TNT MINES LIMITED

ABN 67 107 244 039

EL63/2004

MONTANA FLATS

ANNUAL REPORT TO 07 AUGUST 2013

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1.0 INTRODUCTION

This report is a summary of the exploration activities conducted on the Oonah exploration licence, EL63/2004 (Figure 1), for the period 8 August 2012 to 7 August 2013. The licence covers a total area of 24 km^2. The Oonah licence is subject to an exploration joint venture agreement between TNT Mines Limited and Geoinformatics Tasmania Pty Ltd, a wholly-owned subsidiary of Clancy Exploration Ltd. TNT Mines is currently managing exploration of the licence.

The licence is situated in western Tasmania and covers an interpreted portion of the Tenth Legion Fault. The licence was claimed primarily because the Tenth Legion Fault is interpreted to thrust the Burnie & Oonah Formations on top of younger units including the Gordon Limestone which is considered prospective by Bass for carbonate-replacement mineralisation. Whereas Bass Metals were interested in Devonian base metal mineralisation, TNT Mines is focussed on tin mineralisation.

1.1 Location and tenure

The Oonah licence is located directly adjacent to the town of Zeehan and approximately 30km north of Strahan on the west coast of Tasmania (Figure 1). Zeehan is accessed from the north via the Zeehan Hwy off the Murchison Hwy. Access to the licence from Zeehan township is via the Heemskirk Rd and various unsealed public roads. The 24km^2 tenement can be found on the Heemskirk and Dundas (1:25,000) LTIS map sheets.

Topographically the area is of variable, undulating relief with the majority of the licence area classified as undifferentiated button grass moorland. In general, vehicular access is good with various unsealed vehicle 4WD tracks accessing the numerous old workings.

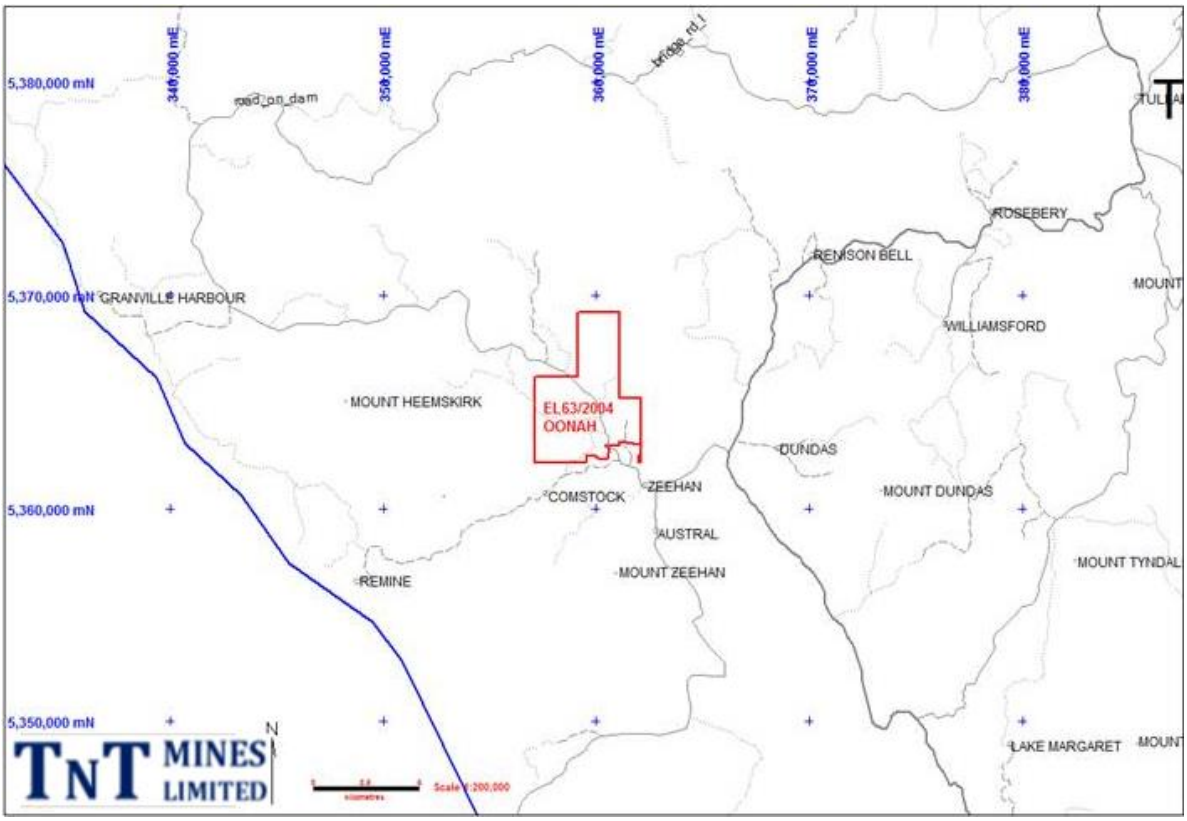

Figure 1: Regional location plan

1.2 Geology overview

A number of geological units are present within the Oonah licence area; however the units of interest in terms of prospectivity for granite-related and carbonate-replacement mineralisation are chiefly the Burnie and Oonah Formation and the Gordon limestone/Eldon Group association. Importantly it is the thrust relationship between these lithologies and the interpreted position of the Tenth Legion Fault that provides the focus for mineralising fluids (Figure 2).

In regards to the mineralisation of the Zeehan mining field of which the Oonah licence is considered to partially cover, there are two major styles of mineralisation. Classically the tin and Ag-Pb-Zn mineralisation has been attributed to magmatic hydrothermal zoning related to the intrusion of the Heemskirk granite. Both and Williams (1968) showed that the mineral zoning from west to east, is displayed principally in the gangue which changes from pyrite dominate to siderite dominate as the FeS content declines from west to east. The only distortion of this zoning is found at Queen Hill due to abundant tin mineralisation, attributed to a separate granite intrusion underlying the area.
A second mineralisation style considered akin to Irish- style syn-sedimentary lead-zinc mineralisation is reported at Oceana Mine and has been confirmed by Pb-isotope analysis conducted on lead mineralisation from that mine (Sise, 1986).

1.2.1 Burnie and Oonah Formation

The Burnie and Oonah Formation is a thick, polydeformed Proterozoic quartzwacke turbidite succession, widespread in western Tasmania. The formation comprises of two lithological associations. The dominant quartzwacke turbidite association, which includes minor alkaline dolerite intrusions and lavas, consists of interbedded quartz sandstone, quartzwacke, siltstone and pelite. The secondary lithological association is predominately pelite and/or carbonate including mafic volcanics and conglomerate in some places. Near Zeehan this association is host to a number of Devonian vein, skarn and replacement-tin deposits, and at Mt Bischoff a dolomitic unit hosted major Devonian tin lodes (Seymour et al, 2006).

1.2.2 Owen Group

The Owen Group is Cambrian to Ordovician in age and sits unconformably on the Mt Read Volcanics. The unit typically includes large volumes of coarse siliciclastic conglomerate composed dominantly of metaquartzite clasts derived from the Tyennan Metamorphics. It also includes turbidite and shallow marine sandstone units (Seymour et. al., 2006). It is not likely to host any exhalative styles of mineralisation such as Taylor and Mathison (1990) report for the younger Gordon Group. However, it could potentially host mineralisation associated with intrusion of Late Devonian–Early Carboniferous granitoids.

1.2.3 Gordon Group

The Ordovician Gordon Group above the Pioneer Sandstone is a shallow-marine to peritidal, platform succession of predominately micritic, dolomitic limestone. The Gordon Group carbonate sequence is an important ore host for skarn mineralisation associated with intrusion of Late Devonian–Early Carboniferous granitoids (Seymour et. al., 2006).

1.2.4 Eldon Group

The Silurian-Devonian Eldon Group sits locally disconformably and erosionally on the Gordon Group. The lower part of the succession is dominated by shallow-marine quartz sandstone (Crotty and Florence Formations); the upper by a thick, shelf-facies shale unit with minor limestone identified locally as the Bell Shale and correlates (Seymour et. al., 2006).

1.2.5 Parmeener Supergroup

Sediments of the Parmeener Supergroup represent Late Carboniferous to Late Triassic intrabasinal lithologies deposited unconformably on top of Late Devonian granites and older folded rocks. The Lower Parmeener Supergroup consists of mostly glacial and glaciomarine rocks, while the Upper Parmeener Supergroup consists of mostly fluvial and lacustrine sedimentary rocks (Seymour et al, 2006).

1.2.6 Tertiary Basalts

Radiometric dates from basalts across Tasmania indicate an age range of between 16.4Ma and 64.5Ma.

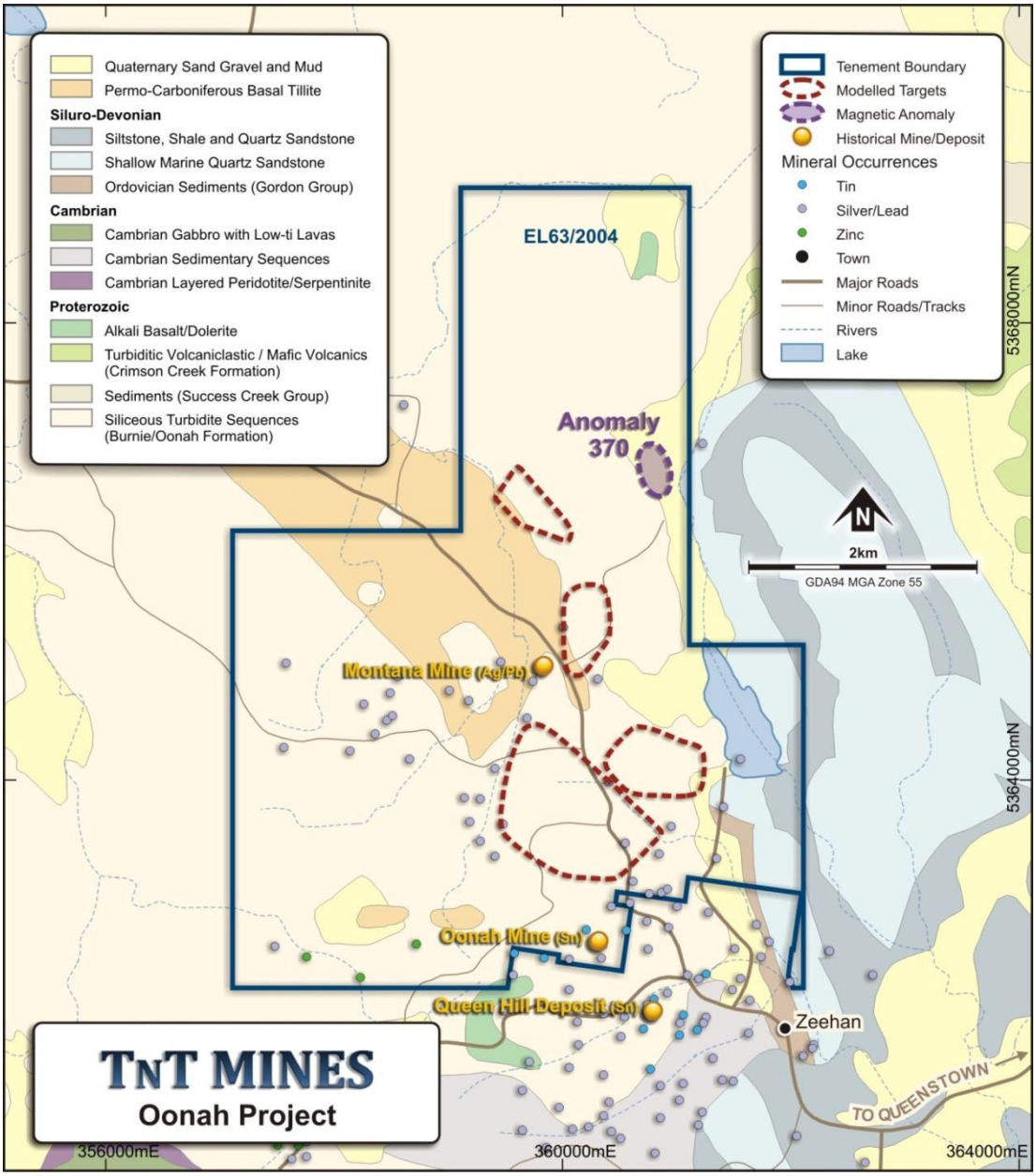

Figure 2: Regional geology

1.3 Exploration Rationale

The Oonah tenement was acquired because it overlays the interpreted Tenth Legion Fault considered to be thrusting the Burnie and Oonah Formations on top of younger units. The larger deposits in the area such as Montana Silver Lead, Oonah and the Stannite Lodes are hosted in the Burnie and Oonah Formations which possibly acted as an aquatard trapping mineralisation below and immediately above the fault.

There is the potential for new deposits to be found or for extensions to existing deposits such as Oonah or Montana.

2.0 REVIEW OF PREVIOUS WORK

2.1 Historic mining

The Zeehan Ag-Pb mining field dates back to 1882 and was progressively developed until 1898. A sharp decline in production saw the closure of the smelter during the first decade of the 20th century and for the most part, from 1919 until the 1980s only small-scale operations existed in the upper levels of abandoned mines.

2.2 Exploration prior to current tenement

Systematic exploration of the Zeehan mining field commenced during the late 1940s by a joint venture between North Broken Hill and Broken Hill South called Zeehan Explorations. Since that time exploration has generally concentrated on looking for extensions to the existing mines and workings. The area was originally targeted for tin mineralisation, but due to declining tin prices a shift in exploration strategy saw a move to exploration for Pb-Ag-Zn mineralisation.

Date: 1946-1951
Company: Zeehan Explorations
Exploration Philosophy: Exploring for large-scale carbonate-hosted mineralisation
Work Completed: Mostly concentrated their efforts on drilling carbonate-hosted mineralisation in the Gordon limestone. At their instigation, the BMR conducted gravity and electrical surveys in 1947/48 and 1954.
Results and Conclusions: Discouragingly, gravity anomalies were found to represent large accumulations of siderite and known mineralisation at Oceana Mine failed to give a significant electrical response.
No data available regarding results of drilling.

Date: 1970-1973
Company: Cominco Exploration Pty Ltd EL47/71(Tenneco Australia Inc)
Exploration Philosophy: Carbonate-hosted base metal mineralisation
Work Completed: Several geophysical surveys including SP, EM, IP, Turair and gravity were conducted over the majority of the limestone sequence. Geological surface mapping, adit mapping, bedrock/rock chip sampling and ground truthing of Turair geophysical anomalies.
Results and Conclusions: Best grab sample from Bradshaw 1.4%Sn. Numerous Turair anomalies identified but details of follow-up work and results not found (73_0956).

Date: 1971-1986
Company: Aberfoyle Resources Ltd EL47/71 (Formerly Cominco and Tenneco)
Exploration Philosophy: To assess regional tin potential to augment future mining operation based on Aberfoyle's Zeehan tin resource. However depressed tin price shifted focus of exploration to lead-zinc-silver mineralisation associated with the Gordon Limestone. Particularly interested in potential for syn-sedimentary (Irish-style) base metal mineralisation in Gordon Limestone similar to Oceana Mine south of Zeehan township. Despatch and

Tasmanian Crown both Ag-Pb mines in Gordon Limestone only 5kn along strike from Oceana.
Work Completed: Geochemical bedrock sampling, lead isotope analysis and geophysics(?).
Results and Conclusions: Geochemical sampling results suggested that geochemical anomalies represent narrow, discontinuous Devonian vein-style mineralisation and do not warrant further exploration.
Pb-isotope analysis on galena samples collected from both the Despatch and Tasmania Crown mines revealed Devonian vein-style signatures rather than Oceana syn-sedimentary ratios. No further work recommended (86_2606).

Date: late 1970's-1996
Company: CRA Exploration Pty Ltd (ML35M/72 and EL11/93)
Exploration Philosophy: Delineate resource below and along strike of the Sn-Cu-Ag Stannite Lode portion of the Oonah Mine.
Work Completed: Diamond drilling, mapping, soil geochemistry and rehabilitation
Results and Conclusions: (82_1699 and 96_3947)

- Stannite Lode 150m strike, 10m width and 300m depth representing resource of 1.3Mt @ 0.57% Sn with minor Ag present. Later revised to resource of 0.2Mt @ 0.4% Cu, 5.3% Pb, 284g/t Ag and 0.5% Sn.
- Best result in DD80OC4 5.9m @ 1.75% Sn, 200g/t Ag and 2.4% Cu from 91.5m.
- Pyritic black shales between Stannite Lode and Bradshaw's open cut essentially unmineralised.
- Mineralisation at Junction workings restricted to narrow quartz-siderite veins.
- SP and EM anomalies from 1964-65 BMR survey generally coincident with black shale outcrops.
- Black shales produced no soil anomalism.

Date: 1987-1994
Company: RGC Exploration (EL42/87)
Exploration Philosophy: Delineate areas for potential Queen Hill/Renison style tin mineralisation. Declining tin prices after 1991 shifted focus to Pb-Zn-Ag (Sn) on the Sylvester (outside current EL) and Parting Lake areas
Work Completed: Gravity and one diamond drill hole at Parting Lake grid. Work at Sylvester provided a resource estimate of 6Mt @ 3.3%Pb, 5.5%Zn and 40g/t Ag based on 13 diamond drill holes.
Results and Conclusions: PL001 drilled to test for base metal and/or stanniferous replacement mineralisation above a gravity interpreted granitic cupola thought to be associated with Zeehan Western and Zeehan Montana Ag-Pb-Zn mines. PL001 drilled to 673m EOH and only intercepted mineralisation from 42.6 to 50.7m where Gordon limestone sits adjacent to a fault. The limestone was replaced by siderite with disseminated base metals. Best assay result was 2m @ 0.76%Pb, 0.17%Zn and 17ppmAg (93_3505).

Date: 2002-2003
Company: Mount Conqueror Minerals NL & Central West Gold NL (EL7/2002)
Exploration Philosophy: Revise Stannite Lode resource (feasibility)
Work Completed: Data review and field visit.

Results and Conclusions: Inferred resource of 440,000t @ 1.25%Sn, 1.48%Cu and 136g/t Ag at 0.5%Sn cut-off grade. Resource not sufficient as stand-alone mining operation. Recommend surrender of licence (03_4935)

Date: 2005-2006
Company: Mount Conqueror Minerals NL & Central West Gold NL (EL7/2002)
Exploration Philosophy: Revise Stannite Lode resource (feasibility)
Work Completed: Data review and field visit.
Results and Conclusions: Inferred resource of 440,000t @ 1.25%Sn, 1.48%Cu and 136g/t Ag at 0.5%Sn cut-off grade. Resource not sufficient as stand-alone mining operation. Recommend surrender of licence (03_4935)

2.3 Exploration during current tenement

2.3.1 2006 – 2007 (BSM)

During the previous reporting period the majority of work involved the capture of various datasets into FracSIS and MapInfo format by Geoinformatics. This data was then modelled to allow 3-dimensional analysis and target generation.

Following the work produced by Geoinformatics, a review of open file soil geochemistry and airborne magnetic data outside of the Oonah-Montana-Great Western group of historic mine working has identified an area of broadly coincident soil anomalism within the RGC Exploration Parting Lake soil grid adjacent to several airborne magnetic features. Specifically the tin anomalism was bought to the attention of Bass Metals by Geoinformatics as an 'area of interest' and is in close proximity to the interpreted position of the Tenth Legion Fault.

The coincident soil anomalism is considered to represent hydrothermal fluids related to a proximal granite source (Heemskirk Granite). The magnetic features of interest include;

1. A NW striking magnetic low (~5km strike length) mapped along strike of the Montana – Great Western trend
2. A donut-shaped magnetic high adjacent to the interpreted position of the Tenth Legion Fault
3. Two sub-parallel, linear magnetic high features just outside of the licence which coincide with two sub-parallel faults striking NE off the Tenth Legion Fault

No known mineral occurrences appear to occur in this part of the Oonah licence and hence the bulk of previous exploration activity concentrated to the south in the vicinity of the known mines. For this reason the area is considered under-explored.

2.3.2 2007 – 2008 (BSM)

Soil geochemistry program –
A proposal for a soil geochemistry program was approved and undertaken. This program was designed to test the Geoinformatics 'area of interest' containing a historic tin in soil anomaly (Figure 3). A review of previous exploration data revealed coincident Sn, W, Mo,

Ba, Br, Cr, Fe and Cu anomalism adjacent to the Tenth Legion Fault position. Also of interest are several magnetic features in the vicinity of the soil anomalism. This program was completed with a total of 365 samples collected and 10km of gridding (Sample numbers 134261 – 134625)

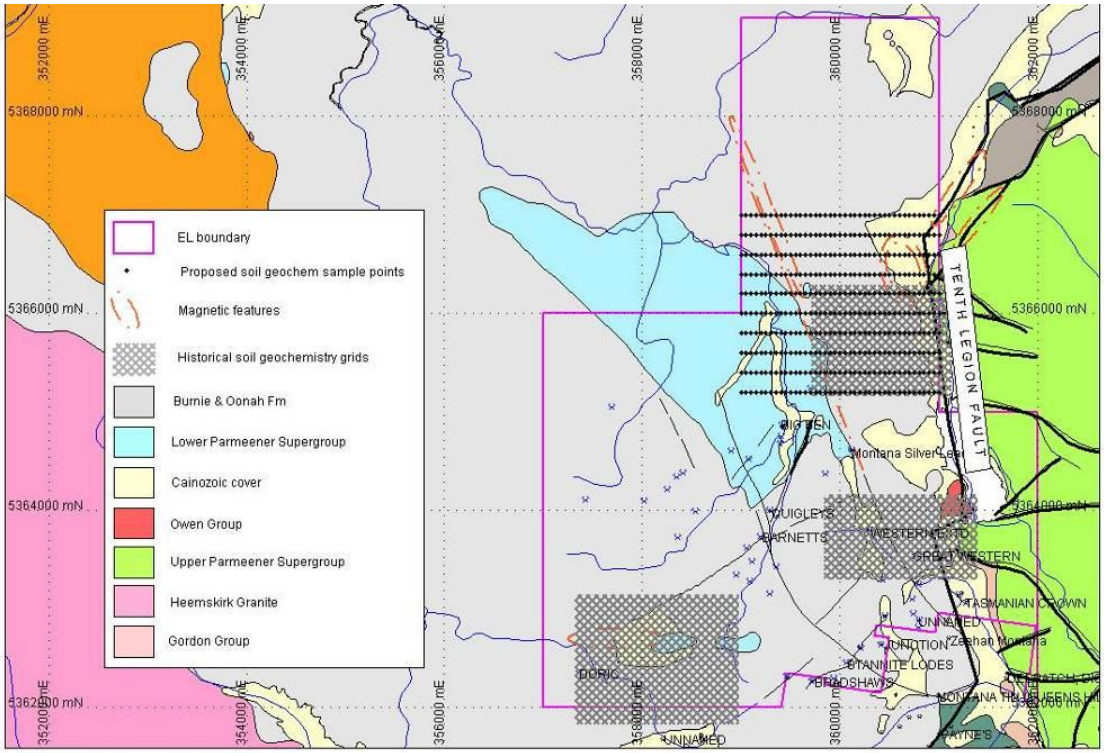

Figure 3: Soil programme over Tin target

Mapping, grab sampling & orientation/access field trips –
A site mapping and orientation trip was conducted over two days at the Oonah Mine and Stannite Lode. This was undertaken to better understand the surface orientation of the numerous mine workings in order to aid drill planning. A total of 26 rock chip and bulk samples were collected from adit openings, mullock pile and outcrop. The bulk mullock samples collected were found to illustrate the different ore types which include Galena, Stannite, Cassiterite, Carbonate and Bradshaw's (Pyrite) Lodes. These results will aid in identifying the provenance of individual mullock heaps and orientation of mining infrastructure at surface.

A field reconnaissance trip to the Montana Silver Lead Mine identified the location of the historic box-cut pit and partially infilled inclined shaft accessed via the pit. The ore horizon was observed to contain stockwork and breccias-fill quartz-carbonate veins with associated galena and sphalerite mineralisation in Proterozoic sediments of the Burnie & Oonah Formation. Bulk and rock chip samples from the pit floor and pit walls have returned encouraging results with the best result from sample MSL014 containing 15.3%Pb, 15.4%Zn, 0.4%Cu and 846ppmAg. Another field trip was carried out specifically to determine the access track and locate the adits along the NS fault near Big Ben (Figure 4) area where MSL014 was taken. Three adits running EW across the fault at Montana Silver

Lead workings (East of Big Ben workings) were located and float/rock chip samples were collected from the mullocks and from the adit and were assayed by the Niton.

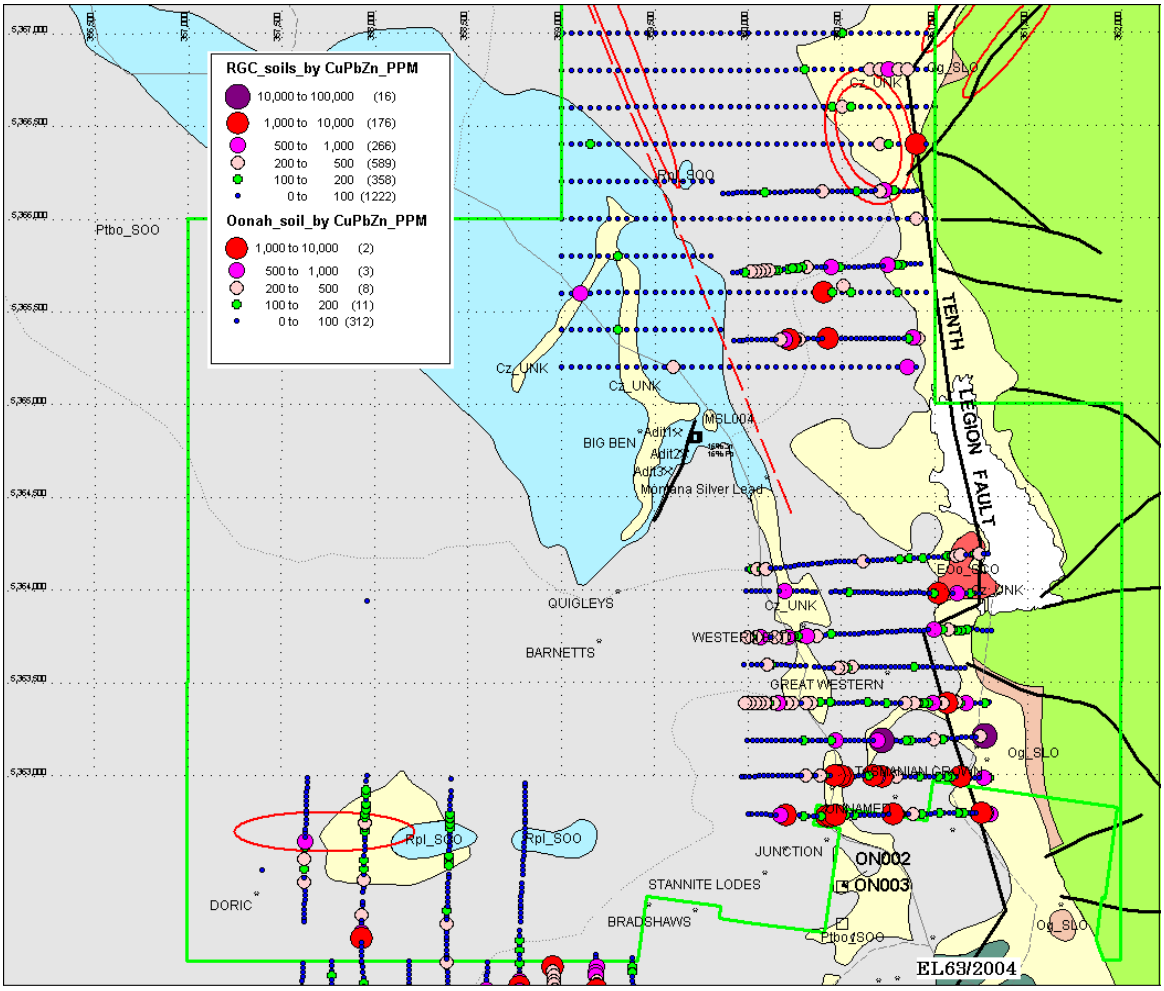

Figure 4: Location of the adits east of Big Ben workings and soil anomaly map

Further detailed field work was carried out to determine the accessibility and vegetation cover of the area around Big Ben workings. The main shaft and one adit of the Big Ben workings were located. Field data on lithological units and shear/fault zone from Montana Silver Lead mine are were collected. Sample no. MSL014 was found to be of vein-type Pb+Zn mineralisation confined to this shear zone with the special disposition of this shear zone being one of the guiding factors for the planning of the proposed RC drill holes.

Literature review –
A new team member has been assigned to this area and is currently undertaking a literature review of open file data for Montana Silver Lead, Oonah and Stannite Lodes historical workings and familiarisation of the geological setting.

RC drill program preparation –
Ten RC drill holes are in the planning stage to target the down dip and along the strike extensions of the mineralisation. The programme consists of 10 RC drill holes and will

utilise the existing track of Montana Silver Lead mine for approach to the drilling area. To access the drill site, tracks will be constructed and clearing will be made for the drilling pads. These holes will target NE-SW trending and SE dipping shear zone from the hanging wall. A program was been submitted to the MRT.

2.3.3 2008 – 2009 (BSM)

Costeaning

Four costeans were planned to target outcropping mineralisation as well as testing for the five parallel lodes reported in historical documents around the historic Montana Silver Lead mine. These exploratory costeans were dug in the northern portion of our Oonah license (approximately 4 km NW of Zeehan).

Each costean was 1m wide and 1.5m deep. Two of the costeans are 40 m in length and the remaining two are 50 m in length. These costeans were mapped in detail.

Costean number 3 (Figure 5) intersected approximately 4.5 m of high grade sulphide mineralisation (galena and sphalerite) in the highly-sheared black shale. Another approximately 1m wide zone of mineralisation was observed on the northern tip of the same costean in white quartzite within the shear zone.

Channel sampling will be carried out on 1m interval where the visible mineralisation was intersected and where alteration zone was observed. The rest of the costeans will be sampled at greater intervals and also grab samples will be collected from apparently barren areas.

Costeans 1 and 2 intersected infill material of the old Montana Silver Lead workings.

The topsoil/vegetation was stockpiled separately from the rock such that when we backfill the costeans during spring/summer we can rehabilitate with the topsoil.

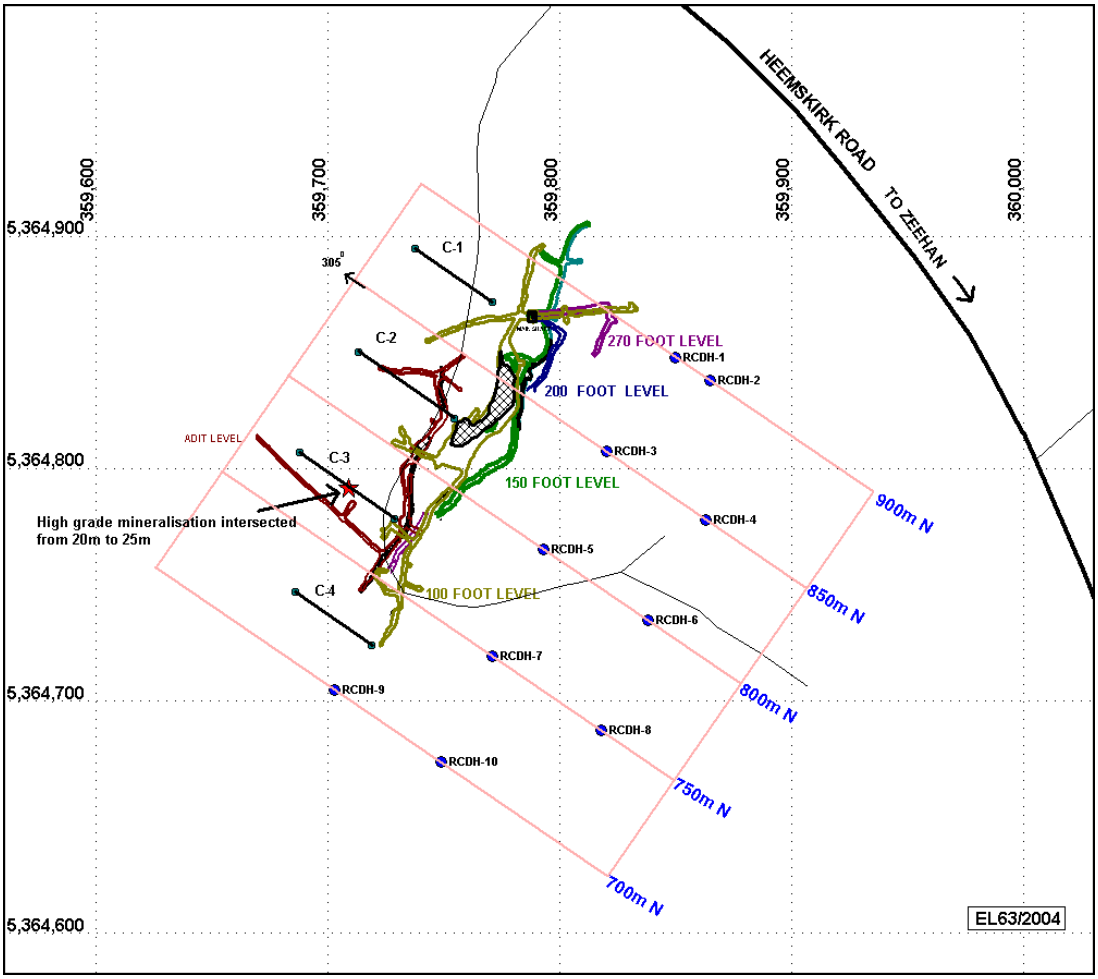

Figure 5: Costeans sampled

Results were received for the costean sampling with the best intercepts being 7m at 4.7% Pb, 2.8% Zn and 650 g/t Ag. The only other significant intersection was 3m at 1.9% Pb 3.8% Zn and 35 g/t Ag

Planning and execution of an RC drilling program

The mineralisation at Montana occurs within a dilational jog within a reverse fault system. The jog has dimensions of 100m (along strike) x 10m wide x 70m down dip.
10 diamond holes totalling 531m was drilled. The RC drilling was an effective method of drilling shallow holes relatively cheaply. The first hole MO5, had difficulty drilling through the stope. It was decided to end this hole early due to significant risk of the rods getting bogged. It was later found that a hole in the inner tube was the major factor contributing to this difficulty. Drilling went without a hitch after this first hole. Sample return was good, however on most of the holes once a stope was intersected water became a problem and the resulting meters were wet. All but two of the holes intersected a stope or drive. Generally the stope was 5-10m from the predicted point of intersection resulting in most holes being relatively short. MO3 and MO1 intersected the most significant intersections. A Niton XRF analysis was done on these intersections with MO3 having 5 meters at 4.3% Pb and 0.9%

Zn, MO1 6m at 1.6% Pb and 0.44% Zn. In both holes the mineralisation was in close proximity to the hanging wall of the stope. The method of using the XRF on RC samples was to scan through the polyweave bag so there may be minor errors in these results.

These 10 holes demonstrated that close to the surface (0 – 70m) very little mineralisation remains within the Montana workings. What was noticed was that the majority of the mining was contained around a highly siliceous zone of both shale / quartzite. Several meters of sericitic (black) / siliceous alteration surrounds this main siliceous zone. The structure controlling this alteration and subsequent mineralisation was a moderately dipping shear zone that can be mapped at surface. After several holes were drilled it was clear that the majority of the base metal mineralisation had been removed during historic mining. Focus was then shifted to targeting the high grade intersection encountered in trench 3 and the intersections in holes MO3 and MO1. It was hoped that 30,000 tonnes of ore would remain however a further hole along strike from MO1 indicated that the mineralisation pinches out; making it very unlikely that such a deposit exists.

Archival information on the Montana mine suggests that there were several parallel lodes and only one of these was mined. The RC drilling found no evidence of these additional lodes which suggests that they are either at depth or located in a more regional sense.

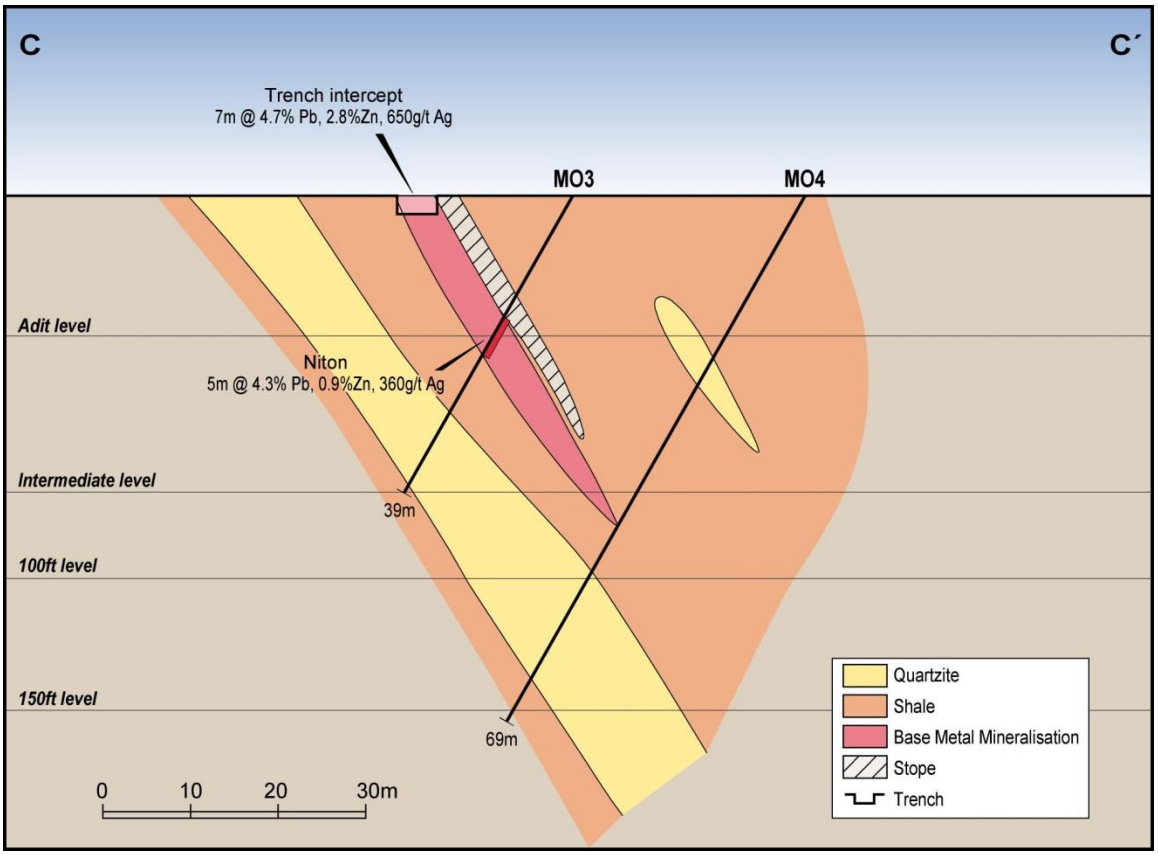

Figure 6: Long section showing intercepted mineralisation and planned drilling

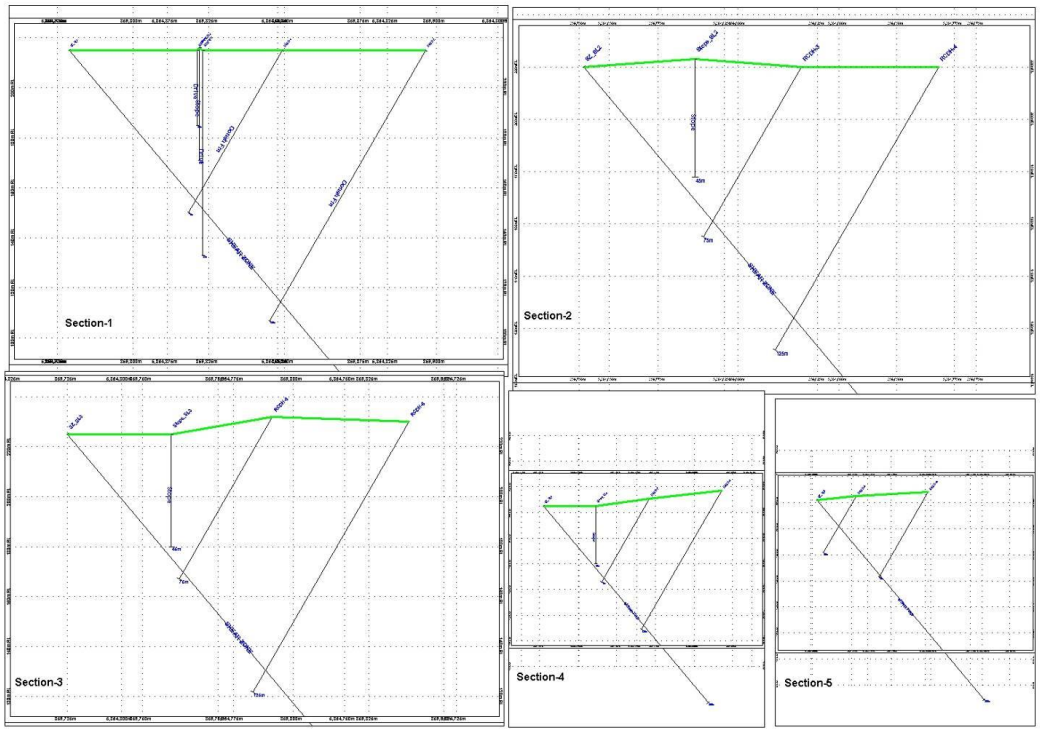

Figure 7: Sections showing shear zone, stope and pierce points

Geochemical results were as expected (Table 1) with a best result of 3.0m @ 2.1 %Zn, 9.0 % Pb and 252 ppm Ag. No further work is planned here except for rehabilitation of the RC drilling pads.

From (m)	To (m)	Drilled Interval (m)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
MO3 (at a 1% (Pb+Zn) cutoff)							
15.0	34.0	19.0	0.5	1.8	0.0	41.7	0.0
MO7 (at a 1% (Pb+Zn) cutoff)							
33.0	38.0	5.0	0.2	2.0	0.0	57.0	0.0
56.0	64.0	8.0	0.3	1.6	0.0	38.8	0.0
MO1 (at a 1% (Pb+Zn) cutoff)							
21.0	31.0	10.0	0.8	3.7	0.0	98.1	0.0
Incl. (at a 5% (Pb+Zn) cutoff)							
21	24	3.0	2.1	9.3	0.0	252.3	0.0
MO5 (at a 1% (Pb+Zn) cutoff)							
34.0	42.0	8.0	1.7	1.3	0.0	38.0	0.0

Table 1: Oonah – Montana Silver Lead – RC drilling results

Mapping

Extra mapping of the Montana workings was carried out to get a better understanding of the orientation of the mineralised jog. This included mapping all outcrop, current trenching and pre-existing trenches. An interpretive plan and five NW – SE cross-sections were drawn at 1:500 scale. Incorporated into these interpretations were the adits, drives and stopes from historic workings.

An updated interpretive map of the workings was compiled. (Figure 8) It indicated a lens of low to medium grade Pb, Zn, and Ag. This lens outcrops or is at subsurface and has a 60m in strike length, is 4m wide and 40m deep. What remains of this lens is sceptical as it is flanking the hanging wall of a historic stope.

During the period some research was done on the Oonah stannite- chalcopyrite-cassiterite lodes which will be the target for the next 12 months exploration.

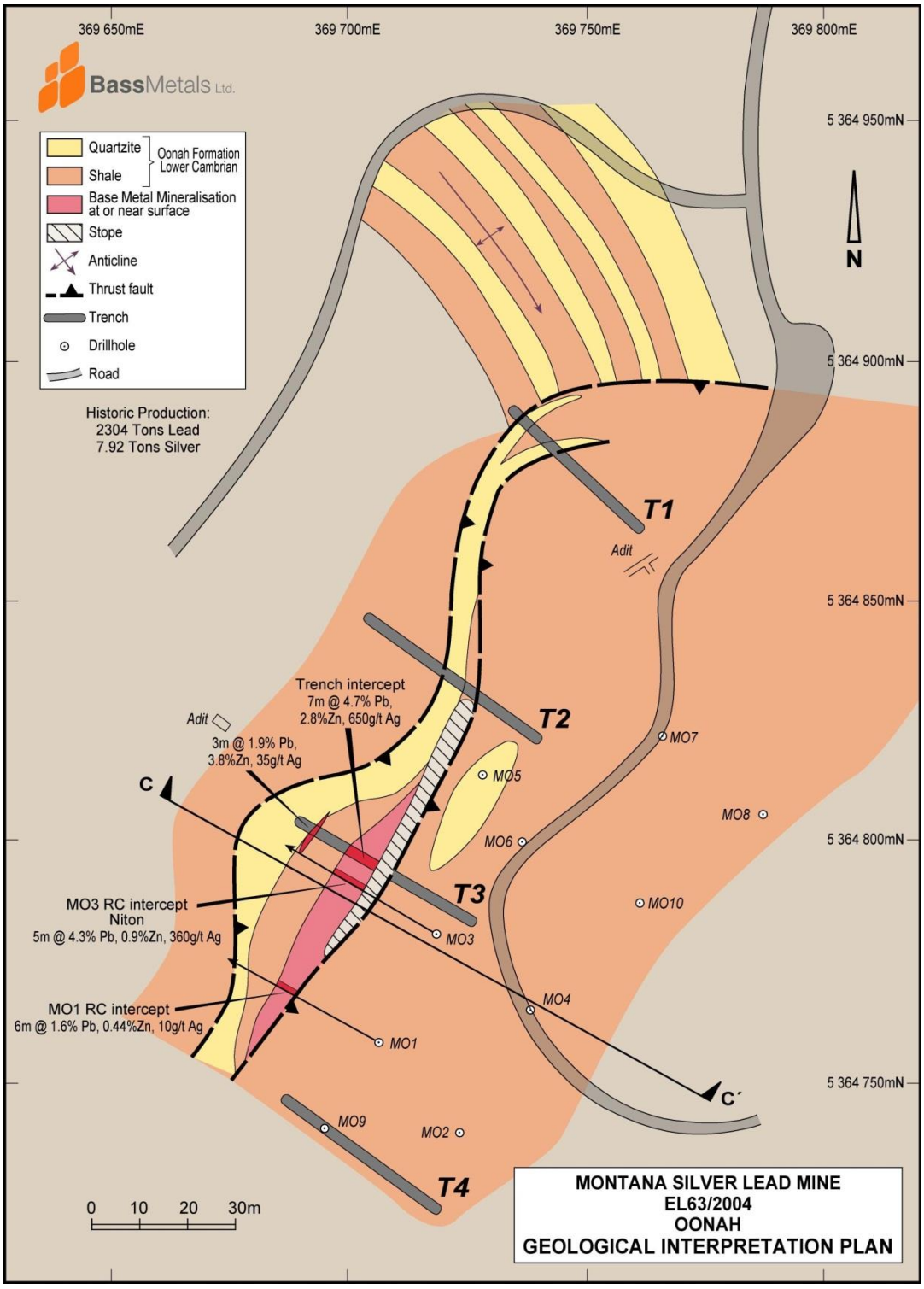

Figure 8: Interpretive plan of geology and drill hole locations

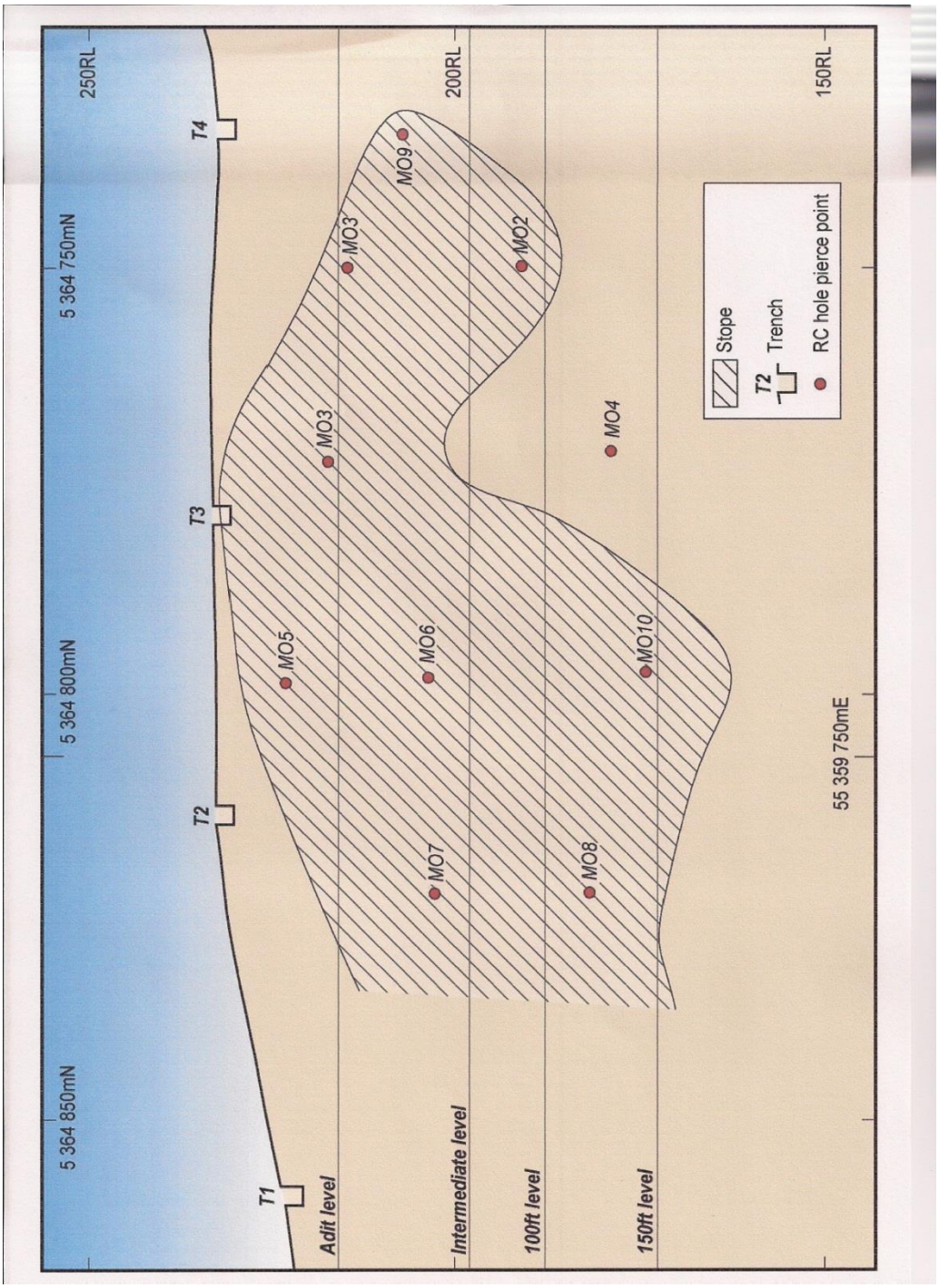

Figure 9: Long section displaying trenches and drill hole intersections

2.3.3 2009 – 2010 (BSM)

Activities were confined to rehabilitation of drill sites. A review of the exploration potential of the Oonah mine and EL63/2004 was commissioned and carried out by Wally Herrmann.

2.3.4 2010 – 2011 (TNT Mines)

Work consisted of commencing the creation of a digital database of the historical drill data associated with the Oonah mine and digitising surface and underground workings. The digital data was used to create a 3-D model of the Oonah mine to help in targeting further drilling. There is some potential for near-surface mineralisation that may be amenable to open cut mining, so some shallow drill holes were planned to test this idea. The drill sites were close to the surface workings on the northern end of the mine area. Approval for a small diamond drill program at the Oonah Mine was given by MRT after a field inspection by MRT personnel and drilling commenced in late July. Results are reported in the next section.

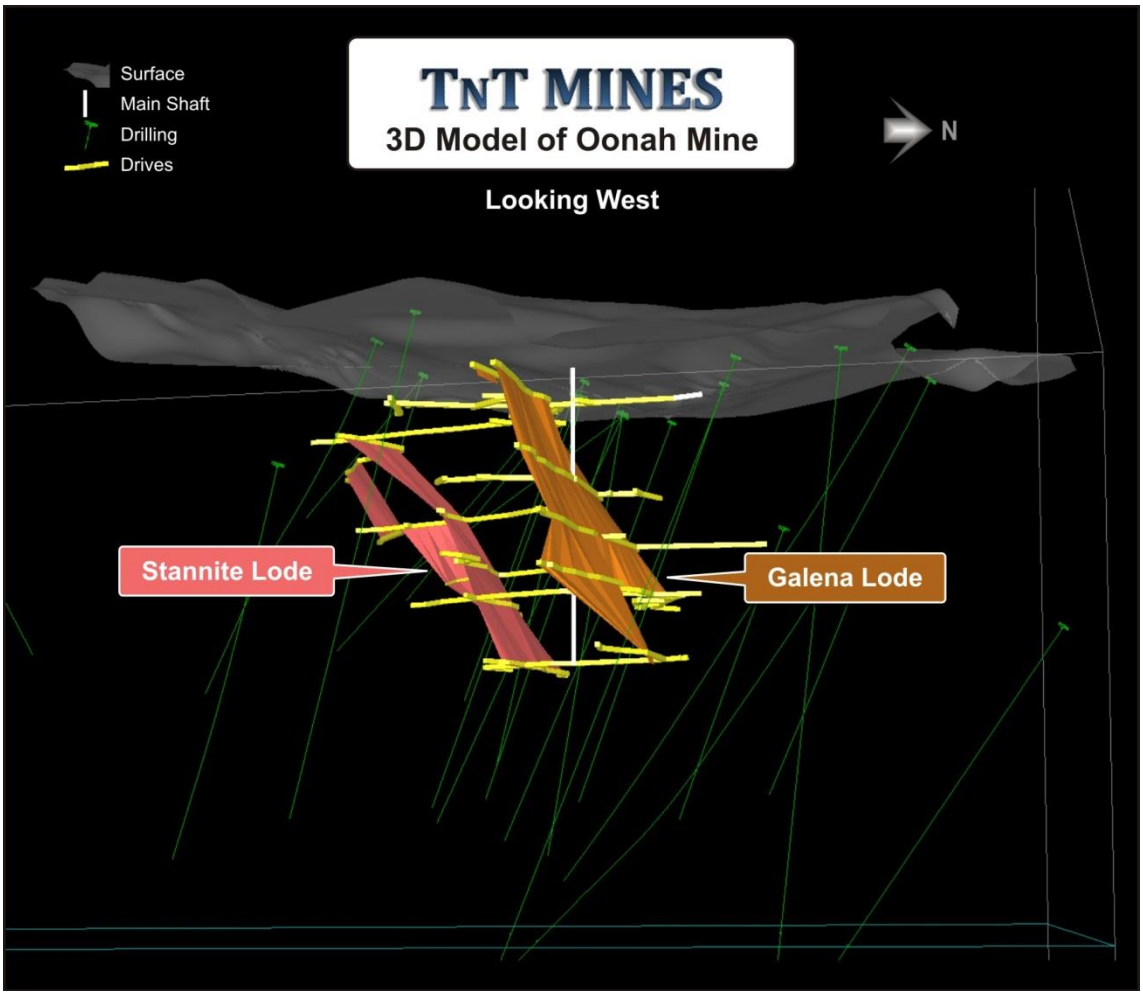

Figure 10: 3-D model of Oonah mine

2.3.5 2011 – 2012 (TNT Mines)

Oonah Mine Drilling

Two diamond drill holes (TNT01 and TNT02) were competed at the Oonah Mine (EL64/2004) during August 2011. Digital data collation for the Oonah Mine and to a limited

extent the Queen Hill Mine was undertaken and interpretation is ongoing. Exploration potential is addressed with the recommendation of three priority one drill targets.

Two drill holes were planned from the vicinity of the Main Slide, at the end of a significant mullock dump. This location allowed targeting of both the Stannite Lode and Main Slide. TNT01 was drilled parallel to and ~12.5m along strike south from the surface projected traces of the nearest existing drilling (PL005 & OC004). This location was also favourable in terms of section spacing for resource modelling and allowed geological, geochemical and structure data collection from an area critical to the understanding of the Oonah Sn mineralisation.

TNT01 (Azimuth 267 / -45 dip, EOH 116.3m) on section 5362675mN (GDA94) lies ~12.5m to the south along strike from the closest drill fanned section and as such is drilled at resource definition spacing. The hole commenced 29/7/2011 and was completed 9/8/2011.

TNT01 tests the Stannite Lode immediately north of its offsetting Main Slide fault. This hole appears to have drilled sub parallel to the Main Slide, given the extent of minor faulting and veining down hole through the intersection. The upper Galena Lode appears to not have been intersected in both TNT01 and TNT02. The Pb –Zn mineralisation in both these holes being focused upon the Main Slide.

TNT02 (233TN, -45, EOH 84m) was collared Monday morning (15/8/2011) and completed at 84m on the 23/8/2011.

TNT02 passes close to perpendicular through the Main Slide, exiting the mineralised zone sooner than TNT01. This provided better true thickness estimation for mineralisation on the Main Slide orientation. The hole appeared to terminate well outside significant mineralisation, but there was still significant milky, but sulphide barren quartz veining towards the end.

A core orientation tool was used on most runs and 351 structural readings were acquired.

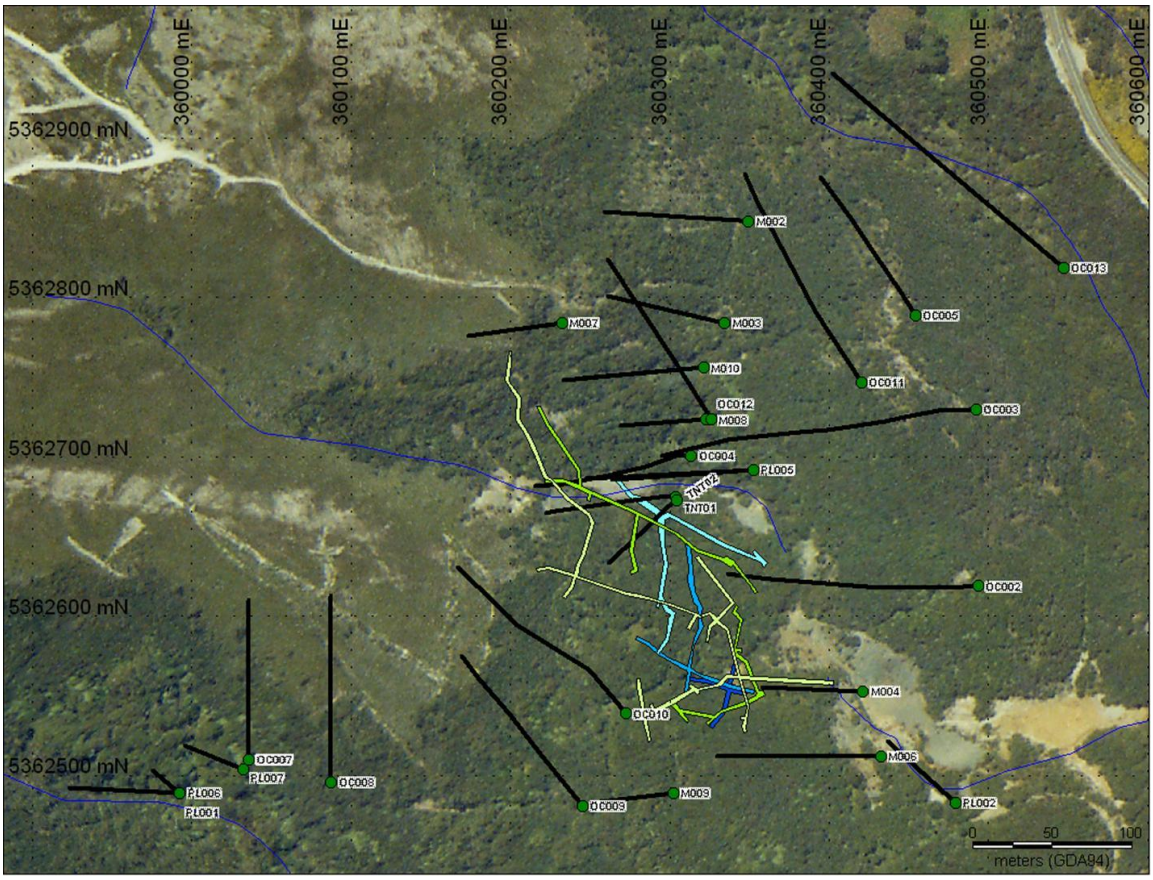

Figure 11: 2011 and historical drilling at Oonah Mine with underground workings in blue

The purpose of the drilling was to recover core at a relatively high level within the mineralised system for two purposes; to add drilling data to the database to aid in the estimation of a JORC-compliant resource and to attempt to recover both mineralisation types at Oonah – the Galena Lode and The Stannite Lode. The Galena Lode was mined extensively and produced around 2,000,000 ounces of silver whereas the Stannite Lode was less exploited and presented metallurgical challenges that were not overcome. One of the questions to be answered in this drilling was top gauge the silver content in the Stannite Lode.

Although the tenor of mineralisation was in the expected range based on previous drilling but on the lower side of expectations particularly in regard to silver content. Significant intersections returned include 7.5m @ 0.46% Sn, 0.2% Cu, 1.9% Pb+Zn and 44 ppm Ag from 67m in TNT01 and 4.7m @ 0.7% Sn, 0.6% Cu and 90 ppm Ag from 55.3m (this interval does include some stoping). There was low level tin mineralisation for the entire analysed interval of core in each hole; 86.9m @ 0.11%Sn in TNT01 and 43.1m @ 0.12% Sn in TNT02.

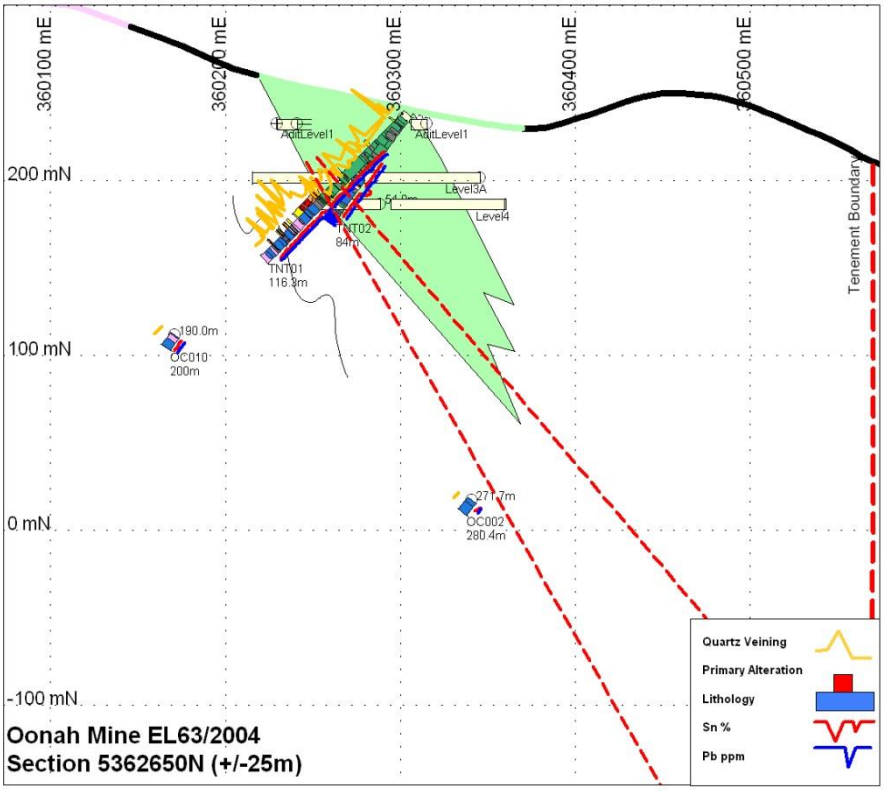

Figure 12: Section 5362650mN showing 2011 and historical drilling

Orientated structure data in TNT01 and TNT02 defined a -55° to 040°TN fold plunge, which may represent local fault related folding, since it's at odds with the previously interpreted moderate ESE plunging regional folding. Pyritic veins on orientations similar to the Stannite North and South Lodes were identified and various intersection lineations between these and the Main Slide Fault define potential vectors to structurally thickened / dilatant veined zones. Moderate to steep (-60°) intersection lineation plunges ranging from ENE to ESE are identified.

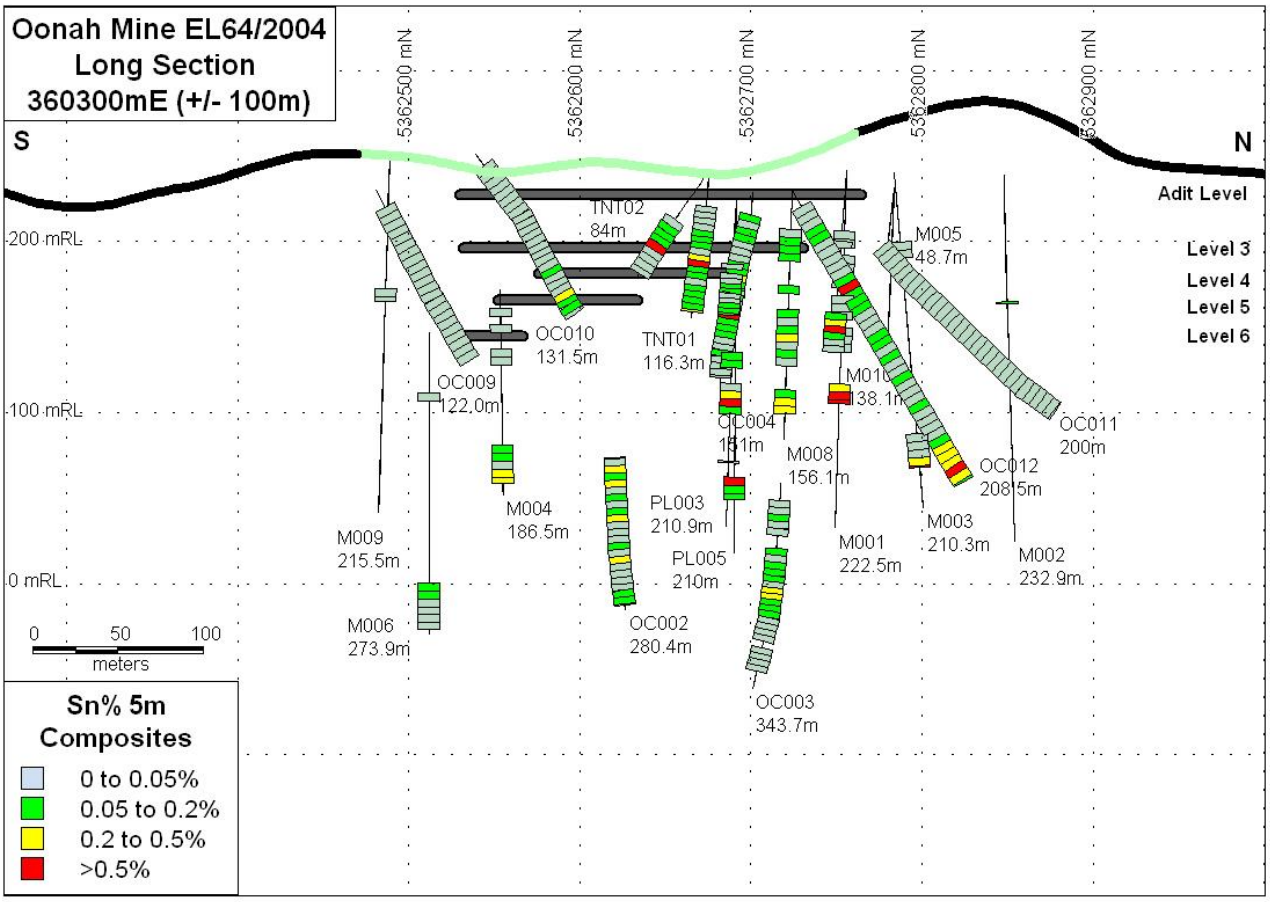

Figure 13: Long section 360300mE showing Sn analyses for 2011 and historical drilling

Anomaly 370 Ground Magnetics

Approximately 5,000 metres of pre-existing gridding over the Anomaly 370 area was refurbished and one new line of approximately 800 metres length was cut by Rogers Exploration in late April in preparation for a ground magnetics survey. The ground magnetics survey was carried out by Modern Mag, mobilising out of Horsham in Victoria, between the 11th and 13th May. Weather conditions were cold and wet and some standby time was invoked. 13.4 kilometres of line data was acquired with data being acquired in each direction on six E-W lines.

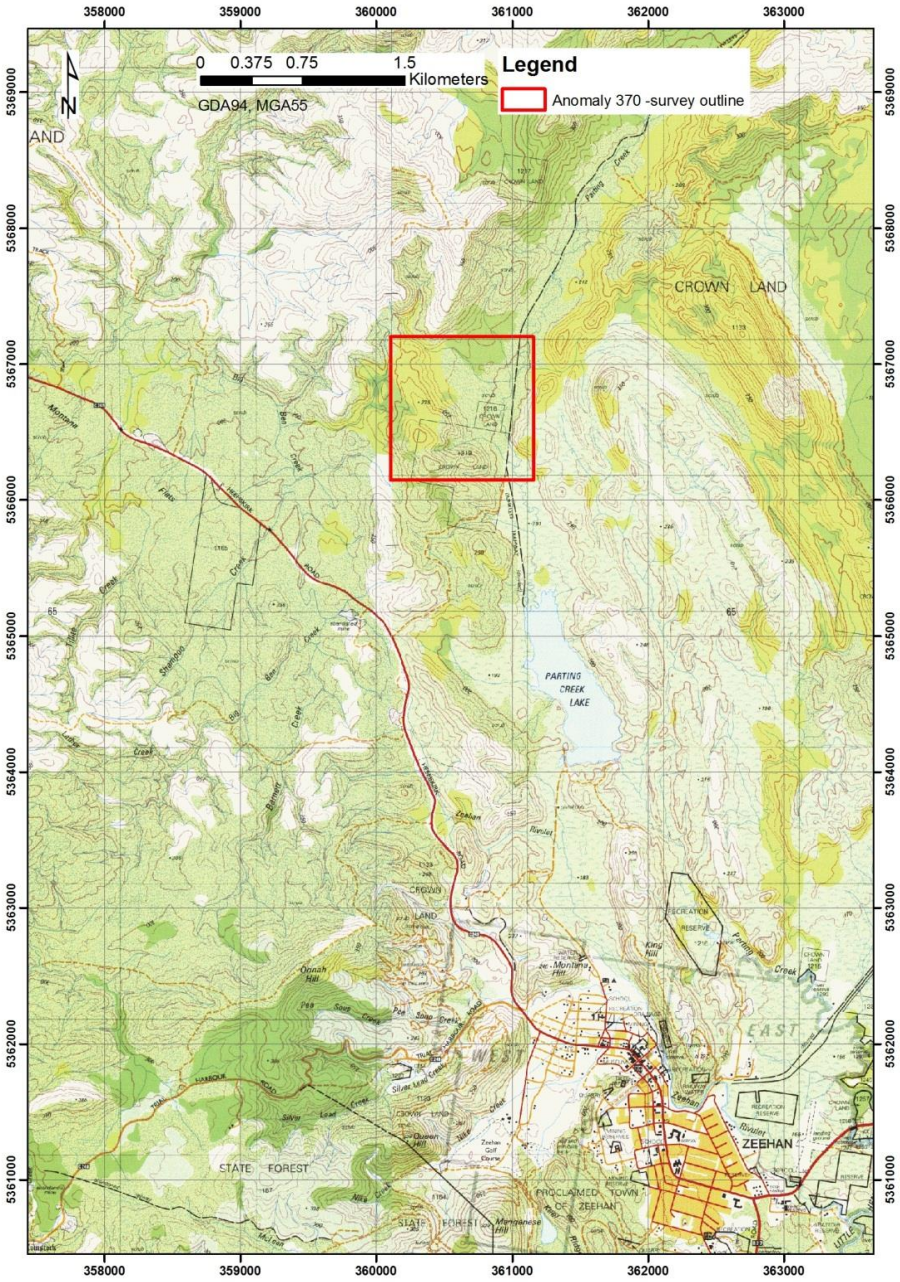

Figure 14: Location of Anomaly 370 ground magnetics survey

Modelling of ground and aeromagnetic data

The newly acquired ground magnetic data and the 2001 WTRMP aeromagnetic data was modelled by Kate Godber from Mitre Geophysics.

Anomaly 370 lies at the intersection of a NE-trending linear, the N-S Anomaly 370 trend and the predominant regional NNW-trend (Figure 17). The ground magnetics has shown that Anomaly 370 has a northern and southern component and other subtle features. The southern 120nT, or Main Anomaly, was modelled and the depth to source, interpreted as dipping steeply east, is relatively shallow, above 50m. The anomaly sits above the end of a

spine of granite that extends northwards from the main body of Heemskirk granite, as modelled by Leaman and Richardson (2003). The strongest response is on Line 3000 and it is this response that will be drill-tested by a west-dipping hole targeting the strongest part of the anomaly and also a weaker anomaly to the west.

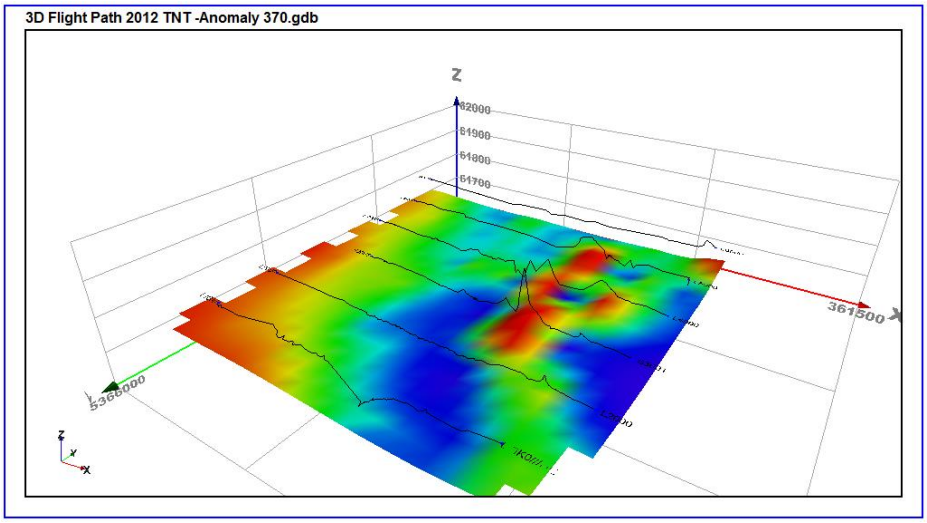

Figure 15: 3D perspective of the magnetic data profiles and gridded results for the Anomaly 370 prospect

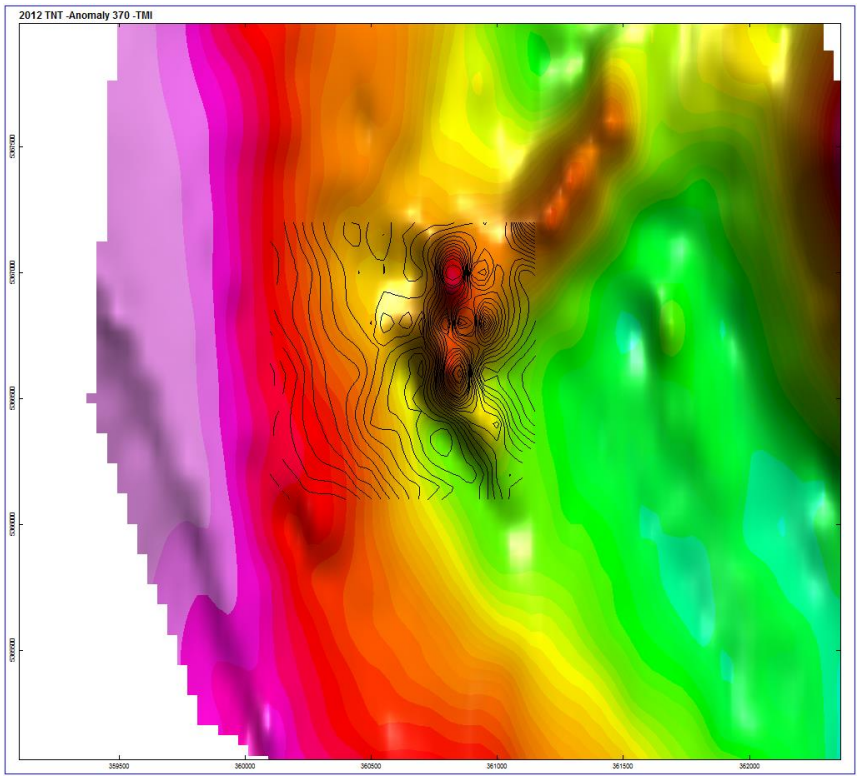

Figure 16: Contours of the gridded ground magnetics superimposed on the regional aeromagnetics, showing a good correlation

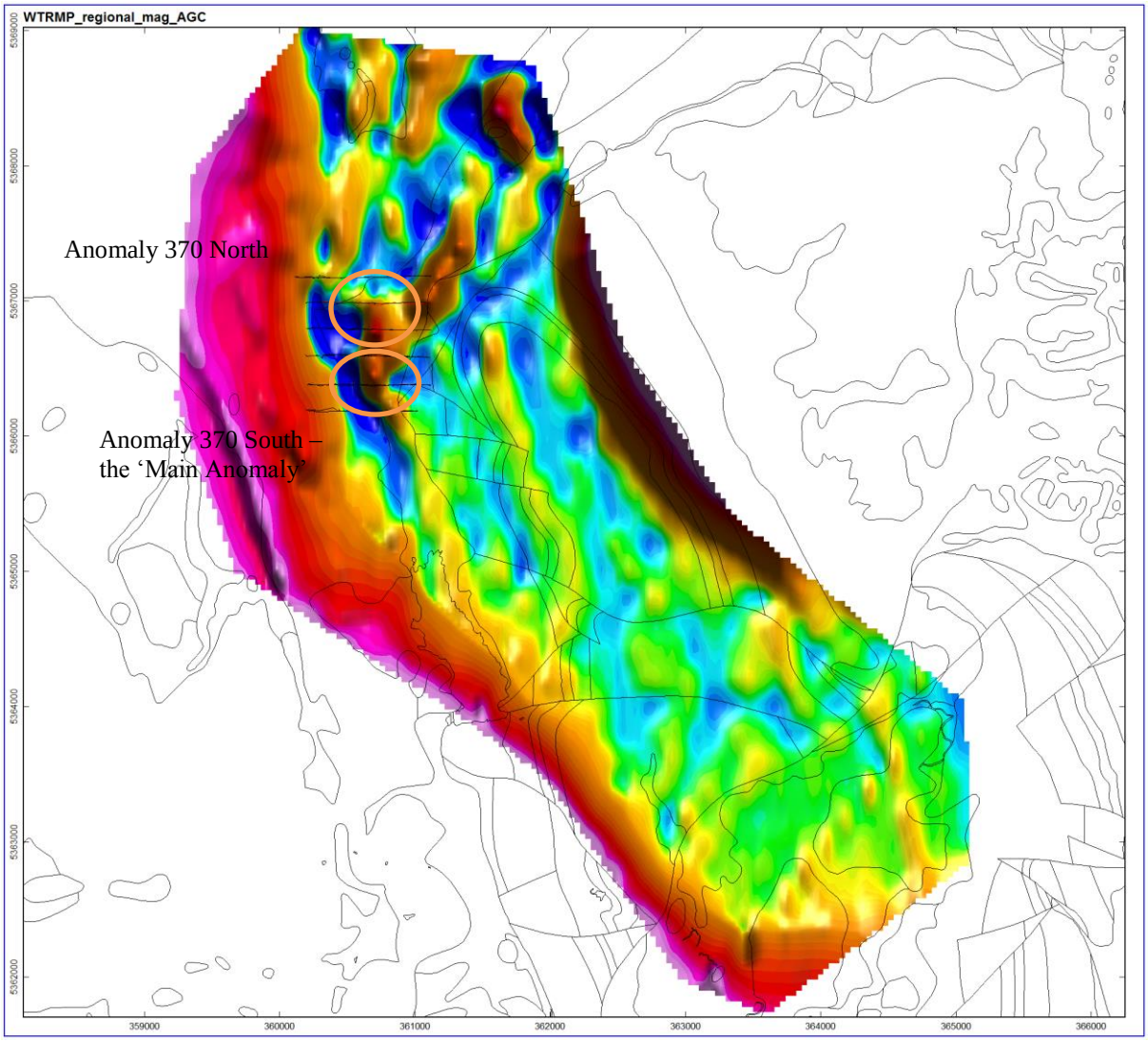

Figure 17: Regional aeromagnetic data, filtered with an automatic gain control method to highlight subtle structures in the magnetics. Anomaly 370 lies at the intersection of a NE-trending linear, the N-S Anomaly 370 trend and the predominant regional NNW-trend

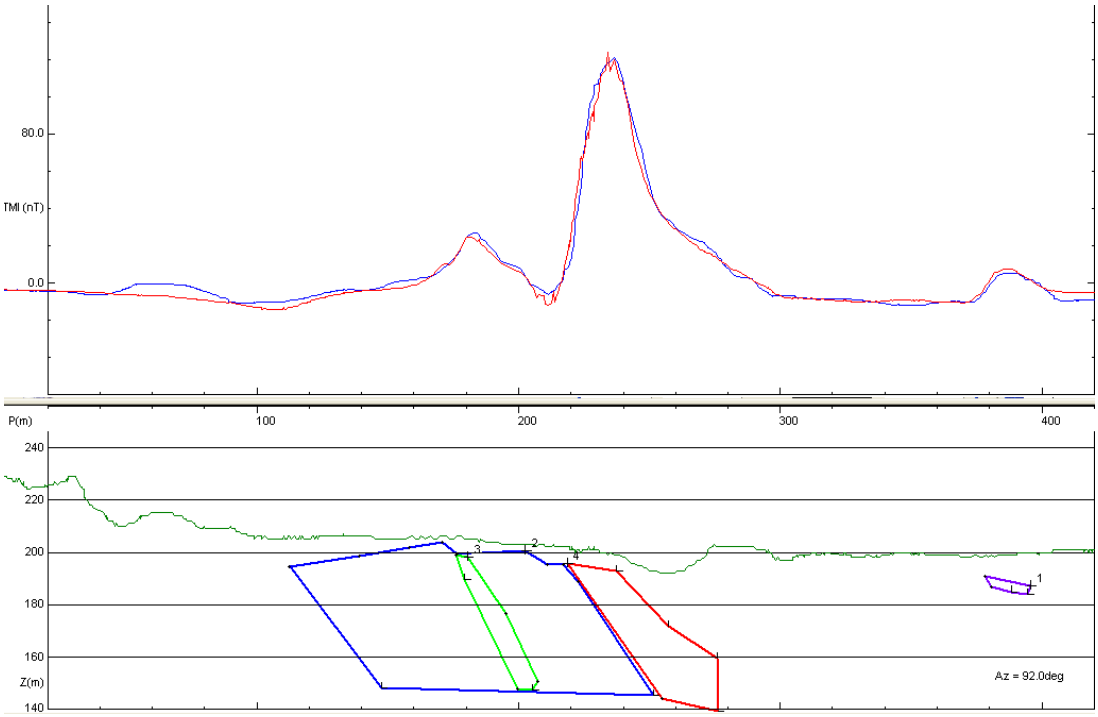

Figure 18: Model section showing the four polygonal bodies used to match the observed magnetic response on line 3000

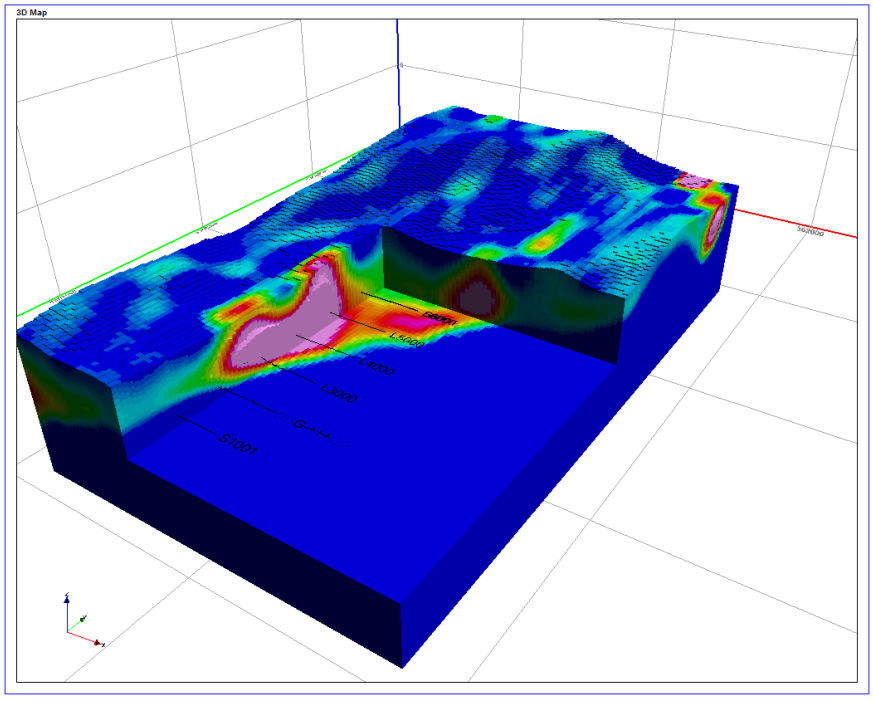

Figure 19: Perspective looking northwest of the inversion results clipped through anomaly 370

Anomaly 370 Drill Hole Planning

During a field inspection to site the proposed drill hole, a sub-cropping recemented? gossan was located proximal to the west of the main magnetic anomaly. This rock bears mostly angular milky quartz and sandstone fragments within a moderate to strongly gossanous matrix. The gossan is coincident with the smaller magnetic anomaly shown in the modelled section above. Nearby to the south is what appears to be an old prospecting trench of approximately 1.5m width and 6 to 7m N-S orientation.

The planned drill hole (270°/-60°, EOH ~<200m) is located approximately 30m east of the main magnetic anomaly and also targets 4.13ppm Sn in soils from a Bass Metals soil program. Unfortunately, Bass Metals tin analyses involved acid-digest not fusion ICPMS or XRF so the tin values are likely to be significantly lower. However, the elevated tin values from their program are coincident with the Anomaly 370 structural trend. An earlier RGC soil program using XRF analysis, just to the south of Anomaly 370 detected elevated tin along the structural trend that Anomaly 370 lies on. The tin anomalous values were an order of magnitude higher than Bass Metals.

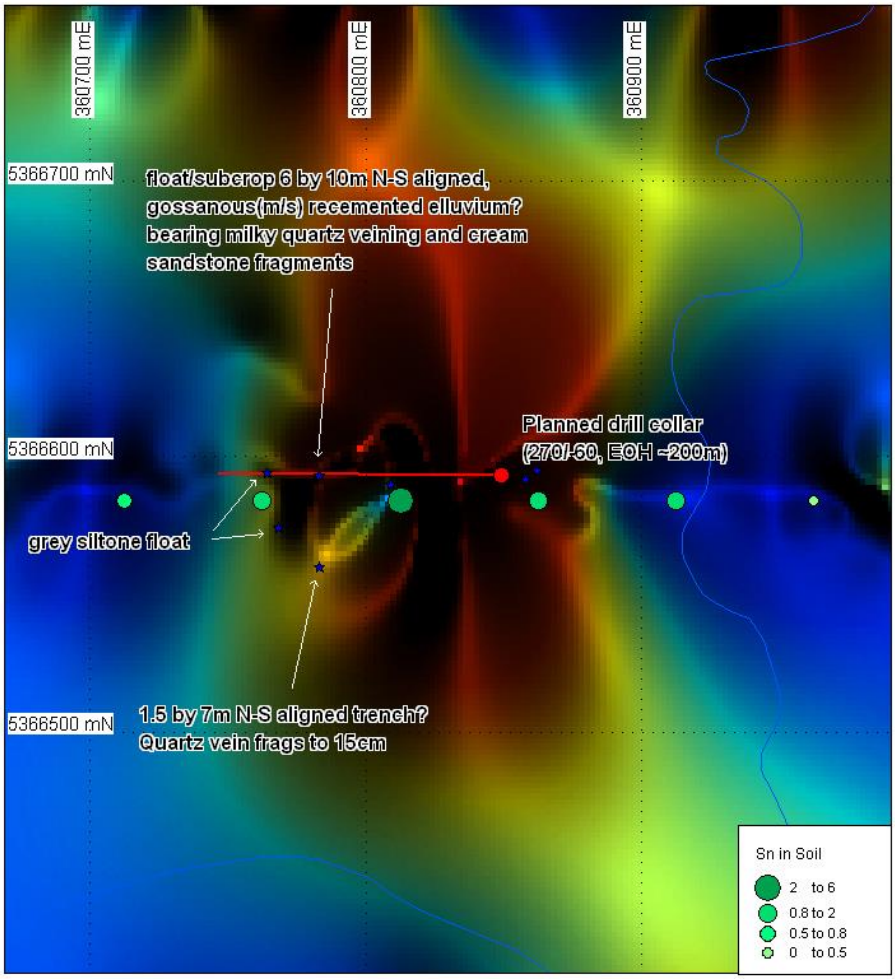

Figure 20: Anomaly 370 planned drill hole, Sn in soils and salient features over ground magnetics

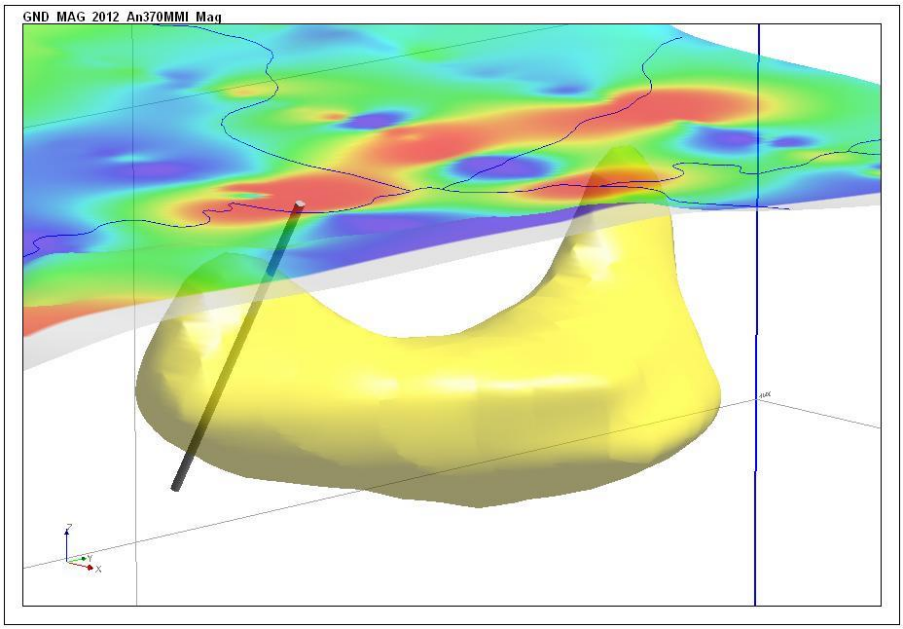

Figure 21: 3D view to NW showing planned Anomaly 370 drill hole relative to ground magnetics and magnetics inversion model

3.0 WORK COMPLETED DURING THE REPORTING PERIOD

No work was conducted during the year. Proposed drilling at Anomaly 370 was postponed several times due to funding issues.

4.0 DISCUSSION OF RESULTS

No work was conducted during the year therefore there are no results to discuss.

5.0 CONCLUSIONS AND FUTURE WORK

The primary reason TNT Mines entered into a joint venture with Geoinformatics was to assess Anomaly 370 and future work is somewhat dependent on the results of the that drill program. Due to problems obtaining funding the anomaly is still untested, however, work to date suggests that the target is worth drilling and TNT would like the opportunity to complete that drilling once the proposed merger arrangement with Niuminco is finalised. Also, during assessment of the aeromagnetic data across the tenement and being mindful of the drill targeting being undertaken around Zeehan by Stellar Resources, it has become apparent that there are some potential new tin targets adjacent to the tenement boundary with Stellar, northwest of where Stellar are currently drilling a new magnetic target (Figure 23).

At the Oonah deposit, preliminary metallurgical test work on stannite ore is required to determine whether bacterial oxidation might be an effective method of treatment.

PROPOSED WORK

Anomaly 370

A 100-250m deep drill hole is planned to intercept the source of the anomaly and also to drill beneath the gossan associated with subsidiary magnetic high. All approvals are in place and a drill pad has been cut in preparation for a helicopter-assisted drill program. If the first hole intercepts mineralisation at a shallow depth then a second hole may be drilled to target a deeper intercept. The hole will be located at 360850mE, 5366592mN and the orientation will be -60° to 270°. The likely timing is October 2013.

Figure 22: Anomaly 370 drill site looking west

Potential new targets

There are a series of magnetic anomalies extending NW from Stellar Resources Zeehan tin deposits. Stellar have recently commenced drilling one of these anomalies, located near the tenement boundary with EL63/2004, following interpretation of detailed heli-magnetics. TNT Mines proposes to carry out a detailed aerial magnetic survey across the NW-trending line of anomalies.

Some of these anomalies are associated with historical base metal deposits and have the potential to host tin mineralisation as well, such as at Oonah and Queen Hill.

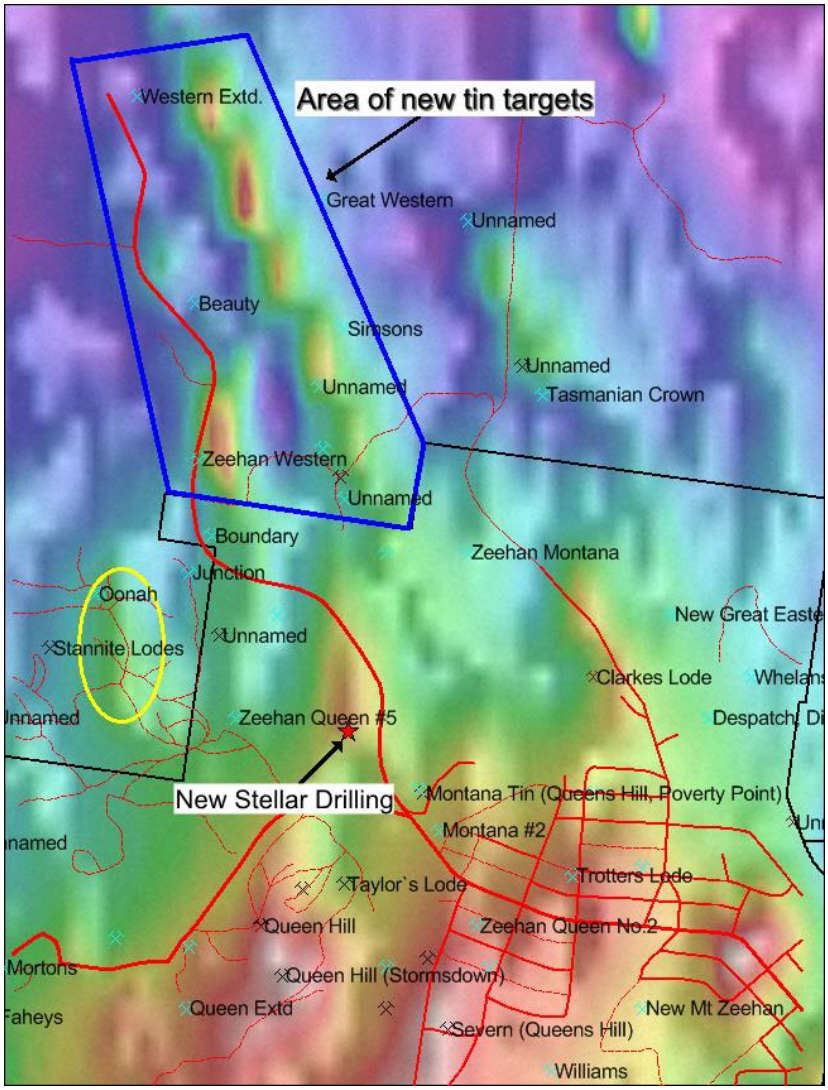

Figure 23: Potential new tin targets with TMI background

Oonah Mine

The stannite mineralisation at the Oonah deposit is not amenable to conventional beneficiation. Literature studies indicate that there may be the potential to use bacterial oxidation to treat the stannite ore using copper tolerant species. Preliminary metallurgical test work to recover tin, copper and silver from the predominantly stannite mineralisation is proposed. This may involve further drilling which would occur if sufficient funds were available.

There is sufficient data to allow a JORC-compliant Inferred Resource to be estimated and this is also proposed to be undertaken next year, funds permitting.

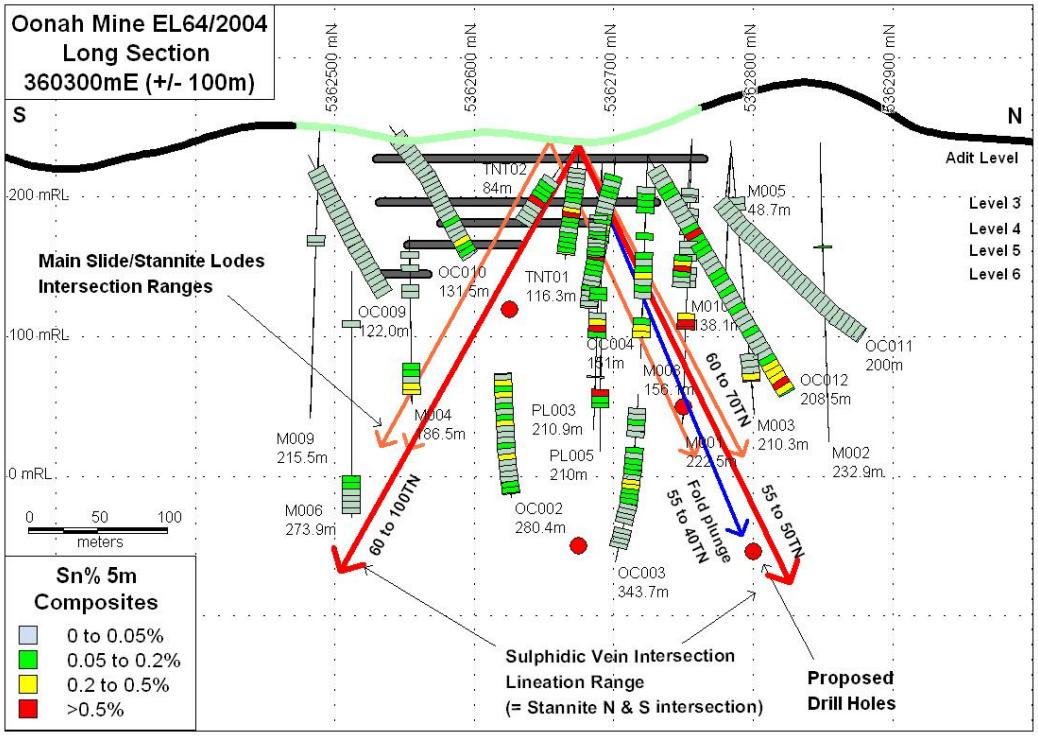

Figure 24: Long section of Oonah Mine drilling

6.0 ENVIRONMENT

A diversion drain created to divert acid mine drainage was modified to allow access to the drill site. The drill site is in an area of disturbed waste rock from historical mining activities. The access track and drill site are yet to be rehabilitated. The site preparation work uncovered a small shaft and although it was proposed by MRT to permanently cap the shaft, I'm unaware that this has been done yet. Once this has taken place then the site and access track will be rehabilitated. The estimated cost of final rehabilitation is approximately $1500 – $2,000.

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