EL25/2004 ALBERTON

TASMANIA

ANNUAL TECHNICAL REPORT

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LICENSEE:	**Low Impact Diamond Drilling Specialists Pty Ltd**
ABN:	26 079 634 692

TABLE OF CONTENTS **PAGE**

LIST OF FIGURES AND TABLES

LIST OF APPENDICES

VERIFICATION LISTING

Exploration Work	File_name	Type	Format Description
Office Studies			
Report	EL252004_200910_01_report	pdf	Report Body
Drilling			
Drilling_All	EL252004_200910_02_dhlocation	txt	Drill hole collar locations
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
Drilling_All	EL252004_200910_06_lithcode	txt	Lithology Codes
Drilling_All	EL252004_200910_07_standards	txt	Assay standards data
Report	EL252004_200910_02_appendix1	pdf	Drill hole collar locations
Report	EL252004_200910_03_appendix2	pdf	Drill hole assay data
Report	EL252004_200910_04_appendix3	pdf	Down hole survey
Report	EL252004_200910_05_appendix4	pdf	Drill hole lithology
Report	EL252004_200910_06_appendix5	pdf	Lithology Codes
Report	EL252004_200910_07_appendix6	pdf	Assay standards data

TENEMENT DETAILS

LICENSEE: **Low Impact Diamond Drilling Specialists Pty Ltd**
Grant date 1: 08/10/2004

ABN: 26 079 634 692

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).

During 2009 – 2010, time delays were experienced principally related to the application for a one year extension to the Exploration Licence and upon granting of the extension the re-application of the Work Plan.

Several site visits were undertaken to ascertain whether access to the Hannah line of working was accessible via the Roslyn Adit. Unfortunately whilst it appears that the drive does in fact continue to the Hannah line of workings, access is terminated at a line of backfilled stoping that extends across the drive approximately 40 metres along the drive.

A Work Plan originally submitted in September 2009, and resubmitted in November 2009 was finally granted on 14th April 2010. Unfortunately inclement weather has restricted the establishment of the additional track and drill pads. It is anticipated that access will be established once the area has dried out sufficiently to allow earthmoving equipment to access the area safely without causing undue damage to the environment.

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.

A one year extension to the Exploration Licence of was applied for in October 2009 with approval granted on 24th November 2009.

Upon approval of the extension the previously submitted Work Plan was re-activated. Contact between the Licence holders (LIDDS), Mineral Resources Tasmania (MRT) and Forestry Tasmania (FT) were ongoing and culminated with the Work Plan being finally approved (with minor modifications to proposed drill pad sites) on 14th April 2010.

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

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.

Previous 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 (Hannah and Thomas lodes) have been identified. Additional mineralised areas within the Alberton Goldfields have still to be prioritised in regards to future exploration.

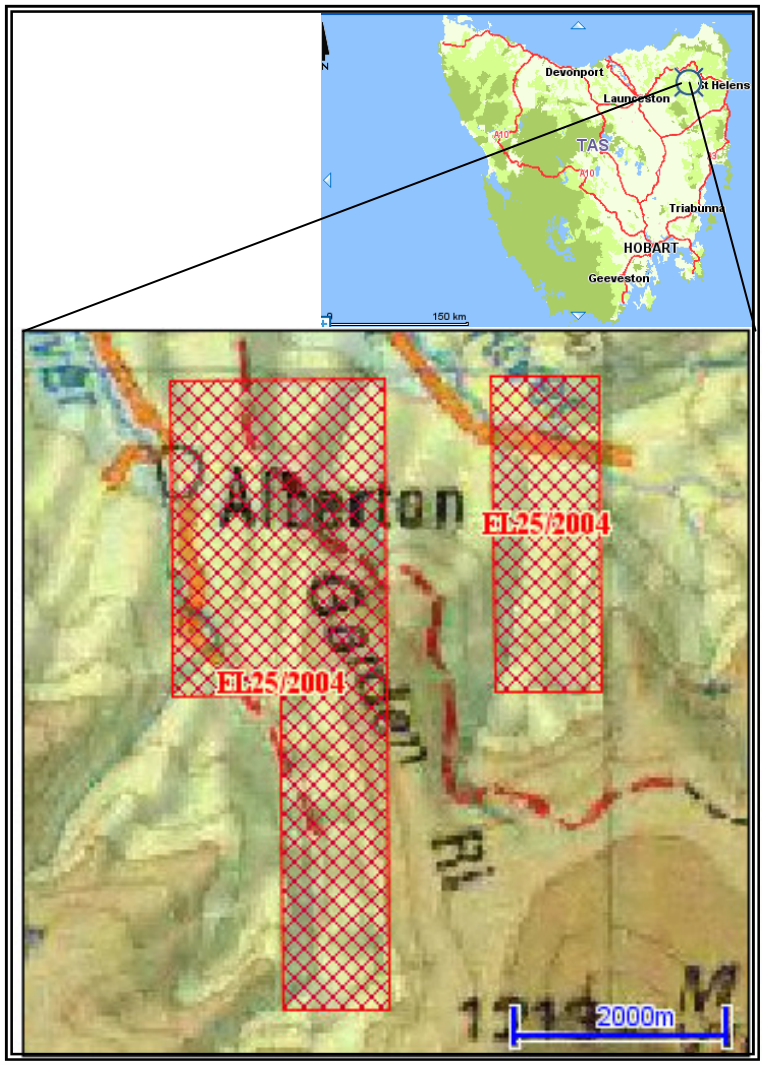
3.0 Location and Access.

Exploration Licence EL25/2004 is located near the rural township of Ringarooma, and covers the ghost-town 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°. 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.

During 2008 – 2009 (de Vries, 2009) surface examinations and tape and compass surveys were undertaken and data reviews was undertaken.

Sampling of the drilling undertaken in 2007 -2008 was also performed. 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

6.0 Exploration Completed During the Reporting Period

6.1 Work Completed

Only minor work was able to be undertaken during the reporting period on the Licence due to several factors; including a time lag of seven (7) months between the initial granting of the Licence extension and the granting of the Work Plan, and the onset of extremely wet autumn and winter weather conditions.

The onset of extremely inclement winter conditions has prevented the mobilisation of contractors to site to establish the approved drill pads and access sites, as a consequence no drilling occurred during the period.

One key finding was the recognition that the Roslyn Adit does appear to extend beyond the fall of ground / backfill that currently prevents any further access. Site inspections underground early in 2010 were undertaken and scaling bars were used to clear sufficient rock to allow a small hole to be made through the loose material. This hole allowed the continued extension of the drive to be viewed, unfortunately the ground was considerer too unstable, and the hole too small to allow access.

6.2 Time Line: 2009 – 2010

1st October 2009.	Application for extensions of Exploration Licence submitted.
24th November 2009.	Extension for one year granted to Exploration Licence.
24th November 2009.	Request for re-activation of Work Plan application.
January – March 2010.	Several site visits to access Hannah extension from Roslyn Adit.
December 2009 – March 2010.	Various correspondence between MRT, FT and LIDDS culminating in site visits for Work Plan.
14th April 2010.	Approval granted for Work Plan.
June – September 2010.	Inclement weather prevents establishment of access and drill pads.

September 2010	Work unable to proceed due to need to write up ATR and resubmit application for further year extension to Exploration Licence.

7.0 Discussion and Conclusions.

As a result of on-site meetings with MRT representatives (Mr D Gatehouse) and representatives of LIDDS (Mr L Stebbings), minor modifications were sought by the MRT to the location of a proposed drill pad. This modification was agreed to by LIDDS and directional tapes modified accordingly.

The modifications were sought to negate any potential impact on the original mullock dump associated with the Hannah Adit.

Work proposed for 2010 – 2011 period (assuming granting of Exploration Licence extension) will involve the establishment of the access and drill pads as per the Work Plan and drilling into either, the Hannah, Ringarooma or Thomas lode positions.

8.0 Expenditure 2009 – 2010

Geoscientific Costs	
• Geology	$5,600
• Geochemistry	-
• Geophysics	-
• Remote Sensing	-
Drilling & Gridding Costs	
• Gridding	-
• Drilling	-
Land Access Costs	**-**
Rehabilitation Costs	**-**
Feasibility Study Costs	**-**
Other Items	**$1,931**
Administration Costs	$ 300
Total Costs	**$7,831**

9.0 References

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