

# **TNT MINES LIMITED**

ABN 67 107 244 039

**RL2/2009**

**GREAT PYRAMID**

**ANNUAL REPORT TO 01 JULY 2011**

**Russell Fulton  
TNT Mines Limited  
Level 2, 34 Colin St  
West Perth WA 6872**

## CONTENTS

<b>1.0</b>	<b>INTRODUCTION .....</b>	<b>3</b>
1.1	BACKGROUND .....	3
<b>2.0</b>	<b>REVIEW OF PREVIOUS WORK.....</b>	<b>6</b>
2.1	PRIOR TO MINEMAKERS TTT PTY LTD TENEMENT .....	6
2.2	DURING MINEMAKERS TTT PTY LTD TENURE .....	6
2.3	DURING RL2/2009.....	6
<b>3.0</b>	<b>WORK COMPLETED DURING THE REPORTING PERIOD .....</b>	<b>7</b>
<b>4.0</b>	<b>DISCUSSION OF RESULTS .....</b>	<b>8</b>
<b>5.0</b>	<b>CONCLUSIONS AND FUTURE WORK .....</b>	<b>11</b>
<b>6.0</b>	<b>ENVIRONMENT .....</b>	<b>12</b>
<b>7.0</b>	<b>REFERENCES.....</b>	<b>13</b>
	<b>APPENDIX 1 DIGITAL DATA FILES .....</b>	<b>14</b>

**Figure 1: Regional location plan**

**Figure 2: Location plan on Google image.**

**Figure 3: Great Pyramid Plan showing historical drilling, geology and pre-JORC resource outlines.**

**Figure 4: 3D model of Great Pyramid workings and drill holes.**

## 1.0 INTRODUCTION

### 1.1 BACKGROUND

The Great Pyramid tenement is located in northeast Tasmania, approximately 95 kilometres ESE of Launceston (Figure 1).

The Great Pyramid tin deposit was discovered in 1909 and although 14 adits were developed over a short period by the Great Pyramid Tin Company, only minor production took place.

A period of relatively intensive exploration took place between 1965 and 1986, the main players being BHP Pty Ltd, Aberfoyle Resources and Billiton Australia. A compilation of all data by Billiton in 1986 resulted in a total (pre-JORC) Indicated resource of 3.1 million tonnes at 0.22% tin using a 0.1% cut-off.

In 1996, another resource assessment was made by the Merrywood Coal Company using 4532 assay values from 177 drill holes. The in-situ resources calculated were:

0.1% cut-off	8,196,071 tonnes at 0.19% tin
0.2% cut-off	2,466,479 tonnes at 0.31% tin
0.3% cut-off	904,312 tonnes at 0.43% tin

Testing of a ½ tonne bulk sample by BHP indicated that gold, silver and tungsten could be significant by-products from a mining operation at Pyramid Hill.

RL2/2009 was created to retain the most prospective area of EL28/2004 which was granted to Allstrong Investments Pty Ltd on 27 November 2004. Minemakers Limited ("Minemakers") via its wholly owned subsidiary, Minemakers Australia NL, purchased Allstrong outright on 23 November 2006. Allstrong subsequently underwent a name change to Minemakers TTT Pty Ltd. RL2/2009 was granted on 31 July 2009 and the tenement covers an area of 4 km<sup>2</sup>. On the 15<sup>th</sup> April 2011 Minemakers TTT Pty Ltd changed its name to TNT Mines Limited and on the 19<sup>th</sup> July 2011 the company demerged from Minemakers Australia Pty Ltd to become an unlisted public company.

TNT Mines Limited predecessor applied for RL2/2009 in order to maintain an interest in the Great Pyramid tin resource at a time of lower tin prices associated with the "GFC" and at a time when it was very difficult to raise money for exploration or development. The Retention Licence was granted on 31/07/2009. The tin price was relatively static through the second half of 2009 and rose modestly through the first half of 2010 (see graph below extracted from the London Metal Exchange web-site). From mid-2010 the tin price has risen strongly and although there has been some decline and volatility over the last few months the underlying fundamentals appear to be strong.

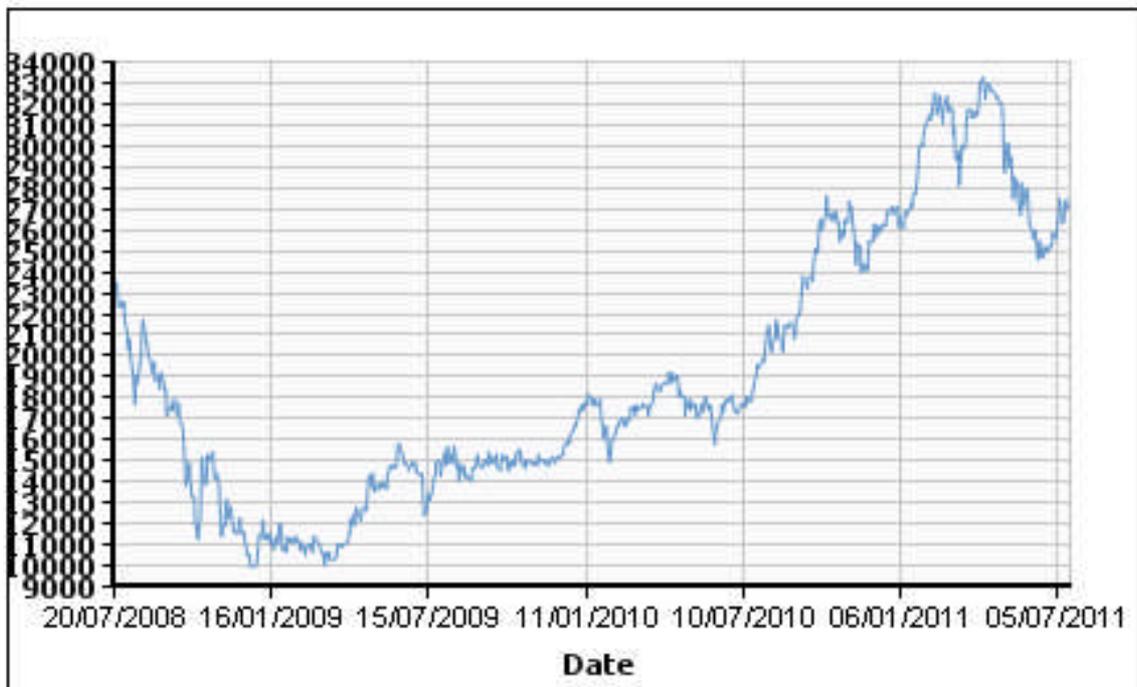
On the basis of the strengthening market in tin, tungsten and fluorspar, Minemakers Limited decided to demerge its Tasmanian assets which were then held under a wholly owned subsidiary, Minemakers TTT Pty Ltd. This was in order to allow Minemakers to focus on its phosphate assets in the Northern Territory and Namibia and to create a new entity that would focus on the Tasmanian assets. Minemakers TTT Pty Ltd changed its name to TNT Mines Limited and is now a separate unlisted public company. TNT Mines Limited hopes to raise money via an IPO to fund exploration and development.

## LME Tin price graph

Please select the start date, end date and contract type for the graph you wish to view. Click on "show" to see the graph results.

START ON:	20 ▾	Jul ▾	2008 ▾
FINISH ON	20 ▾	Jul ▾	2011 ▾
CONTRACT TYPE	Cash buyer ▾		

SHOW



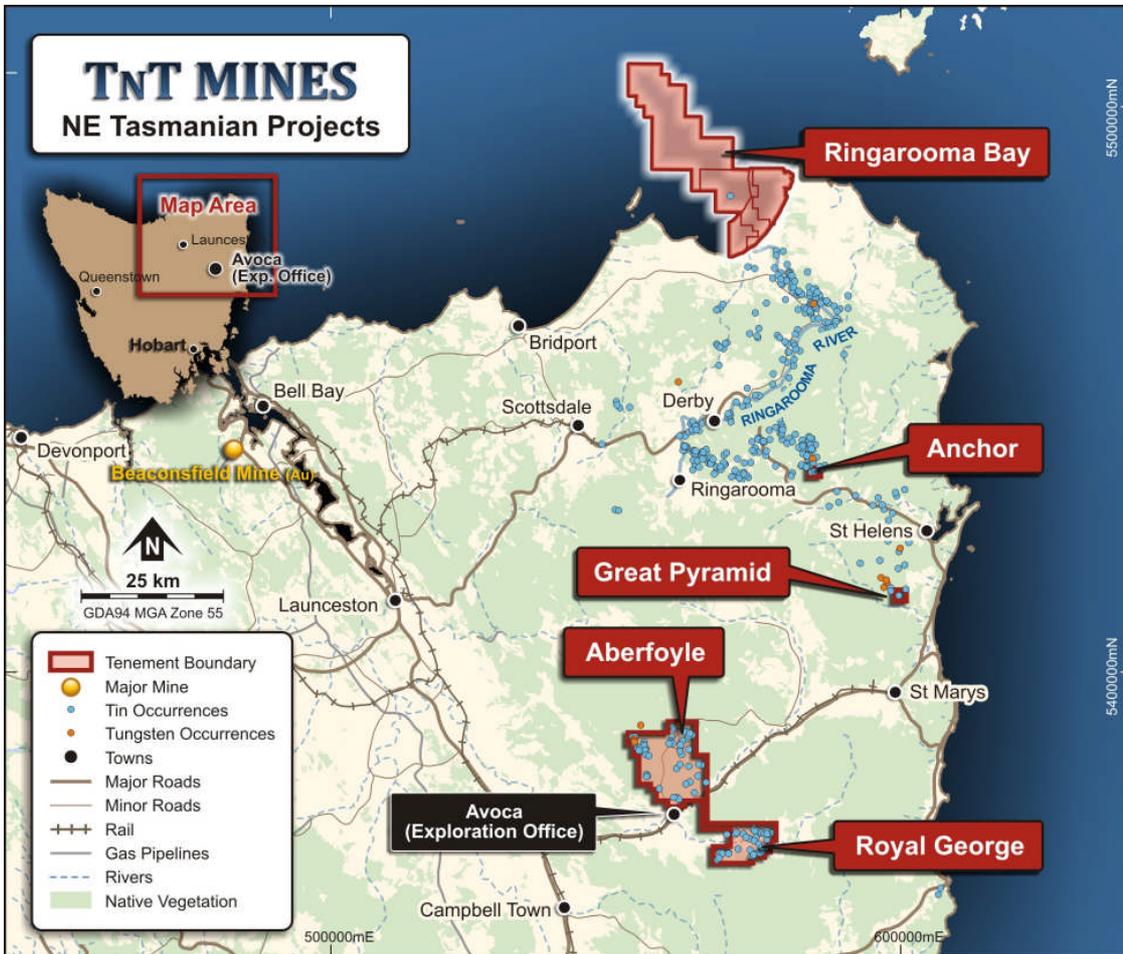


Figure 1: Regional location plan

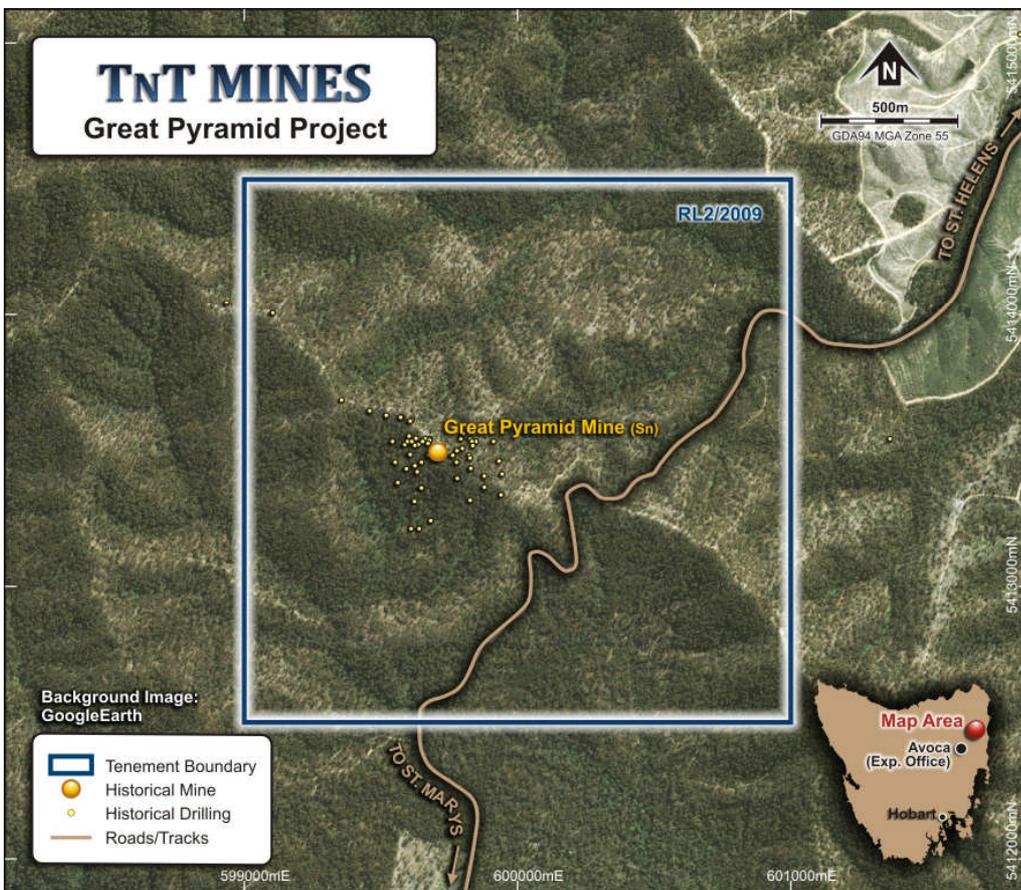


Figure 2: Location plan on Google image.

## **2.0 REVIEW OF PREVIOUS WORK**

### **2.1 PRIOR TO MINEMAKERS TTT PTY LTD TENEMENT**

The Great Pyramid was explored relatively intensely between 1965 and 1986 during which time 182 holes were drilled, the majority percussion. This exploration is adequately summarised in two reports: Hall and Carter (1986) and Morrison and Knight (1996)

### **2.2 DURING MINEMAKERS TTT PTY LTD TENURE**

Work carried out during the tenure includes:

#### *Airborne geophysical data*

Work commenced on acquisition and interpretation of the detailed aeromagnetic and radiometric data which was acquired by MRT during the year, under its airborne geophysical initiative. Ground-truthing of radiometric anomalies was carried out.

#### *Database*

An attempt to locate and purchase the database compiled by Morrison and Knight (1996) was unsuccessful and a recompilation of 1965-1986 drilling data is ongoing.

#### *Scoping study*

A desk-top financial model for an open-cut project at throughput scenarios of 0.5Mtpa and 1.0Mtpa was provided by Lycopodium Engineering Limited, a Perth based engineering and plant construction consultancy.

### **2.3 DURING RL2/2009**

No field work has been undertaken during the tenure of RL1/2009.

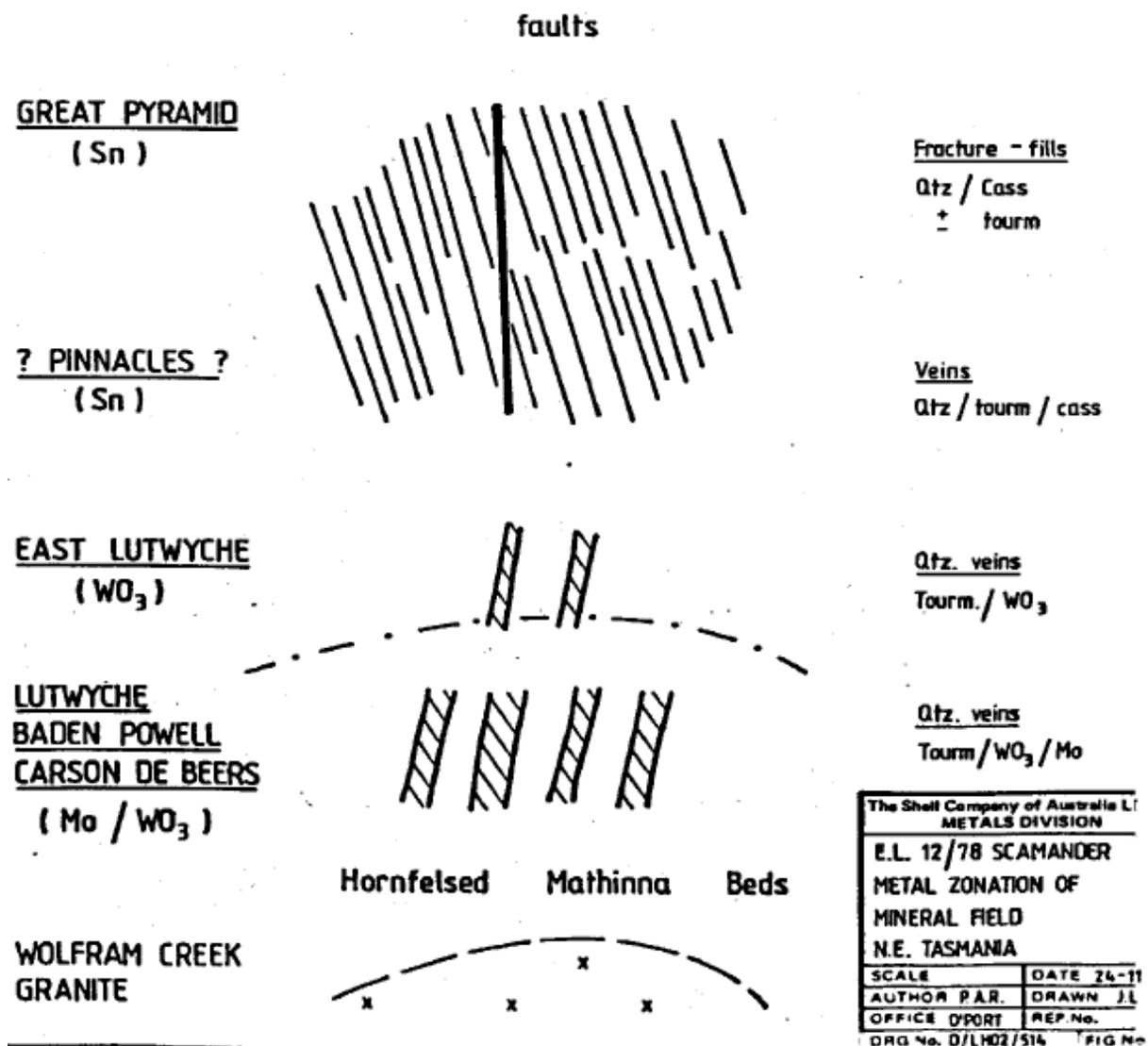
### **3.0 WORK COMPLETED DURING THE REPORTING PERIOD**

Work during the year comprised of the creating a digital database using historical and is summarises below.

- Accession or collation of MRT open file reports; 117 files, some text searchable
- All known historic data has been sourced and compiled
- A Micromine database has been constructed
- Data entered includes 184 collars, 217 downhole surveys, 5542 downhole assays (including 235 sludge assays) and 3016 downhole geology records
- All data was entered from hardcopy report logs because no digital data are available
- Using GPS data for the adit openings an historic plan has been georeferenced so that 5m topography contours, costean and adit outlines and drillhole collar locations have been digitised in GDA94z55 coordinates.
- The contours were used to produce a 3D surface which was used to assign adit and drillhole collar RLs and used to drape the costean outlines
- Data has been forwarded to Jon Abbot at Hellman and Schofield for JORC-compliant resource estimation

#### 4.0 DISCUSSION OF RESULTS

The Great Pyramid has had a significant amount of exploration drilling carried out over the years (Figure 3 and 4) but unfortunately no digital data was able to be located. The exploration proposal put forward at the anniversary date in 2010 was to drill a diamond hole under the deposit to intersect the postulated mineralising granite and to test for mineralisation both within and proximal to the granite (see diagram below). A previous explorer, Billiton Australia, had attempted to drill a hole (SPG1A) into the granite in 1983 but failed to hit the target due to poor control of drill hole deviation. The model for mineralisation used by Billiton is shown below. However the hole did intersect some significant mineralisation at about 200 metres depth – 42.9m @ 0.24% Sn. Assay results from this zone also contained up to 300ppm  $WO_3$ , 250ppm Bi, 18ppm Mo, 8ppm Ag, 0.1ppm Au, 0.3% As and 3.2% Zn.



Interestingly, the deep drilling intersected some veining which contained magnetite associated with cassiterite.

TNT Mines decided that in order to better target a deep drill hole, all available data should be digitized and some new geophysical data acquired before attempting to drill beneath the Great Pyramid. Digitising the available data has also allowed TNT Mines to move towards getting a JORC-compliant estimate of the tin resource at Great Pyramid. The last pre-JORC estimate made was in 1996 by Jonathan Knight and Ken Morrison:

0.1% Cut-off	8,196,071 tonnes at 0.19% tin
0.2% Cut-off	2,466,479 tonnes at 0.31% tin
0.3% Cut-off	904,312 tonnes at 0.43% tin

It is likely that the JORC-compliant resource estimate to be made by Hellman and Schofield will be similar to the above estimates.

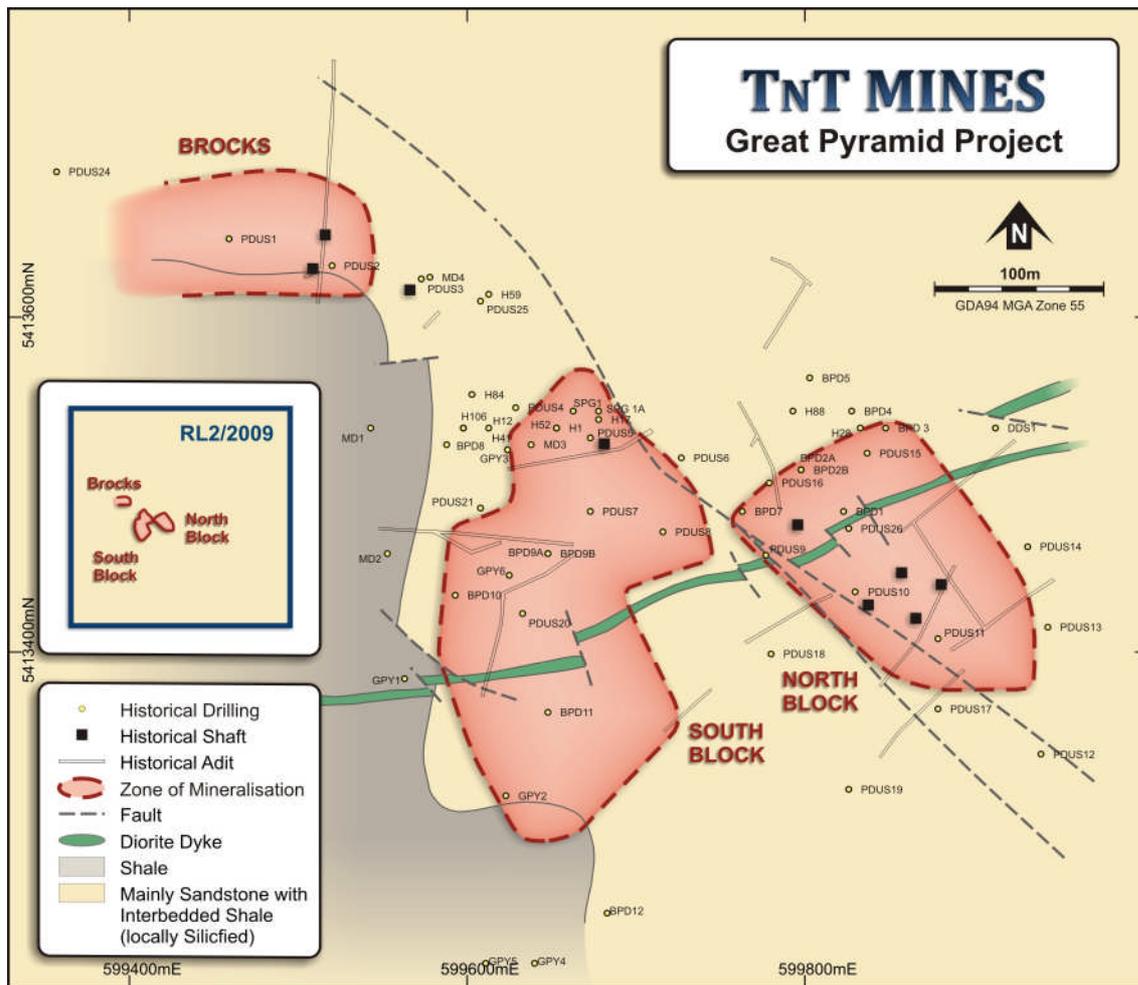


Figure 3: Great Pyramid Plan showing historical drilling, geology and pre-JORC resource outlines.

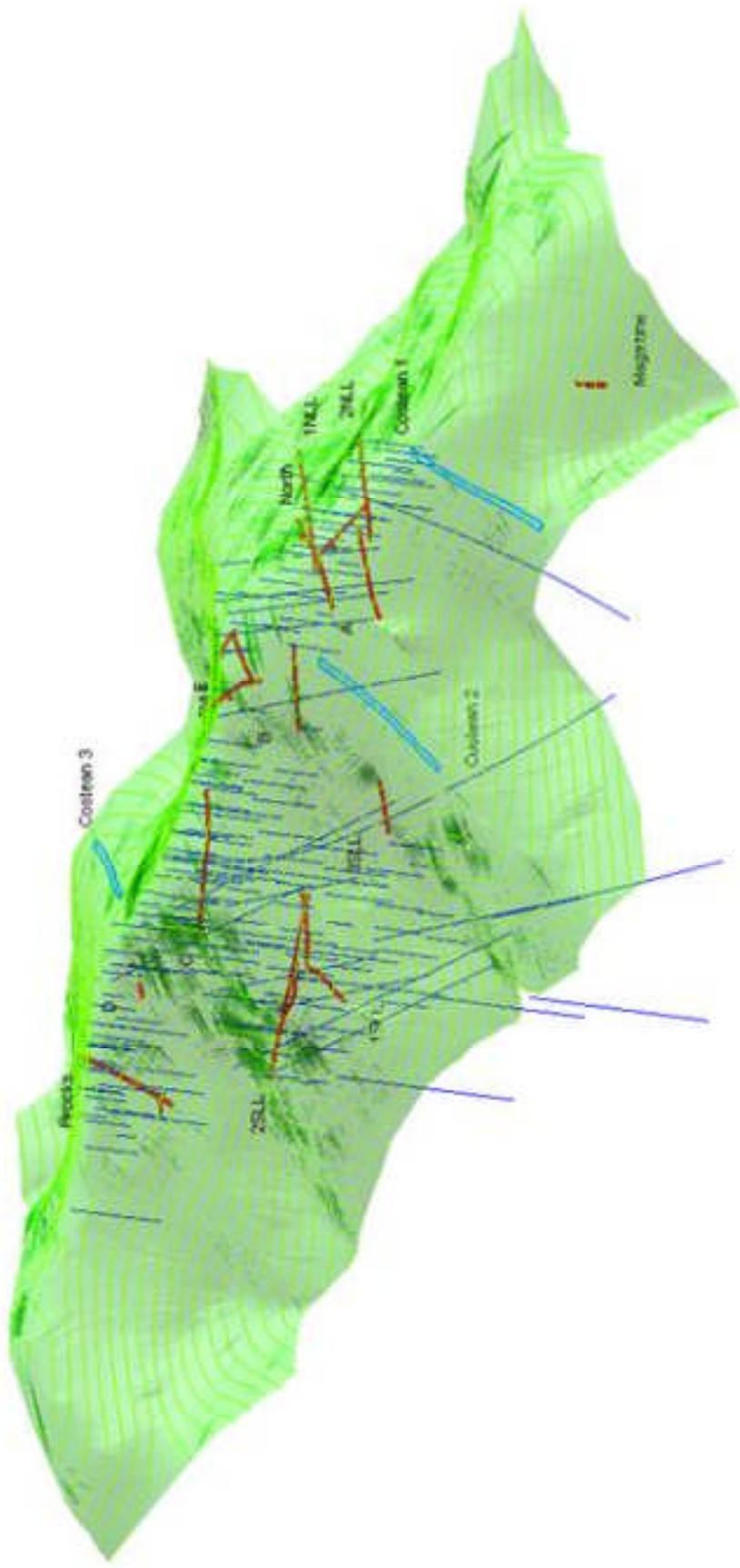


Figure 4: 3D model of Great Pyramid workings and drill holes.

## **5.0 CONCLUSIONS AND FUTURE WORK**

The digitising work has prepared the way for a JORC-compliant resource to be made of the tin at Great Pyramid and also for the construction of a 3D model which can be built on with the addition of geophysical survey data.

The following work is proposed for next year.

- A JORC-compliant estimate of the tin resource at Great Pyramid will be made by Jon Abbott at Hellman and Schofield in West Perth.
- A close-spaced gravity survey will be undertaken by Atlas Geophysics (see attached). A close-spaced magnetics survey will also be undertaken. The purpose of these surveys is to allow better targeting of potential mineralisation at depth.
- A heritage survey will be undertaken prior to any drilling.
- Based on results of geophysical surveys, a deep hole will be drilled to try to intercept the underlying granite and any proximal mineralisation associated with it. There is a possibility that the drill funding may be applied to upgrading the known resource at Great Pyramid into Indicated status if market conditions warrant.

## **6.0 ENVIRONMENT**

No ground-disturbing exploration work was carried out at Great Pyramid during the reporting period. No rehabilitation of previous disturbance relating to mining or mineral exploration was undertaken.

## **7.0 REFERENCES**

Fulton, R.L. 2010. RL2/2009 Great Pyramid. Annual report to 1<sup>st</sup> July 2010. Minemakers Limited.

Hall, D.B and Carter, D.N. 1986. Great Pyramid Tin Deposit Northeast Tasmania Resources Estimate. Shell Company of Australia Metals Division. MRT open-file report 86-2532

Morrison, K and Knight J. 1996 EL6/95 – Upper Scamander Year 1 Annual Report. Merrywood Coal Company Pty Ltd. MRT open-file report 96-3893

## **APPENDIX 1      DIGITAL DATA FILES**

- 1.1 Adits
- 1.2 Assays
- 1.3 Bulk samples
- 1.4 Collars
- 1.5 Contours
- 1.6 Costeans
- 1.7 Dust assays
- 1.8 Geology
- 1.9 RL2/2009 Tenement outline
- 1.10 Sludge assays
- 1.11 Survey