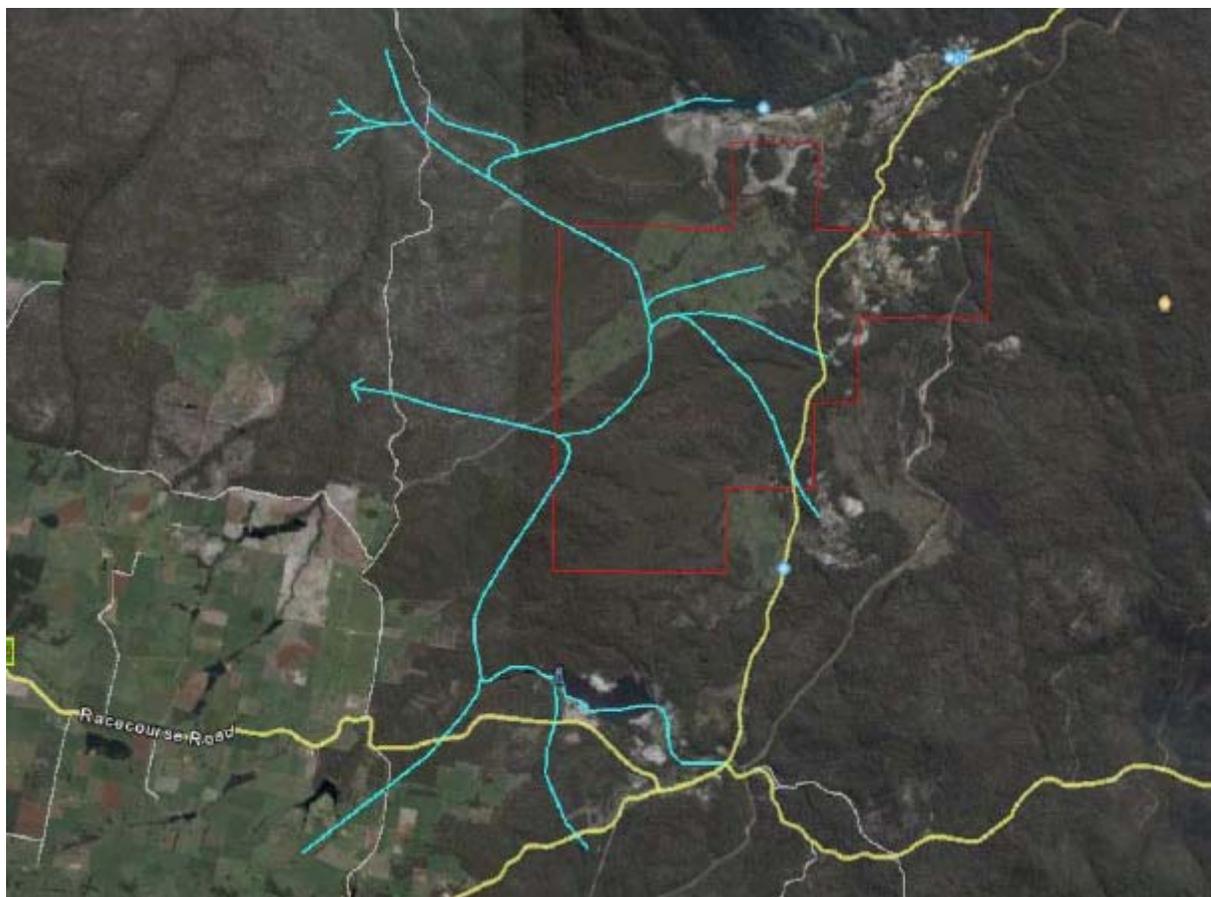
Historical Summary

Mines in the region has produced significant amounts of tin concentrate sporadically from 1876 through to the early 1980's using sluice and dredge operations on alluvial ground. The most significant of these mines are placed within a 16km radius of the tenements currently under assessment, with several within 2km of the reference site.

Important North East Tasmania Deep Leads / Alluvial Deposits

Lead	Mine	Details
Cascade Lead	Briseis Mine, Derby	21,120 t Sn 1876 – 1960 3 basalt flows totalling 60m cover 95m of fluvial sediments. Approx half of the tin recovered occurred within the basal 10m. Average grade 0.59 kg/m ³
Wyniford R	Pioneer Mine	9,195 t concentrate containing ~6400t Sn to 1929. 66 t of SnO ₂ 1966-1972. Basalt eroded exposing 35m of gravel. Grade from 0.75 kg/m ³ in early workings to 0.26 kg/m ³ in 1928.
Branxholm	Arba Mine	Worked to 58m including 15m overburden. Average grade 0.3 kg/m ³ of 70% Sn.
Valley Lead		Top 14m worked for an average grade of 0.4 kg/m ³ . Boring to 37m indicated the unworked lower sections grade ~0.5 kg/m ³ of 70% Sn.
Clifton	Endurance Mine Monarch Mine	Produced ~3,050 t of tin to 1970. In May 1970 reserves were quoted at 4Mm ³ containing 0.2 kg/m ³ of 70% Sn. Opened in 1970. Had then reserves of 2.2Mm ³ of 0.13 kg/m ³ of 70% Sn. Blue Metal Industries Mining purchased the deposits in 1970. 74 t of tin from 1970-1972
Scotia/Northern Plains (Gladstone)		Initial investigations indicated 8.4 Mm ³ of wash containing 0.11 kg/m ³ of 70% Sn.
Pleistocene – Recent Leads	Adjacent to the current Ringarooma River	Deposits up to 4.5m deep mined by the Dorset Dredge. Over 18 years of continuous working at Dorset Flats, production was 2,450 t of high grade tin cons and 700 fine ozs of gold from 23 Mm ³ . Moved 1963 to the New Dorset area near Gladstone onto reserves of 17.57 Mm ³ of wash valued at 0.07 kg/m ³ of 72-74% Sn and 0.334 grains of gold/m ³ . From 1963-1971 treated 8,903,900 m ⁴ for 840 t of tin concentrates.

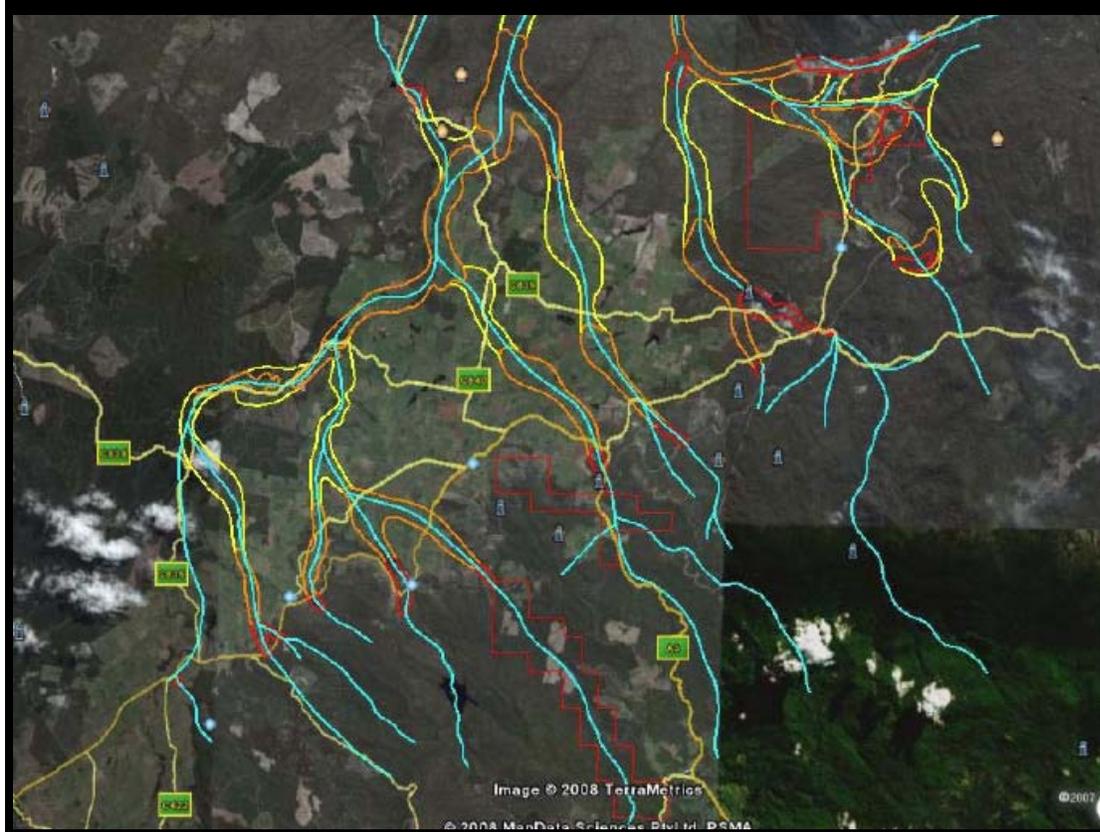
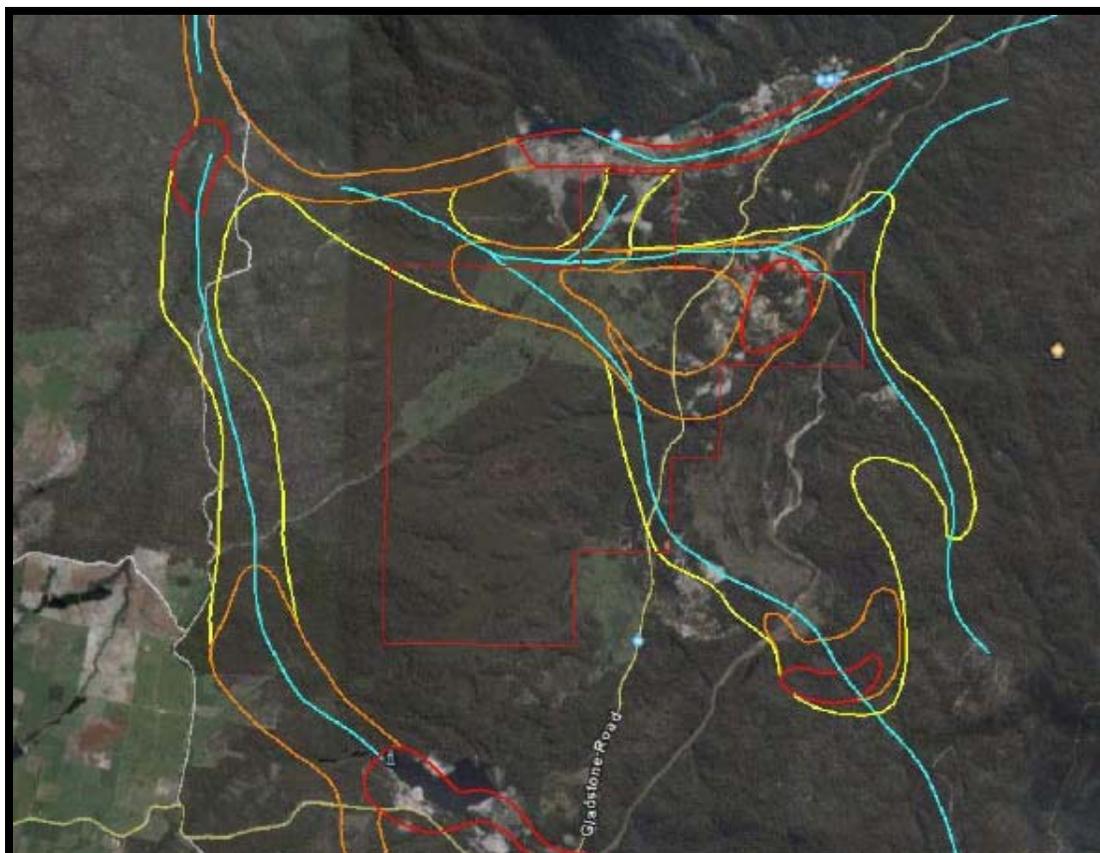
Previous geological reports have highlighted the significance of the paleochannels within the South Mount Cameron region and their direct relationship to the locations of all significant leads identified in the region so far. Mapping of basement RL across the region has assisted in identifying the location of paleochannels within the Ringarooma basin and allowed modelling of historic flows. Paleochannels, highlighted in light blue in the image below, show significant correlation to the current outflow locations.



The existence of a downwarp and marine inundation, RL of the current “ferricrete” layers across multiple locations versus basement RL, and placement of the lead locations currently known allow predictive modelling of the regions with the highest probability of cassiterite mineralisation. These have been mapped in the image below showing leads in red, areas of possible extension in orange and those areas worthy of further investigation or of likely sub-economic grades in yellow.

The MapInfo reference image shows the correlation of the paleochannel locations with existing mines, leads and drill collars, supporting this model as most likely to identify regions of high likelihood for mineralisation.

KML intends to focus the majority of exploration expenditure within these areas of interest, and current acquisitions and applications are in place to secure tenure to this ground.



Reference Site

The tenement holder, Mr Alistair Nicholas of CreekCo, expressed his belief that the reference site at South Mount Cameron contained some 600 tonnes of cassiterite, (KML pers. comm.)

This belief was based on a number of factors, but primarily on the examination of the geological and topographic map where a comparison was made between the area mined by the Dorset Dredge and that under lease at South Mount Cameron. The dredge was reported to have recovered some 450 tonnes of cassiterite from its mined area and, it was considered on the increased area that the potential would be for a further 200 tonnes of cassiterite at a grade between $\frac{3}{4}$ lb/cubic yard to 1 lb/cubic yard, (445g/m^3 – 593g/m^3). [It is worth noting that the area estimated is much larger than that covered by the evaluated leases]

Dredge grades are unknown, but mined depths in the Ringarooma wash are reported to be in the order of 23 ft to 30 ft (7m – 9m approx.)

CreekCo opened a mine pit (approximately 40 metres x 35 metres) and treated +7,100 cubic yards of the wash through the plant for a recovery of 435 g/cubic metre (~11.7 ounces/cubic yard). The open cut was based on a pitted area encompassing some 9 sampled pits which revealed panned grades from 300g/m^3 to 3000g/m^3 , [information supplied by A. Nicholas]. All the wash was the “Deep Wash” referred to in the text, deposited on the banks and bars within existing embayments on the margin of the old river system.

Reference Site Resource

The area tested and evaluated covered some 25 ha [from Line 10 to Line 30] of which 10.6 hectares has been identified as prospective. This area was tested by 4 costeans at 100m intervals and 15 pits at 100m intervals and 50m centres.

As outlined, many factors combined to complicate the evaluation programme, the main problems being the 3 historical mining phases and the contained water within the deep wash. Despite those setbacks, it is possible to apply an ore resource to the tested area and to those prospective areas within the lease area that remain to be tested.

Volume Estimation

Areas and volumes of the tested zone have been calculated on the basis of both the survey map and the Robinson mapping, and takes into account the extent of the underlying and outcropping granite within that zone.

- Area Tested: 10.6 ha = 106,000 m²
- Wash Depth Range: 2.7m to 7.0m
- Average Depth Wash: 5.0m
- Estimated Volume of Wash in Tested Area = 530,000 cubic metres

Grade Estimation

Grade estimation is primarily based on the costean and benched pits results from the plant throughput. Correlation with the adjacent pits has been used, particularly to verify basement and wash trends, and where there are obvious anomalies in the recovered cassiterite. The estimated grade also takes into account historical data.

Costean	Treated m³	Kg Recovered	Grade g/cubic m	Comments
14	409	92.3	225.7	
14B	116	53.7	463.0	Pipeline to Lease margin
18	316.6	163.8	517.4	
22B	112	40.75	363.8	
22C	10	8.25	825.0	Includes Bird's Eye Wash
26B	196	64.0	326.5	Maiden Ground and Amdex Tails

26C	79	42.0	531.6	
Total	1238.6	464.8		

The weighted average grade from the above costeans is 341.87 g/m³.

The author believes that this grade misrepresents the value of the property.

From the mapping, sampling and evaluation programme, the result from Costean 14 is anomalous and skewed downwards. It was also observed during processing that while beginning economically, grades dramatically lowered over some 45 metres of the costean and then improved to the west. Mapping of the costean in relation to the adjacent pits revealed that the majority of the costean was dug over a granite high, which has been seen, both in this programme and historically, to give low grades. The grades are seen to increase in pits both to the north and south of the costean.

For those reasons, it is considered best to exclude the values recovered from Costean 14.

The weighted average grade (excluding Costean 14) is **449.0 g/m³ of 70% SnO₂**

This estimated grade sits better with both observed and historical data available, and is the one used for this evaluation.

Tonnage Estimation

On the basis of the estimated volume and the estimated grade, the prospective tonnage contained within the 10.6 ha tested is 240 tonnes of cassiterite.

In summary, the tested area is estimated to contain 240 tonnes of cassiterite within 530,000 cubic metres of wash.

This resource falls within the "Indicated Mineral Resource" Category of the JORC Code of the Aust.IMM, AIG and Minerals Council of Australia.

Exploration Sites

Grade estimations in the additional prospective sites available on the ELs have been essentially defined through review of the Company Reports and available in silico data sourced from historical records and drill data.

Historical drill data compiled and assessed were as recent as 20 years ago but extend to data that is in excess of 50 years and therefore cannot be used as JORC data for any resource defined.

Additional sites of direct interest available on the ELs include;

- Clifton Lead
- Endurance Tails
- Eastern Lead/Ruby Creek Flats
- Gunn's Quarry (Western Zone)
- ABC Creek
- Corduroy Creek to Dorset Dressing Shed
- Harmon/Watt's mine
- Moorina
- Mains Creek

While these sites have not been tested by equivalent means to the reference site, additional work was carried out to assess and map the geological features not highlighted in the historic reports. Additional features and potential of each site assessed is discussed below.

Exploration Approach Applied

Due to the lack of exploration plan across the ELs, minimal impact techniques were used to confirm, and/or draw into question grades published in the Company reports.

In silico compilation of the available data and digitisation of the past records were used to assemble regional maps of the known features, historic stream flows based on basement features, paleochannel locations and the locations of known and productive leads. Data assembled supporting regional prospectivity of the abovementioned sites was then tested through sampling.

Geophysics, through seismic survey, was excluded from the initial assessment due to the possibility of ambiguous definition of the decomposed basement. This was raised in past reports and significant basement data was available through drill profiling of the region. Additional useful data was unlikely to be achieved in the short term through this approach.

Sampling was undertaken through the collection of pan samples. These were collected at available faces or at 500mm depth using hand tools where no face or feature was apparent.

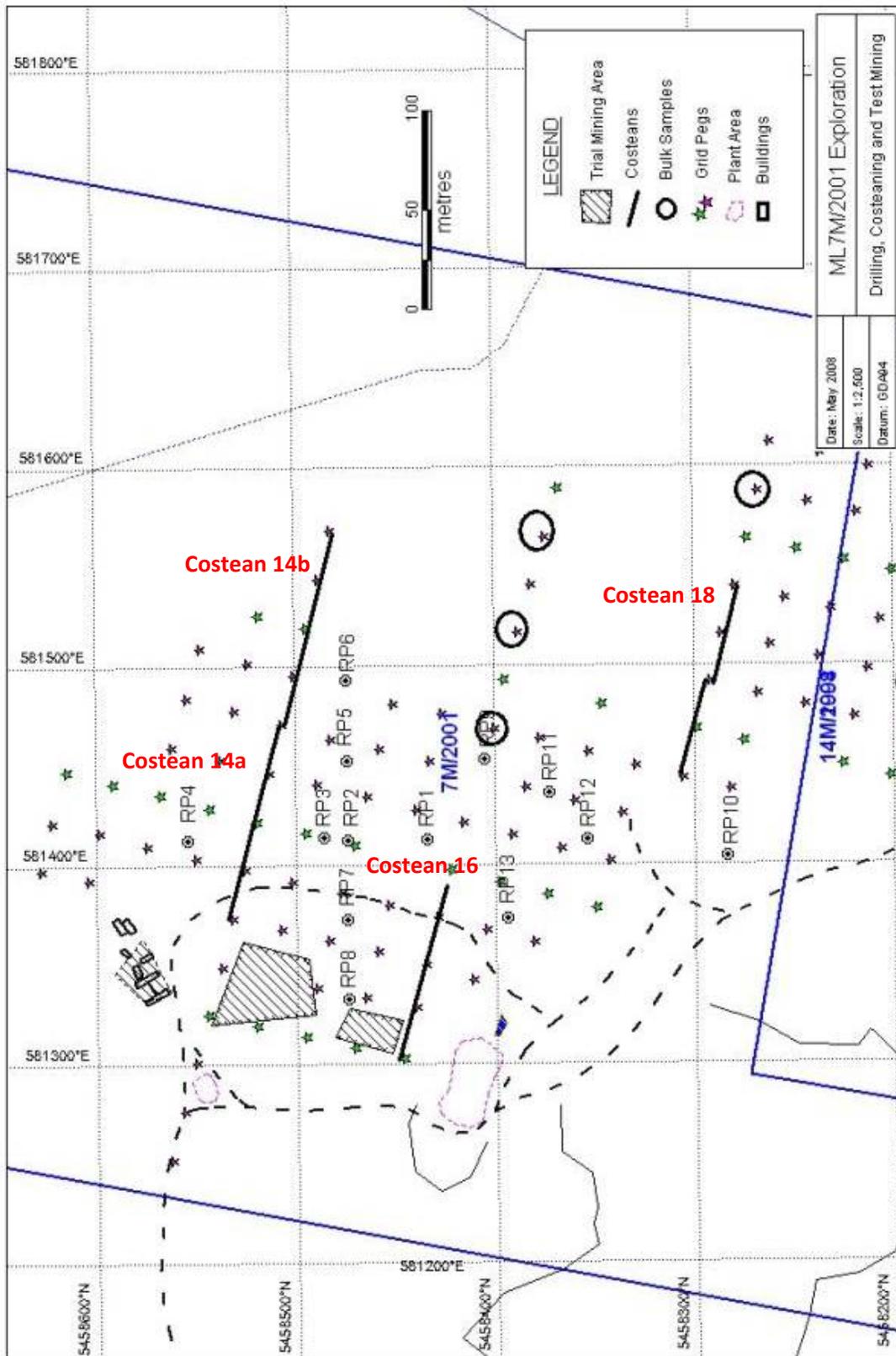
These included creek and river banks, creek sediments, alluvial plains and historic mine faces and eroded faces.

Drilling to Bulk Sampling Comparison

KML has undertaken bulk sample testing at the reference site as a means of direct comparison of the existing drill grades at Riverside and the true values recoverable from the site. Personal Communications with expert drillers with experience on alluvial sites has highlighted the possible inadequacies of the past techniques used on site. They stated that variability in the grades may be introduced by both the equipment type utilised and the technique of the operator themselves. Results may be artificially decreased overall along the depth or significant high grading may occur in the final metres due to gravity effects on the cassiterite itself in the fluid medium.

Sampling of the site at Riverside has shown an average grade of 449g/m³ (range: 225-825g/m³). Previous percussion drill results across the area showed significant variance from actual grades.

Drill Hole	Drill Grade g/m ³	Costean	Treated m ³	Kg Recovered	Costean Grade g/m ³	Variance to Drill Grade
RP4	100	14	409	92.3	225.7	+225%
RP3	257	14B	116	53.7	463.0	+180%
RP7	202	18	316.6	163.8	517.4	+256%
RP8	68	Test Pit	1628	870	534.2	+785%

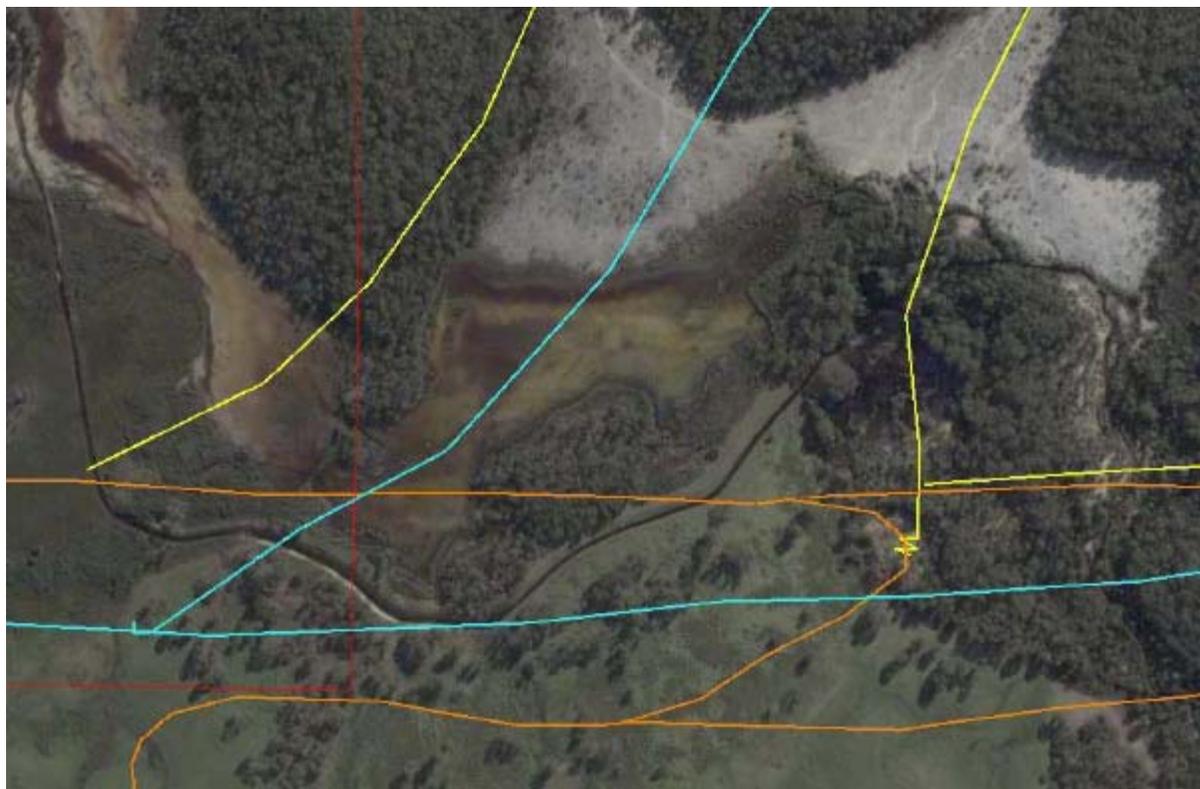


Based on this data, KML considers that the grades stated by the contractor and used in the past records may be significantly understated to actual. KML therefore considers the numbers available for review to reflect the minimal grade achievable for said ground using auger, percussion and RC drilling techniques. The inventory number quoted in the summary may be underestimated by up to 85%, with an average of 50% increase in the inventory to that in the table considered conservative.

Exploration Site Summaries

Clifton Lead

Drilling carried out by Amdex in 1980 across the Clifton and Endurance region highlighted a reworked lead running essentially North-South from the mine cut of the Endurance site. Drilling grades from 8.3g/m^3 to 1148g/m^3 with an average grade across the mineralised sediments of 318.4g/m^3 .



The volume of mineralised wash recoverable from the defined zone, at an average grade of 318g/m^3 would produce 95 tonnes of concentrate from $300,000\text{ m}^3$ of wash.

Panning of 2 samples selected from the drill locations showing high grades at surface were tested by panning. These results while fractionally lower than those defined by Amdex still support economic grades.

Endurance Tails

Sampling of the Endurance Tails directly to the North of the Clifton, on the Northern margin of the EL, showed no recoverable tin in the samples taken.



Previous reports suggest that the tailings dumps may be mineralised, however, due to the shallow nature of the current sampling, the coarse nature and depth of the tails (see below), residual tin in the upper layers versus the underlying maiden ground would be expected to be disparate.



Sampling of the tails to full depth through an excavator and truck operation is recommended for bulk sampling of the resource. Due to the uniform size of the tails, plant modifications and regulated feed rates would need to be investigated for sampling. Due to the volume of tails readily available for reprocessing, a costs benefit analysis would be imperative to ensure economic viability of any such operation.

Gunn's Quarry (Western Zone)

Areas within the defunct Gunn's Quarry have been previously assessed by Alistair Nicholas for grade and potential depth of wash. Site visits to review the personal communications about this site's potential highlighted the remaining maiden ground extends across the South Eastern sector of the SMC EL with potential extension both East and South of the site covered by the current EL.



Grades were quoted to be as high as 2 lb/yd ($\sim 983\text{g/m}^3$), however, the average grade across the area would be taken to reflect that of the reference site (less than 500m away) being about half of this at 450g/m^3 .



Some “bird’s eye” wash remains at surface suggesting that some areas remain untouched by the Amdex scraper operations. Total volume of maiden wash in the area may reach 200,000m³. Disturbed wash, used for gravel extraction by the previous operators, has not been tested and the potential for an additional 150,000 to 200,000 m³ of mineralised gravels (grades to be determined).

The existing potential at the Gunn’s Quarry site is for a minimum of 90 tonnes of concentrate.

ABC Creek

The area currently known as ABC Creek represents a large alluvial prospect with minimal and marginal drilling occurring at its periphery. Grades drawn from these holes were highly variable and warrant reinvestigation. Based on the findings of the Drilling to Bulk Sample Comparison, grades in excess of 200g/m³ are viable in the ABC Creek area. A conservative estimate based on 3 metres of wash overlaying 2 to 4 metres of sterile ground delineates a potential volume of 250,000+ m³ of wash.



The inferred inventory for ABC Creek, using conservative figures, would produce approximately 50 tonnes of concentrate from this ground.

Corduroy Creek to Dorset Dressing Sheds

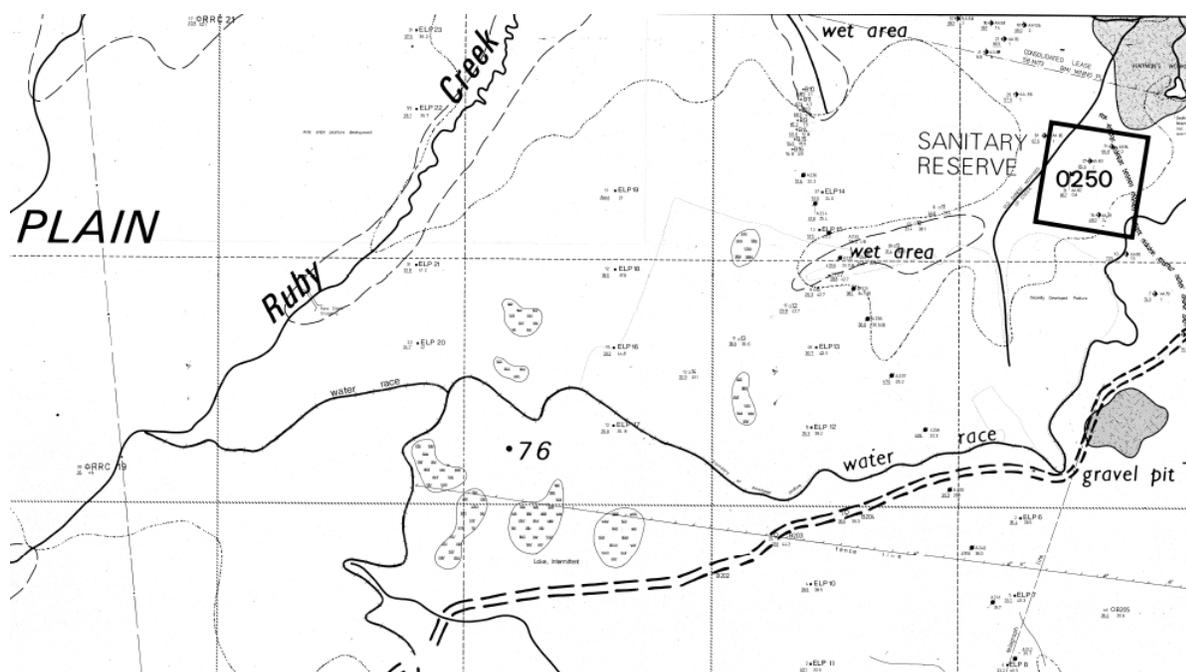
Corduroy Creek through to the Dorset Dressing Shed site represents a large alluvial prospect with minimal and marginal drilling occurring at its periphery. Grades drawn from these holes were again highly variable and warrant reinvestigation.



Eastern Leads/Ruby Creek Flats

Historical records for Ruby Creek Flats and/or the Eastern Leads show estimates varying significantly in grade from $150\text{g}/\text{m}^3$ to as high as $1900\text{g}/\text{m}^3$ from Ruby Creek samples. Pan samples collected from the areas immediately surrounding Ruby Creek showed an average grade of $210\text{g}/\text{m}^3$, however, the possibility of higher grades closer to the lead have not been discounted. Previous estimates of the alluvial wash available run as high as $20,000,000\text{ m}^3$. KML believes this should be discounted by 50% based on the undulating nature of the basement observed at the nearby reference site at Riverside. Therefore an available volume was set to $10,000,000\text{ m}^3$ of wash.

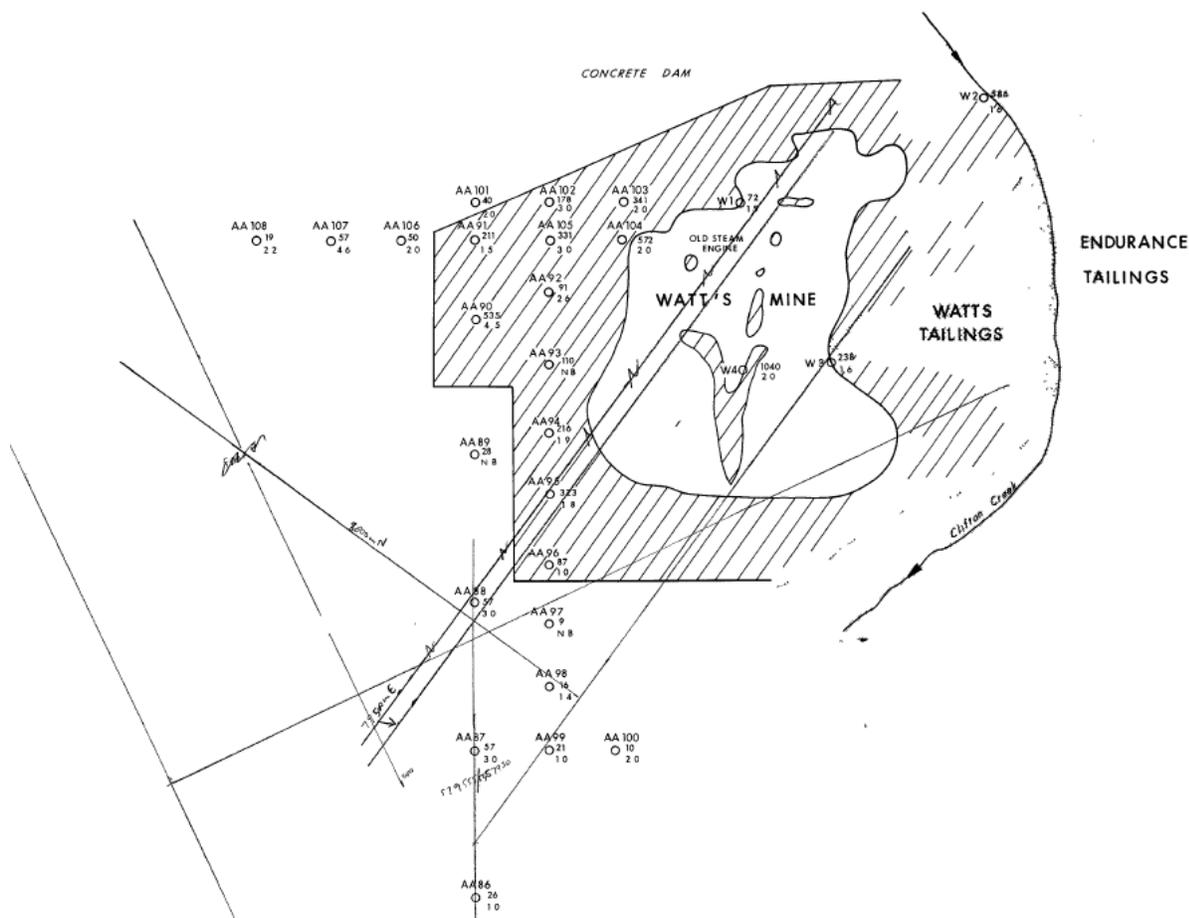
Therefore, a conservative estimate based on $10,000,000\text{ m}^3$ of wash would infer an inventory for the Eastern Leads and Ruby Creek Flats of approximately 2100 tonnes of concentrate from this ground.





Harmon/Watt's Mine

The Harmon/Watt's mine area has been previously worked to minimal depth with a high probability of residual mineralisation. Previous records indicate the possibility of 45,000 m³ at an average grade of 420g/m³. The ground surrounding Watt's should be amenable to producing 20 tonnes of concentrate.



The regional topography and botany of the Harmon/Watt's area is essentially grasslands with minimal significant vegetation. Mineralisation occurs from surface with a maximum depth not exceeding 5 metres. This would be amenable to operations.



Bulk sample operations would be required to confirm average grade across the area and determine suitability for processing.

Moorina

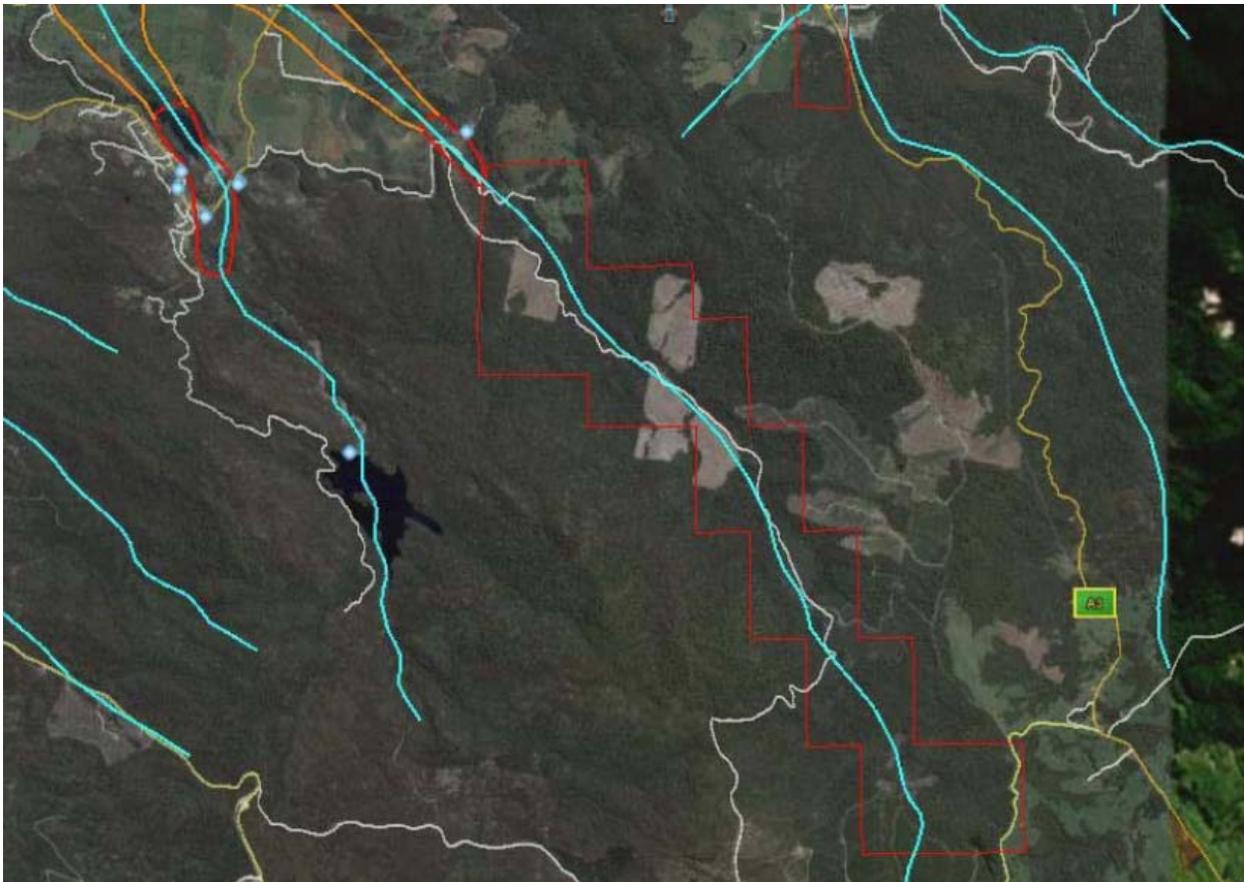
Pan sampling of the stream sediments at the two extremes of the tenement have shown potential across the river system at this location. Minimal exploration was carried out at this site in favour of the regions directly surrounding Riverside. Additional work will be implemented almost immediately at this site to determine the viable approach to prove up and extract the available resource. This work will be undertaken in both the active river system and the paleo terraces to determine the highest achievable recovery with as minimal impact on the system as possible. Testing of the sediment depth will need to be determined prior to any inventory being offered.



Main Creek

Previous reports on Main Creek highlight significant variance in the grade range from 280-1340g/m³. Panning of the creek sediments and exposed terrace face at two locations in Mains Creek showed highly variable results which broadly correlated with the results range previously stated. Volume of wash available for extraction in the region is relatively low and difficult to extract by comparison to that achievable on the northern plains areas. This site may be amenable to bulk sample extraction using a 15t/h unit and light mechanised machinery eg. Bobcats/backhoes.

Potential for this area to add to the available inventory is limited and therefore any estimate on extractable tonnage has been excluded.



Summary

Acquisition of the SMC Alluvial site will need to be supplemented by additional feed from ancillary sites in order to ensure viability of the overall operation and a mine life of >5years. Available resources grading above the economic threshold of 200g/m³ on the current ELs are summarised below.

Site	Grade g/m ³	Volume m ³	Tonnes SnO ₂
Riverside	449	850,000	380
Gunn's	450	200,000	90
Harmon/Watt's	420	45,000	20
Clifton Lead	318	300,000	95
ABC Ck	200	250,000	50
Corduoy Ck to Dorset	200	225,000	45
Eastern Leads/Ruby Creek	210	10,000,000	2100
Inventory Total	249.67(min)	11,870,000	2780+

Application for the Banca EL, covering 172km², will also take in additional inventory at Banca, East Banca White Rocks, Mains Lead, Boobyalla flats and the areas surrounding the Chung Lead.

The current plant structure available to KML, and the preferred method of extraction, defines an average grade above 200g/m³ as viable for extraction at the three year average tin price of US\$15,000.

KML will index grade control of feed to the current tin price and seek to process lower grade inventory where available to supplement feed.

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Geologist's Preliminary Report on SMC ELs

Mt Cameron Alluvial Report – August 2007

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AUSTRALIA

**BRIEF INSPECTION REPORT
MT CAMERON ALLUVIAL WORKINGS
MT CAMERON
NORTH EAST TASMANIA**

C.J. Robinson

August 2007

BRIEF

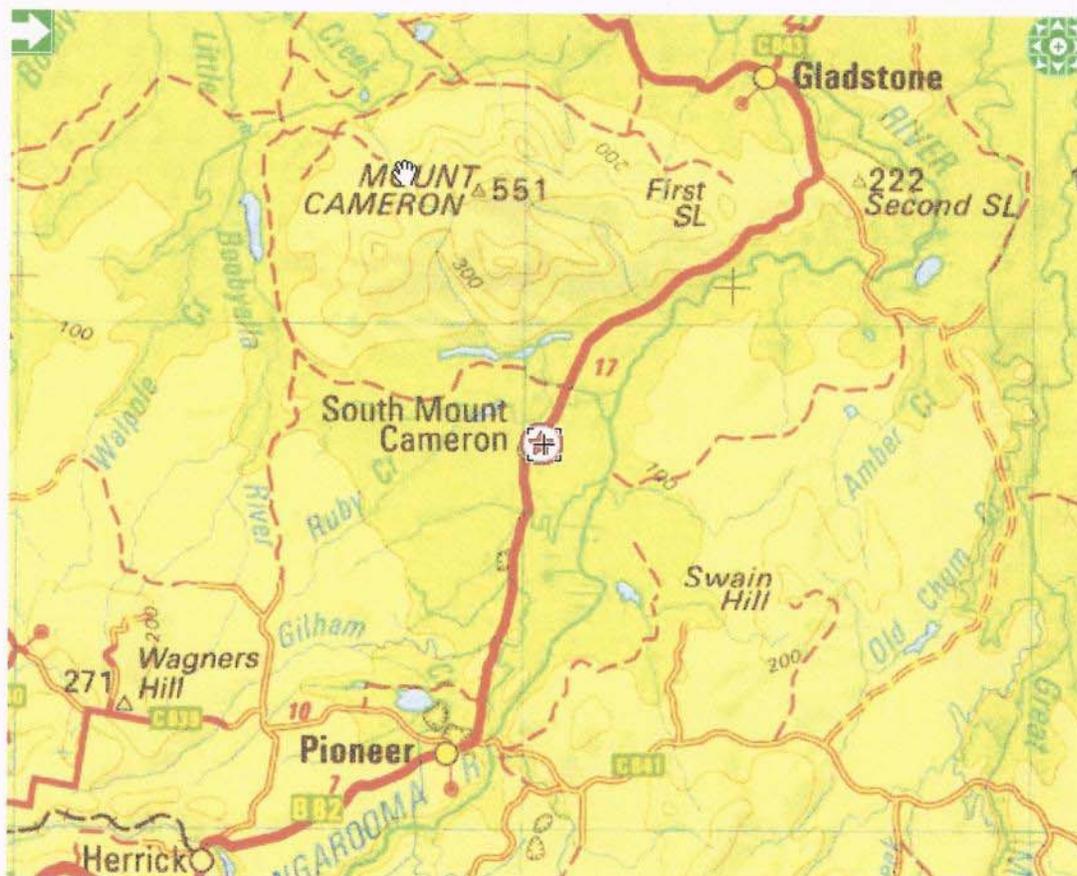
The author was contracted by Dr Brett Teale, Managing Director of Kangaroo Metals Limited to inspect the Mt Cameron alluvial mine, workings and adjacent areas and to report on same for the company.

The inspection took place in company with the owner of Creekco, Mr Alistair Nicholas, on the 22 and 23 August, 2007.

LOCATION AND ACCESS

The mine and workings are located in north east Tasmania, some 80 km in a direct line north east from Launceston and some 140 km by bitumen road from the same point.

Access is via the A3 from Launceston to Scottsdale, proceeding east through Branxholm and Derby to the Pioneer turnoff and then through Herrick and Pioneer. The turnoff to the operation is some 5 km from Pioneer towards Gladstone, then on a dirt formed road for 1.5 km to the plant site.



TENURE

CreekCo hold a number of Mining Leases covered by their South Mt Cameron EL. The lease areas and that area adjacent to the leases were the only tenements examined during this inspection.

CreekCo also hold two EL's to the east of Derby covering deep leads.

GEOLOGY

For a discussion of the regional geology, one is referred to the seminal work of Nye (1924).

At first it was the mining of the eluvial (residual, detrital) deposits formed on the Blue Tier and Scottsdale granites and associated greisen veins which accounted for much of the early production. The deposits were up to 12 metres thick with an average grade of about 0.2 kg/m³ of 70% tin.

The majority of the tin production however came from the deep leads formed by the Ringarooma River and its tributaries during the Tertiary. The leads consist of fluvatile conglomerate, sandstone and clay beds which have been dated as Late Oligocene – Early Miocene. As is the case with deep leads in eastern Australia, uplift during the middle Tertiary was accompanied by basalt lava flows which covered the system of leads and forced the original river off its course.

Extensive alluvial and deep lead deposits have been worked in the zone from Branxholm to Mount Cameron, with early spectacular results. Some families were producing 60 tons of high grade concentrates per month with grades of 76 lbs/cubic yard. More than 40,000 tons of metallic tin have been produced. The important leads are, (Ingram, 1976):



Important North East Tasmania Deep Leads / Alluvial Deposits

Lead	Mine	Details
Cascade Lead	Briseis Mine, Derby	21,120 t Sn 1876 – 1960 3 basalt flows totalling 60m cover 95m of fluvial sediments. Approx half of the tin recovered occurred within the basal 10m. Average grade 0.59 kg/m ³
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Valley Lead		Top 14m worked for an average grade of 0.4 kg/m ³ . Boring to 37m indicated the unworked lower sections grade ~0.5 kg/m ³ of 70% Sn.
Clifton	Endurance Mine	Produced ~3,050 t of tin to 1970. In May 1970 reserves were quoted at 4Mm ³ containing 0.2 kg/m ³ of 70% Sn.
	Monarch Mine	Opened in 1970. Had then reserves of 2.2Mm ³ of 0.13 kg/m ³ of 70% Sn. Blue Metal Industries Mining purchased the deposits in 1970. 74 t of tin from 1970-1972
Scotia/Northern Plains (Gladstone)		Initial investigations indicated 8.4 Mm ³ of wash containing 0.11 kg/m ³ of 70% Sn.
Pleistocene – Recent Leads	Adjacent to the current Ringarooma River	Deposits up to 4.5m deep mined by the Dorset Dredge. Over 18 years of continuous working at Dorset Flats, production was 2,450 t of high grade tin cons and 700 fine ozs of gold from 23 Mm ³ . Moved 1963 to the New Dorset area near Gladstone onto reserves of 17.57 Mm ³ of wash valued at 0.07 kg/m ³ of 72-74% Sn and 0.334 grains of gold/m ³ . From 1963-1971 treated 8,903,900 m ⁴ for 840 t of tin concentrates.



INSPECTION

CreekCo (Alistair Nicholas) owns a mobile track mounted plant on their lease at South Mount Cameron treating virgin Pleistocene wash material in a small pit adjacent to the Ringarooma River. The operation is currently idle as Alistair is employed elsewhere. The company own a number of granted mining leases and Exploration Licences over sections of the leads.

The area inspected was that surrounding the mobile plant and extending west from that area to the potential deposits contained within the surrounding EL.

The Plant

Alistair Nicholas has designed and built a compact mobile alluvial plant with a throughput capability of +1000 m³/day. The plant was specifically designed to treat the remnant and deep lead material contained within that company's tenements. The plant is designed to be excavator fed with the whole plant moving within designated "ore paddocks" parallel to the river, with the oversize and sand tailings being returned to the excavated areas.

The opportunity to value-add the oversize pebble and cobble tailings has resulted in the plant being located on the edge of the wash zone, and fed by truck. As a result, a bin and nozzle have been added to the system, and a truck placed beneath the oversize conveyor to remove and stack the pebble content.

Essentially, the mobile plant consists of a feed trough attached to the chain drive trommel fitted with wire screens. Oversize material reports direct to a short swivel conveyor. Undersize is gravity fed via a distributor box to two of 3 hutch cross-flow Inverell Jigs. Jig backwater is supplied via gravity tank. Concentrates from the two primary jigs report to a bin attached to a Warman pump and fed direct to a secondary 2 hutch cross-flow Inverell jig. All sand tails gravity to a flexible pipe leading away from the back of the plant. Concentrates from the 1st hutch of the secondary jig are drummed ready for sale at 74-76% Sn. The second hutch concentrates are returned to the circuit.

The whole plant is mounted on 30 tonne excavator tracks. Water is supplied via 8/6 HydroTitan pump.

CreekCo has produced a short DVD showing the plant in operation.

Camp

A functional camp site is suitable for a couple of personnel. With little expenditure the facilities can be enlarged to accommodate exploration personnel.





General view of plant



Mine pit and view of camp

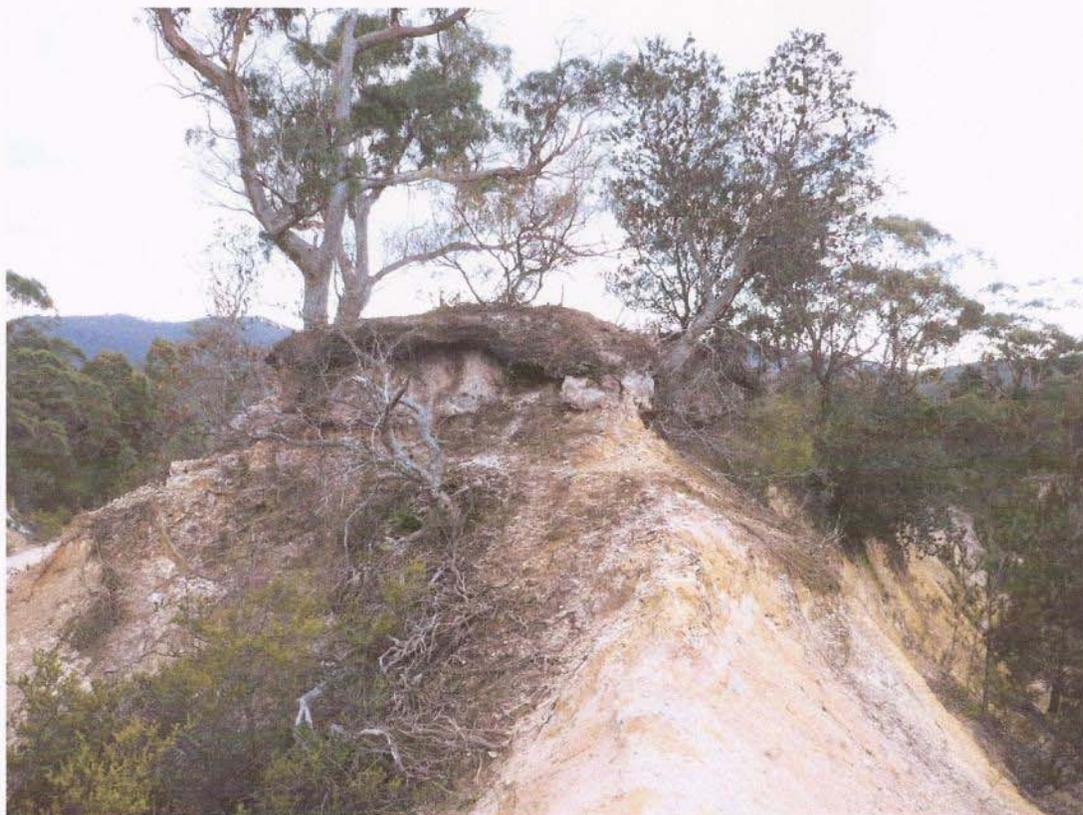


The Deposits

From Alistair's descriptions, there existed (and in places still do exist) a number of wash types.

In the earliest times (late 1800's) mining was restricted to the top wash and to those lower wash types that were able to be sluiced. Sluicing by its very nature requires high pressure water delivered via a nozzle or nozzles to break up the ground, a suitable slope to the ground to enable the conditioned material to "run" to concentrating areas – usually sluice boxes, and a further suitable area for tailings to be stored and stacked. Some of these original workings still exist in places where sufficient pressure could be obtained to sluice the ground material.

Interestingly, remnant wash in these areas is topped by a shallow (1-2 foot), small white pebble wash type referred to as **"bird's eye wash"**. This material was and is quite rich, and easily mined.



Remnant "bird's eye" wash on top of weathered granite; old sluiced area;
Original vegetation



Remnant shallow "bird's eye" wash on top of unworked
wash horizons – east of plant site
Gullies have been sluiced

It was the shallow "bird's eye" wash that was targeted by the Amdex-Triako operation in the early 1970's. Much of the area covered by this wash type was cleared of vegetation and then mined by scrapers which delivered the wash to stockpile where it was sluiced through sluice boxes. The tailings were then seemingly evenly pushed over the scraped areas. Subsequently, these disturbed areas were reforested under a Government scheme.

Very little of this material appears to remain throughout the area and, if it does, would only exist beneath undisturbed forest areas.





Amdex Tailings covering Basal wash

Tin losses from the Amdex-Triako operation were very dramatic, as would be expected using these recovery methods, and provide the second wash type – the **"Amdex tailings"**. They are quite extensive, and cover the area almost completely to a shallow depth. Grades reported by Alistair approximate $0.2-0.3 \text{ kg/m}^3$ cassiterite.

This mining activity was followed by small-scale miners who sought to mine the richer portions of the tailings at the "drop-off" points at the ends of the sluice boxes. Quite interestingly, the tailings spreadings by the dozer had actually evened out the grade of the material.

Mining of these tailings and treating them through sluice boxes again, exposed a lower or "**Basal Wash**" below a thin grey clay layer with humus. The wash is grey to yellow, indicating that there has been some lateritisation occurring, yet remaining very friable with little clay. The wash is well structured and stratified, commonly referred to as imbricate, horizontally stratified material.

This is the wash material currently being mined and treated by CreekCo, displaying approximately 40% oversize (> 10mm). The pebbles/cobbles are generally flat, elongate and well travelled. The best description would be shingle. Tails water settles well and quickly.

The basal wash varies in thickness with depths to the full length of the excavator arm at 6 -8 metres. Grades also vary, but are consistently above 0.6 kg/m^3 , with high grade patches. Basement is granite.

A sample of the material was panned. The cassiterite is brown/amber with a number of accessories including topaz, spinel, monazite, zircon, pink garnet, xenotime and zircon. Gold has been recorded in the test pans and from the plant.

Alistair Nicholas has dug a series of pits on specified lines and sampled material from different depths within those pits. He has meticulously recorded his findings.



Basal Wash exposed in mine pit

Recent wash is exposed in the Ringarooma River and was mined by the Dorset Dredge elsewhere with some success. This wash type is the major quantifiable volume material in the area. This section of the river was not mined by the dredge and has probably not been tested.

The water table in the river is high, which poses considerable difficulty in the assessment of the wash. Drilling would be the only reliable testing method.



Recent Wash Ringarooma River – humus layer probably indicative of older wash beneath

The final wash type was discovered by one of Alistair's colleagues while sluicing the Amdex tailings. Mining uncovered a narrow, shallow gutter or channel seemingly traversing the basal wash, trending E-W and with values to 5 kg/m³. The gutter deepens in its easterly extension towards the Ringarooma River and has not been located. There is no evidence to suggest this is simply a reworking of the basal wash.

COMMENTS & SUGGESTIONS

Plant

Alistair has developed a very successful mobile plant for this area, and he is to be congratulated. It is a pleasure to see the great deal of thought he has put into the operation. With only little modification, the plant would be suitable for all areas and wash types seen. Should an area be located with clay content, then the material will require more residual time in the trommel, and a section could be easily "blinded" and fitted with lifters to act as a scrubber section.

The value-adding of the cobble/pebble content should be followed up. Alistair's comments on the trade relationship with Victoria could see the oversize product delivered into the heart of the city. A study of the landscaping market and the exposed aggregate market should be carried out. The economics and viability will then determine whether the plant would be better operated as a true mobile or to continue with the cost of running a haul truck. The mobile system certainly lends itself to an easier cleanup and rehabilitation process. If the decision is made to continue with the excavator/truck feed system, then a plant site will need to be found where the tailings can be dispersed over sterile ground.

Ore Types / Sampling

As part of the process leading to mining, Alistair has dug a number of excavator pits through the property into the basal wash. These pits have been evaluated and sampled, with a number of comments made on values and gold occurrence. All pits are dry which is a bonus for sampling.

While they can still be located, all the pits should be mapped and Alistair's information recorded on those maps. Sections should be made where applicable. To date, the R/E factor (Recovery to Estimate) is >1, showing that the testing is conservative.

This process is vital when KM conduct a bulk test of the tested area as part of the purchase procedure.

I would recommend a continuation of the pitting to basement in the basal wash area, with the recording of sample values over lithological changes; e.g. the Amdex Tails, followed by either 1m interval sampling to basement, or sampling on the previously mentioned lithology. To be recorded would be volume of sample, volume of oversize, tin concentrate weight, presence of gold, accessory minerals and types and estimated proportions etc etc. In other words the normal range of information acquired in assessing alluvial deposits. Samples should also be subjected to sieve analysis to determine possible source of heavies and the direction of travel.

The plant area is only one of several areas scraped by the Amdex-Triako group, and a considerable resource could be built up over a relatively short period of time.

I have tested the second hutch concentrates with a scintillometer with the result that the xenotime, monazite and zircon content double the background reading. The high grade tin concentrates show no response. It may be worth hiring a scintillometer to walk the area, as the edges, margins and perhaps gutters could be located in this way.

Regional & Local Studies

From my initial surfing, a great deal of information is potentially available from Tasmanian Archives in relation to dredge sampling, Amdex-Triako drilling, and early geological studies from the work of Nye to Jack and other workers. Alistair has probably gleaned much of this information and has it in his possession. Other contemporary companies are concentrating on the potential of the lower Ringarooma towards the estuary and talking up the potential of those areas. There are probably studies carried out by field people in unravelling the Mt Cameron leads as well as others covered by CreekCo tenements. It is certainly time to revisit all that information.

Recommendation

The Mt Cameron prospect is one of the best tin prospects I have seen in many years.

I believe KM should carry out a supervised bulk test of portion of the ground evaluated by CreekCo prior to continuing to deal finalisation.

Following satisfaction with the bulk test, I would instigate the sampling programme.

C.J. ROBINSON
August 2007

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Jennings, D.J., 1975: Alluvial Tin Deposits of Tasmania. In Knight, C.L., (Ed) *Economic Geology of Australia and Papua New Guinea 1. Metals*. Aust. I.M.M. Monograph Series No. 5.

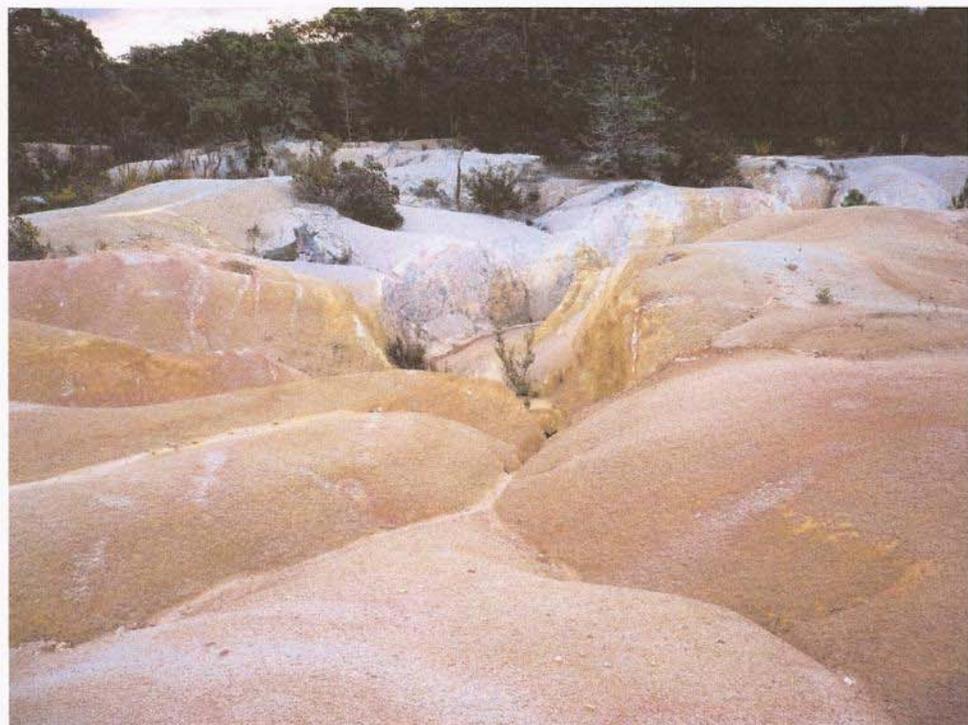
Mineral Resources Appraisal Pty Ltd, 1971: Mineral Review – Tin.

Niugini Resources Pty Ltd, 2001: Assessment Great Northern Plains Project, North East Tasmania. Mineral Holdings Australia Pty Ltd.

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Old ground sluiced paddock to granite



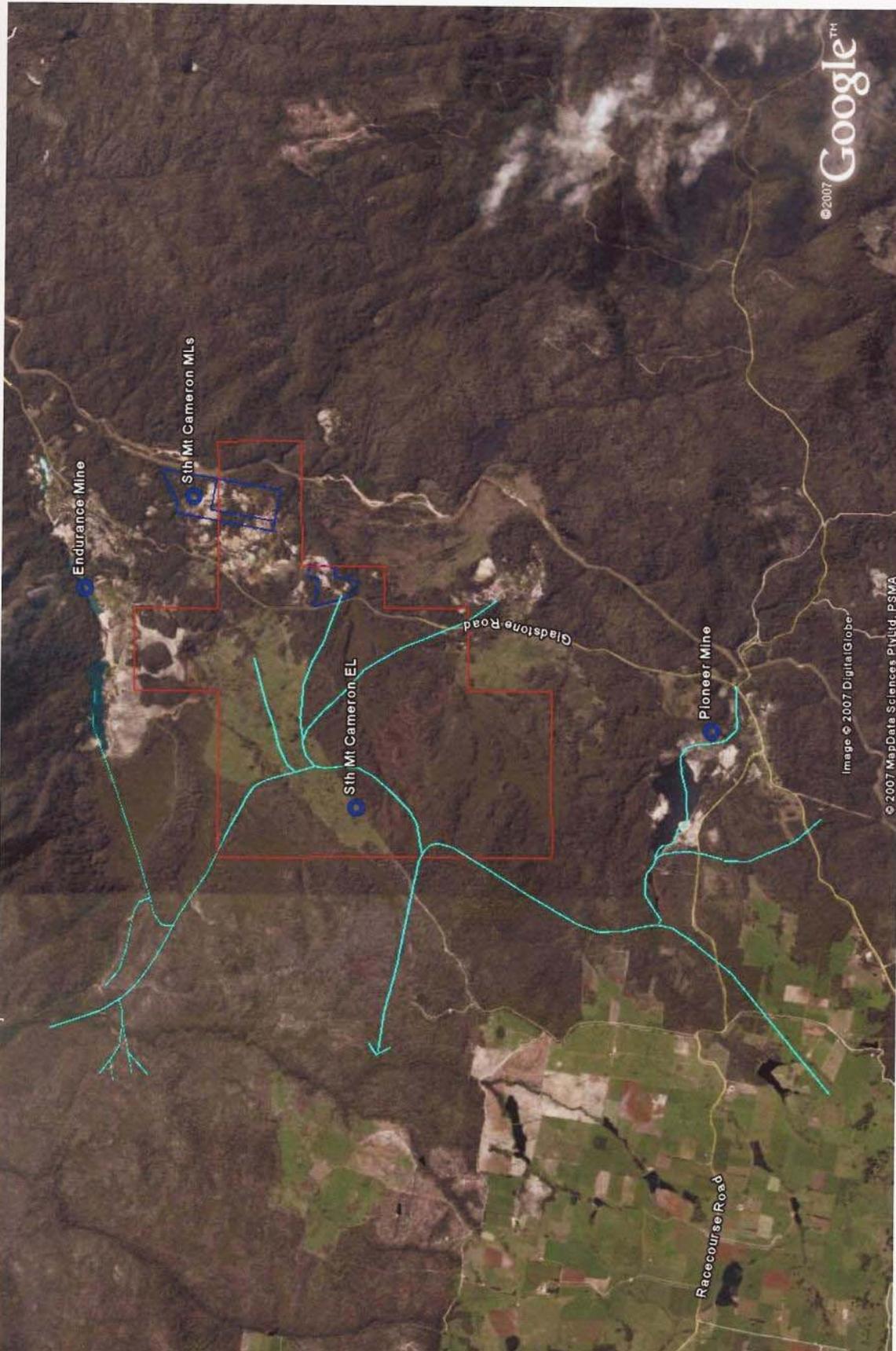
Completely stripped ground showing gutter development



TASMAP PRODUCTION

NORTH EAST TRAIL





Exploration Completed

EL21/2002 Results to Date

Kangaroo Metals initiated exploration of this area testing Amdex tailings at 50m centres to determine grade variation, depth to basement/total volume, and underlying geology (virgin or worked).



Results from full face sampling to depth has shown a range of 0.1m to >6.5m of tails with preliminary grades of 200g to 250g/m³ giving a total volume of tailings available for reworking of 120,000m³ for an inventory of **24-30 tonnes of SnO₂ concentrate**.

Initial exploration of the now defunct Gunn's Quarry area immediately to the south of the Amdex tails identified a large area of unworked alluvium and a series of tailings areas. Preliminary grades determined on the tailings were again 200g to 250g/m³ but with a total volume of tails available for reworking limited to 50,000m³. The tails inventory identified as **10-12.5 tonnes of SnO₂ concentrate**. The unworked alluvial terrace above the tailings area was pitted to depths in excess of 6.5m, with no basement identified. The preliminary grades on these full face samples varied from 500g to >1500g/m³, with a total volume within the tested area of >45,000m³. Additional areas outside the defined testing area were noted. Samples from within the testing area imply an inventory in excess of **22.5-67.5 tonnes of SnO₂ concentrate**.



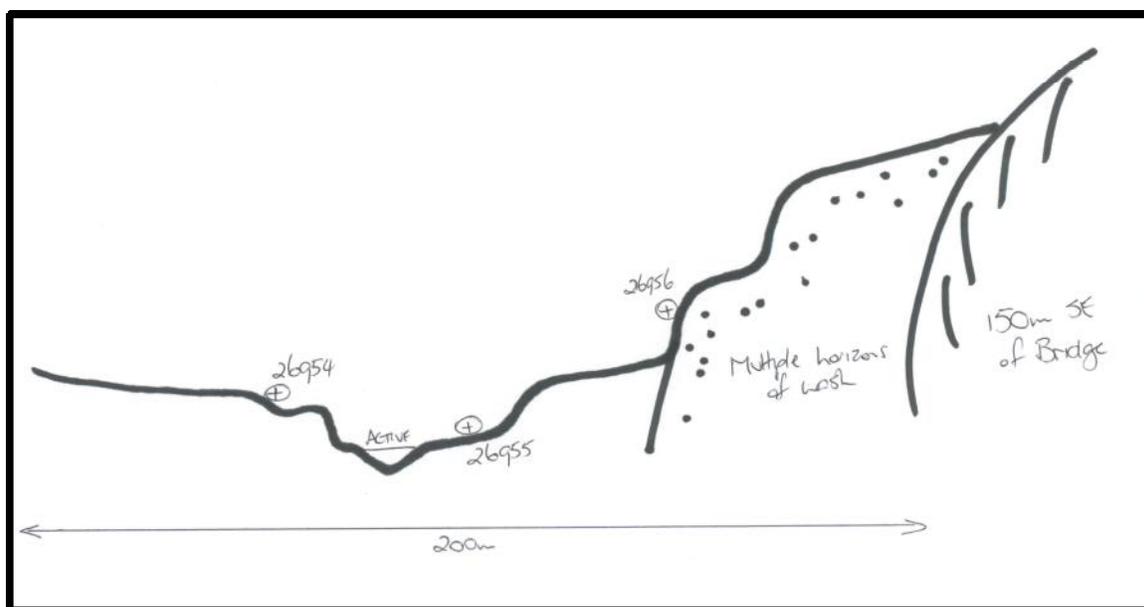
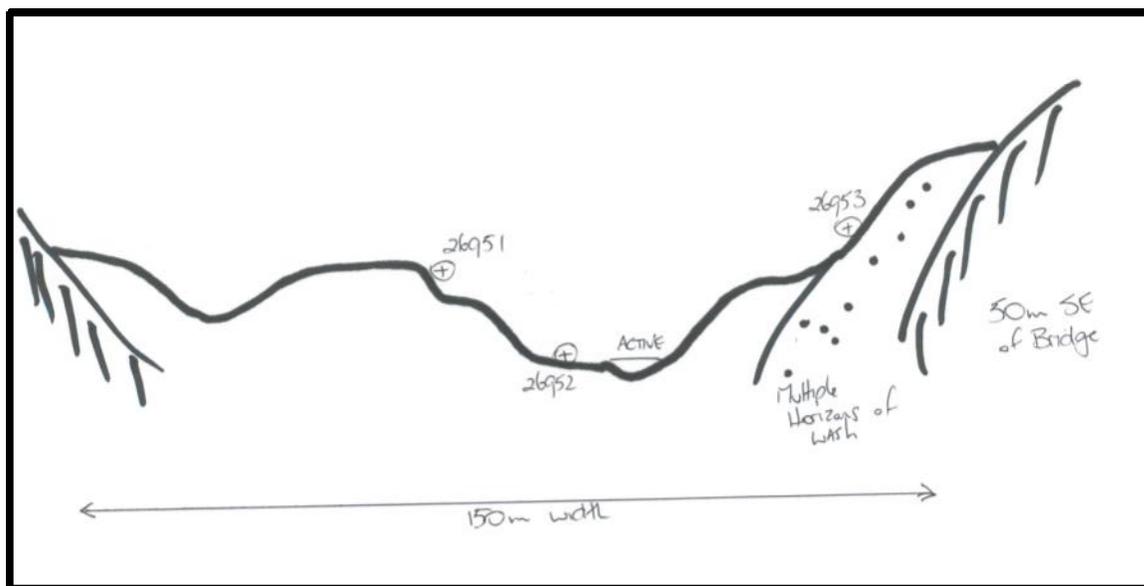
Full 20L samples from each pit have collected and QA/QC samples taken from every 6-10 pit samples. These will be processed next week for confirmatory grades using a trommel and jig plant specifically designed for small bulk samples. Resultant heavy fines will be sent to ALS, Townsville for analysis.

EL27/2001 Results to Date

Kangaroo Metals initiated exploration of this area testing central Main Creek by applying fences of bank, active channel, and bank perpendicular to creek flow at 100-150m centres to determine grade variation across the distinct alluvial channels, banks and terraces identified.

Cross-sectional examination of the central Main Creek area revealed more significant banks and terraces than first surveyed. The areas sampled (cross-section and image below) show alluvium extending as wide as 150-200m with terraces exceeding 6m in height, banks ranging from 0.5m to 1.5m in height, and an active channel averaging 4m wide and of unknown depth.





Results from panning samples of the bank and active channel have shown preliminary grades of 500g to 800g/m³ on the banks and 800g to >1000g/m³ in the active channel. Kangaroo Metals noted through field survey that a significant volume of wash, likely to exceed 1,000,000m³ exists along the creek itself; however, due to the nature of the local environment and the need for all activities to be in or around the environs of the active creek bed itself. Full impact studies would need to be carried out to determine the viability of extracting this inventory.



Kangaroo Metals initiated exploration of the upper Main Creek tailings area (Mutual Road) by investigating the open fossicking holes, and the existing bulk sample pit located on the flats. Samples were tested from six locations across the flats and panned for grades. Preliminary grades show results averaging in excess of 1000g/m³. Volume estimated based on the area tested show a 150m x 400m deforested plain purported to be 2-3m deep. This would suggest an available rework volume of 180,000m³, giving an implied inventory in excess of **180 tonnes of SnO₂ concentrate**.



An additional area varying between 70m and 270m in width and 360m in length was not sampled in this round of testing but is comparable in makeup and represent another potential $185,000\text{m}^3$ and may double the available inventory at this site to in excess of 360 tonnes of SnO_2 concentrate.



Upper Main Creek (Mutual Road)



This site would be amenable to reworking using the BSP-20 bulk sampling unit.

EL22/2002 Results to Date

Kangaroo Metals initiated exploration of this area by field survey and pan sampling of the previously "Drag Line" mine site on the lease. Two samples were collected and panned from the upper terrace and bank on either side of the Ringarooma River bend.

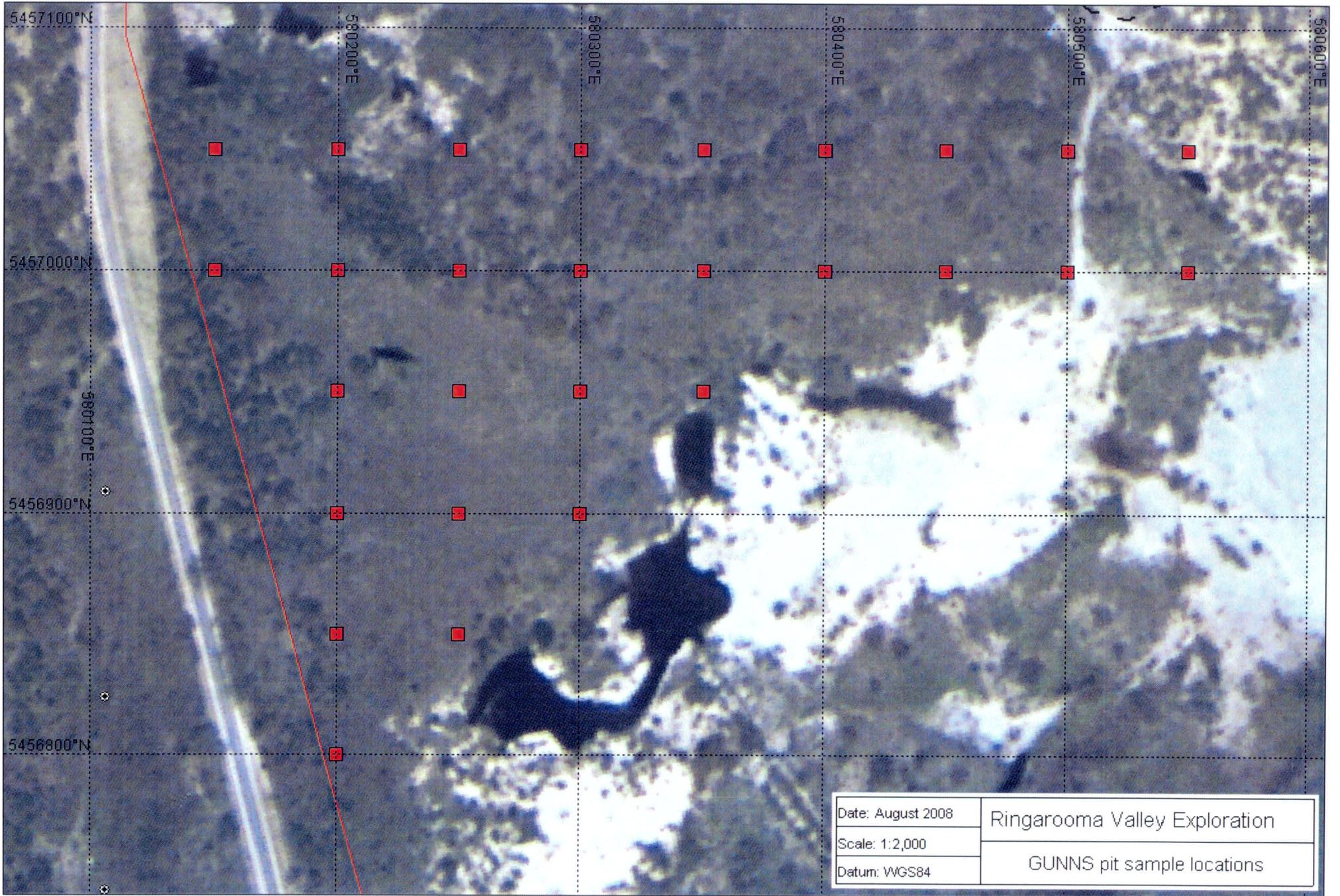


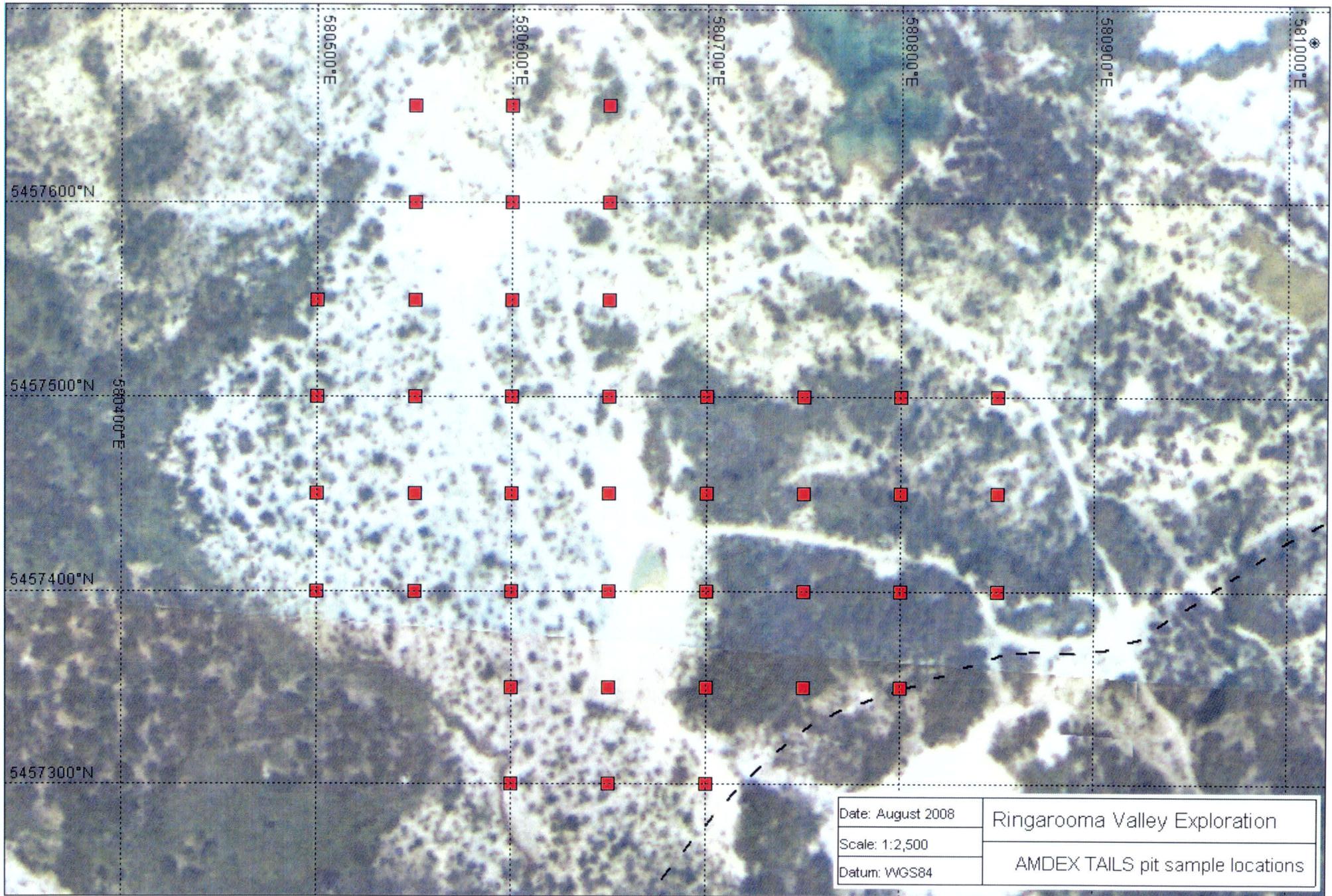
The available alluvium at this site is approximately 220,000m³ with grades reported to be in the range of 200-400g/m³. This would imply an inventory at this site of **44-88 tonnes of SnO₂ concentrate**. Additional analysis of bulk samples will be needed to confirm grades and volume.

Exploration Sample Table

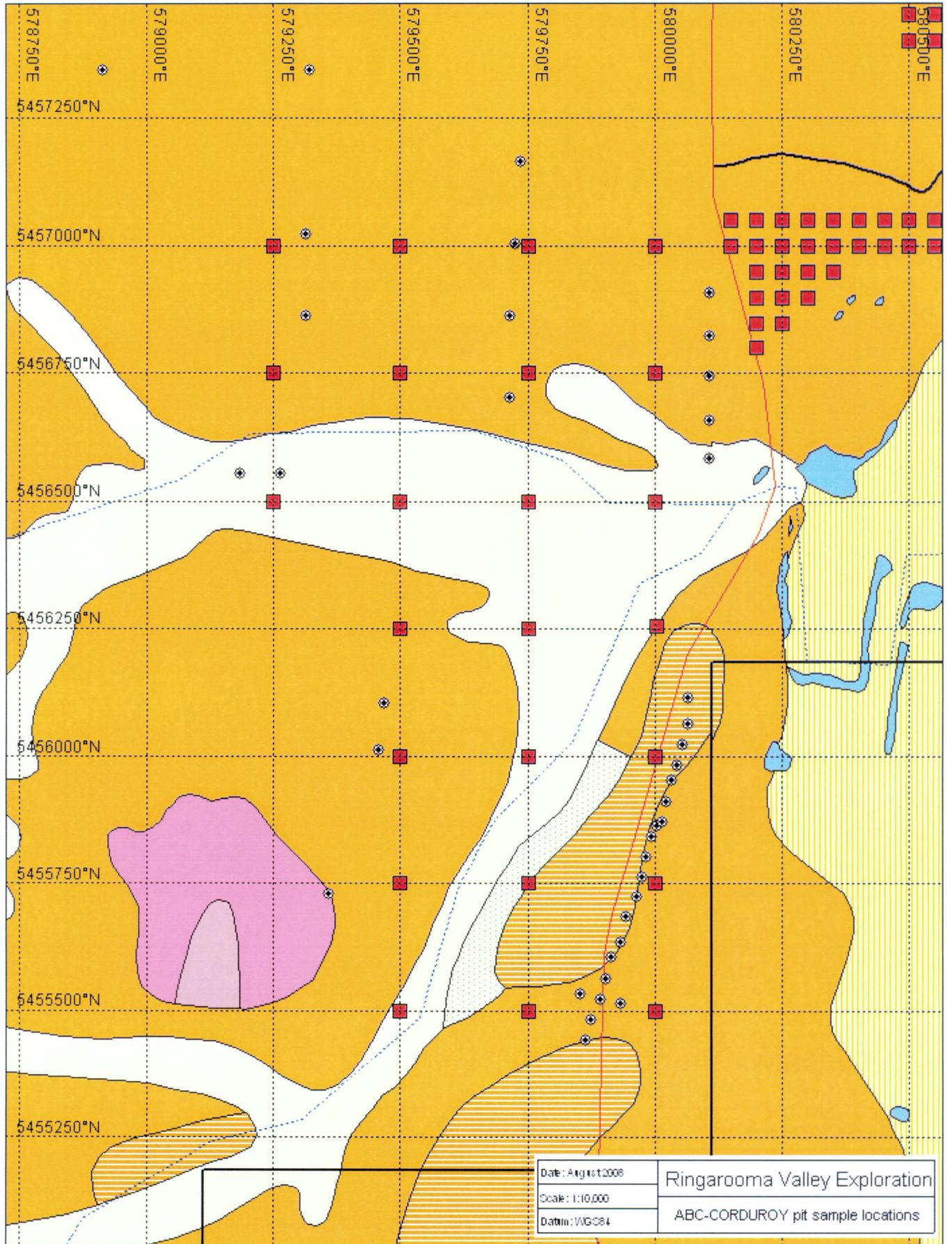
September October 2008 Sampling Program

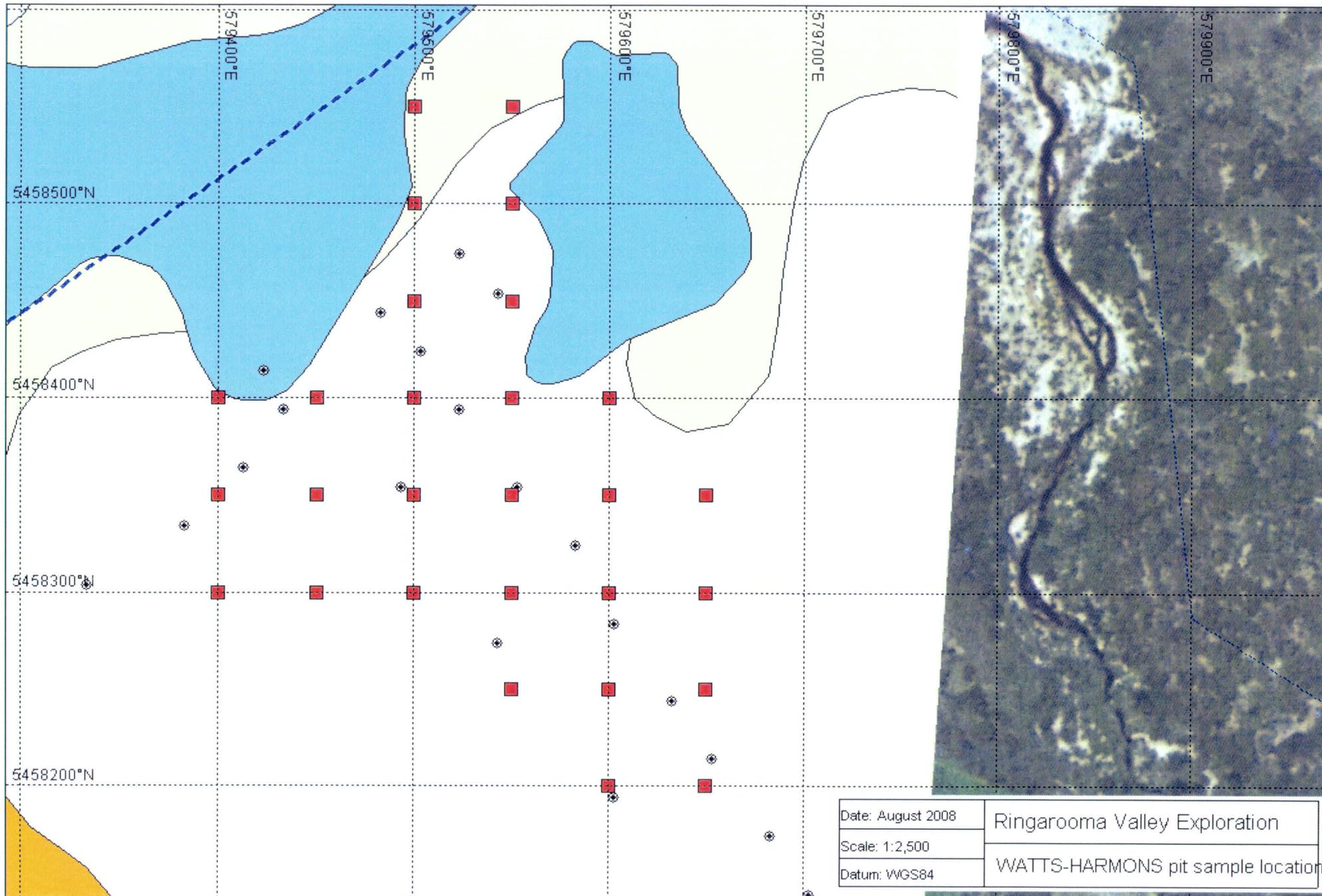
Sample	Site	Location	Easting	Northing	Type	Volume	Total depth	Pan Grade	Grade	Notes
26951	Main Creek	Mid Creek	571882	5442680	Surface	1 litre	150mm	800g/LCM	N/A	Bank
26952	Main Creek	Mid Creek	571893	5442697	Surface	1 litre	150mm	1.2kg/LCM	N/A	Channel
26953	Main Creek	Mid Creek	571906	5442715	Surface	1 litre	150mm	800g/LCM	N/A	Bank
26954	Main Creek	Mid Creek	571946	5442631	Surface	1 litre	150mm	800g/LCM	N/A	Bank
26955	Main Creek	Mid Creek	571958	5442647	Surface	1 litre	150mm	1.0kg/LCM	N/A	Channel
26956	Main Creek	Mid Creek	571972	5442665	Surface	1 litre	150mm	800g/LCM	N/A	Bank
26957	Main Creek	Tailings	573972	5439128	Surface	1 litre	150mm	1.4kg/LCM	N/A	VDM Pit
26958	Main Creek	Tailings	573943	5439139	Surface	1 litre	150mm	1.2kg/LCM	N/A	VDM Pit
26959	Main Creek	Tailings	573916	5439152	Surface	1 litre	150mm	1.0kg/LCM	N/A	Fossicking Pit
26960	Main Creek	Tailings	573932	5439181	Surface	1 litre	150mm	1.0kg/LCM	N/A	Fossicking Pit
26961	Moorina	Tailings	570987	5447824	Surface	1 litre	150mm	400g/LCM	N/A	Bank
26962	Moorina	Tailings	571083	5447845	Surface	1 litre	150mm	400g/LCM	N/A	Terrace
26501	Amdex Tails	Tailings	580552	5457650	Pit	20 litre	2.9m	400g/LCM	TBA	xxx
26502	Amdex Tails	Tailings	580548	5457598	Pit	20 litre	2.4m	400g/LCM	TBA	xxx
26503	Amdex Tails	Tailings	580597	5457606	Pit	20 litre	1.1m	Not Tested	TBA	xxx
26504	Amdex Tails	Tailings	580645	5457601	Pit	20 litre	0.6m	Not Tested	TBA	xxx
26505	Amdex Tails	Tailings	580697	5457551	Pit	20 litre	0.2m	Not Tested	TBA	xxx
26506	Amdex Tails	Tailings	580645	5457549	Pit	20 litre	3.5m	400g/LCM	TBA	xxx
26507	Amdex Tails	Tailings	580645	5457549	Pit	20 litre	3.5m	400g/LCM	TBA	26506 duplicate
26508	Amdex Tails	Tailings	580602	5457550	Pit	20 litre	5.3m	400g/LCM	TBA	top half
26509	Amdex Tails	Tailings	580602	5457550	Pit	20 litre	5.3m	400g/LCM	TBA	bottom half
26510	Amdex Tails	Tailings	580550	5457546	Pit	20 litre	3.7m	200g/LCM	TBA	xxx
26511	Amdex Tails	Tailings	580500	5457500	Pit	20 litre	3.3m	200g/LCM	TBA	xxx
26512	Amdex Tails	Tailings	580550	5457500	Pit	20 litre	4.9m	200g/LCM	TBA	top half
26513	Amdex Tails	Tailings	580550	5457500	Pit	20 litre	4.9m	200g/LCM	TBA	bottom half
26514	Amdex Tails	Tailings	580600	5457500	Pit	20 litre	4.5m	400g/LCM	TBA	top half
26515	Amdex Tails	Tailings	580600	5457500	Pit	20 litre	4.5m	400g/LCM	TBA	bottom half
26516	Amdex Tails	Tailings	580650	5457500	Pit	20 litre	1.9m	400g/LCM	TBA	xxx
26517	Amdex Tails	Tailings	580650	5457500	Pit	20 litre	1.9m	400g/LCM	TBA	26516 duplicate
26518	Amdex Tails	Tailings	580700	5457455	Pit	20 litre	0.5m	Not Tested	TBA	xxx
26519	Amdex Tails	Tailings	580655	5457450	Pit	20 litre	2.9m	200g/LCM	TBA	xxx
26520	Amdex Tails	Tailings	580600	5457450	Pit	20 litre	6.0m	200g/LCM	TBA	26521 duplicate
26521	Amdex Tails	Tailings	580600	5457450	Pit	20 litre	6.0m	200g/LCM	TBA	xxx
26522	Amdex Tails	Tailings	580550	5457450	Pit	20 litre	5.5m	400g/LCM	TBA	xxx
26523	Amdex Tails	Tailings	580500	5457450	Pit	20 litre	4.3m	200g/LCM	TBA	xxx
26524	Amdex Tails	Tailings	580450	5457450	Pit	20 litre	1.5m	Not Tested	TBA	xxx
26525	Amdex Tails	Tailings	580500	5457400	Pit	20 litre	2.2m	200g/LCM	TBA	xxx
26526	Amdex Tails	Tailings	580500	5457400	Pit	20 litre	2.2m	200g/LCM	TBA	26525 duplicate
26527	Amdex Tails	Tailings	580550	5457400	Pit	20 litre	2.9m	200g/LCM	TBA	xxx
26528	Amdex Tails	Tailings	580600	5457400	Pit	20 litre	3.2m	400g/LCM	TBA	xxx
26529	Amdex Tails	Tailings	580650	5457400	Pit	20 litre	4.0m	400g/LCM	TBA	xxx
26530	Amdex Tails	Tailings	580700	5457400	Pit	20 litre	0.8m	Not Tested	TBA	xxx
26531	Amdex Tails	Tailings	580700	5457350	Pit	20 litre	1.1m	Not Tested	TBA	xxx
26532	Amdex Tails	Tailings	580650	5457350	Pit	20 litre	4.0m	200g/LCM	TBA	bottom half
26533	Amdex Tails	Tailings	580650	5457350	Pit	20 litre	4.0m	200g/LCM	TBA	top half
26534	Amdex Tails	Tailings	580600	5457350	Pit	20 litre	3.0m	200g/LCM	TBA	xxx
26535	Amdex Tails	Tailings	580650	5457300	Pit	20 litre	2.7m	400g/LCM	TBA	xxx
26536	Amdex Tails	Tailings	580700	5457300	Pit	20 litre	1.0m	Not Tested	TBA	xxx
26537	Amdex Tails	Tailings	580754	5457346	Pit	20 litre	0.0m	Not Tested	TBA	xxx
26538	Gunn's Quarry	Maiden	580500	5457000	Pit	20 litre	>7.0m	200g/LCM	TBA	top 4.0m
26539	Gunn's Quarry	Maiden	580500	5457000	Pit	20 litre	>7.0m	200g/LCM	TBA	bottom 3.0m
26540	Gunn's Quarry	Maiden	580450	5457000	Pit	20 litre	>7.0m	200g/LCM	TBA	top 4.3m
26541	Gunn's Quarry	Maiden	580450	5457000	Pit	20 litre	>7.0m	200g/LCM	TBA	bottom 2.7m
26542	Gunn's Quarry	Maiden	580400	5457000	Pit	20 litre	6.5m	200g/LCM	TBA	xxx
26543	Gunn's Quarry	Maiden	580400	5457000	Pit	20 litre	6.5m	200g/LCM	TBA	26542 duplicate
26544	Gunn's Quarry	Maiden	580350	5457000	Pit	20 litre	6.8m	400g/LCM	TBA	top 3.4m
26545	Gunn's Quarry	Maiden	580350	5457000	Pit	20 litre	6.8m	400g/LCM	TBA	bottom 3.4m
26546	Gunn's Quarry	Maiden	580300	5457000	Pit	20 litre	6.0m	600g/LCM	TBA	xxx
26547	Gunn's Quarry	Maiden	580350	5456950	Pit	20 litre	>7.0m	600g/LCM	TBA	4.2m overburden
26548	Gunn's Quarry	Maiden	580350	5456950	Pit	20 litre	>7.0m	600g/LCM	TBA	4.2m overburden
26549	Gunn's Quarry	Maiden	580300	5456950	Pit	20 litre	>7.0m	600g/LCM	TBA	6.2m overburden
26550	Gunn's Quarry	Maiden	580300	5456950	Pit	20 litre	>7.0m	200g/LCM	TBA	6.4m overburden
26551	Gunn's Quarry	Maiden	580300	5456900	Pit	20 litre	>7.0m	600g/LCM	TBA	5.4m overburden
26552	Gunn's Quarry	Maiden	580250	5456900	Pit	20 litre	>7.0m	200g/LCM	TBA	6.6m overburden
26553	Gunn's Quarry	Maiden	580250	5456850	Pit	20 litre	>7.0m	600g/LCM	TBA	5.3m overburden





Date: August 2008	Ringarooma Valley Exploration
Scale: 1:2,500	
Datum: WGS84	AMDEX TAILS pit sample locations





Conclusions

Kangaroo Metals Limited (KML) will need to conduct additional bulk sampling exploration of tin-bearing gravels in the vicinity of South Mount Cameron, ABC Creek, Corduroy Creek, Main Creek and the Drag Line region of the Moorina lease to further add to the current inventory.

Analysis of the 20L samples collected through pitting operations will be completed in the coming weeks and a fully detailed report submitted to MRT.

KML believes that continuing exploration of the tenements is warranted due to the identification of additional sites during this round of exploration which have the potential for further quantities of tin.

Inventory Summary (Non-JORC):

Amdex Tailings	24-30 tonnes
Gunns Tailings	10-12.5 tonnes
Gunns Terrace	22-67.5 tonnes
Central Main Creek	To Be Determined
Upper Main Creek	180-360 tonnes
Drag Line Mine Site	44-88 tonnes
<u>Total to date</u>	<u>280-558 tonnes of SnO₂ Concentrate</u>

Disclaimer: Please note that the number identified as pan grades are estimates only based on work carried out by an experienced panner. Results of the bulk samples will be used to weight the pan estimates where bulk samples have not yet been collected.

Results of the bulk samples will be of sufficient density and volume to reach a JORC compliance estimate.

Environment

KML's sampling program was designed to minimise impact on the already degraded environs. Samples collected (20 litre) were bagged on site and sealed for removal.

Sampling using a 30 tonne excavator (right), while impacting on the environment, allowed fast and efficient collection and restoration of the sites. Sample pits were dug and restored within minutes and thatch/slash used to assist revegetation (below). Where able, all trees regardless of size were avoided and sample location moved to the nearest low impact site in preference to vegetation removal.



Appendix 1: CJ Robinson Report on Riverside Mine Exploration

Mt Cameron Alluvial Report – August 2007

**SAMPLING & EVALUATION REPORT
SOUTH MT CAMERON ALLUVIAL WORKINGS**

**SOUTH MT CAMERON
NORTH EAST TASMANIA**

**C.J. Robinson
May 2008**

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SUMMARY

Evaluation of the South Mount Cameron tenements held by Mr Alistair Nicholas by a combined bulk sampling and pit channel sampling programme has provided an estimated 600,000 cubic metres of wash material in the northern section of the tenements containing some +270 tonnes of cassiterite at 70% Sn.

The evaluation programme incorporated gridding and mapping over the eastern portion of the tenements.

The programme experienced a number of difficulties due primarily to the historical mining regimes and the contained water within the Deep Wash horizons and Ringarooma Wash. In many cases, depth to basement could not be reached.

Bulk samples were processed through the on-site plant. Some suggestions have been made regarding the performance of the plant during the sampling operation.

The evaluation has identified several distinguishable wash types, each of which has its own treatment characteristics. Tentative suggestions have been promoted as to the genesis of the differing wash types but more regional work is required.

Due to the grades identified and the nature of the deposit, it is recommended that feasibility studies be conducted prior to continuing with the present mining method and arrangement.

The potential for value-adding the deposit through the export of trommel oversize material should also be carefully evaluated as an integral part of the overall mining strategy.

BRIEF

Following an inspection and presentation of a report on the area in late August, 2007, the author was contacted by Dr Roger Taylor with follow-up by Company Geologist Brian New, to design, implement and supervise a bulk sampling programme over the Mt Cameron alluvial mine workings and to report on same.

The sampling programme took place over the period 3rd March to the 1st May 2008.

LOCATION AND ACCESS

The mine and workings are located in north east Tasmania, some 80 km in a direct line north east from Launceston and some 140 km by bitumen road from the same point.

Access is via the A3 from Launceston to Scottsdale, proceeding east through Branxholm and Derby to the Pioneer Junction and then through Herrick and Pioneer. The turnoff to the operation is some 5 km from Pioneer towards Gladstone, then on a dirt formed road for 1.5 km to the plant site.



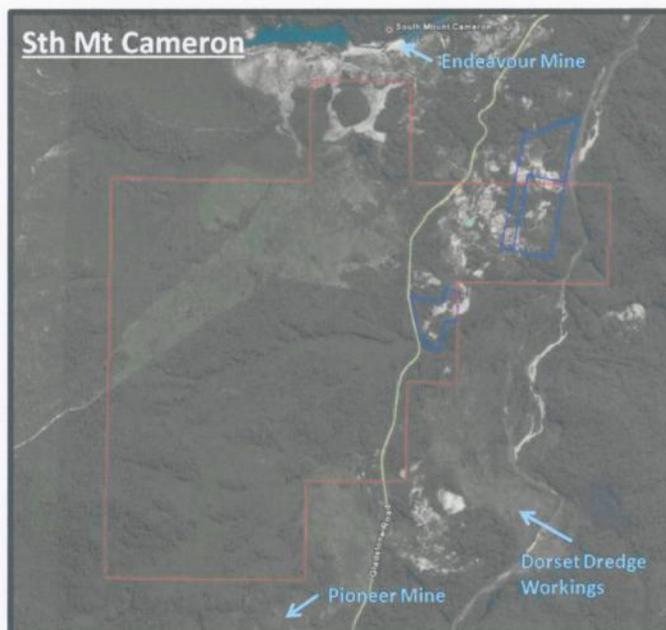
TENURE

CreekCo hold a number of Mining Leases partially covered by their South Mt Cameron EL.

The lease areas examined during this phase of the exploration programme were:

ML 7M / 2001 of 34 hectares, and
14M / 1998 of 30 hectares.

The tenements were not searched by the author. It is understood searches were carried out by both KML and Survey Resources of Launceston.



**Figure 2. Lease Tenure South Mount Cameron – Pre CreekCo
(From KML Data.)**

MINING HISTORY

The earliest mining dating from the late 1800's involved ground sluicing using free water from dams and flumes along the Ringarooma River. Wash material was removed to bedrock. Some of these original workings still exist. Swain's Workings extend throughout the southern part of the lease area with some remnant wash in places where it is believed sufficient pressure could not be obtained to sluice the ground material. The complete history of early mining in the area has not been well recorded.

The Endurance Company sited their pump station on a reservoir constructed adjacent to Ruby Creek and the Ringarooma River, but did not conduct any mining over the area.

Bulldozers and the Dorset Dredge cut a path through the area while tracking from ABC Creek to a new paddock downstream on the Ringarooma. Where the dredge cut its own path, the bypass chute was employed to direct all the material through the stacker and tailings launders without the material passing over the jigs. The dredge path is still identifiable through the area.

In early 1970, B.M.I. Mining acquired the interests of the Endurance Mining Corporation and thus of the Endurance Lead which lies to the north of the prospect. B.M.I. discontinued the mining operations in the western lead in favour of mining the shallow terrace ground to the east. In 1978 the Triako-Amdex Mining Group acquired the B.M.I. tenements and continued shallow mining and exploration.

The Amdex-Triako Group identified an alluvial deposit type 3 described as "*Shallow surficial deposits of red, yellow and black cassiterite with accessory spinel and gold in a fining-up sequence of pebbles, sands and clays. This type is restricted to the present Ringarooma River and preserved remnants of elongated zones which run essentially parallel to the river.*" This type of deposit was identified at their Riverside Prospect part of which corresponds with the area evaluated in the current KML exploration campaign.

Amdex broad-cleared their Riverside Prospect by bulldozer, then removed the shallow surficial deposits by scraper to be delivered to their sluice box plant. Water was sourced from a reservoir on the Ringarooma River, and returned via a series of settling dams enclosed by a low-height dam adjacent to the River. The Group's mining and exploration activities ceased in the early 1980's.

Small miners followed the company activity by mining the Amdex-Triako tailings close to the sluice box delivery point where losses were paramount. Good tin was recovered by this method. Again the recovery method was via sluice box with the tailings spread over the existing Amdex Tails.

More recently, CreekCo recognised the existence of +5m wash thicknesses below the Amdex Tailings, and proceeded to evaluate the deeper zone by a series of excavator pits. This led to the construction of a mobile plant which was erected on site in 2006 and produced its first tin in March 2007.

KML were introduced to the area and proceeded to conduct a sampling programme over the Riverside area. The sampling programme took place over several periods from the 14th March to the 1st May 2008

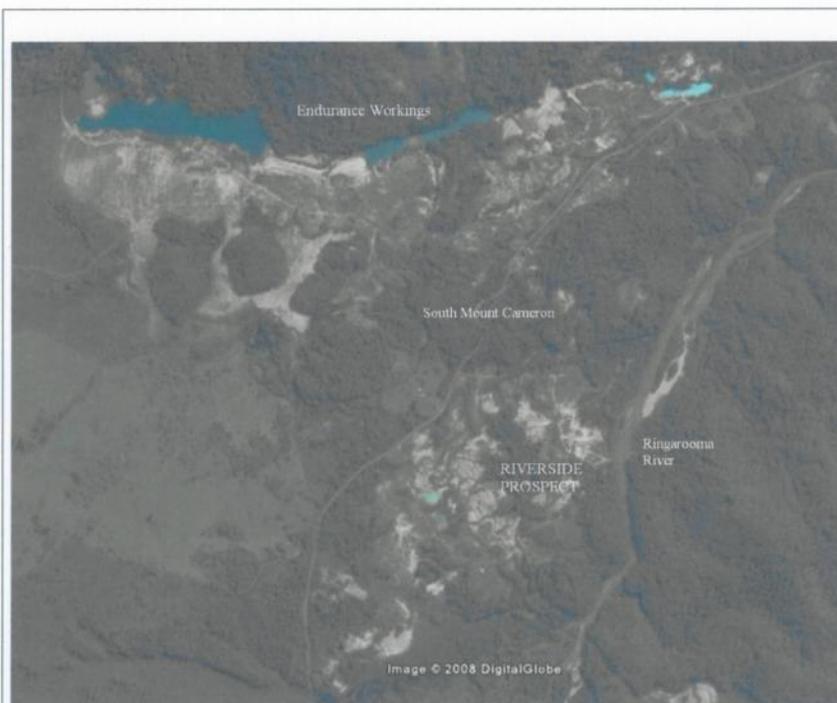


Figure 3. Broad-scale Satellite Photograph circa 2005/6 showing general features of the area

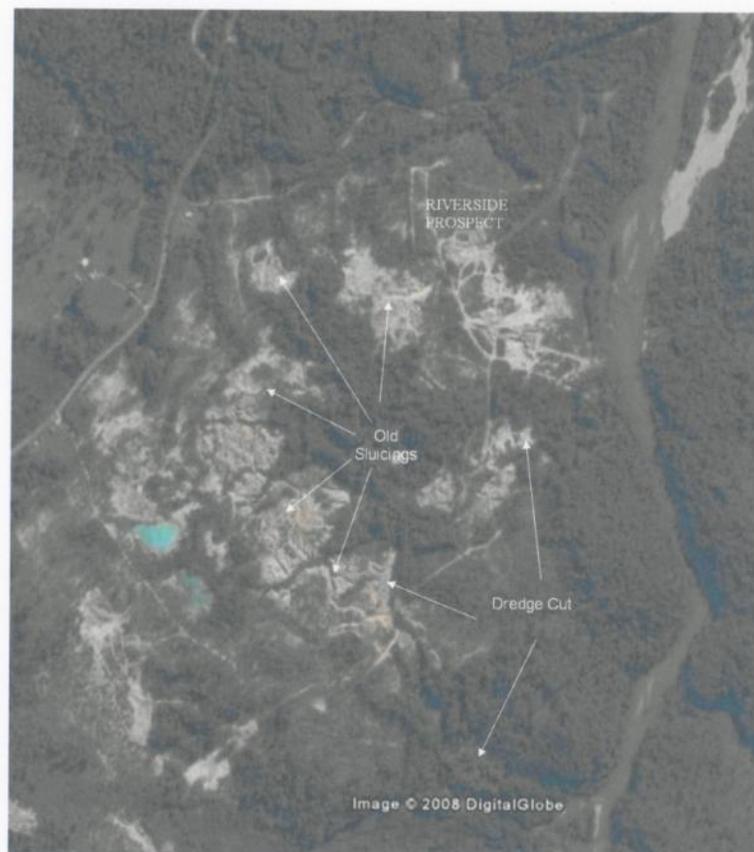


Figure 4. Historical Workings—Riverside Prospect

GEOLOGY

For a discussion of the regional geology, one is referred to the seminal work of Nye (1924), and the follow-up investigation reports predominantly by Amdex, and Australian Anglo American. It is important to note that the Ringarooma Alluvial Tinfield has an historical production in excess of 40,000 tonnes of tin from operations varying from small-scale hand mining through to large-scale dredging.

The alluvial deposits at the Riverside Prospect are part of a series of identifiable deposits in close association with the Ringarooma River and with the Tertiary history of the "Pioneer-Endurance Basin". Four distinctive types have been recognised in the area. Three of these were reported on in the Inspection Report (Robinson, 2007) being the Bird's Eye Wash, the Deep Wash or "Mathinna Wash" exposed by excavator beneath the Amdex Tailings, and the youngest Ringarooma River Wash. An "Old" wash occurrence is proposed to exist at a higher level to the Deep Wash and cropping out as remnants in the sluiced areas to the south of the tenements. This "Old" wash was laid down as the first drape over the exposed granite and was subsequently compacted, ferruginised and part silicified. At a lower level, the deep wash was deposited along the eroded banks and bars of a braided stream within a reasonably strict energy regime displayed by the sized cobbles and cassiterite.

The "Old" and Deep deposits are also characterised as consisting of gravel, pebble, and cobble fragments derived from metamorphic sources (Mathinna Beds) in the main, within a granite derived matrix. No basalt occurs in the sediment pile. The fragments are best described as shingle where $y \text{ axis} > x \text{ axis} >> z \text{ axis}$. Drift sands overlie the basal gravels and also contain cassiterite. The mineralized zones are overlain by varying thicknesses of clay and sandy clay.

The Bird's Eye Wash is somewhat enigmatic in origin, as it forms a shallow (300 mm -500 mm) drape over the whole country. This wash type is white, and comprised of small white quartz pebbles in an even-grained quartz-clay matrix. This material was and is quite rich, and easily mined. First impressions from the field inspections and from panning samples are of a winnowed or reconcentrated wash material which has been upgraded. The cassiterite grain size is similar to that in the deep wash, being reasonably restricted to <1 mm.

It is interesting to note that the cassiterite grain size in the so-called "Old" wash exceeds that in the other wash types.

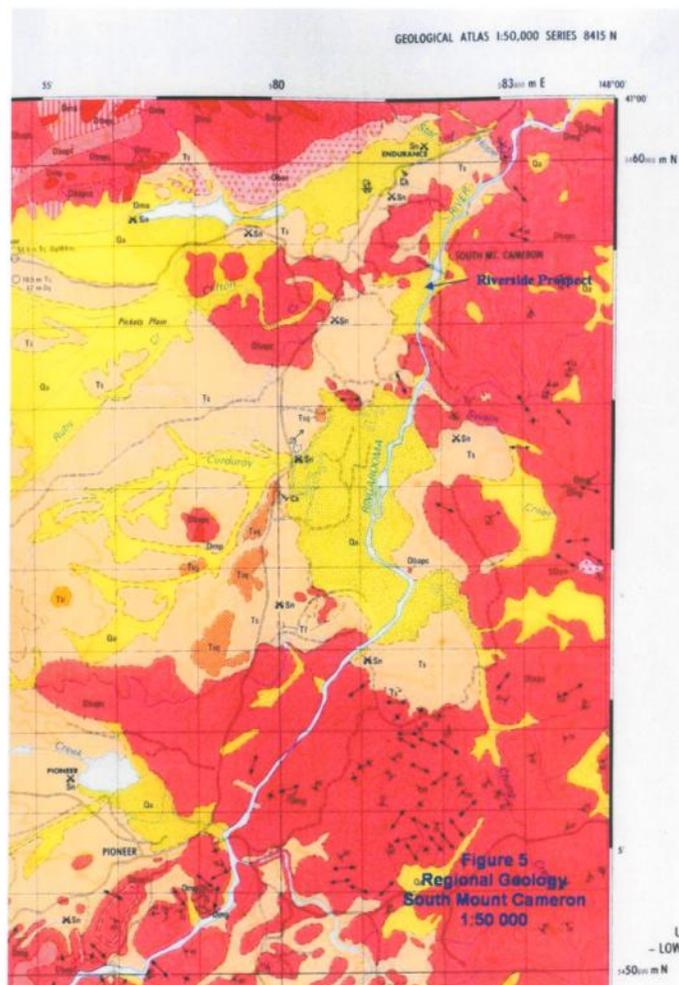




Figure 6. Remnant "Old" Wash at sluiced area, some 27m above Mathinna Wash.
Location near Line 42



Figure 7. "Deep" or Mathinna Wash exposed at 7.6m from surface in Costean 26B



Figure 8. Shallow "Bird's Eye" Wash exposed in Costean 42



Figure 9. Remnant "Bird's Eye Wash Sluiced Area near Line 40. Original vegetation



Figure 10. Amdex Tails Line 22 Costean.



Figure 11. Amdex Tails overlying ?Dredge Tails – Line 28/475

EVALUATION PROGRAMME

Overview

The evaluation programme as initially outlined was one of gridding the area on an E-W/N-S 25m x 25m basis, (parallel to the lease boundary) followed by a combination of bulk sampling from costeans dug on 100m Line spacings together with surface mapping and mapping of the individual costeans. The author was to be on site following the completion of the grid layout by a team of contractors.

At a summary meeting on site, the Company Geologist mooted that the programme would include pits at 50m spacings on the grid lines equidistant between the costean lines. The Company Geologist and 2 of the contractors began and completed the grid layout in preparation for mapping.

Planning was begun to deliver the required heavy equipment (30 tonne excavator, FE Loader and truck) for the sampling programme on site by the 10 March, prompting the employment of Tim Davis on that date to run the plant.

In the interim, KML had arranged for the grid lines to be cleared in preparation for the costeaning. For that purpose, a D9 was employed.

Mapping began on the 3rd March during and after which time, the grid and lease boundaries were surveyed by registered surveyors, and permanent bench stations erected throughout the lease. The surveyors completed their required contract and presented the completed base maps.

While awaiting the arrival of the digging equipment and due to time constraints, the author decided to commence the pitting programme of the Company Geologist using the PC2000 and the Leyland rock truck, as this old equipment was considered unsuitable for the role of constant costeaning. Pits were dug on Lines 12, 16, and 20, the pits being channel sampled by the author from the bucket of the excavator. The number of samples requiring panning necessitated the introduction of a second panner to assist. To that end, Mr Terry Dukes of Cooktown was seconded to carry out two duties, one of panning and one to oversee the plant operation.

The continuing delay in the arrival of the sampling equipment necessitated the use of the mine excavator and Leyland rock truck to commence the costean programme. During that period, costeans 18A, 18B and 14 were dug. Ongoing availability problems with both sets of equipment meant that the operation was slow but mostly successful. The break-out force of the excavator and the length of the digging arm meant that full depth to basement could not be reached in part of Costean 18.

The author determined that the costeans would not be continuous where access tracks were required for carting, nor underneath the tailings pipeline or the plant water line in order to maintain the normal plant running schedule due to time constraints.

The promised hire equipment finally arrived on the 3rd April on the afternoon the author and T. Dukes left on break. The author had left a programme to be followed which the on-site staff followed faithfully. However, the continuation of the costeaning programme was hampered by the situation foretold in the pits on the eastern end of Line 20, which involved considerable benching down, the removal of the reworked tailings, the Amdex tailings and some of the underlying wash to reach granite basement. The influx of groundwater into the costeans considerably added

to the problem, as the higher material rotated out and collapsed into the hole. Even with the newer equipment, this process involved a great deal of time – usually one to two days to complete the process to basement and present the plant with wash material.

This situation is only evident in the sampling process. In a mining environment, these complications would be largely overcome by judicious planning.

Despite the problems, samples have been obtained from all the proposed sites, though not the sample volumes originally thought.

On the other hand, many of the pits in the eastern section of the lease could not be bottomed and, again, time constraints prevented the benching process to obtain reliable and representative samples.

The Programme

Costeans were dug on Lines 10, 14 and 18, 42 and 46. Costeans were attempted on the eastern end of Line 18 and throughout Line 22 and Line 26.

Pits were dug on Lines 12, 16, 20, 24 and 28, with one pit being attempted close to the Line 30 orientation. Six pits were dug between Lines 42 and 44.

Wash from the costeans was delivered to the plant and washed through as a continuous operation. Treatment records were kept by the nozzleman (Plant Manager). The plant was run down for a period of about half-an-hour following raking of the jigs. The concentrate was collected and weighed on scales and recorded on the treatment record.

Channel samples were collected by the author from the pits, either from the bucket of the excavator or ladder. Samples were bagged and delivered to the panning area where they were volumed then broken down by Mr Dukes and panned off by the author. Concentrates were dried, tagged and bagged and weighed. Costeans and pits were mapped by the author and by Mr Nicholas.

Details of pits and costeans are found in the Appendices.

ORE RESOURCE STATEMENT

SUMMARY

Exploration, sampling, mapping, and historical mining allow for an assessment of the northern section of the CreekCo leases at a combined Indicated and Inferred Mineral Resource of some 800,000 cubic metres of wash with an estimated cassiterite content of +370 tonnes of SnO₂ at 70% Sn.

OVERVIEW

The tenement holder, Mr Alistair Nicholas of CreekCo, expressed his belief that the properties at South Mount Cameron contained some 600 tonnes of cassiterite, (KML pers. comm.)

This belief was based on a number of factors, but primarily on the examination of the geological and topographic map where a comparison was made between the area mined by the Dorset Dredge and that under lease at South Mount Cameron. The dredge was reported to have recovered some 400 tonnes of cassiterite from its mined area and, it was considered on the increased area that the potential would be for a further 200 tonnes of cassiterite at a grade between ¾ lb/cubic yard to 1 lb/cubic yard, (445g/m³ – 593g/m³). [It is worth noting that the area estimated is much larger than that covered by the evaluated leases]

Dredge grades are unknown, but mined depths in the Ringarooma wash are reported to be in the order of 23 ft to 30 ft (7m – 9m approx.)

CreekCo opened a mine pit (approximately 40 metres x 35 metres) and treated +7,100 cubic yards of the wash through the plant for a recovery of 435 g/cubic metre (~11.7 ounces/cubic yard). The open cut was based on a pitted area encompassing some 9 sampled pits which revealed panned grades from 300 g/m³ to 3000 g/m³, [information supplied by A. Nicholas]. All the wash was the "Deep Wash" referred to in the text, deposited on the banks and bars within existing embayments on the margin of the old river system.

RESOURCE

The area tested and evaluated covered some 25 ha [from Line 10 to Line 30] of which 10.6 hectares has been identified as prospective. This area was tested by 4 costeans at 100m intervals and 15 pits at 100m intervals and 50m centres and solely within the "Deep" Wash covered by Amdex and younger tailings.

As outlined, many factors combined to complicate the evaluation programme, the main problems being the 3 historical mining phases and the contained water within the deep wash. Despite those setbacks, it is possible to apply an ore resource to the tested area and to those prospective areas within the lease area that remain to be tested.

Volume Estimation

Areas and volumes of the tested zone have been calculated on the basis of both the survey map and the Robinson mapping, and takes into account the extent of the underlying and outcropping granite within that zone.

- Area Tested: 10.6 ha = 106,000 m²
- Wash Depth Range: 2.7m to 7.0m
- Average Depth Wash: 5.0m

- Estimated Volume of Wash in Tested Area = 530,000 cubic metres

Grade Estimation

Grade estimation is primarily based on the costean and benched pits results from the plant throughput. Correlation with the adjacent pits has been used, particularly to verify basement and wash trends, and where there are obvious anomalies in the recovered cassiterite. The estimated grade also takes into account historical data.

Costean	Treated m ³	Kg Recovered	Grade g/cubic m	Comments
14	409	92.3	225.7	
14B	116	53.7	463.0	Pipeline to Lease margin
18	316.6	163.8	517.4	
22B	112	40.75	363.8	
22C	10	8.25	825.0	Includes Bird's Eye Wash
26B	196	64.0	326.5	Maiden Ground and Amdex Tails
26C	79	42.0	531.6	
Total	1238.6	464.8		

The weighted average grade from the above costeans is 341.87 g/m³.

The author believes that this grade misrepresents the value of the property.

From the mapping, sampling and evaluation programme, the result from Costean 14 is anomalous and skewed downwards. It was also observed during processing that while beginning economically, grades dramatically lowered over some 45 metres of the costean and then improved to the west. Mapping of the costean in relation to the adjacent pits revealed that the majority of the costean was dug over a granite high, which has been seen, both in this programme and historically, to give low grades. The grades are seen to increase in pits both to the north and south of the costean.

For those reasons, it is considered best to exclude the values recovered from Costean 14.

The weighted average grade (excluding Costean 14) is **449.0 g/m³ of 70% SnO₂**

This estimated grade sits better with both observed and historical data available, and is the one used for this evaluation.

Tonnage Estimation

On the basis of the estimated volume and the estimated grade, the prospective tonnage contained within the 10.6 ha tested is 240 tonnes of cassiterite.

In summary, the tested area is estimated to contain 240 tonnes of cassiterite within 530,000 cubic metres of wash.

This resource falls within the "Indicated Mineral Resource" Category of the JORC Code of the Aust.IMM, AIG and Minerals Council of Australia which states:

"An ' Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrop, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced close enough for continuity to be assumed."

"Confidence in the estimate is sufficient to allow the application of technical and economic parameters and to enable an evaluation of economic viability."

Areas Untested

Within the lease areas, there are prospective zones which were not tested during this campaign. These resources fall into the "Inferred Mineral Resource" Category of the JORC Code. They include:

- (1) Area to the north and northeast of Line 18 to the northern lease boundary estimated at 4.3 ha;
- (2) Area between Line 28 and Line 30 estimated at 0.75 ha;
- (3) Swain's Hill area estimated at 1.5 ha; and
- (4) The viable Amdex Tailings component within the tested area. This area and volume has not been determined.

Estimations of resources within these 4 zones provide Inferred Resources of:

- 1 and 2 250,000 m³ containing +112 tonnes of cassiterite;
- Swains 15,000 m³ containing +15 tonnes of cassiterite

- Amdex Tails Indeterminate. (See Costean Details)

COMMENTS ON THE SAMPLING PROGRAMME

Bulk Sampling Programme

In general, the programme operated well. The late arrival of the specialised mining equipment meant that the programme took a lot longer than was necessary. Heavy equipment locally sourced would have been more cost efficient to the programme, and could have been chosen to better suit the area and the programme.

The clearing of the lines for costeaning would have been better handled with a D6. The clearing would have been carried out quicker and left less of a footprint on the area.

The plant worked well, and no problems were encountered with tin loss, though it was obvious that throughputs were hampered by lack of water and pressure to the nozzle. The already planned moves to insert a scrubber section in the trommel and to decrease the screen size should be carried out prior to continuous mining.

Terry Dukes suggests a change of ragging in the secondary jigs and the introduction of a tertiary jig into the circuit rather than the current upgrading situation. These suggestions should be seriously considered.

Problems were encountered with the treatment of the tailings through the plant. The removal of the fines component during the historical mining has increased the viscosity and pulp density of the material which resulted in greatly reduced throughput. During this assessment period, the tailings pipeline filled with sand and a new outlet had to be arranged.

If it was intended to obtain a bulk sample from a large pit area, then it would have been more prudent to establish that pit within the untested areas in the eastern sections of the lease in the deeper ground. Tailings could be directed to that area along with water while mining up slope.

Pit Sampling

Channel samples in pits are an acceptable sampling method when the walls of the pits are free standing.

In many cases during this programme, especially in the eastern pits, water influx and gravel rotation caused excessive problems and samples could not be taken as being either representative or reliable.

Personnel

I must commend the personnel on mine site as being excellent machine operators, personable, helpful and willing to carry out all instructions.

RECOMMENDATIONS

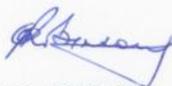
It is recommended that a feasibility study be carried out on the presented results and be compared with the pre-feasibility study which would have determined the minimum size/grade relationship targeted by the company.

The tested lease area is not a stand alone company operation as currently operated. The margins are very tight and it is only with careful mine planning, grade control and continuous throughput that the operation will be viable. Therefore the suggestions made regarding the plant upgrade should be seriously considered and acted upon. It would be prudent to test adjacent areas in conjunction with the mining so that resources are always in front of the operation.

I would also seriously look at another plant location. Already there is a tailings problem throughout the lease and this will only be exacerbated by further mining.

Sections of the Amdex Tailings are viable. However caution is advised when adding these volumes to the resource as thorough grade control is required before consigning them to plant or waste.

The value-adding component of the pebbles and cobbles is an important consideration in establishing an ROI for the operation. Markets should be sourced and a feasibility study carried out on the upgrade of the trommel oversize. It may prove feasible to install a double or triple deck screen with its own water supply to produce a clean product.



C.J. ROBINSON
May 2008

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APPENDICES

APPENDIX 1

Costean Results & Bulk Sample Records

South Mount Cameron Project
Costean Results

COSTEAN	FROM	TO	Cu. M	Kg	Grade	Comments
14	250	175	409	92.3	225.7 g/m	45m on granite ridge; Discounted
14B	343	275	116	53.7	463 g/m	Deep wash ground
18	215	100	316.6	163.8	517.45 g/m	4 sections taken
22B	375	425	112	40.75	363.84 g/m	Some tailings mixed
22C	425	440	10	8.25	825 g/m	Bird's Eye Wash; Very sloppy, some Amdex
26B	445	465	196	64	326.5 g/m	Maiden Ground and Tails U/B
26C	485	505	79	42	531.6 g/m	Benched down
			1238.6	464.8	0.375262393	
					341.87	Weighted Average
22A	357	375	105	12.25	116.7 g/m	Tailings
26B	445	465	200	24.2	121 g/m	Tailings
18E	143	100	53	9.8	184.9 g/m	Silicified, Ironstained basal wash
26B	375	405	213	116	544.6 g/m	Tailings
18 Pits			53	9.8	184.9 g/m	From 18/325 & 18/400. Clay losses
42	500	525	105	36.5	347.6 g/m	BE wash and #1 wash

ALLUVIAL BULK SAMPLING RECORD

Date: 01.04.08 **Prospect:** South Mount Cameron, Tasmania **Company:** KML
Mining Method: Excavator and old Truck
Trench/Costean/Pit No : 14 **From:** 14/ 250 **To:** 14/ 175
Personnel Present: Tim D; Jamie D; Steve; Mackie; CR **Page:** 2 of 3

Time	Volume	Comments
0930	7	Begin 2 pm following set up
0940	7	
0953	7	
1005	7	
1015	7	
1027	7	
1040	7	
1050	7	
1102	7	
1110	7	
1118	7	
1128	7	
1142	7	
1155	7	
1205	7	
1217	7	
1227	7	
1240	7	
1251	7	
1300	7	
1315	5	
1325	5	
1340	7	
1358	7	
1410	6	
1420	7	
1436	7	
1447	7	
1502	7	
1519	7	
1528	5	
1542	5	
1552	7	
1602	7	
1618	7	
1629	5	
1639	7	
1658	7	
	255 c.yd	

ALLUVIAL BULK SAMPLING RECORD

Date: 29.03.08 **Prospect:** South Mount Cameron, Tasmania **Company:** KML

Mining Method: Excavator and old Truck

Trench/Costean/Pit No : 18 **From:** 18/ 215 **To:** 18/ 100

Personnel Present: Tim D; Jamie D; Steve; Mackie; CR **Page:** 3 of 3

Time	Volume	Comments
0824		Note – 24 c.yds in bin
0834	7	
0900	7	
0910	7	
0919	7	
0932	6	
0945	7	
1001	7	
1019	7	
1030	7	
1042	7	
1053	7	
1108	7	
1123	5	
1137	7	
1149	7	
1205	7	
1217	7	
1228	7	Changed location
1243	7	
1310	7	
1323	4	
	140 c.yds	

Total Throughput Volume: 316.55 cu. metres

Assay

Total Wt Concentrate: 168.45 kg

Grade

Grade (Pre-Assay): 517.45 g/m³

ALLUVIAL BULK SAMPLING RECORD

Date: 03.04.08/4.04.08 **Prospect:** South Mount Cameron, Tasmania **Company:** KML
Mining Method: New Excavator and new Truck
Trench/Costean/Pit No : 14B **From:** 14/ 343 **To:** 14/ 275
Personnel Present: Tim D; Jamie D; Steve; Mackie; **Page:** 1 of 1

Date	Time	Volume	Comments
3.04.08	1430	14	
	1445	7	
	1510	10	
	1525	10	
	1542	10	
	1602	7	
	1629	10	
	1645	10	
	1707	10	
	1720	7	
	1738	7	
			1 hour cleaning hopper
4.04.08	1000	7	
	1017	7	
		116 m ³	

Total Throughput Volume: 116 cu. metres

Assay

Total Wt Concentrate: 53.7 kg

Grade

Grade (Pre-Assay): 463 g/m³

ALLUVIAL BULK SAMPLING RECORD

Date: 07.04.08/8.04.08 **Prospect:** South Mount Cameron, Tasmania **Company:** KML

Mining Method: New Excavator and new Truck

Trench/Costean/Pit No : 22A **From:** 22/ 357 **To:** 22/ 375 **Amdex Tails**

Personnel Present: Tim D; Jamie D; Steve; Mackie; **Page:** 1 of 1

Date	Time	Volume	Comments
7.04.08	1130	7	
	1144	7	
			Tailings pipe collapsed; setting up new tails pipe
8.04.08	<i>c/f</i>	14	
	0930	7	
	1003	7	
	1016	7	
	1039	7	
	1143	7	
	1230	7	
	1300	7	
	1330	7	
	1419	7	
	1437	7	
	1521	7	
	1535	7	
	1628	7	

Total Throughput Volume: 105 cu. metres

Assay

Total Wt Concentrate: 12.25 kg

Grade

Grade (Pre-Assay): 116.7 g/m³

ALLUVIAL BULK SAMPLING RECORD

Date: 10.04.08 **Prospect:** South Mount Cameron, Tasmania **Company:** KML
Mining Method: New Excavator and new Truck
Trench/Costean/Pit No : 22B **From:** 22/ 375 **To:** 22/ 425
Personnel Present: Tim D; Jamie D; Steve; Mackie; **Page:** 1 of 1

Date	Time	Volume	Comments
			Material dumped on Ramp Pad and fed by loader into plant;
10.04.08		10	
		10	
		10	
		7	
		10	
		5	
		10	
		10	
		10	
		10	
		10	
		10	
		112 m ³	

Total Throughput Volume: 112 cu. metres

Assay

Total Wt Concentrate: 40.75 kg

Grade

Grade (Pre-Assay): 363.84 g/m³

ALLUVIAL BULK SAMPLING RECORD

Date: 10.04.08 **Prospect:** South Mount Cameron, Tasmania **Company:** KML

Mining Method: New Excavator and new Truck

Trench/Costean/Pit No : 18 **From:** Pits at 18/ 325 and 18/ 450

Personnel Present: Tim D; Jamie D; Steve; Mackie;

Page: 1 of 1

Date	Time	Volume	Comments
			Samples taken from 2 holes on Line 18 between 18/300 and 18/500. Could not reach basement. Wash material all Ringarooma wash, brown and very clayey
10.04.08		4	
		3	
		3	
		4	
		4	
		4	
		4	
		4	
		5	
		4	
		4	
		4	
		4	
		4	
		4	
		5	
		6	
		7	
		5	
		74 m ³	
			Of the 74m ³ carted some 21m ³ was not processed

Total Throughput Volume: 53 cu. metres

Assay

Total Wt Concentrate: 40.75 kg

Grade

Grade (Pre-Assay): 184.90 g/m³

ALLUVIAL BULK SAMPLING RECORD

Date: 11.04.08/14.04.08 **Prospect:** South Mount Cameron, Tasmania **Company:** KML
Mining Method: New Excavator and new Truck
Trench/Costean/Pit No : 26B **From:** 26/ 445 **To:** 26/ 465 Amdex Tails
Personnel Present: Tim D; Jamie D; Steve; Mackie; **Page:** 1 of 2

Date	Time	Volume	Comments
11.04.08	1230	7	Amdex Tails
	1255	7	
	1350	10	
	1405	5	
	1428	4	
	1445	4	
	1520	5	
	1600	5	
	1628	4	
	1653	5	
14.04.08	0925	5	
	0939	5	
	1000	5	
	1046	5	
	1114	5	
	1142	5	
	1215	7	
	1251	10	
	1325	10	
	1430	10	
	1510	10	
		133m ³	

ALLUVIAL BULK SAMPLING RECORD

Date: 21.04.08/22.04.08 **Prospect:** South Mount Cameron, Tasmania **Company:** KML
Mining Method: New Excavator and new Truck
Trench/Costean/Pit No : 26 **From:** 26/ **To:** 26/ **Amdex Tails**
Personnel Present: Tim D; Jamie D; Steve; Mackie; CR **Page:** 1 of 1

Date	Time	Volume	Comments
21.04.08	1205	7	Tailings
	1214	7	
	1232	7	Washing slow and blocking up launder
	1243	7	
	1305	7	
	1315	7	
	1329	7	
	1401	7	
	1417	7	
	1433	7	
	1502	7	
	1530	7	
	22.04.08	0810	7
0833		7	
0849		7	
0914		7	
0935		7	
0958		7	
1015		7	
1033		7	
1054		7	
1117		7	
1131		7	
1153		7	
1219		7	
1235		7	
1257		7	
1320	11		
		200m ³	

Total Throughput Volume: 200 cu. metres

Assay

Total Wt Concentrate: 24.20 kg

Grade

Grade (Pre-Assay): 121.0 g/m³

APPENDIX 2
Pit Sampling Results

South Mount Cameron Project
Pit Channel Sampling Results

Line	Pit No	Sample	From	To	Width	Weight	Volume	Grade	O/B	Total D	Base	Comments
12	175	1	0	0.6	0.60	0.70	1 dish	400.00	2.40	2.40		
12	175	2	2.7	3.7	1.00	0.90	2.00	225.00	2.25	2.25		
12	175	3	3.7	4.7	1.00	1.20	4.00	150.00	1.50	1.50		
12	175	4A	4.7	5.7	1.00	9.90	4.00	1237.50	1237.50	1237.50	SS1.5.	
12	175	4B				17.80			1211.75	4.4	Granite	Screened Spinel
									2.70	5.70		
12	225	1	0	1	1.00	0.90	2.00	225.00				
12	225	3	2	3	1.00	1.30	6.00	108.00			Granite	
									0.00	3.00		
12	275	1	0	1	1.00	1.20	4.00	150.00				
12	275	2	1	2	1.00	1.20	6.50	92.00				
12	275	3	2	3	1.00	1.10	2.50	220.00				
12	275	4	3	3.5	0.50	2.10	2.00	525.00			Granite	
									0.00	3.50		
16	125	3	2.8	3.8	1.00	3.00	6.00	250.00				Wash
16	125	4	3.8	5.5	1.20	0.90	4.00	112.50				Clay overburden
									2.80	5.50	Granite	
16	175	1	2.5	3.5	1.00	4.20	5.50	381.80				Small cobble wash
16	175	2	1.5	2.5	1.00	3.00	6.00	250.00				Sandy Drift
16	175	3	0.5	1.5	1.00	1.80	4.00	225.00				Sandy Drift
16	175	4	0	0.5	0.50	0.50	1 dish	1000.00				Top Wash
									0.00	3.50	Granite	
16	225	1	0	0.5	0.50	BLD	1.00					1 Au
16	225	2	0.5	1.5	1.00	1.20	5.00	120.00				Grey shingle wash
16	225	3	1.5	2.5	1.00	2.70	5.00	270.00				Drift sand - grit size
									0.00	2.50	Granite	Granite dips W
16	275	1	3.1	3.8	0.70	1.20	2.50	240.00				Drift
16	275	2	3.8	4.8	1.00	2.80	4.50	311.00				Flat shingle drift wash
16	275	3	4.8	5.5	0.70	4.60	1.50	1533.00				Flat shingle drift wash
									3.10		U/B	

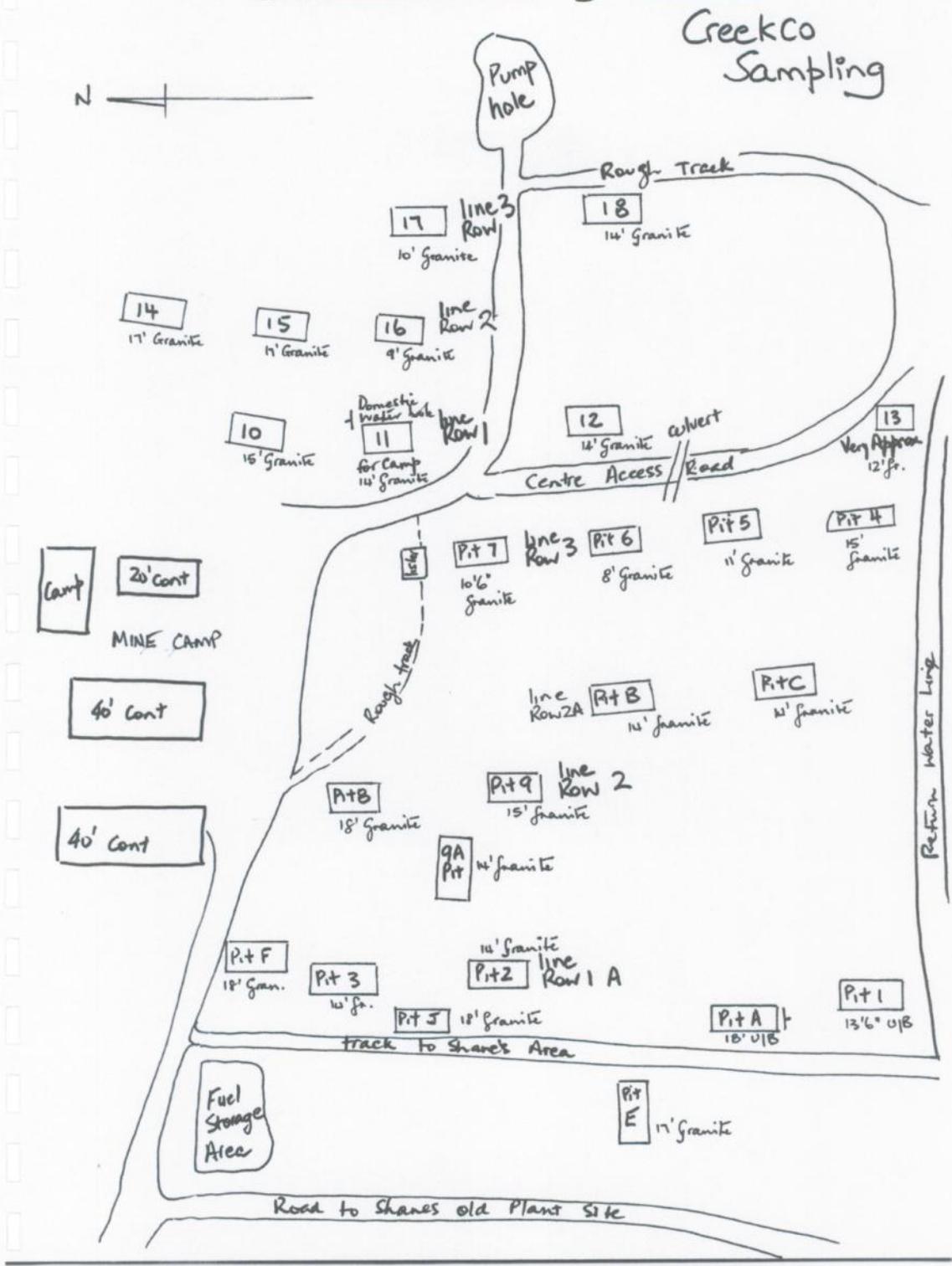
South Mount Cameron Project
Pit Channel Sampling Results

Line	Pit No	Sample	From	To	Width	Weight	Volume	Grade	O/B	Total D	Base	Comments
20	275	1				2.40	2.25	533.00				Base Gravel
20	275	T1	0	1.5	1.50	1.40	3.00	233.00				Tailings
20	325	T1	0	1.25	1.25	1.25	5.00	100.00				Tailings
			1.25	1.35	0.10							Vegetation layer
			1.35	1.9	0.55							Sandy clay; Water, pit falling in
20	375	1	0	0.8	0.80	BLD	5.00				U/B	Pit fell in immediately due to water influx
20	425								1.20		U/B	Pit 10m into swamp area. Clay o/b. Water in gravels; washout, gravels rotated out.
												Unreliable sample
24	325		0.00	0.20	0.2				0.20	1.00	Granite	Fine sand cover to granite
	375		0.00	1.40	1.4							Shane's Sand Tails
			1.40	1.80	0.4							AMDEX Tails
			1.80	2.00	0.2							Brown clay
	425		0.00	2.00	2					2.00	Granite	
			2.00	2.40	0.4							AMDEX Tails
												Brown wash - Ringarooma?
										2.40	Granite	
28	425		0.00	3.00	3							Amdex Tails
			3.00	3.40	0.4							Vegetation Layer
			3.40	6.30	2.9					6.30	U/B	Grey drift & Wash; Pit fell in, not sampled
	475		0.00	1.00	1							Amdex Tails
			1.00	-2.2	-1.2							Dredge Tails?
			2.20	6.30	4.1					6.30	U/B	Sample from excavator ~0.75lb/yd
40	500	1	0	1.3	1.30	ND	2.00		0.00	1.30	Granite	Spinell/Sand
42	1	42.1	3.3	6	2.70	3.60	9.50	190.00	3.30	6.00	Granite	Coarse tin
42	2	42.2	2.7	4.3	1.90	2.50	9.00	140.00	1.70	4.30	Granite	Coarse tin

APPENDIX 3

- **CreekCo Pit Layout and Results**
- **Smelter Returns from Plant Throughput**

Site Plan Showing Pits.



South Mount Cameron - Creekco Pits

LINE	PIT No	O/B	WASH	T Depth	Base	Comments
	E	11	6	17	Granite	
1A	1	10.5	3.5	13.5	U/B	Hard oxide cemented wash
	A	10	8	18	U/B	3/4 to 1 lb/yd; strata dips south?
	2	6	8	14	Granite	Strata dips N. V rich ~20 lb/yd
	J	10	8	18	Granite	Wash dips S; 15' to 18' values ~ 5lb/yd
	3	4	10	14	Granite	From 14' values 8 to 10lb/yd
	F	14	4	18	Granite	Base dips south
2	9	4	11	15	Granite	Values 3/4 to 1/2 lb/yd
	9A	4	10	14	Granite	Values 5 to 10 lb/yd; Au
	8	7	11	18	Granite	Floor dips E; Values 1lb/yd @ 10'; 5lb @ 18'
2A	C	7	7	14	Granite	Flat base. Values 1lb/yd to 1/4 lb/yd
	B	4	10	14	Granite	Flat base. Values 3/4 lb/yd @ 14'
3	4	7	8	15	Granite	Base dips S. 1/2 to 3/4 lb/yd
	5	4	7	11	Granite	Base dips N. 3/4 to 1 lb/yd
	6	1	7	8	Granite	Base dips S. 1/2 to 1 lb/yd
	7	4	6	10.5	Granite	Base flat
First	13	4	8	12	Granite	
	12	0.5	13.5	14	Granite	
	11	4	10	14	Granite	
	10	11	4	15	Granite	
Second	16			9	Granite	
	15	8	9	17	Granite	
	14	10	7	17	Granite	
Third	18	2	12	14	Granite	
	17	0	10	10	Granite	



MSC *Malaysia Smelting Corporation Berhad* (43072-A)
 27, JALAN PANTAI, 12000 BUTTERWORTH, P.O BOX 2, 12700 BUTTERWORTH, MALAYSIA.
 TEL : 04-3333500 FAX : 04-3317405 (GENERAL), 04-3326499 (EXECUTIVE)
 E-MAIL: msc@msmell.com WEBSITE http://www.msmelt.com



OBD 39

16-11-07

RECEIVED on **06-09-07** **CREEKCO-AU1**

CREEKCO MINING PTY LTD

for the account of

tin concentrates as under :

MARK	BAGS		GROSS WEIGHT			TARE			MOIS- TURE		NET WEIGHT		ASSAY		NET ASSAY		IMPURITIES
	As	Pb	Bi	Cu	Sb	Ni	Co	Zn	Ag	S	Fe	Mn	Wo3	Cl	F		
F036713	6			4,222.5		108.0		160.9		3,953.6							
	0.010	0.010	0.010	0.010	0.010	0.001	0.001	0.010	0.001	0.050	1.680	0.020	0.190	0.000	0.000		
	6			4,222.5		108.0		160.9		3,953.6							

MALAYSIA SMELTING CORPORATION BERHAD

For Group General Manager, Commercial

Malaysia Smelting Corporation Berhad
(43072-A)

27, Jalan Pantai, Butterworth, 12000, Butterworth, Penang, Malaysia
 TEL : 604-3333500 FAX: 604-3317405
 E-MAIL: mse@mismelt.po.my WEBSITE : www.mismelt.com

Printed Date : 16-Nov-2007
 Printed Time : 5:26:38PM
 Invoice No : NIL

Account Sales

CREEKCO MINING PTY LTD

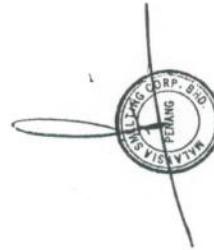
Shipment No : CREEKCO-AU1

Vessel : ANL WINDARRA/ISARA BHUM 7365 ETA: 21.08.2007

Received Date : 06-Sep-2007

Mark No	No of Bags	Gross Weight Ore	Tare Weight	Moisture	Net Weight Ore (kg)	Gross Assay (%)	Deduction	Fe/WO3	Net Assay (%)	Returnable Tin (kg)
F036713	6	4,222.50	108.00	160.90	3,953.60	68.60000	1.32445	0.08900	67.18655	2,656.29
	6				3,953.60					2,656.29

Date	Quantity Solid	Price	Total Amount
10-Sep-2007	2,656.29 Kgs Tin @ RM	51.979 Per Kg	138,071.30
	2,656.29		138,071.30



Page 3 of 3

Printed Date : 16-Nov-2007
 Printed Time : 5:26:38PM
 Invoice No : NIL

Malaysia Smelting Corporation Berhad (43072-A)

27, Jalan Pantai, Butterworth, 12000, Butterworth, Penang, Malaysia
 TEL : 604-3333500 FAX: 604-3317405
 E-MAIL: msc@msmelt.com.my WEBSITE : www.msmelt.com

Account Sales

CREEKCO MINING PTY LTD

Shipment No : CREEKCO-AUI

Vessel : ANL WINDARRA/ISARA BHUM 7365 ETA: 21.08.2007

Received Date : 06-Sep-2007

Expenses incurred in receiving tin/ore into Works :

Transport	391.40
Mis. Exp.	12.00
E.A.E Freight charges	641.00
	1,044.40

Advance	07-Sep-07	100,000.00
		100,000.00

Summary Of Calculation:

Sales	138,071.30
Amount Payable	(3,511.79)
Expenses	(1,044.40)
	133,515.11
Advance	(100,000.00)
Total Amount :	RM 33,515.11



 for Group General Manager Commercial

PHOTOGRAPHS



Treatment Plant from Camp Site – CreekCo Pit



Komatsu PC2000 digging Costean 18



Costean 14 – Shallow northerly-dipping wash



Costean 14B – Collapse on deep ground



Costean 26B Benching to 7.6 metres to basement



Costean 14 – Shallow Wash on Granite Ridge



Line 18 Eastern Pits – Clayey untreated Wash



Komatsu Excavator & Terex Line 26



Front End Loader



Plant Water Supply



CreekCo Sand Tailings – Area used in programme



CreekCo Pit as Tails Dam



- Green Grid Peg
- Creek Co Pit
- + Approx. Granite Boundary
- Pit 16/275
- 18D Costean

IVERSIDE PROS
 SE 1/4 MOUNT CA
 TASMANIA
 FIELD MAP

Appendix 2: Expenditure

Kangaroo Metals Limited Unit 4, 213 Balcatta Road Balcatta WA 6021		
Profit & Loss Statement January 2008 through June 2008		
9-0100	Tasmania Tenements	
9-0101	Acquisition	
9-0104	Stamp Duty	\$895.51
	Total Acquisition	\$895.51
9-0105	Administration Tenement Servic	
9-0109	Application / Renewal Fee	\$750.00
9-0111	Searches and Maps	\$3,302.40
9-0114	Rents/Rates	\$492.86
	Total Administration Tenement Servic	\$4,545.26
9-0131	Geological - Salaries/Superann	\$121,560.44
9-0132	Geological - Consultants/Contr	\$35,350.00
9-0133	Searches and Maps	\$286.18
9-0138	Overheads	\$1,983.94
9-0139	Storage Costs	\$103.50
9-0140	Airborne Geophysical	
9-0142	Aerial Photography	\$506.32
9-0147	KML Geoscience	\$19,089.11
	Total Airborne Geophysical	\$19,595.43
9-0160	Exploration Survey	
9-0162	Gridding and Surveying	\$4,922.00
	Total Exploration Survey	\$4,922.00
9-0170	Exploration Drilling	
9-0174	RC Drilling	\$560.00
9-0178	Exploration Transport	\$23,650.00
	Total Exploration Drilling	\$24,210.00
9-0180	Exploration Field Support	
9-0181	Field Assistants - Saleries /	\$58,555.00
9-0182	Field Assistants - Consultants	\$4,517.50
9-0183	Airfares	\$11,144.67
9-0184	Accommodation and Meals	\$13,513.69
9-0185	Vehicle Hire	\$18,505.36
9-0186	Vehicle Repairs	\$7,659.46
9-0187	Vehicle Insurance	\$9,541.00
9-0189	Communication	\$21.68
9-0190	Freight	\$159.10
9-0191	Fuel and Oil	\$32,665.10
9-0192	Consumables	\$27,645.56
9-0193	Equipment Hire	\$4,625.00
9-0194	Exploration Equipment	\$2,023.02
	Total Exploration Field Support	\$190,576.14
	Total Tasmania Tenements	\$404,028.40

Kangaroo Metals Limited Unit 4, 213 Balcatta Road Balcatta WA 6021		
Profit & Loss Statement July 2008 through June 2009		
9-0100	Tasmania Tenements	
9-0101	Acquisition	
9-0104	Stamp Duty	\$96,150.00
	Total Acquisition	\$96,150.00
9-0105	Administration Tenement Servic	
9-0110	Security	\$500.00
9-0114	Rents/Rates	\$1,024.00
	Total Administration Tenement Servic	\$1,524.00
9-0115	Land Access / Aboriginal Herit	
9-0127	Tenement Bonds	\$15,000.00
	Total Land Access / Aboriginal Herit	\$15,000.00
9-0138	Overheads	\$2,470.26
9-0180	Exploration Field Support	
9-0181	Field Assistants - Saleries /	\$8,015.00
9-0183	Airfares	\$1,322.19
9-0184	Accommodation and Meals	\$4,586.00
9-0185	Vehicle Hire	\$3,009.03
9-0186	Vehicle Repairs	\$2,091.15
9-0190	Freight	\$1,052.97
9-0191	Fuel and Oil	\$27,736.66
9-0192	Consumables	\$6,785.61
	Total Exploration Field Support	\$54,598.61
	Total Tasmania Tenements	\$169,742.87