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**ANNUAL REPORT FOR PERIOD
24th MARCH 2008 TO 11th MARCH 2009**

**EXPLORATION LICENCE 71/2007
MOLE CREEK LIMESTONE
TASMANIA**

BURNIE SK55-03

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ABSTRACT

This report details work completed by Unimin Australia Limited on EL71/2007 during the period 24th March 2008 to 23rd March 2008.

EL71/2007 is located approximately 5km NW of Mole Creek, Tasmania. The EL surrounds the Unimin operated Mole Creek limestone mine. Work is planned to identify a high quality limestone unit suitable as feed for the Unimin Mole Creek kiln.

Limestone currently mined in the Mole Creek region is part of the Den Formation, the upper member of the Ordovician Gordon Group. The aim of the work proposed on the EL is to investigate the extensions to the limestone units currently being exploited. Drilling and resource work throughout 96M/1971 suggest that high grade limestone extensions do occur outside the lease boundaries, however these are yet to be tested effectively.

Exploration activities on the tenement during the reporting period have included:

- Data review of previous reports and in-house records
- Aerial photography and topographic survey

The majority of work is aimed at investigating the property adjoining the western boundary of the Mole Creek mine site where there is potential to define a high grade limestone unit. Rock chips from prior work suggests a reasonably sized resource may be present, and as a result drilling is planned in March 2009.

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EL3734_200805_01_Main Report.pdf

1. INTRODUCTION

EL71/2007 is located approximately 5km NW of Mole Creek, Tasmania. The EL surrounds the Unimin operated Mole Creek limestone mine. Work is planned to identify a high quality limestone unit suitable as feed for the Unimin Mole Creek kiln. Work is proposed to investigate the strike extensions to the limestone units currently being mined at the Mole Creek mine site.

1.1 Location and Access

EL 71/2007 is located approximately 5km northwest of Mole Creek, Tasmania (Figure 1). The 6km² Exploration Licence surrounds the Unimin operated Mole Creek limestone mine, and is accessed from Mole Creek township via Den Road.

1.2 Tenure

EL 71/2007 for Category 3 and 5 minerals was granted to Unimin Lime (Tasmania) Pty Ltd on 24th March 2008 for a period of 5 years. The area of the EL is 6km².

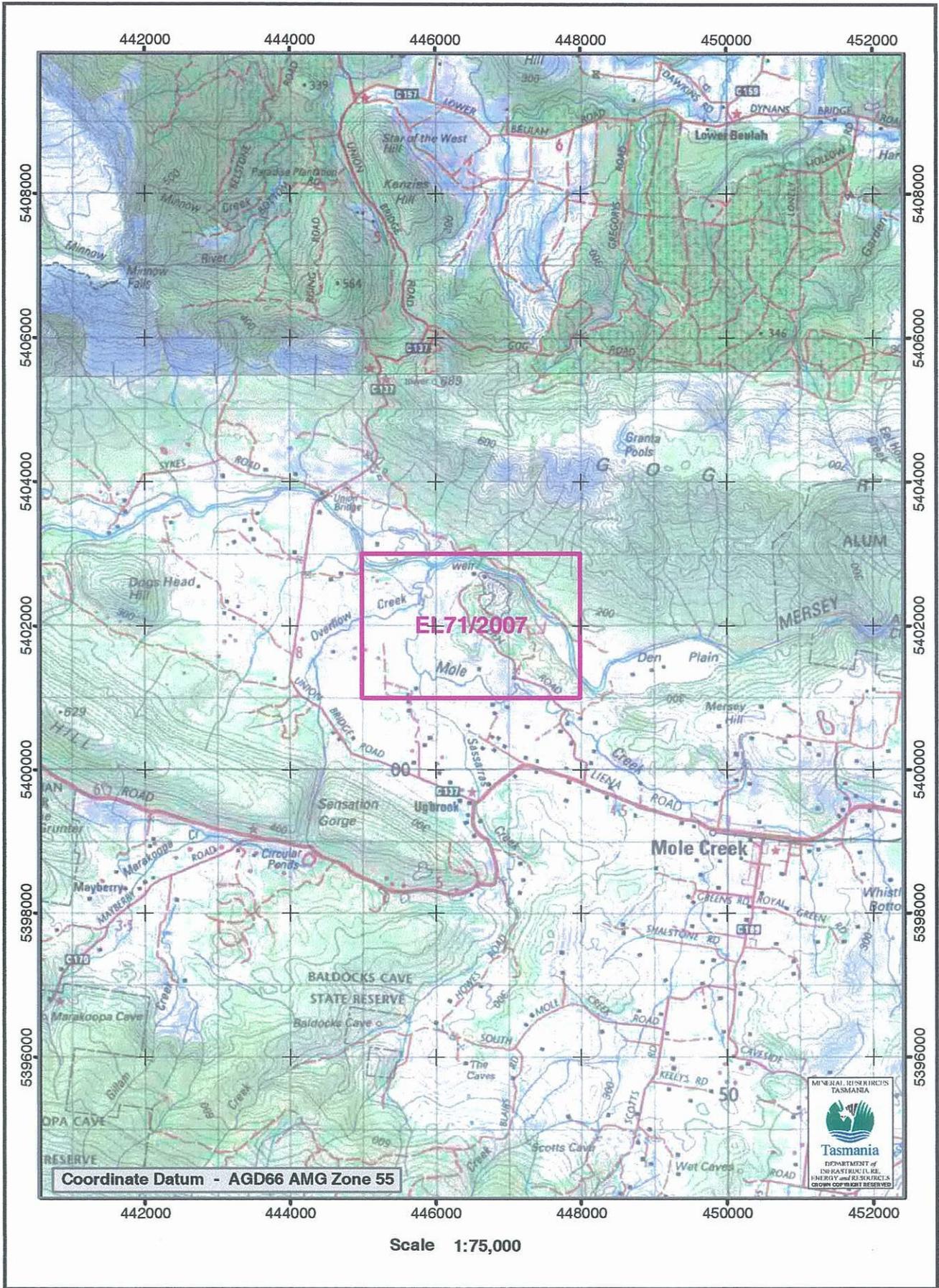
1.3 Geology

The Mole Creek valley is largely made up of calcareous rocks of Ordovician age belonging to the Gordon Group, part of the Wurawina Supergroup.

In the tenement area, the Gordon Group comprises the Overflow Creek Formation dolomite, and the overlying Den Formation which is the host to the high grade limestones currently being mined.

The main geological structure is an ESE trending synclinal fold that is tilted gently to the east. Consequently, the beds of limestone occurring in the Mole Creek mine dip to the south, with the same beds in the south of the tenement area dipping to the north. The axis of the syncline is covered by sandstones and shales of the Eldon Group.

In the mine area the Den Formation limestone can be subdivided into 5 limestone units of varying grades around 200 metres thick, which extend east-west over a strike length of approximately 400 metres in and along strike of the current working pit. The siliceous and middle limestone members are too low in quality to be used in the kiln however. A NW-SE trending fault has split the limestone into two separate blocks, with a smaller 300 metre long unit being displaced to the SE. Both the NE and SW limestones dip to the south at dips of between 40 to 60 degrees. There are intermittent limestone outcrops extending to the west of the SW limestone resource, and these are to be targeted by further exploration.



Coordinate Datum - AGD66 AMG Zone 55

Scale 1:75,000



2. PREVIOUS WORK

2.1 Work Conducted Prior to the Current Tenement

The regional geology of the Mole Creek district has been described in two publications of the Geological Society of Australia, “Mole Creek – A Geological and Geomorphological Field Guide, 1987” and “Geology and Mineral Resources of Tasmania, Special Publication 15, 1989”. The area is also covered by the 1:50,000 Geological Series, 1984.

In 1998, a David Mitchell sponsored Honours Thesis titled, “Geology and Structures of the Gordon Group Limestones at Mole Creek, Northern Tasmania” was completed by University of Tasmania student Mark Edwards. The extents of the Den Formation, and the structural setting of the limestone were investigated.

Work conducted by the mine operators prior to the granting of the tenement has been limited to the drilling of 3 shallow reverse circulation holes and the completion of 3 rock chip traverses west of the SE resource located on 96M/1971.

In 1987, a total of 77 metres were drilled in 3 shallow RC holes (DHMC41, 41A, 42) to test the quality of limestone approximately 150 metres west of the Mining Lease boundary. The holes were drilled vertically, and although all intersected limestone, none contained grades suitable for calcining.

In 2004, a total of 113 rock chips were taken on 3 north-south traverse lines spaced 50 metres apart. The most easterly traverse was located 200 metres west of the Mining Lease boundary. Results showed high grade limestone with widths of up to 100 metres. The geometry of the area has yet to be determined so the significance of the seemingly conflicting results between the drilling and rock chips in this area has not been resolved.

3. WORK CONDUCTED DURING THE REPORTING PERIOD

3.1 Data Review

A review of the mapping conducted in the thesis by Edwards, and drilling and rock chip results were reviewed. Drilling information on the western boundary of the current Mining Lease was also considered in determining that the most obvious exploration target to be immediately west of the current Mining Lease. There is some promise of limestone in the east but the depths of overburden may be prohibitive.

Discussions have been held with landholders located to the west and east of 96M/1971. The land immediately east of 96M/1971 was purchased, and access to the western area has been recently granted following access negotiations.

3.2 Aerial Survey

In January 2009, AAM Hatch were contracted to conduct an aerial survey over the Mole Creek mine, and the surrounding areas within the Exploration Licence. The survey will provide an orthophoto which will provide topographic and visual information to aid in mapping and geological interpretation. Plans and digital data are expected mid to late February.

4. DISCUSSION OF RESULTS

Work to date has provided a solid basis on which to plan and conduct future exploration. The promising geochemical results from the previous work have shown that the area has the potential to host a significant limestone deposit suitable for calcining.

A reconnaissance drilling programme is planned in early 2009 to aid in determining the structure and quality of the limestone west of the current mine. However, the geology of the limestone within the current pit shows strong folding, a significant fault offset which seems to have associated splays or parallel features, and a conformity with the Eldon Group sediments obscuring the underlying limestone. The relatively simple model which is being employed for further exploration is likely therefore, to be complicated by these features.

5. CONCLUSIONS

During February 2009, reconnaissance percussion drilling is planned on the western extensions to the known limestone. On the completion of a further geological reconnaissance and rock chip programme throughout the remainder of the tenement, further reconnaissance drilling is likely to be undertaken.

Follow up RC drilling is planned later in the year depending on results.

6. ENVIRONMENTAL

No exploration requiring vehicle or equipment movement has been undertaken over the tenement to date, with no environmental work required.

7. BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER	RM200902
TITLE	ANNUAL REPORT FOR PERIOD 24 th MARCH 2008 TO 23 rd MARCH 2009 EXPLORATION LICENCE 71-2007 MOLE CREEK TASMANIA
AUTHOR	R. MARTIN
DATE	FEBRUARY 2009
PROSPECT NAME	MOLE CREEK
OWNER/OPERATOR	UNIMIN LIME (TASMANIA) PTY LTD
KEY WORDS	LIMESTONE ORDOVICIAN INDUSTRIAL MINERALS
COMMODITY	LIMESTONE
TECTONIC UNITS	DUNDAS TROUGH WURAWINA SUPERGROUP
1: 250 000 MAP SHEET	BURNIE SK55-03
1: 100 000 MAP SHEET	MERSEY 8114
1: 25 000 MAP SHEET	GOG 4440