EL25/2004 ALBERTON

TASMANIA

ANNUAL TECHNICAL REPORT

OCTOBER 8TH 2008 – OCTOBER 7TH 2009

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REPORT DATE: 08/10/2009

LICENSEE: **Low Impact Diamond Drilling Specialists Pty Ltd**

ABN: 26 079 634 692

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Drilling			
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Drilling_All	EL252004_200910_03_dhassay	txt	Drill hole assay data
Drilling_All	EL252004_200910_04_dhsurvey	txt	Down hole survey
Drilling_All	EL252004_200910_05_lithology	txt	Drill hole lithology
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TENEMENT DETAILS

LICENSEE: **Low Impact Diamond Drilling Specialists Pty Ltd**
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ABSTRACT

Exploration Licence 25/2004 comprises 12 square kilometres at Alberton was granted on 8th October 2004 to Low Impact Diamond Drilling Specialists Pty Ltd (LIDDS).

Previously drilled holes were logged and assayed.

During 2008 – 2009 an ongoing review of all previous exploration was undertaken in light of the newly proposed geological model for the main Ringarooma United Mine and other nearby occurrences. Site surveys were undertaken to allow for future exploration drilling.

Additional modelling was subsequently undertaken with reference to the structural relationship between the Ringarooma United Mine – Thomas - Hannah workings.

A work plan has been prepared that will allow for additional drill pads that will allow further drilling to be undertaken to confirm the veracity of the new model.

KEY WORDS

Location Name:	Alberton, Ringarooma
Earth Science Related Terms:	Sinstral fault, dextral fault, pre-mineralisation shear, post mineralisation shear, brittle offset.
Environment of Mineralisation:	shear hosted mineralisation, brittle host, quartz vein stockwork.
Commodities:	gold, silver
Exploration Methods:	Historical research, 3D geological modelling, drill testing based on model, rock chip sampling/field mapping, underground mapping.
Mine / prospect name:	Ringarooma United, Gumsucker, Thomas, Hannah, Rosalyn, Strachan Reef, Roaring Meg Reef, Mercury Mine, Victoria Reef, Long Struggle Reef, Short Struggle Reef, Caxton Reef, Scotchman Reef, Montana Reef.
Stratigraphic Name:	Mathinna Supergroup.
Geological province name:	Lachlan Fold Belt.
Geological age:	Devonian

1.0 Introduction.

Exploration Licence EL 25/2004 comprising 12 square kilometres at Alberton was granted on 8th October 2004 to Low Impact Diamond Drilling Specialists (LIDDS) Pty Ltd.

The area explored to-date has focussed primarily on the Ringarooma United Mine, the major producer on the Alberton Goldfield.

During the reporting period October 8, 2008 to October 7, 2009 an ongoing review of exploration was undertaken with the structural model revised over the preceding year. Outstanding assays results from RUL06 – RUL07 were received and incorporated into the database.

Additional data collected during site visits in January and July 2009 incorporated into a structural model based around the main Ringarooma United Mine and the Hannah and Thomas workings located parallel to but directly south.

2.0 Exploration Objectives.

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

Primary exploration has focussed on testing the down dip extensions of known mineralised structures associated with the Ringarooma United Mine.

However as a result of revised structural modelling additional exploration targets both near the Ringarooma United and within the Alberton Goldfields have still to be prioritised in regards to future exploration.

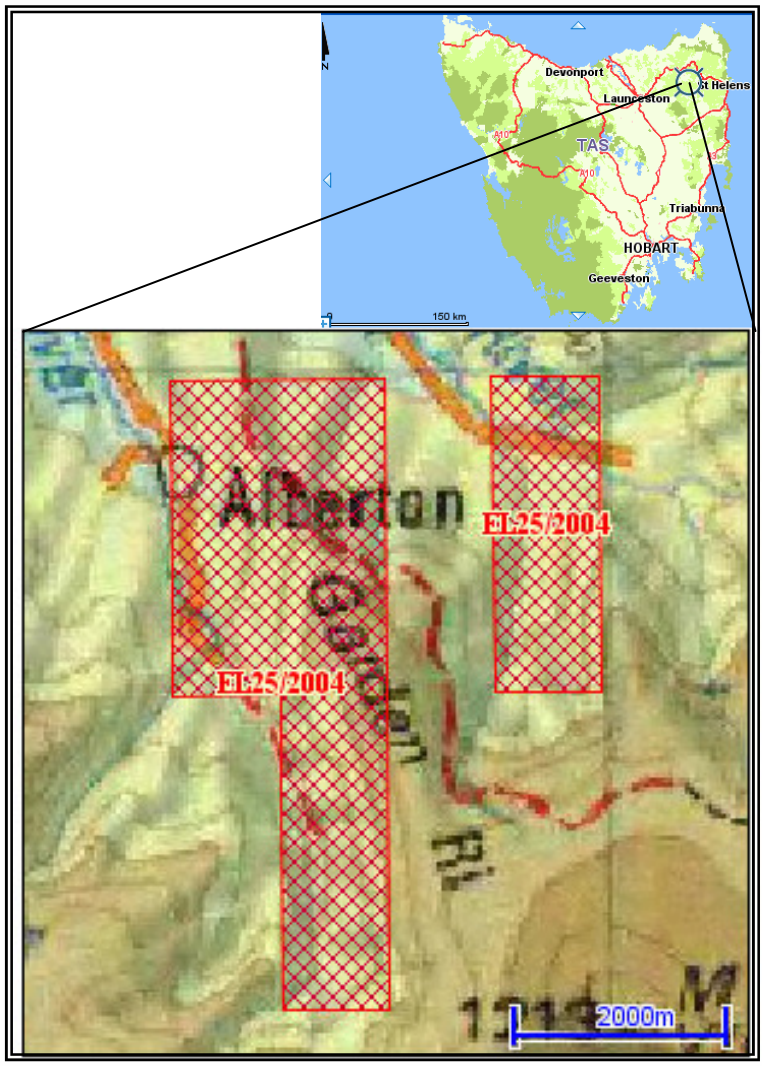
3.0 Location and Access.

Exploration Licence EL25/2004 is located near the rural township of Alberton, situated in the north-eastern region of Tasmania.

The licence is situated within both rural and state forest areas and is serviced by a network of sealed and all weather roads and fire trails.

Topographic relief varies from gently undulating pasture areas to steep hills and ridges with deeply incised valleys developed in the central area of the licence. Vegetation in non-farming areas is dominated by wet-scherophyll forest.

Figure 1. Exploration Licence 25/2004



4.0 Regional Geology.

The regional geology of EL 25/2004 has been previously described by MRT geologists and summarised on the 1:50,000 Alberton geological map. Recent publications specific to the economic geology of the area are provided by Taheri (1992 and 1993), Keele et.al (1994) and Reed, (2004) as part of the Netgold project. The following is gleaned from this work.

The exploration Licence is located within the 70 kilometres long, 2 kilometre wide north westerly trending Mangana to Lyndhurst gold lineament. Gold mineralisation contained within the lineament is hosted by the Silurian to Devonian Mathinna Beds. The Mathinna Beds comprise an alternating sequence of bedded quartzites, sandstones, siltstones and slates. The quartzites have a lithic component and display graded structures locally. The Mathinna Beds are unconformably overlain by probable Carboniferous and Permo-Triassic sedimentary sequences of the Parmeener Supergroup.

Granites and granodiorite of Devonian age have intruded the Mathinna Beds. Sporadic tin and tungsten mineralisation is associated with granitic intrusion.

Regionally the Mathinna Beds are folded about northwest trending axes to from small scale and kilometre scale wavelength tight to moderate folds. Axial plane cleavage development takes the form of a slaty cleavage in the pelitic units. A subsequent deformation has produced regional mega kinking about steep, northeast trending kink planes, and numerous steep dipping bands with both sinistral and dextral geometry.

The age of the gold mineralisation is uncertain; however it is probable that gold mineralisation was concurrent with folding and cleavage development prior to emplacement of the Devonian granites.

5.0 Previous Work.

Auriferous quartz vein hosted mineralisation was discovered in the Alberton goldfield prior to1883. Over one hundred gold bearing lodes were subsequently discovered and mined between 1883 and 1939.

Recent exploration of the Ringarooma United Mine was first undertaken by Newcrest Mining Limited under EL23/92. An Exploration program in 1992-1993, part of work on a larger tenement, included 1:25,000 scale geological mapping, image processing and interpretation of aeromagnetic data, drainage sampling and detailed geochemical sampling.

The tenement was explored by Mancala Pty Ltd under a joint venture arrangement in 1993-1994. Mancala Pty Ltd re-established access to the Long Tunnel and completed 255 metres of drilling from underground sites with poor results.

During 2000 – 2001 (Denwar, 2001) two diamond drill holes (RUL01 and RUL03) totalling 433.6 metres were completed by Low Impact Diamond Drilling Specialists (LIDDS) in a joint venture agreement with Hercules Resources Pty Ltd (Mancala Pty Ltd had changed it name to Hercules Resources in 1998). A 0.8 metre interval in hole RUL01 assayed 85.9 grams per tonne gold with coarse visible gold. A 0.4 metre interval in hole RUL03 resulted an assay of 14.8 g/t gold from a different structure.

During 2004 – 2005 (Carswell, 2005) a further hole was completed (RUL02) for 223.7 metres without any significant mineralisation being encountered.

During 2005 – 2007 (de Vries, 2008) several additional diamond holes (RUL03 – RUL07) were drilled with little or no geological input. Drilling occurred in two campaigns with two holes (RUL04 & RUL05) drilled between 10th October and 11th November 2006 for a combined total of 388.20 metres and two holes (RUL06 and RUL07) completed between 9th June and 25th July 2007 for a combined total of 318.5 metres.

Total drilling for the period 2006 – 2007 was 706.70 metres.

During 2007 – 2008 (de Vries, 2008) a completed literature and data review was undertaken.

This review proposed a new structural model for the Ringarooma United with the main mine structure has a steep easterly dip component of around 75 – 85^{o}. The mineralised structure is off set by oblique (NNW – SSE) sinistral, steeply south-west dipping fault zones. The presence of these fault zones; which range up to 5 metres in width has produced the perception that the mine has steeply plunging southerly ore shoots, where in fact that shoots represent the in-between fault sections of the main mine lode or reef.

In order to test the new model three diamond drill holes (RUL08 – 10) were drilled with RUL09 terminated at 20 metres when an unacceptable azimuth was determined by down-hole survey. The two remaining holes both intersected anomalous auriferous structures extremely close to where modelling predicted. These results give credence that the new structural model is in fact valid.

The remodelling with the new structural controls indicated that most of the previous work by explorers on the field was fundamentally flawed. The failure to allow for the 'fault windows' developed between the off-sets of the lode resulted in several drill holes passing through these windows and subsequently missing intersecting any mineralisation. Most of the other deeper drill holes had in hindsight not been drilled deep enough to interest the easterly dipping structure.

Total drilling for the period 2007 – 2008 was 384.0 metres.

6.0 Exploration Completed During the Reporting Period

6.1 Work Completed

Review of model has indicated that existing drill pads are not optimal for the testing of the Ringarooma United, Thomas or Hannah structures.

Field surveys were undertaken in July 2009 to determine the location of better potential drill pads. These pads are proposed in light of the new structural model to allow for drilling to be undertaken as much as possible, parallel to the cross faults thereby minimising the possibility of drilling through 'fault windows".

Additional underground inspection of the Roslind (Rosilyn) adit was undertaken in both January and July to determine the nature of the blockage of the main drive.

A Work Plan proposal was completed and submitted to MRT for review in September; however as of the end of the reporting period no decision had been received.

Minor site remediation in the form of the removal of several hundred metres of poly pipe water line was undertaken.

6.2 Data Compilation and Results.

Assay data from holes (RUL06 & RUL07) drilled during May and June 2007 were submitted and received (Table 1). The results indicated broad zones of low grade gold mineralisation one of which is associated with a small parallel structure

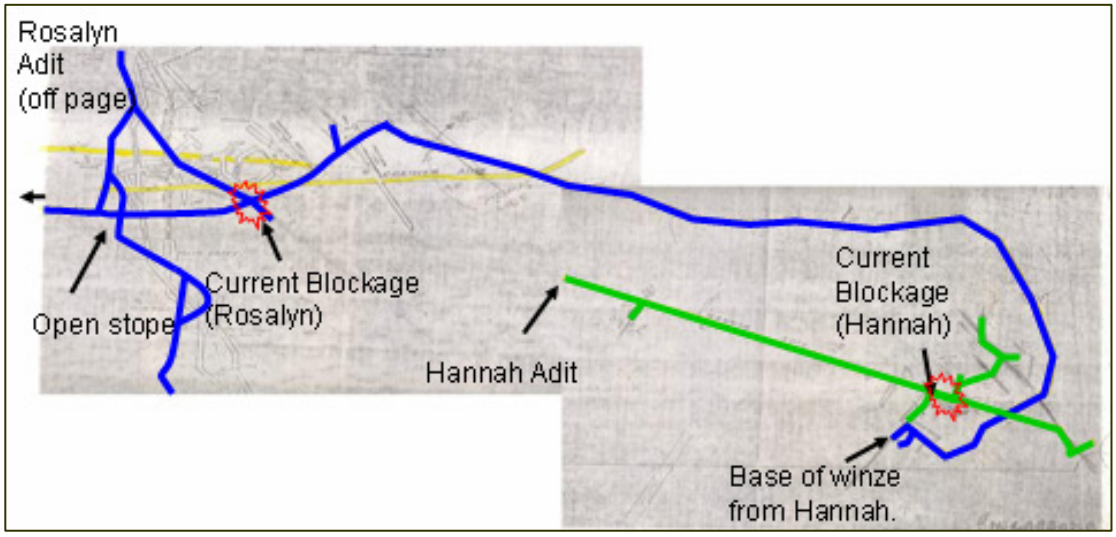
Table 1. Significant Assay Results – Diamond Drilling 2007 - 2008

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	AU (g/t)	AG (g/t)	AS (ppm)	COMMENT
RUL06	182.6	194.75	4.15	0.63	1.0	12,501	Lode
RUL07	42.9	44.75	3.60	0.51	0.51	1,178	Fault Zone

As a result of the historic documentation review undertaken last year an inspection was undertaken in July 2009 to test the veracity of supposed development dating back to 1923 (Anon. 1923) that extended the Rosalind Adit some 178 metres to the west cross cutting the Thomas lode and extending across to the Hannah Lode. This development is in place some 45 vertical metres below the Hannah Adit and some 57

metres above the Long Tunnel Adit (Figure 2). Unfortunately access was unable to be gained passes collapsed stoping associated with one of the historically mined structures.

Figure 2. Composite Plan (1923) showing Rosalyn & Hannah Workings.



A surface tape-and-compass survey was undertaken linking the Hannah and Thomas workings during July 2009 to bring these workings into the previously established survey control points. The survey was done as a precursor to submission of a Work Plan to establish drill pads at geologically appropriate locations to test mineralisation on the Ringarooma, Thomas and Hannah lodes.

7.0 Discussion and Conclusions.

Ongoing detailed and systematic review and modelling of available data during the period has continued to lead to significant advances in the structural understanding of the geometry of mineralisation at the Alberton Project.

The understanding of the structural controls on the mineralisation at the Ringarooma, Thomas and Hannah mines has now to be tested by a series of correctly positioned drill holes. A work plan and application for licence extension have been lodged with the Mineral Resources Tasmania.

8.0 Expenditure 2008 – 2009

Geoscientific Costs	
• Geology	$9,800
• Geochemistry	$3,620
• Geophysics	-
• Remote Sensing	-
Drilling & Gridding Costs	
• Gridding	-
• Drilling	-
Land Access Costs	**-**
Rehabilitation Costs	**$700**
Feasibility Study Costs	**-**
Other Items	**$1,245**
Administration Costs	$1,020
Total Costs	**$17,285**

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