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**ANNUAL REPORT FOR PERIOD
24th MARCH 2009 TO 11th MARCH 2010**

**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 2009 to 23rd March 2010.

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 occur outside the lease boundaries.

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

- Drilling of 11 percussion holes for 142.5 metres
- Submission of 76 drilling samples for XRF analysis

The drilling was conducted in a saddle between two known high grade zones of limestone. Minor intervals of high grade limestone were intersected however, suggesting that the geometry of the limestone is more complex than first thought. A fault offset, or folded structure are proposed. Following further access negotiations with the landholder, further drilling is planned, particularly to the area immediately west of the current ML boundary.

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EL71-2007_201002_01_Main Report.pdf	
EL71-2007_201002_02_Drillhole Locations.txt	2.21KB
EL71-2007_201002_03_Downhole Survey.txt	1.64KB
EL71-2007_201002_04_Downhole Geochem.txt	9.65KB
EL71-2007_201002_05_Lithologs.txt	5.65KB

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.

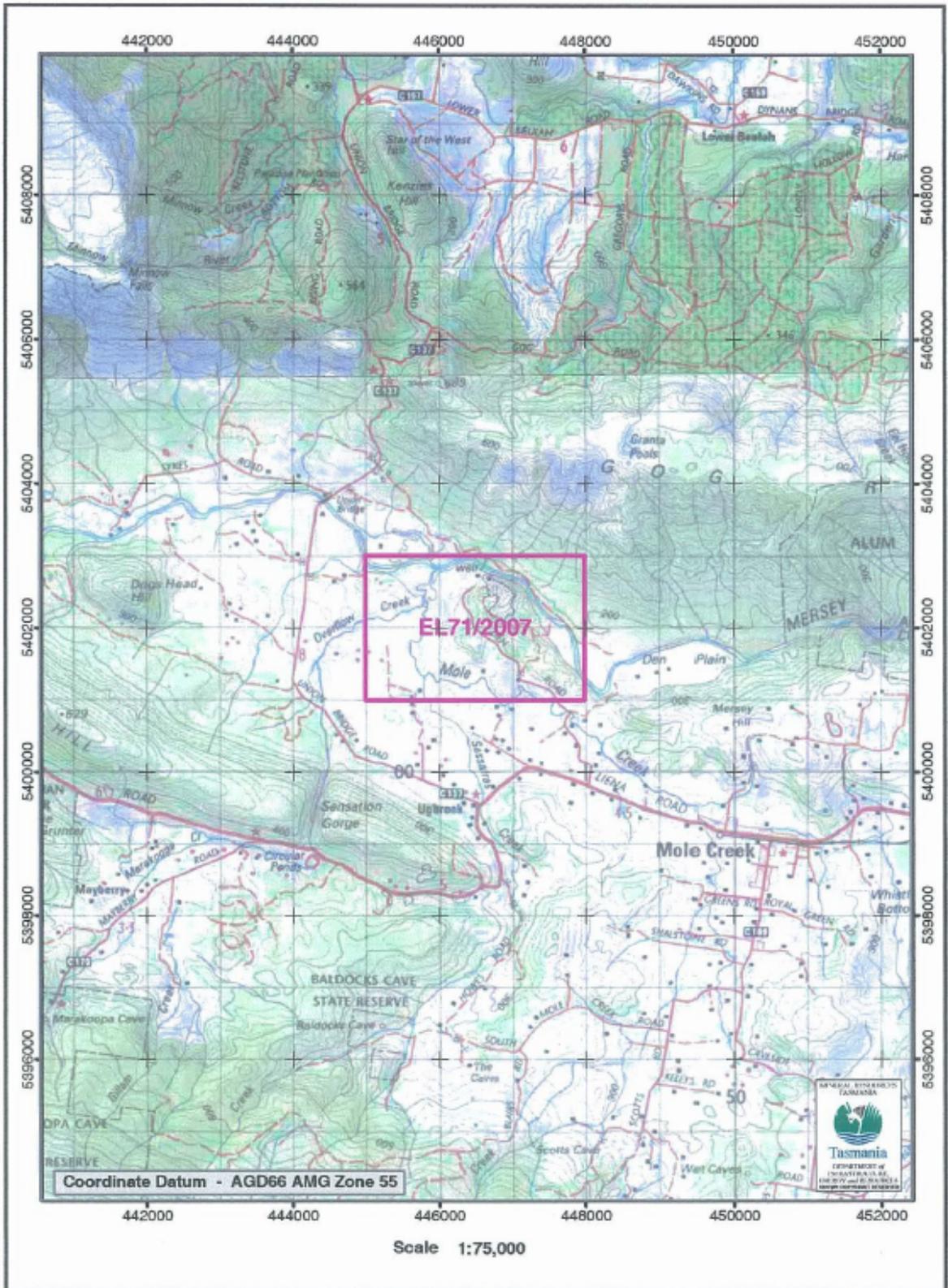
1.3 Geology

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.



2. PREVIOUS WORK

2.1 Work Conducted Prior to the Current Reporting Period

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.

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. Landholder negotiations were commenced and the land immediately east of 96M/1971 was purchased, with access to explore the western area granted following access negotiations.

3. WORK CONDUCTED DURING THE REPORTING PERIOD

3.1 RAB Drilling

A total of 11 RAB holes for 142.5 metres were drilled in the saddle located west of the Mole Creek limestone operation located on 96M/71. The holes were drilled between the westerly extension of a high grade resource located within 96M/71, and a knoll of limestone which has exhibited high grade zones from surface sampling. The drilling was conducted using the Unimin Mole Creek site production rig.

A total of 76 samples were submitted for XRF analysis at the Unimin Technical Services Division laboratory in Braeside, Victoria.

The drilling returned intervals of relatively low grade limestone interspersed with clay infill. Some higher grade intervals at the base of one or two holes may indicate the presence of a syncline, although the sudden change from high to low grade limestone along strike would indicate the presence of a fault. Regardless, the area drilled is unlikely to be suitable as a high grade limestone suitable for mining.

Hole	East Local	North Local	RL	Azimuth	Dip	Hole Depth	EAST GDA 94	North GDA 94
MCP01	9596.3	10561.1	200.2	0	-90	21	446410	5402736
MCP02	9596.6	10544.8	203.8	0	-90	4	446407	5402720
MCP03	9599.3	10551.5	202.0	0	-90	21	446411	5402726
MCP04	9606.6	10531.5	205.8	0	-90	17	446414	5402705
MCP05	9547.0	10386.2	200.7	0	-90	8	446326	5402575
MCP06	9560.7	10389.1	202.2	0	-90	5	446340	5402575
MCP07	9531.0	10374.7	201.7	0	-90	14	446308	5402567
MCP08	9557.2	10415.9	202.5	0	-90	9	446342	5402602
MCP09	9648.0	10509.5	209.9	0	-90	21	446450	5402675
MCP10	9643.3	10483.0	211.2	0	-90	10	446440	5402650
MCP11	9635.1	10483.4	209.9	0	-90	12.5	446432	5402652

4. DISCUSSION OF RESULTS

Work to date has decreased the potential to host a significant limestone deposit suitable for calcining. However, the knoll area remains untested by drilling, as does the western extension adjacent to the existing ML.

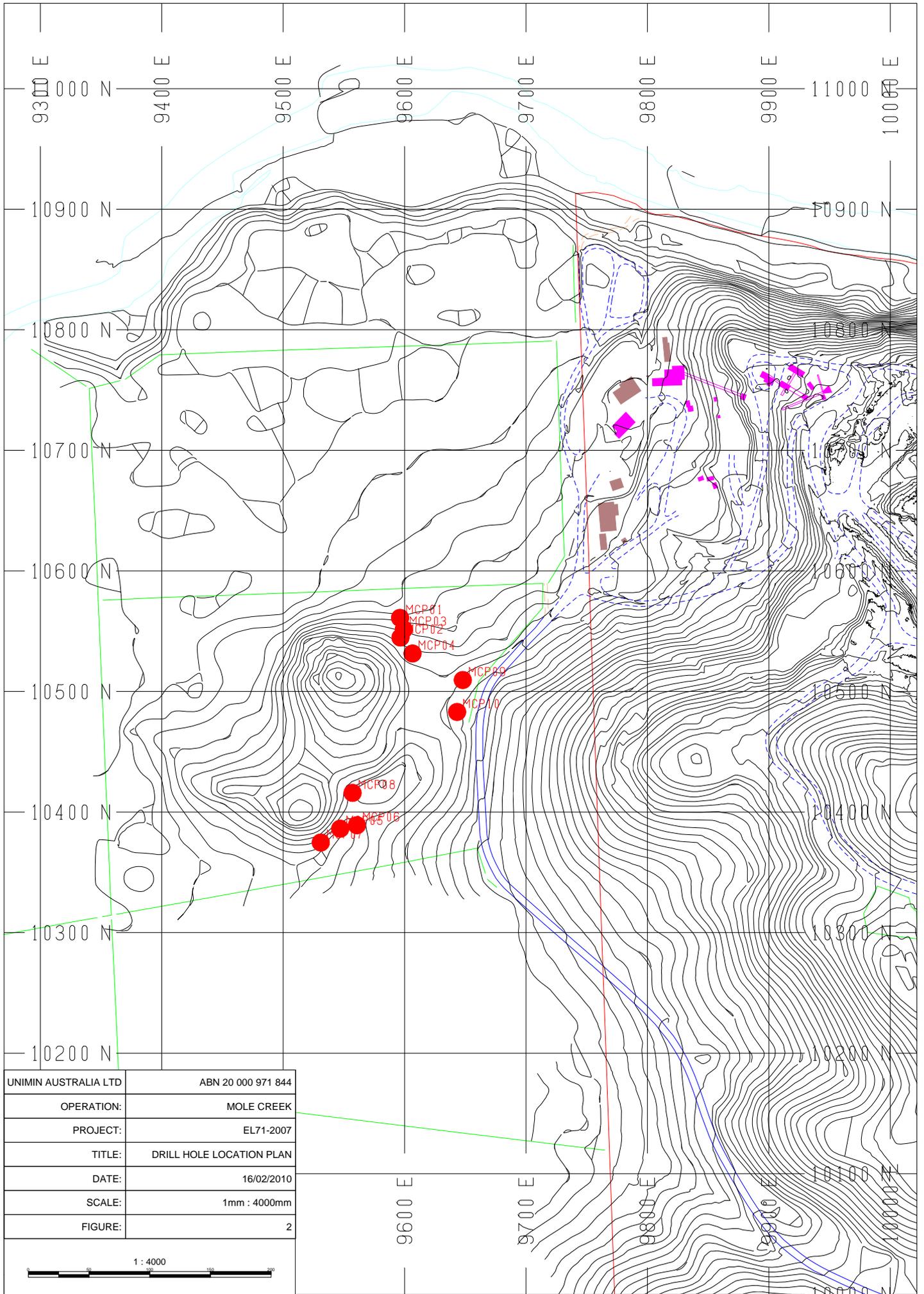
A drilling programme is planned to aid in determining the quality of the limestone immediately west of the current mine on the two topographic highs (separated by the drilled saddle) which have returned promising surface results.

5. CONCLUSIONS

During 2010, further drilling is planned on the western extensions to the known limestone. Access to the knoll resource, and earthworks associated with it, will require negotiation with the landholder.

6. ENVIRONMENTAL

No earthmoving was undertaken to site the drill rig, with no drill pads or access tracks required. The drillholes were backfilled with the drill spoils, with no evidence remaining that the drilling was undertaken.



7. BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER	RM201002
TITLE	ANNUAL REPORT FOR PERIOD 24 th MARCH 2009 TO 23 rd MARCH 2010 EXPLORATION LICENCE 71-2007 MOLE CREEK TASMANIA
AUTHOR	R. MARTIN
DATE	FEBRUARY 2010
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