

TASMANIAN ADVANCED MINERALS PTY LTD

P.O. Box 378, Wynyard
Tasmania 7325

EL35/2003 West of Blackwater
Annual Report March 2011-March 2012

Prepared by Tasmanian Advanced Minerals Pty Ltd
23rd May, 2012

1. Introduction

Prior to December 17th 2010 EL35/2003 consisted of two blocks. The 2km² block on the northern side of the Arthur River was converted to the Hawkes Creek mine 27M/2009. The southern block "Blackwater Far West" adjoins the western section of Tasmanian Advanced Minerals' Blackwater mine 9M/2007. Historically, most of the exploration carried out in EL35/2003 was undertaken on what is now 27M/2009. However in 2010 test pitting at Blackwater Far West was carried out and reported in April 2010 (*Combined Interim Report on Work in February-March, 2010*). A resource of approximately 175,000 tonnes was identified.

2. 2011 Activity

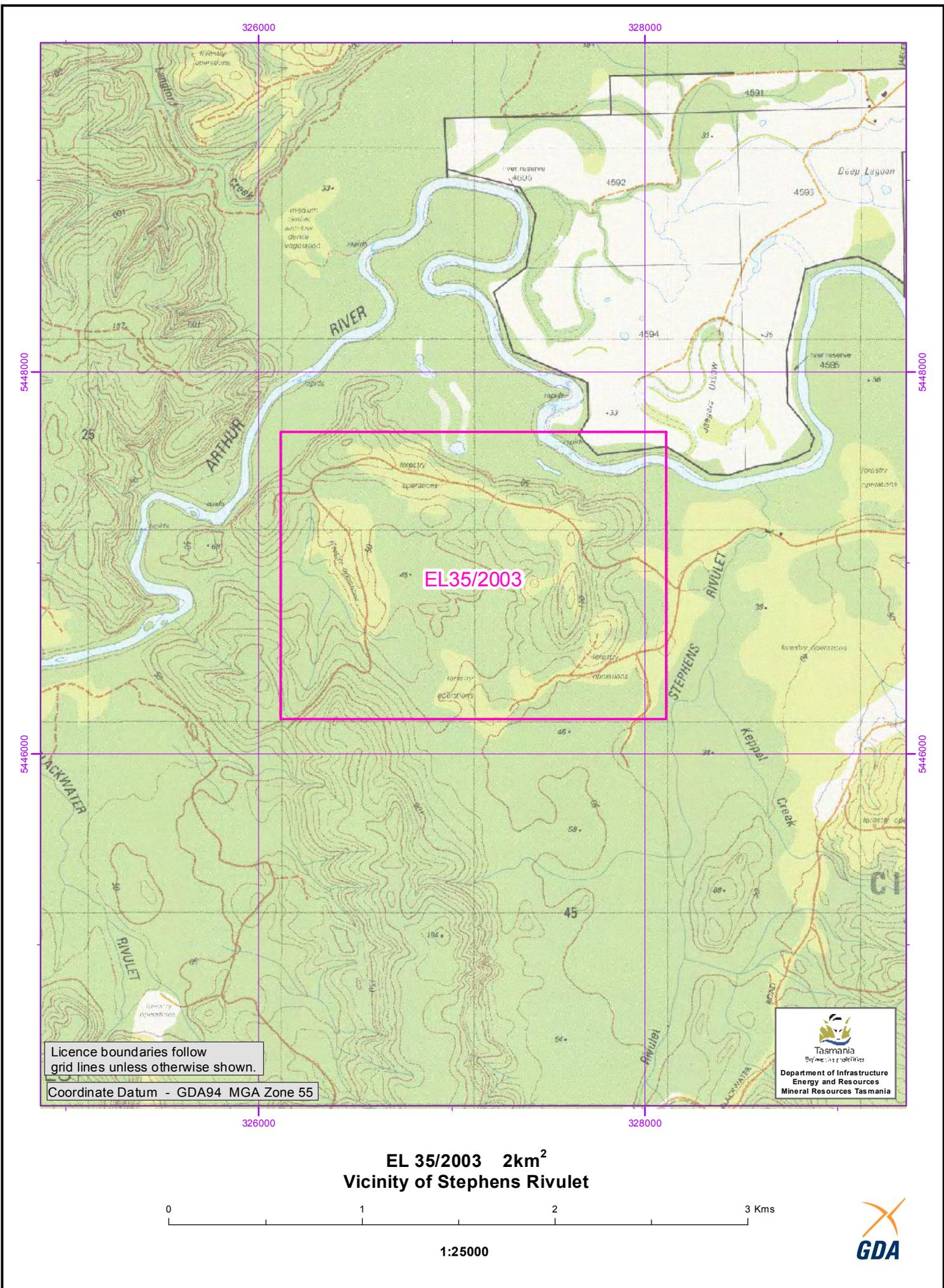
The possibility of processing trials at using the Far West silica was suggested for 2011. This work was not undertaken.

TAM beneficiates the silica extracted from its 3 mines for use in alkaline earth aluminosilicate glass, which is used in liquid crystal displays. As a general rule, metal oxide impurities that create glass stones and seeds should be kept as low as possible and under limits specified by customers. Other impurities that can act as glass modifiers must be kept at stable levels. TAM's process is able to remove impurities which are present as discrete particles, or are predominantly impurity particles. However a substantial proportion of the particles are bound to the silica or even within the silica matrix. The level and nature of the impurities varies from deposit to deposit within each mine. For this reason processing trials were considered last year. However further laboratory investigation into the nature of the impurities identified that the silica at Far West falls into 2 general types which are already mined and processed by TAM, and that large scale processing trial will not be necessary.

3. Future Activity

The Far West resource is a useful addition to the other deposits (Blackwater East, Blackwater West and West Track) at Blackwater Mine 9M/2007. As indicated above some impurities are not readily removable by processing, so in order to maintain impurity levels within customers' specifications it is necessary to have a rigorous raw material blending process. The starting point for this process is to have sufficient access to a variety of impurity profile types, and Blackwater Far West provides useful additional reserves of two types. In addition the adjacent location will allow existing infrastructure to be used to develop the resource.

It is therefore intended to proceed with an application to convert EL35/2003 into a mining lease during the current year, and it is not considered necessary to undertake further exploration or processing work.



5448000

5448000

5446000

5446000

326000

328000

326000

328000

EL35/2003

Licence boundaries follow grid lines unless otherwise shown.

Coordinate Datum - GDA94 MGA Zone 55



**EL 35/2003 2km²
Vicinity of Stephens Rivulet**



1:25000

