

DUGGANS

PRECAST-QUARRY-EARTHWORKS
PREMIXED CONCRETE

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MINERAL RESOURCES		
FILE REF:	DOC REF:	
EL1612009		
OFFICER:		
See folio 40A		



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Supplementary note to accompany relinquishment documents for EL 16/2009 (Maydena)

21st May 2013

This EL was taken up by Duggans Pty Ltd as a response to contact from Mr Hideto Konishi, (General Manager Business Division No1 Sumitomo Corp.), who had been tasked with carrying out a desktop pre-feasibility study looking at Australia for suitability for establishment of a silicon metal smelting operation. This was then to be reported to their head office and collated with studies in other countries.

Both Duggans and Mr D Hassell (consulting geologist) have extensive experience in testing and development of high grade silica sources in Tasmania. Having discounted the Proterozoic quartzite sequences in preference for silica replacement of carbonates or thickly bedded sedimentary deposits, believe the area covered by EL 16/2009 is the most prospective in this regard. Reasons for this belief are contained in previous reporting to the DMR.

We were advised in Feb 2012 that the information we had supplied would be forwarded to head office for evaluation and we would be contacted further if and when there was any progress. Unfortunately there has been no further written contact since that time but we continued to familiarise ourselves with the geology and potential of the area in question. In a more recent telephone conversation we were advised that the project had been shelved citing mediocre prices for product into the foreseeable future.

It was noted during discussions with Mr Konishi that, although he was aware of the potential for both high grade silica and charcoal in Tasmania, he was not disposed toward operating from a 'green field site' and was greatly interested in the old Pioneer Silicon Industries smelter site at Electrona.

We have now taken the decision to relinquish the EL and believe that without a suitable proponent there is little point in continuing with exploration in the area.

Further, the so called 'forests peace agreement' has earmarked extensions to the World Heritage Area which impact reserves of silica within the EL and the general prevailing lack of business confidence given the current political situation will probably mean that such developments will be some years away.

Given renewed interest in such a project we remain committed to carry out the evaluation of the area with a view to operating quarries and dealing with logistics issues to supply the raw materials for the operation.