TNT MINES LIMITED

ABN 67 107 244 039

EL27/2004

ROSSARDEN-ROYAL GEORGE

ANNUAL REPORT TO 26 NOVEMBER 2014

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ABSTRACT

During the year under review, TNT Mines concentrated upon advancing the evaluation of the economic potential for a centralised milling operation based at Rossarden, with mill feed to be drawn from various local sources, including from open cuts at Aberfoyle, Lutwyche, Kookaburra and Royal George, from tailings from previous operations and also from the wholly-owned Great Pyramid deposit held under retention licence RL2/2009.

A series of modelling, and drill design and overview studies was undertaken, principally by third-party contractors.

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INTRODUCTION

This report is a summary of the exploration activities conducted on the Rossarden – Royal George exploration licence, EL27/2004 (Figures 1 and 2), for the period ending 26 November 2014.

Much of sections 1 and 2 are taken from the independent geologist's report that appeared in the TNT Mines Rights Issue Prospectus, November 2011.

The licence was originally acquired as part of a program to acquire all the significant hard-rock tin and tungsten assets in northeast Tasmania which may be suitable for open pit development. EL27/2004 also contains the only significant uranium prospects in Tasmania.

Hard rock tin and tungsten in north-east Tasmania is associated with the presence of altered alkali-feldspar granites and aplites, and deposits occur both within the granites (endogranitic types) and within the Mathinna Group sediments lying above or adjacent to the intrusive granites (exogranitic types).

Endogranitic types can be broadly put into two categories: flat or relatively flat-lying greisens of relatively low grade e.g. the Anchor deposit (0.2% Sn) which are amenable to open pitting; and steeply dipping greisen/quartz greisen lodes with higher grades e.g. Royal George (0.65% Sn) and Rex Hill (grade up to 1.4%).

The exogranitic types occur as sheeted veins or fracture stock works with the Mathinna Group slates and quartzites. The ideal situation for development of this style of mineralisation is above a cupola of altered aplite, where mineralising fluids are focussed into fault fissures formed during forcible doming caused by the intrusion of the aplite. They have potential for economic tonnages at moderate to good grades, e.g. Aberfoyle, Storeys Creek and Lutwyche.

The Aberfoyle mine operated between 1916 and 1982 and produced 2.1 million tonnes of ore at 0.91% Sn and 0.28% WO_3. The Storeys Creek mine operated between 1892 and 1982 during which time it produced 1.1 million tonnes of ore at 1.09% WO_3 and 0.20% Sn.

1.1 Location and tenure

The licence is located around the towns of Avoca, Royal George and Rossarden in the Fingal valley, approximately 30km south-east of Launceston (Figures 1 and 2). Avoca is the main centre and is accessed via the Esk Main Road Hwy, off the Midlands Highway. Access through the tenement is via sealed and unsealed public roads and four-wheel drive tracks. The tenement can be found on the St Pauls (1:100,000) LTIS map sheets.

Topographically the area is of variable. The tenement is dissected by the broad valleys of the South Esk and St Pauls rivers. Undulating grazing and cropping land to the south rises to the forested foothills of the dolerite massif of Snow Hill while to the north there is a sharp rise to the peneplaned St Clair surface at 600-800 metres. The area is mostly forested with some grassy country. The surface is deeply dissected to the south by several creeks including Storeys Creek, Aberfoyle Rivulet and Castle Carey Rivulet and to the north rises up through dolerite scree to the 1500m Ben Lomond massif which lies just to the north of the tenement. In general, vehicular access is good with various unsealed vehicle 4WD tracks accessing the numerous old workings.

The original licence covered an area of 212 km^2. A reduction was made in 2012 and the current licence area is 97 km^2. The licence is wholly-owned and managed by TNT Mines Limited.

E27/2004 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 the 23rd November 2006. Allstrong subsequently underwent a change of name to Minemakers TTT Pty Ltd on the 18th May 2007. On the 15th April 2011, Minemakers TTT Pty Ltd changed its name to TNT Mines Limited. On the 19th July 2011, TNT Mines Limited demerged from the Minemakers group to become a separate public unlisted company. In October 2013, ASX-listed Niuminco Group Limited gained control of TNT Mines and the company is now run from their Sydney office.

Figure 1: Location plan of TNT Mines tenements in Tasmania

1.2 Geology overview

A Silurian/Devonian sedimentary succession (the Mathinna Group) has been folded and intruded by Devonian granites. After uplift and peneplanation during Carboniferous times it was unconformably overlain by Permian/Triassic sediments followed by intrusion of a 300m thick Jurassic dolerite sill. A further period of erosion then removed the post-Carboniferous stratigraphy from the area of the mines leaving the Ben Lomond massif comprised of dolerite. The Mathinna Group has only been subjected to low grade regional metamorphism. Contact metamorphic effects close to the granite are generally minor with the development of some biotite spotting within 60m of it (Figure 2).

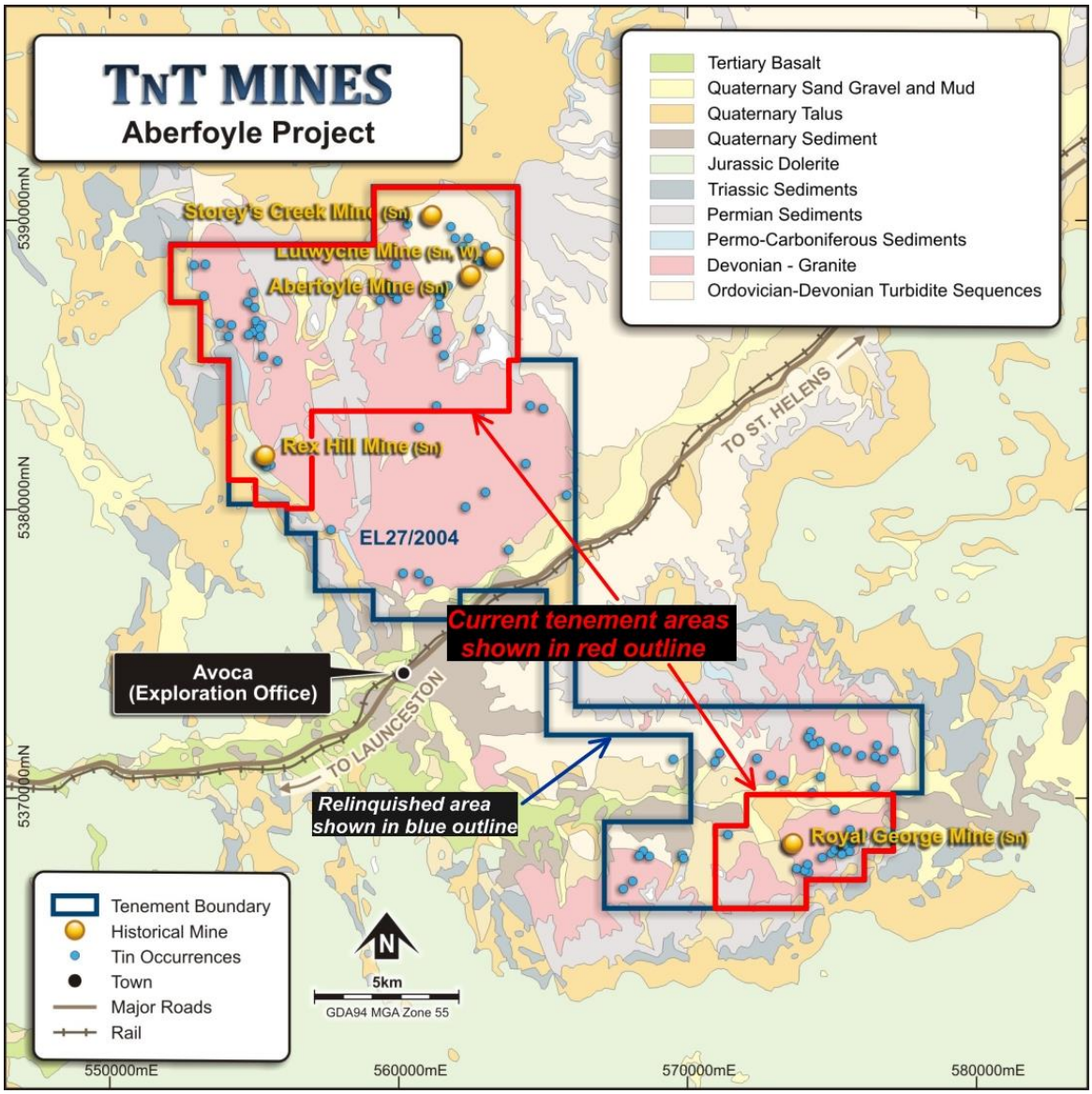

Figure 2: Location, geology and historical mines - EL27/2004

1.2.1 Aberfoyle-Lutwyche Mine area geology

At Aberfoyle the sediments are tightly folded along axes striking NW with near vertical dips and a gentle plunge. Cleavage is insignificant but bedding plane and axial plane faults are common and are important in the control of ore deposition.

The mineralisation occurs in northerly trending fissure veins with steep westerly dips, occupying a zone about 60m wide in the folded slates and siltstones. The vein swarm lies directly over an aplite cupola, intersected by the main shaft, and which is interpreted to be genetically connected with the mineralisation. The workings extend over a strike of 400m but recent drilling by Minemakers has intersected mineralised veins over a strike length of at least 800m. There are nine veins in five groups of which the 26 vein system and the western veins are the most important. The vein system is shown on the cross section of the mine presented in Figure 5. Underground, five major folds and 19 lesser folds were recorded that form a complex small scale anticlinorium with a north westerly trend. The fold axes plunge at about 25° to the southeast and the axial planes dip at 85° to the southwest. This vein system extends 180m south of the Brandon Shaft as an intense swarm of narrow mineralised veins that may be amenable to open pit mining (McGushin & Keyes 1981).

There are two main groups of faults striking north and northwest. The north striking faults are the most important and are known as the Aberfoyle No. 1 Fault System. It has been traced from the surface down through all levels of the mine. The total throw on these faults varies from 37m at the north end of the mine to 12m at the south end. The northwest to southeast faults form a small but important zone of strike faults which trends parallel to the fold axes of the Mathinna sediments (plunging gently southeast) and dip steeply to the southwest.

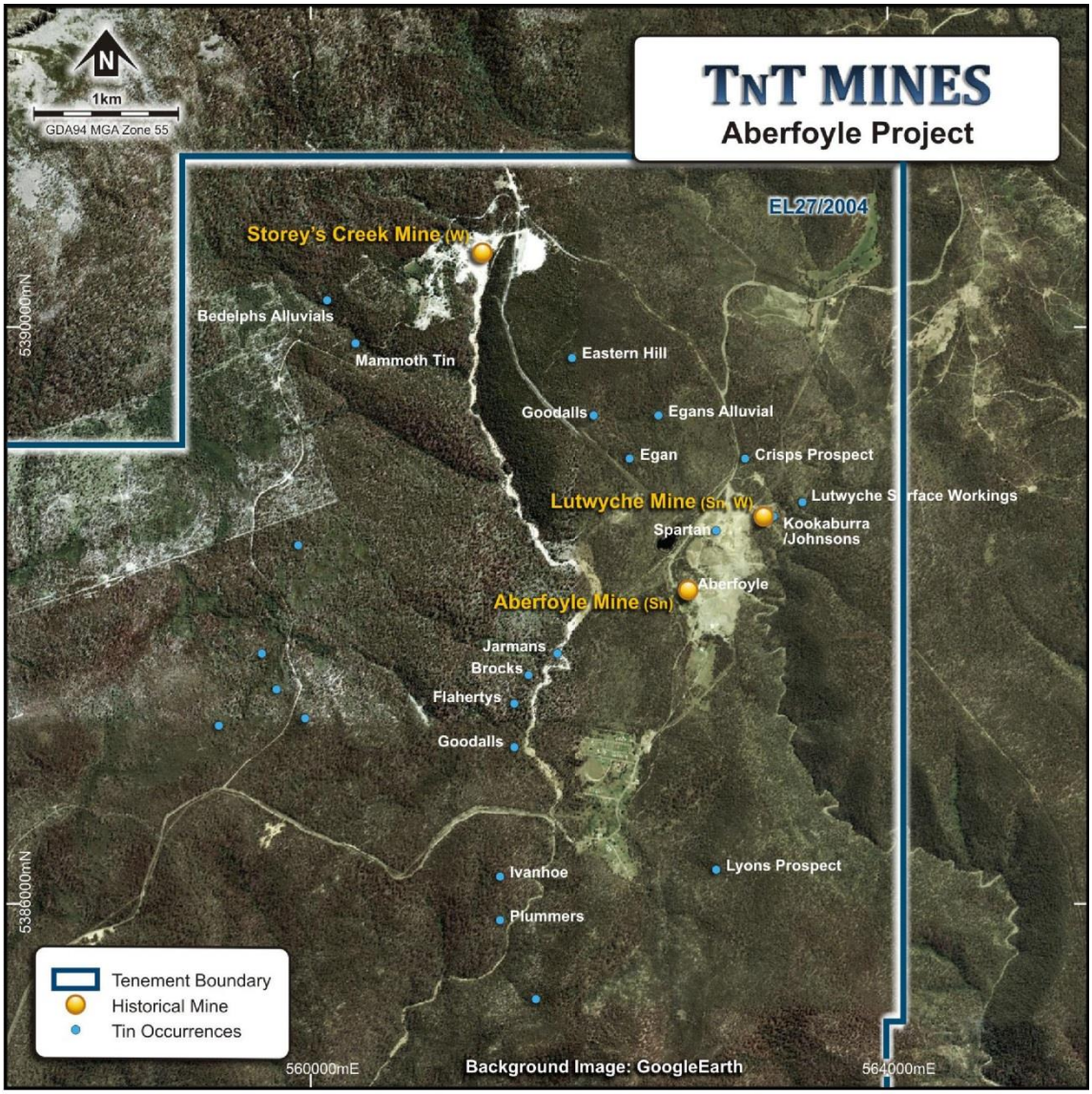

Figure 3: Northern prospects – EL27/2004

At the Lutwyche prospect two sets of tin bearing veins up to 100mm wide are reported with one group striking between 320° and 340° and dipping at 70° to the southwest and the other striking between 40° and 65° and dipping 70°- 85° to the southeast. The Lutwyche zone of fracturing and quartz veining can be traced 750m southeast of the Aberfoyle Rivulet before it becomes covered with Permian rubble, and intense quartz veining is reported 2.4km along strike to the ESE. The mineralisation at Lutwyche is open both at depth and closer to surface. An exploration target of 1.0-1.2Mt at 0.9 to 1.1% combined tin and tungsten seems reasonable for extended zone of mineralisation intensively tested by Aberfoyle.

Tin veins are also reported from the Kookaburra Prospect between Lutwyche and Aberfoyle. At Brock's Show, about 1km NW of the town of Rossarden, narrow tin veins and cassiterite deposited in joints were mined to a depth of 15m and produced about eight tonnes of tin.

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1.2.2 Storeys Creek Mine area geology

The Storey's Creek Mine is based on a NNW trending sheeted vein system that forms a zone 30-50m thick and 300m long, dipping 25°- 30° southwest. While there are two main veins these are part of a group of veins with varying dips and strikes. The large veins were stoped out by earlier miners. In addition to these large veins there were other smaller veins which were too small to be mined. TNT Mines plans to assess the ground in the vicinity of the mine to determine if the fine veins form an economically mineable deposit.

The wolframite $(Fe,Mn)WO_4$ and cassiterite (SnO_2) mineralisation occur in quartz veins hosted by Silurian/Devonian sandy shales of the Mathinna Group. In the vicinity of the mines these sediments are described as highly siliceous massive competent sub-greywackes. The Mathinna Beds are closely folded along north westerly axes and pitch to the southeast at about 20° at Storey's Creek. These sediments have been intruded by numerous steeply dipping basic dykes up to 1m wide at right angles to the bedding. These dykes were emplaced prior to the mineralisation and are highly altered. Three abnormally flat dykes at 45° to the normal strike, known as "caunter" dykes, were subsequently refractured along their walls to allow deposition of rich veining.

A Devonian granite batholith, the Ben Lomond Granite, outcrops over an area of 130km^2 in the environs of the tin mines and its emplacement generated the mineralizing fluids which deposited the veins in suitable fractures in the sediments. At the surface at Storey's Creek the granite outcrops about a kilometre west of the mine. It is a coarse grained porphyritic leucogranite similar to some of the granites forming the Blue Tier Plateau in this region. The granite has a finer grained contaminated margin indicating that it has absorbed some country rock along the contacts which cut across the bedding. In places the upper contact granite bulges and some of these are topped by aplite cupolas. Such a cupola is present beneath the Storey's Creek Mine at a depth of 180m and the bulges are interpreted to have developed where the mineralizing fluids left the granite.

At Storey's Creek Mine two main veins were worked. The No.1 vein strikes at 350° and dips west at 20° and the No.2 vein strikes at 335° and dips west at 37°. The veins are 40m apart at the adit level but the two merge at a depth of 70m below adit level where they are 5.5m thick. North and south of the intersection they diverge with No.1 being 1.0m to 1.3m thick and No.2 being 0.7m to 2.5m thick. The section of the mine shown in Figure 6 gives a simplified view. The veins are somewhat irregular along strike and branch and join in places and there is also a sheeted vein system of narrow veins. In addition to the main vein system, five narrow tin-rich caunter veins run into the footwall for up to 70m, three of which are along caunter dykes. The grade of the mineralisation varies with the distance from the cupola and generally economic mineralisation is only found between 30m and 330m above a cupola. At Storey's Creek the cupola is about 180m below surface.

The wolframite and cassiterite were usually deposited early on the walls of the veins and the mineralisation extends from the surface to the full depth of the mine (200m below surface), a length of 400-450m down the dip of the veins, but is not wholly regularly distributed. The veins were worked over a strike length of about 700m.

In the northern central part of the mine, large patches of late stage sulphide mineralisation occur replacing the veins at their intersection with a set of transverse joints or faults. The sulphides include galena and sphalerite with some stannite, and, because galena contaminates the tin concentrates, these patches of sulphides were usually left as pillars.

1.2.3 Royal George Mine area geology

The country rock in the area of the Royal George Mine consists of granitic rocks which intrude Silurian to Devonian sandstones and siltstones of the Mathinna Beds. The main granite is coarse grained with porphyritic feldspar and biotite in a groundmass of quartz, feldspar, and biotite, with accessory tourmaline. This granite also exhibits other phases in some localities such as pegmatites, graphic granite, aplitic dykes, etc. Extremely hard fine grained granite is also present but shows no particular relationship to the mineralisation which is present in both types of granite. The granites are assigned a Devonian age and are considered to be variants of the Ben Lomond granite.

At Royal George, tin mineralisation has been introduced into the granitic rocks over a strike length of 250m. The deposit is formed by a steeply dipping zone of lodes striking at 310° to 320° and dipping 75° to 82° to the southwest. The lodes are variably spaced and the group narrows to the north. They are variously described as joints or fracture planes with some showing good slickensides. The zone of mineralisation plunges shallowly to the north. A surface plan showing the old open pit and the location of the drill hole collars is presented as Figures 7 and 8

Pneumatolytic fluids have travelled up the lodes altering the granite to greisen and introducing tin and base metal sulphides into the wall rock. This mineralisation penetrates the walls of the lodes to varying extents, typically up to 1.5m wide, and the mineralised group of lodes may be up to 20m wide but not continuously mineralised over this width. Between 5-20% disseminated pyrite, sphalerite, arsenopyrite and chalcopyrite are present in the strongly mineralised greisen bands. Sulphides average 3% within the host granite for 30m each side of the main zone of mineralisation. The cassiterite is described as fine grained and rarely visible but coarser cassiterite is reported in the higher grade zones below the old stoping.

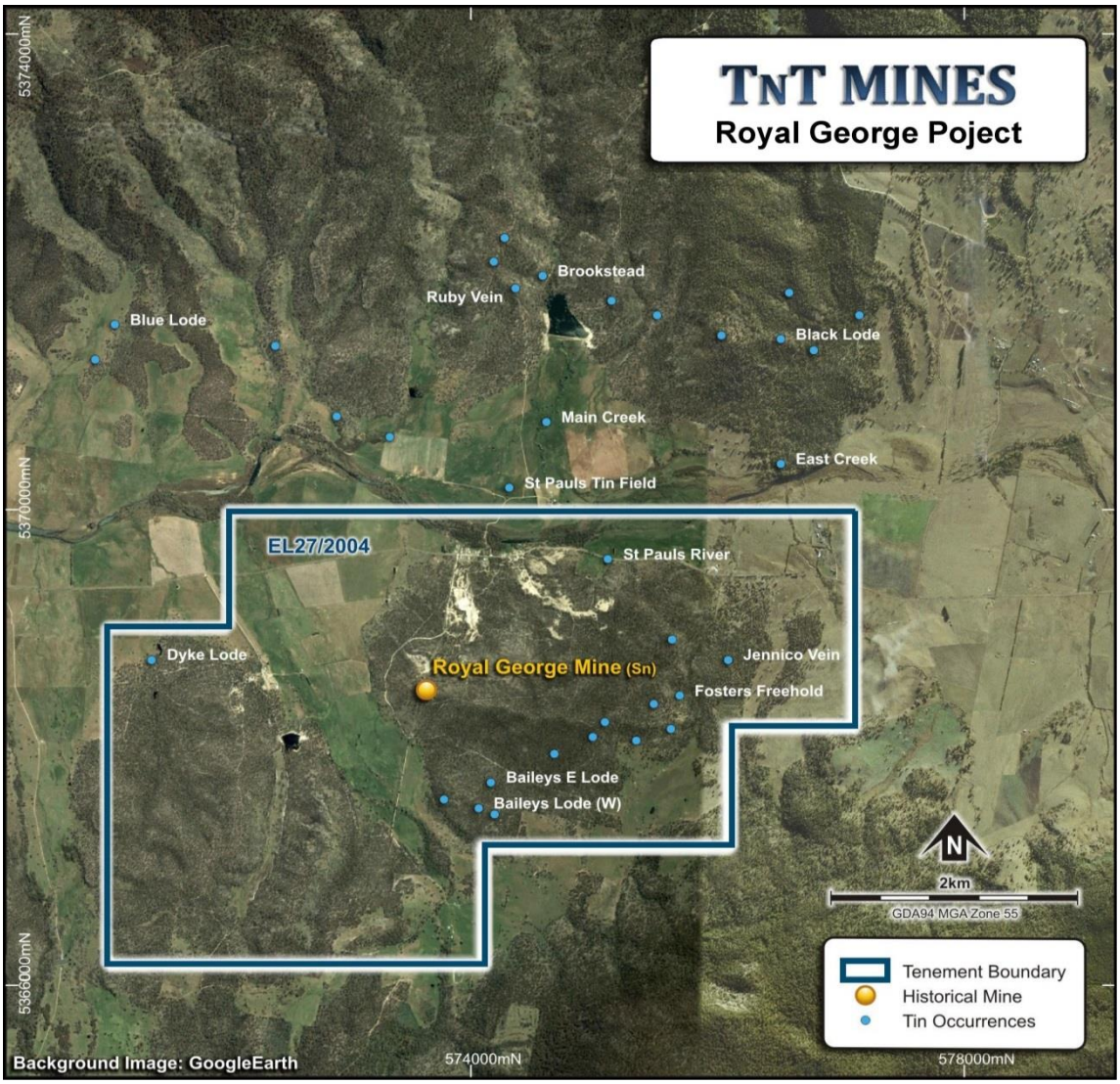

Figure 4: Royal George prospects

1.2.4 Rex Hill and Gipps Creek area Mine area geology

Lying 9km SW of Aberfoyle is the old Rex Hill Mine which was discovered prior to 1890 and had its main period of production from 1893-1909. The mineralisation is present in greisenised granite containing a high grade quartz vein on a lode. At the surface the mineralisation was identified as silver-lead but as this was mined it was found to be essentially tin accompanied by base metal sulphides. The ore was pipe-like at the surface but became dyke-like at the No.3 Level (90m below surface). Details of production are sketchy but in total 20,000t of ore may have been processed with an average head grade of 2.5% Sn and grades up to 5% Sn. Recovered grades were reported at 1.3% to 1.4% Sn in 1904 but the base metal sulphides made treatment difficult and at that time were of no commercial value.

1.3 Exploration Rationale

The tenement was acquired to test the brownfields potential for development of open pit mines to exploit the remaining tin and tungsten resources at the old Aberfoyle, Storeys Creek and Royal George mines. Predictions of sustained growth in tin and tungsten demand and prices coming off historical lows underlay the acquisition of the project. Greenfields exploration priority by TNT Mines has fluctuated from time to time depending on demand and pricing for tungsten and tin. EL27/2004 contains one of the most significant tungsten-tin areas in Tasmania.

2.0 REVIEW OF PREVIOUS WORK

2.1 Historic mining and exploration before current tenement

2.1.1 Aberfoyle-Lutwyche Mine area exploration and mining

Low grade tin bearing veins exposed at the surface at Aberfoyle were discovered in 1916 but little work took place until 1926 when a prospecting syndicate was formed to investigate the veins at depth. Aberfoyle Tin NL took over late in 1926 and sank two shafts. One was vertical to a depth of 18m and the other was an underlay shaft following a 0.5m thick vein down to the 18m level.

In 1928, surface exploration was abandoned and an adit was driven from the west bank of the Aberfoyle Rivulet. It was designed to intersect the tin bearing veins 56m below the surface workings. This adit was driven for 320m and exposed a group of veins between 274m and 318m. Although modest in size they encouraged further development and production from the mine commenced in 1931 and expanded from 1934 when the main shaft was sunk to 70m and No. 2 Level opened up.

Following extensive working, the Aberfoyle and Storey's Creek Mines were sold to Rossarden Mines Ltd in May 1981. By the time the Aberfoyle Mine closed in 1982 the Spiers (or Main) Shaft was 420m deep with fourteen levels spaced 30-35m apart. This shaft entered an aplite cupola at a depth of 318m. Total production is recorded as 2.1Mt at 0.91% tin (Sn), 0.28% tungsten oxide (WO_3).

The Lutwyche mineralisation is located in an area containing tin veining to the northeast of Aberfoyle and was estimated to have produced about a tonne of tin concentrate. It was accessed by horizontal development from the No.13 Level of the Spiers Shaft at the Aberfoyle Mine. Before closure in 1982 a shaft was raise bored to surface but it was probably never fully commissioned.

Most of the exploration at Aberfoyle was concentrated on the mining leases and not reported on in detail. Exploration Licence EL28/1978 was originally granted to Aberfoyle Exploration Pty Ltd in April 1979 and passed to Rossarden Mines Ltd when they purchased the mine in 1981. The exploration licence was surrendered in 1982 and the work undertaken reported in Summons 1983.

In 1989, based on underground sampling, other old Aberfoyle records, and limited drill hole data, Juka Mine Management (Juka) made some estimates of potential mineralisation in open pits to depths of 70m (No.2 Level), 110m (No.4 Level), and 150m (No. 5 Level) covering the main Aberfoyle lodes. This work was commissioned by Stacpoole Enterprises Pty Ltd. (Ref. Roberts & Teh 1989 also McGushin & Keyes 1980). The database for this study was insufficient to establish resources but formed the basis for planning additional work. The study was based on the estimation of the quartz content of the mineralised zone which previous work on the mine had shown was closely related to the tin grade. This enables workable estimation of the tin content of low grade mineralisation by visual assessment of the quartz content with which the cassiterite is usually associated.

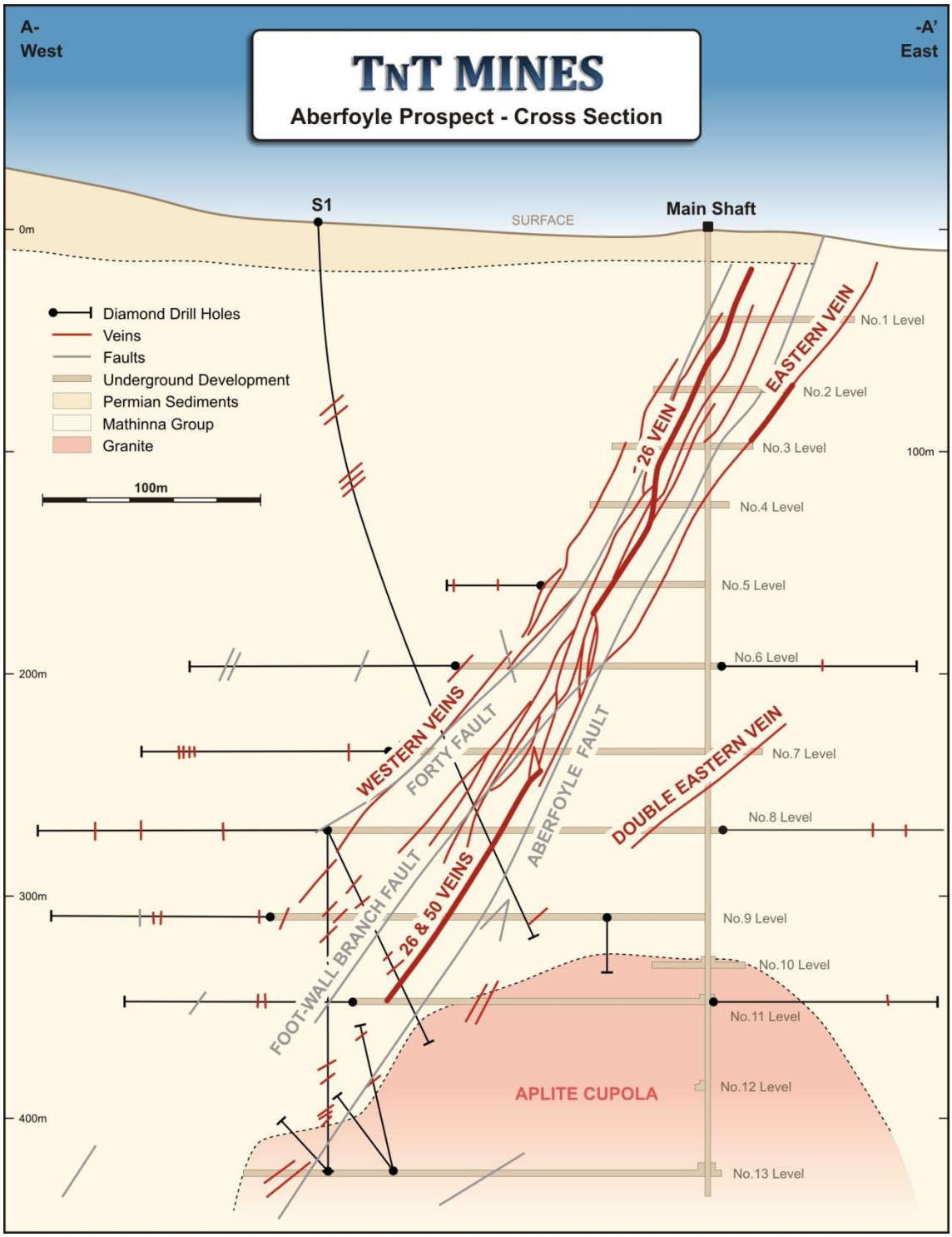

Figure 5: Cross section of Aberfoyle Mine

At Aberfoyle, Minemakers estimated that a proposed pit to 110m was a possible option and that the exploration target was a body of mineralisation between 4Mt and 5Mt and that target grades of 0.15% to 0.25% Sn and 0.02% to 0.03% WO_3 may be achievable. Possible open pit outlines are illustrated in Figures 9 and 10. Further drilling is required to provide more data before feasibility studies can be carried out.

2.1.2 Storeys Creek area exploration and mining

Alluvial cassiterite and mineralised veins were discovered at Gipps Creek, 6.5km to the west, in 1872 and soon after alluvial cassiterite was reported at Storey's Creek. The veins at Storey's Creek were worked for tin from 1891 until 1900 when tungsten became marketable. The mining was by small parties until 1913 when the Storey's Creek Tin Mining Syndicate took over the mine. This syndicate operated until 1928 when it became unprofitable. During this period up to 12,000t/y of ore were raised grading between 0.75% and 1.75% tin and 0.75% to 2.0% tungsten. After a period of successful tributing the mine was taken over in 1937 by the Storey's Creek Tin Mining Company.

Once the tungsten mineral wolframite became marketable at the turn of the century the production of tungsten was greater than the production of tin. Total estimated production is 1.1Mt of ore at 1.09% tungsten oxide (WO_3) and 0.18% tin (Sn). Up until 1962 recoveries were estimated at 6,300t of tungsten oxide and 1,118t of tin metal. Mining was being phased out in 1979 with the extraction of pillars and the mine was closed in 1982.

The Aberfoyle Mine also operated until 1982 and Storey's Creek and other prospects in the area were held by Aberfoyle Tin NL at that time. Some minor exploration of the prospects was carried out by it but the Storey's Creek Mine was not identified as an exploration target.

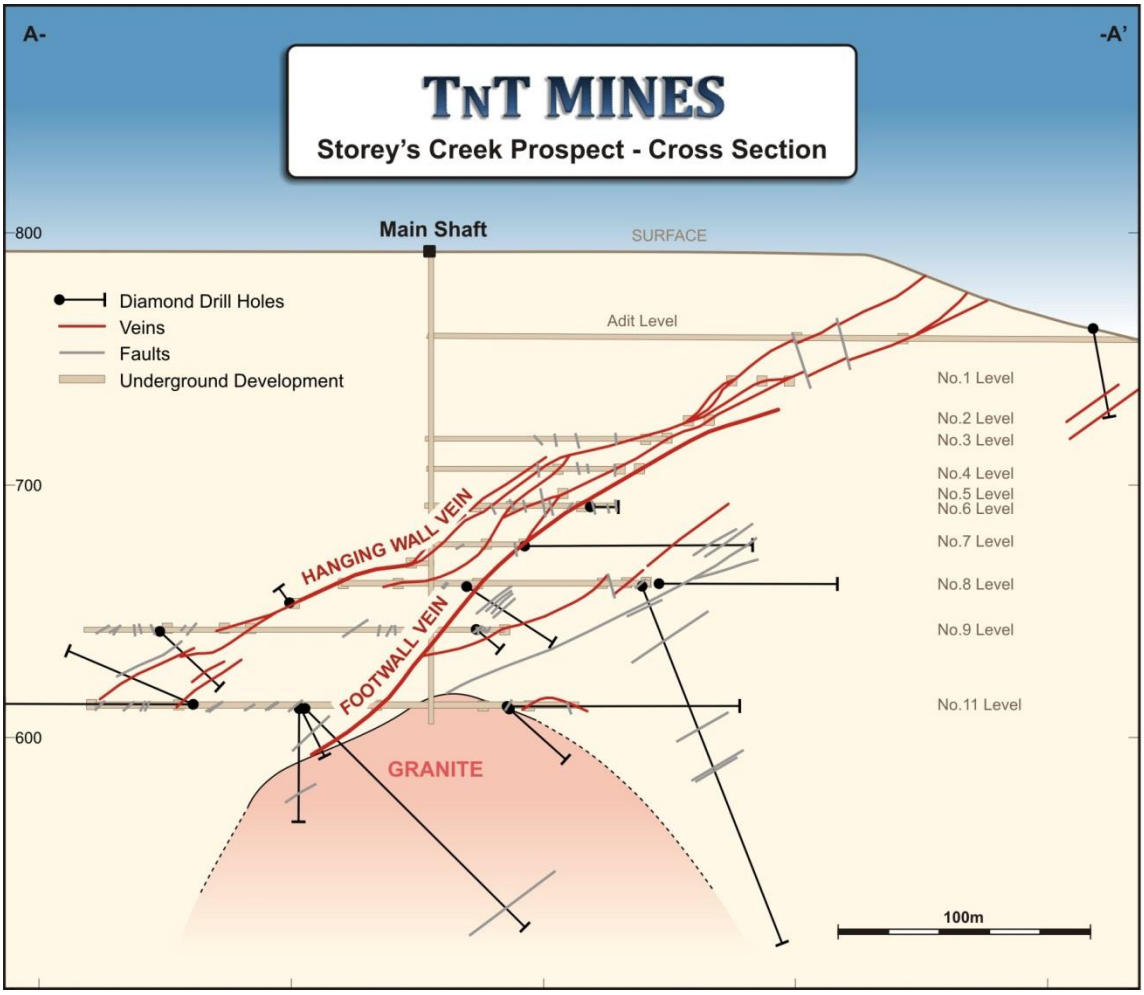

Figure 6: Cross section of Storeys Creek Mine

2.1.3 Royal George area exploration and mining

The mineralisation was discovered in the 1880s and was initially grouped with a number of mineralised outcrops in the St Paul's River valley (Figure 4). Only minor production took place until the Royal George Mine operated from 1911 until 1922 with production of 170,000t at 0.65% Sn containing 1,105t of tin metal. The ore was mainly mined from two underground levels and to the surface with open stopes (Figure 7). Available data on drill holes is presented in Table 1. The question marks against the tin grades indicate that there was no remaining sample for CRA to re-assay at a later date. Problems with assaying for tin present as cassiterite do occur fairly frequently and CRA was checking for poor assaying. These drill hole intersections and subsequent intersections are plotted on the long section of the mine presented on Figure 8.

In 1965 the Cornwall Coal Company (CCC) pegged several Mineral Leases (21 year tenure) and conducted exploration until 1971 with the assistance of the Tasmanian Mines Department. From August 1966 to February 1967 Government Geologist G. Urquhart carried out surface and underground mapping and completed logging and sampling of DC holes 66CC.1 to 66CC.7 The programme was then taken over by A.J. Noldart who logged and sampled holes 66CC.8 and 66CC9 and supervised the drilling, logging, and sampling, of holes 66CC.9, 67CC.11 to 13. He also deepened the inclined shaft to the No.3 and No.4 Levels where some channel sampling was carried out. Most of this drilling was EX size (21.5mm core diameter) and this small core size is reported to have led to recovery and sampling problems and anyway is not considered to be a suitable size for this style of mineralisation by Featherstone. Two deeper levels (No.3 & No.4 Levels) were later established in 1968 by the Cornwall Coal Co. from an inclined shaft to a maximum depth of 80m below surface.

Royal George Drilling

Hole No.	Comment	EHO	Easting MGA(m)	Northing MGA(m)	Elevation (m)	From (m)	To (m)	Interval (m)	Grade % Tin
55/1	-43.5º to 045º	112.8			312.7	90.2	98.5	8.3	0.64 ?
BHP57/1	AX -60º to 045º	187.2	574013	5369585	308.2	147.1	155.8	8.7	0.29
					Inc.	147.1	153.9	6.8	0.33
BHP57/2	AX -60º to 045º	190.1	574013	5369585	306.0	135.3	140.5	5.2	0.21 ?
					&	182.9	184.7	1.8	0.32
BHP57/3	AX -60º to 045º	155.5	574013	5390215	309.1	139.0	144.5	5.5	0.17
					Inc.	139.0	142.0	3.0	0.29
66CC.1	EX -60º to 57º	43.8	573525	5368655	273.5	19.4	26.2	6.8	0.14
66CC.2	EX U/G -0º to 240º	26.8	573583	5368565	264.6	-	-	-	-
66CC.3	EX U/G -42º to 221º	28.9	573600	5368575	263.4	18.3	25.9	7.6	0.29
66CC.4	EX -60º to 057º	38.1	573536	5368624	278.3	13.7	18.3	4.6	0.25
66CC.5	EX -61º to 059º	81.7	573691	5368311	294	69.8	73.3	3.5	0.30
66CC.6	EX -60.5º to 036º	94.5	563647	5368358	295.6	80.2	84.5	4.3	0.18
					&	88.5	92.3	3.8	0.21
66CC.7	EX -60º to 049º	109.6	573615	5368408	298.2	87.4	102.1	14.7	0.39
					Inc.	88.7	99.4	10.7	0.46
66CC.8	EX -60º to 059º	109.7	573585	5368461	299.9	83.1	88.8	5.7	0.24
					&	93.8	106.3	12.5	0.38
66CC.9	EX -60º to 060º	109.4	573554	5368513	295.2	79.9	104.3	24.4	0.41
					Inc.	82.0	97.5	15.5	0.49
67CC.10	EX -60º to 060º	106.7	573539	5368539	291	84.1	88.4	4.27	0.40
					&	98.1	101.2	3.1	0.19
67CC.11	EX -60º to 058.5º	135	573478	5368587	278.4	111.9	117.3	5.3	0.33
67CC.12	EX -60º to 059º	155.4	573500	5368546	284.8	121.6	126.8	5.2	0.30
					&	131.9	135.3	3.5	0.21
67CC.13	EX -60º to 060º	153.9	573557	5368450	294.1	119.8	126.7	6.9	0.22
					Inc.	124.7	126.7	2.0	0.49
					&	132.9	138.2	5.3	0.52
79RGC.1	NQ -58º to 059º	266.4	573472	5368461	283	221	223	2	0.11
89S1	HQ -50º to 057º	127.4	573532	5368544	288.1	73.4	75.8	2.4	0.47
89S2	HQ -52º to 056º	127.4	573573	5368484	296.8	78.4	89.9	11.5	0.46
89S3	HQ -53º to 060º	120.0	563613	5368412	297.9	77.5	85.7	8.2	0.59
89S4	HQ -56º to 058º	148.5	573654	5368344	294.1	85.3	94.1	8.8	0.12

Table 1: Royal George – diamond drilling results

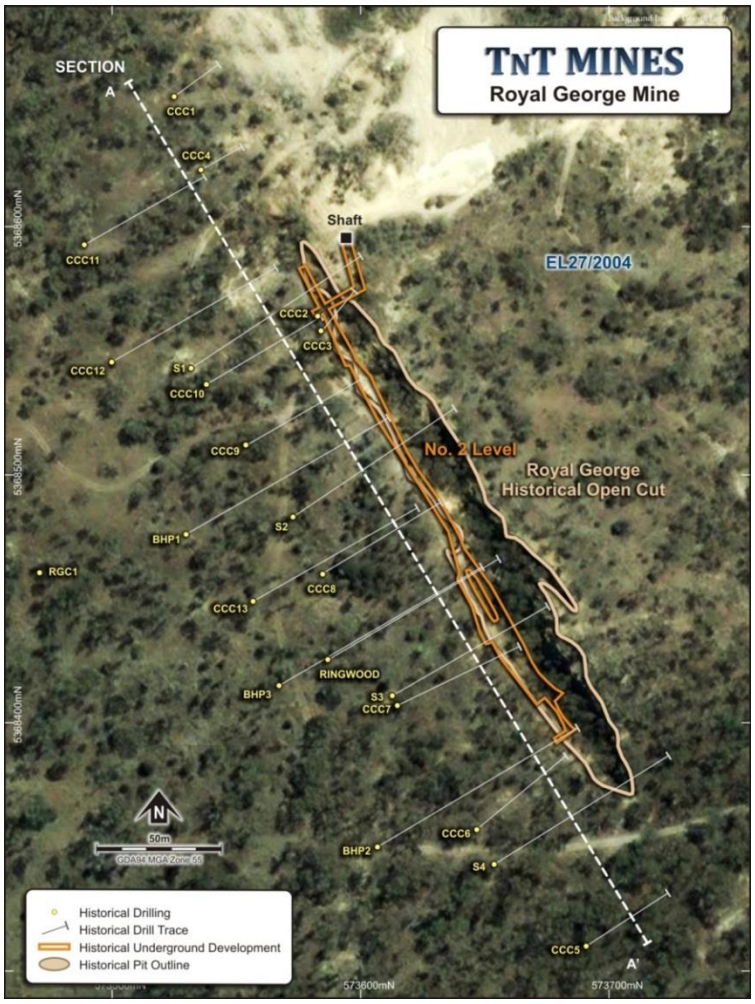

Figure 7: Plan view of Royal George Mine and drilling

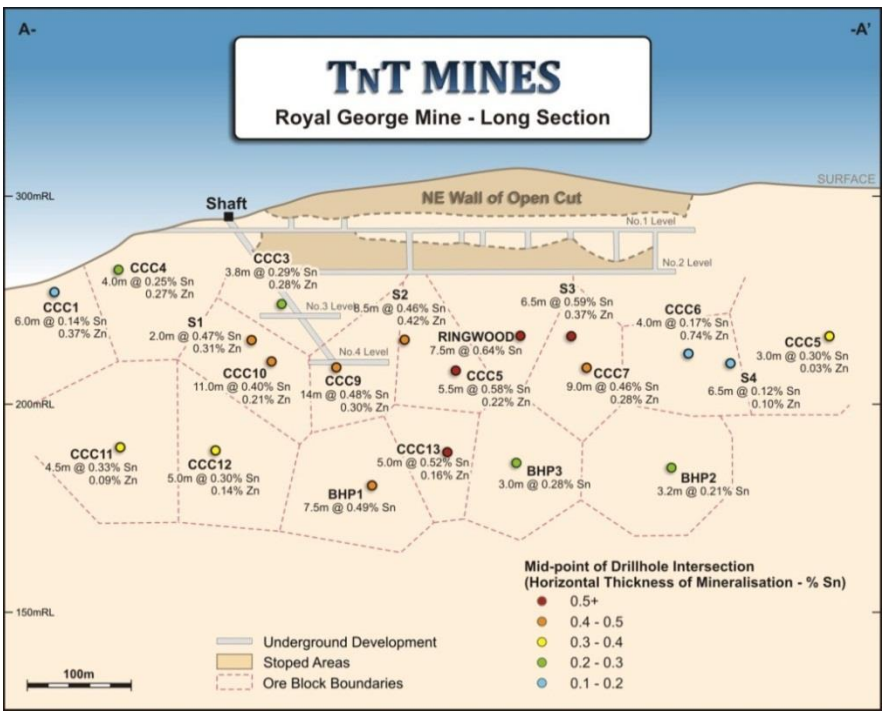

Figure 8: Long section of Royal George Mine with ore blocks and drill intercepts

In 1977, CRAE became interested in the deposit and entered into a joint venture with CCC in 1979 over the Royal George MLs and the surrounding EL7/1978. During 1979, CRAE work comprised re-sampling and re-assaying of all old drill core and sample pulps, checking and correcting old data, compiling new data including a 3D model, and drilling of one hole to test the mineralisation at depth. Metallurgical testing of a 1,200kg bulk sample from the No.4 Level was also carried out. Re-assaying gave tin values 10-50% higher than the original Mines Dept. assays. Assaying for a number of other elements was undertaken but only silver, zinc, and copper, were considered significant. Based on the CRAE data in 1979 a feasible exploration target is an estimate of a body of mineralisation between 0.5-0.7Mt at between 0.35-0.45% tin.

The CRAE work highlighted problems with the estimation of the tin grades which is considered by Featherstone to be primarily due to the small size of drill core resulting in small samples. CRAE also considered that the core sizes were inadequate and their work suggested that good sampling could increase grades.

In 1988 Spectrum Resources Australia Pty Ltd (Spectrum) was granted EL5/1988 of 4km^2 and subsequently EL27/1989 of 5km^2 over the Royal George workings. In 1989, Spectrum drilled four DC holes to confirm the presence of mineralisation below the stoped out areas of the mine. Acknowledging previous problems due to small cores Spectrum drilled four HQ sized holes (63.5mm diameter core) through the mineralised zones during 1989 (89S1-4). Spectrum considered the results did support previous estimates of the mineralisation but the tin price was too low at that time to warrant mounting an operation.

2.2 Exploration during current tenement

2.2.1 Aberfoyle-Lutwyche

Under an MOU, Minemakers joined Austria's Wolfram Bergbau (WB) in an appraisal of the tungsten potential of all of the Company's Tasmanian tungsten projects. Subject to satisfactory tungsten grades being obtained from the Aberfoyle and Storey's Creek drill programmes, Wolfram Bergbau started to carry out initial metallurgical test-work programmes at its Mittersill laboratory in Austria on tailings from both the Storey's Creek and Aberfoyle Mines commencing in February 2007. At the time the MOU was terminated the metallurgist who was conducting the investigation of the Tasmanian tailings moved to another company. Unfortunately, no useful results had been obtained when the studies were abandoned.

An RC drilling programme of 13 holes for a total of 1,243m was completed at Aberfoyle on 29 March 2007. This programme was conducted by Minemakers with WB providing AUD$120,000 towards the cost of the drilling and assaying at Aberfoyle. These holes are shown on Figure 9. Wolfram Bergbau pulled out of the MOU with Minemakers in March 2008.

A second RC drilling programme at Aberfoyle of 8 holes for a total of 1,223m was completed in May 2009. These holes were along strike from the previously drilled RC holes extending 300m to the north and 400m to the south of the earlier drilling programme. Most of these holes intersected modest tin bearing veins so the full extent of the mineralisation has not yet been defined. These holes are plotted on Figure 9.

The results of the assaying and analysis of the samples from these drill holes were published in Minemakers' Annual Report for 2009 on Exploration Licence EL27/2004 (Russell Fulton et al 2009). Although no paired holes were drilled to compare RC and DC drill results at Aberfoyle, the author considered it worthwhile to plot a cross section through a pair of RC holes to enable the pattern of the veining to be visually revealed (Figure 10). The results confirm that the tin mineralisation is very nuggetty in character which indicates that sample sizes should be as large as practicable and the density of drilling and sampling needs to be higher than that applied when sampling mineralisation with a more even tenor.

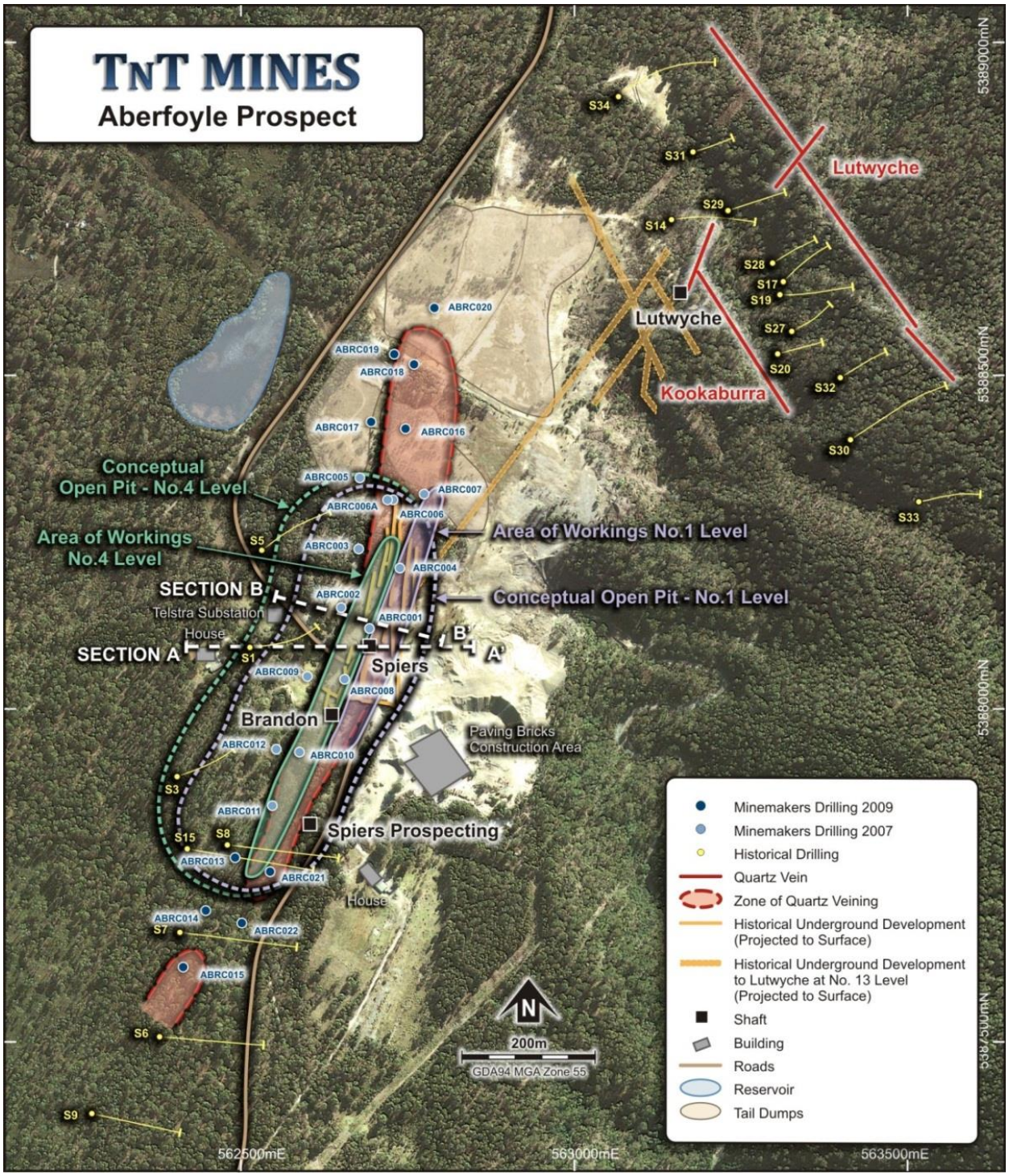

Figure 9: Plan view of Aberfoyle-Lutwyche with drilling and potential pit outlines

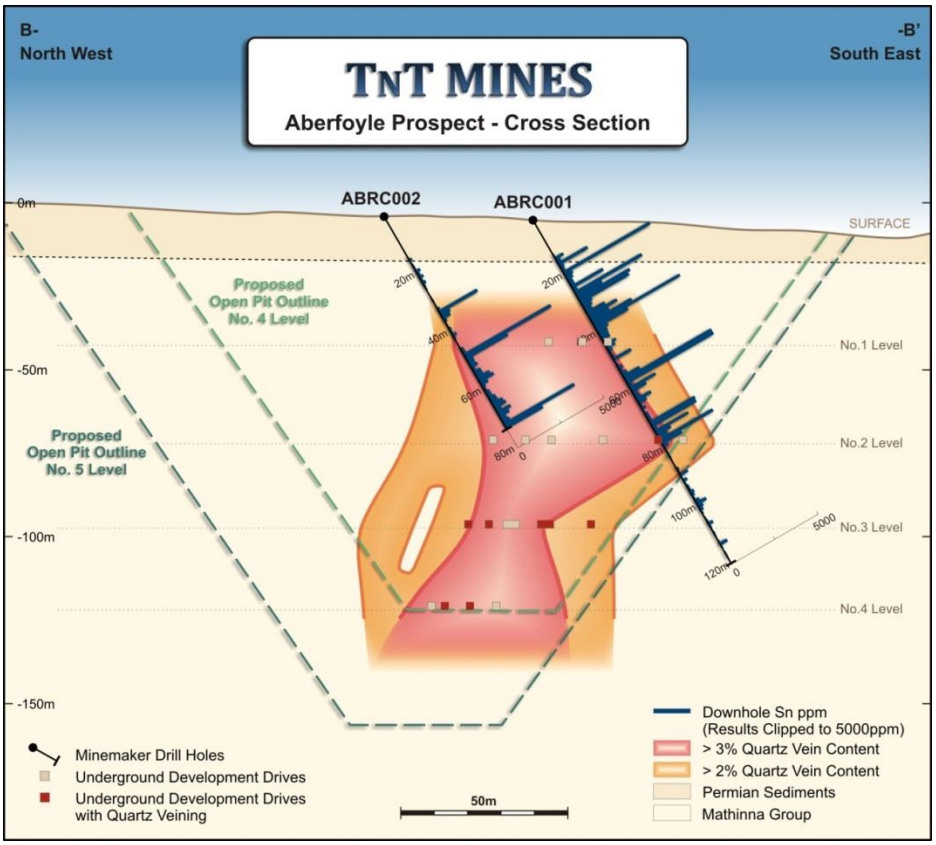

Figure 10: Aberfoyle cross section with pit outline and recent drill intercepts

2.2.2 Storeys Creek

In July and August 2007 a 17 hole RC air blast percussion drilling programme for a total of 2,027m was undertaken at Storey's Creek (Figure 11).

Previous drilling at Storey's Creek employed diamond core (DC) drilling and 18 holes with EX core (21.5mm in diameter) are stored at MRT. AX core (32.5mm in diameter) was also popular. The drill core is usually sampled for assaying by cutting it in half and Featherstone consider that the size of the sample produced is not large enough to give reliable grades for this style of mineralisation. RC drilling with holes typically 110mm to 130mm in diameter produces a considerably larger sample and usually gives more reliable results but the nuggetty distribution of mineralisation can still cause problems. RC holes are also cheaper and quicker to drill so more holes can be drilled for the same budget giving a better assessment.

Analysis of the results of RC drilling indicates that the tungsten mineralisation tends to occur in a limited number of veins within broader bands of mineralisation. As Storey's Creek was a tungsten mine which also produced tin, the miners selectively mined the tungsten bearing zones leaving some tin and other base metals in the ground.

Between 30 January and 15 February 2009 two diamond core (DC) holes were drilled at Storey's Creek. Hole SCDC001 (EOH 149.5m) was drilled parallel to RC hole SCRC006 and was PG3 size (83.1mm in diameter) to 58.4m and HQ3 size (61.1mm in diameter) to EOH. Hole SCDC002 (EOH 100.7m) was drilled parallel to RC hole SCRC034 and was PQ3 size (83.1mm diameter) to EOH. Core recovery was excellent throughout and both holes intercepted the anticipated zones of tungsten, tin and base metal mineralisation. These holes were drilled to compare results from DC and RC drilling. The drill core from this drilling was placed into storage at Avoca and a close examination of the core, including cutting and assaying, was carried out during the summer months of 2009-2010.

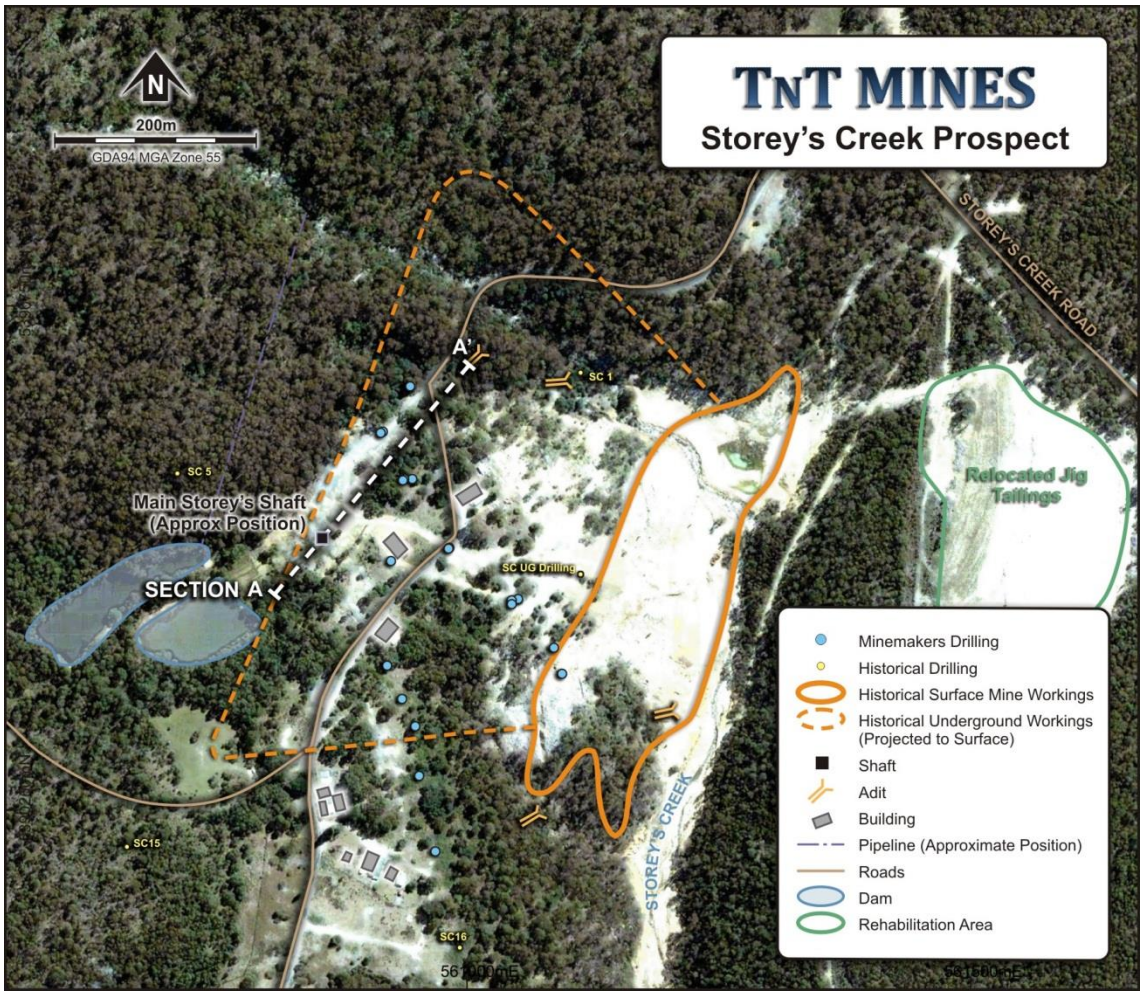

Figure 11: Plan view of Storeys Creek with recent drill collar locations

Assaying and Analysis
Several different techniques were employed by Minemakers in analysing samples.
The analytical schemes used were:
Pressed powder pill analysis by XRF for Sn & W.
Lithium metaborate fusion and analysis of glass by XRF for Sn >500 ppm, W >500 ppm
Aqua regia digest and analysis by ICP-AES for Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn.
Four certified reference standards were included in the submitted samples to aid quality control of assaying/analysis.

Review of the Assay Data from the Twin Hole Drilling
At Storey's Creek a diamond core hole and a percussion air blast hole were drilled side by side with the collars about seven metres apart. Assay values for the metals tungsten, tin, zinc, copper, and lead, were plotted as a histogram on the sides of the holes drawn on a cross section of them. These histograms provide a clear indication of the degree of correlation between the two holes of the grades of each of the metals in particular veins.

The tungsten mineralisation is mainly restricted to about four veins and the veins correlate very well between the two holes. The tungsten mineralisation is typically accompanied by tin but there are a number of tin veins without any tungsten.

The tin mineralised veins are more numerous than the tungsten. Correlation of veins between the holes is good for tin and tungsten. Better tin grades tend to occur with better tungsten grades. The higher tin grades in the diamond core drill hole may indicate a problem with the air blast technique but the tungsten, zinc and lead results do not show a bias to the same extent between the two holes. It is possible that dilution of the mineralisation could take place when an RC hole is intersecting veins and further drilling of this mineralisation should attempt to determine if this is taking place.

The copper mineralisation is fairly sparse and may show some correlation with tungsten but more study is required. Grades of around 100ppm Zn occur throughout the holes and there appears to be some association with copper. Low grade lead mineralisation is present throughout the two holes but higher values do not correlate well between holes or with other metals.

The mineralisation at Storey's Creek and Aberfoyle occurs in rocks overlying cupolas on the surface of the underlying granite pluton. It is interpreted that this is a genetically related feature of the mineralisation and that the identification of other cupolas on the surface of the granite is a very worthwhile exploration technique. This exploration model is reported on in the section of this report on the Aberfoyle Mine.

2.3.3 Gravity Survey Analysis for the Aplite Cupola Geological Model

The Rossarden District in the northern portion of EL27/2004 contains two significant deposits and numerous small shows and it is therefore considered that this area has potential for hosting economically sized deposits that do not outcrop on the present land surface and therefore have not been discovered. Minemakers consequently developed an exploration strategy that will hopefully identify targets for more detailed geophysical work or for drilling.

Geological investigations of the tin-tungsten mineral deposits at Storeys Creek and Aberfoyle/Lutwyche suggest that the deposits are genetically related to the Devonian age Ben Lomond Granite pluton that underlies much of the area. The proposed geological model is of vein deposits formed above aplite cupolas developed on the surface of the granite pluton. This geological model is illustrated by the cross section of the Aberfoyle Mine in Figure 5. To explore for as yet undiscovered deposits it is therefore necessary to locate cupolas of aplite at depth below the surface. Since aplite rock is typically less dense than the adjoining rocks a sensitive gravity survey may be able to reveal the location of cupolas.

Gravity and seismic surveys over parts of the area were carried out by Cominco in 1971-2 (MRT Ref.72_0857). Further gravity surveying was undertaken by Mineral Resources of Tasmania 1974 (MRT Ref. UR1974_14). The gravity data are available from MRT.

Minemakers therefore commissioned GroundProbe Geophysics Pty Ltd (GroundProbe, an associate of Geoforce Pty Ltd) to undertake modelling of the available gravity data over the Aberfoyle – Storey's Creek area. GroundProbe produced a report by Kate Godber in August 2010.

The modelling interpreted by GroundProbe suggests that the topography of the granite pluton is much more complicated than expected. This could be due to variations in the gravity being caused by other geological features than cupolas. GroundProbe have identified five anomalies that they consider worthy of further investigation. They are referred to as Storey's s Creek SE, Aberfoyle SE, Golf Course West, Eastern Hill North, and Anomaly Nine. The Golf Course West anomaly requires additional gravity data to improve the reliability of the modelling. The anomalies at Storey's Creek and Aberfoyle are taken care of by additional work around these old mines. This leaves three anomalies recommended for further work.

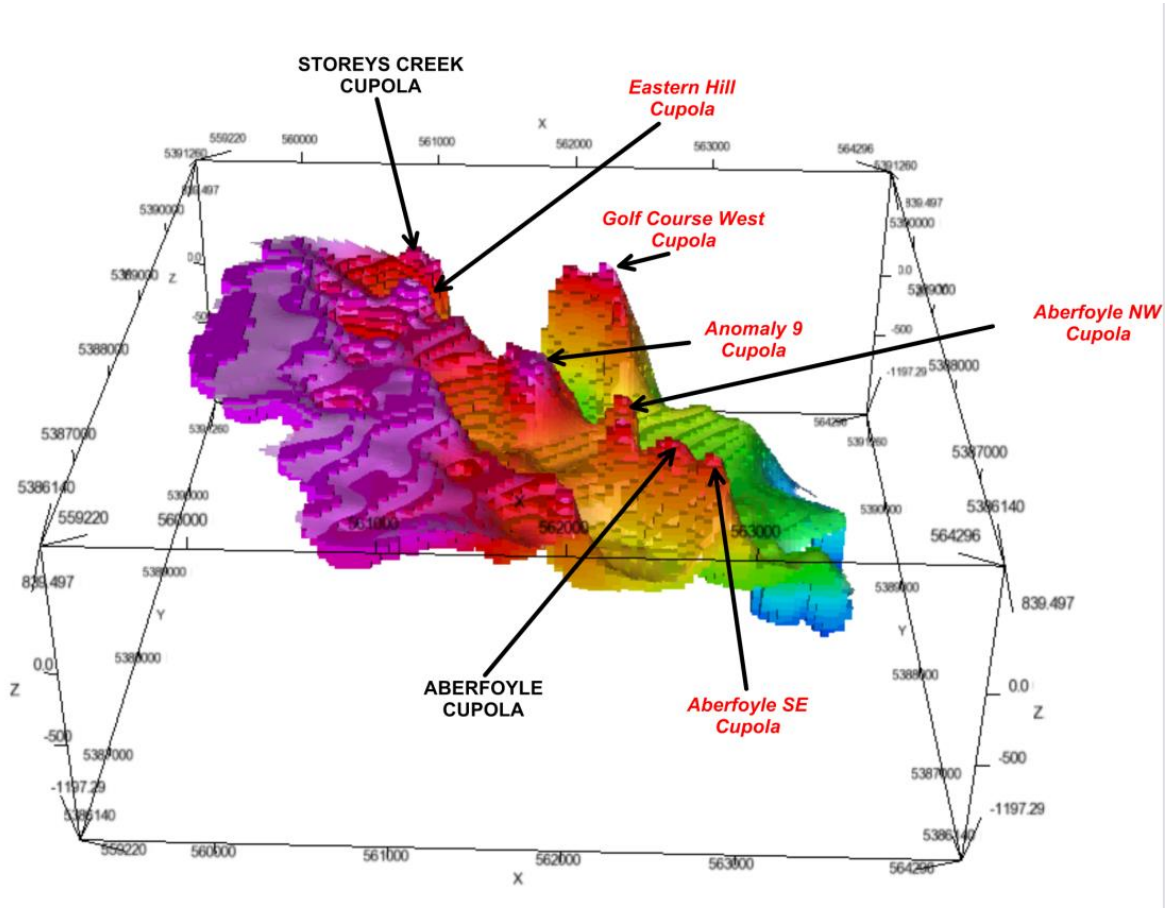

Figure 12: 3D sub-surface granite modelling from gravity data

2.3.4 3D modelling project

In 2011, a significant effort was placed into continuing the work of data entry and digitizing of old plans and sections. There is a plethora of pre-metric data and four separate mine grids associated with the Storeys Creek, Aberfoyle, Lutwyche and other minor workings. TNT Mines employed a person to digitize plans and enter historical drill data into a database, particularly in respect of the Lutwyche prospect. In particular, the conversion of old grids to MGA was a very time consuming.

2.3.5 Gipps Creek soil sampling

The Gipps Creek area is the location of multiple historical tungsten workings that have not been subject to significant modern exploration. The exploration target is large (5-10Mt), low-grade greisen amenable to open pit mining. Four narrow diameter holes were drilled in the 1970s and intersected low grade greisen mineralisation but the recommended follow up never took place.

A soil program was designed to test for the presence of an area of broad low grade mineralisation that might be amenable to open pit extraction. The survey uncovered numerous prospecting trenches and adits and a large area of alluvial within Gipps Creek. The soil sampling program was carried out between 04/06/2012 and 03/07/2012. A total of 651 “B/C” horizon soil samples were collected on a two part 100x25m E-W grid. The soil sample locations are shown in Figure 13.
The major grid was designed to cover the area of old tungsten prospects adjacent to Gipps Creek and the smaller grid was designed to test tungsten prospectivity at the Triabunna tungsten prospect to along strike to the south.

Due to a lack of funds none of the soil samples collected has been sent for analysis yet. They are stored in the Avoca office.

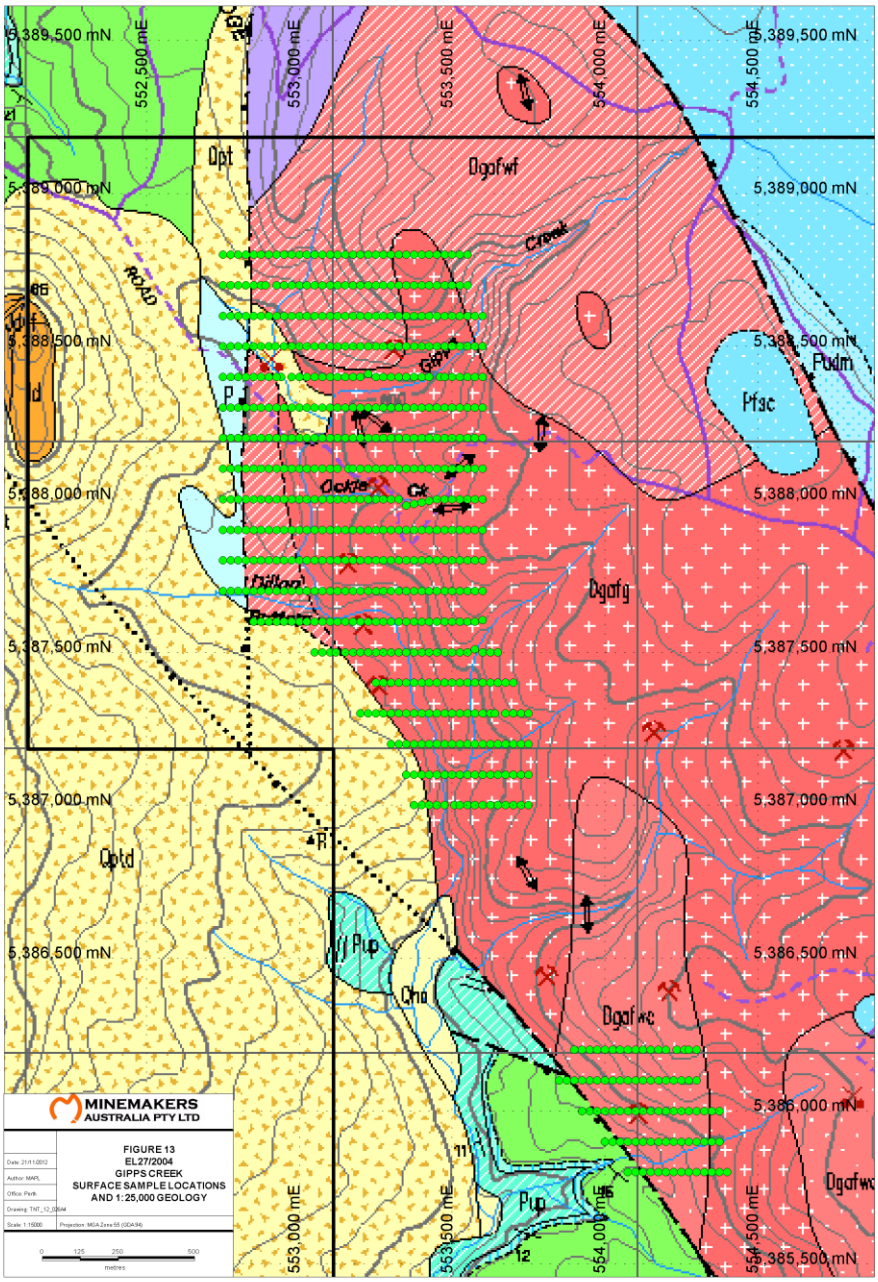

Figure 13: Gipps Creek soil locations

2.3.6 Cupola Project soil sampling

A project designed to test for subtle geochemical signatures associated with the presence of mineralising apophyses or cupolas rising from the Ben Lomond Granite and above which tin/tungsten deposits may have formed, similarly in nature to the Storeys Creek or Aberfoyle deposits was started in 2012. Soil samples are planned to be collected and analysed to low detection limits by ICP-MS for a suite of elements. This work took the place of a previously proposed gravity survey after advice that the effect of terrain corrections and low density contrast between granite intrusives and sediments would mask the subtle gravity signature of any underlying apophyses or cupolas. Previous drilling based on reinterpretation of old gravity data was unsuccessful.

Soil sampling was carried out in the area between Storeys Creek and Rossarden area between 25/07/2012 and 13/08/2012. A total of 179 “B” horizon soil samples were collected on a 200x200m grid. The project was put on hold with about 50% of the sampling work completed, due to a lack of funds. The soil sample locations are shown in Figure 14. Due to a lack of funds none of the soil samples collected has been sent for analysis yet and are stored in the Avoca office.

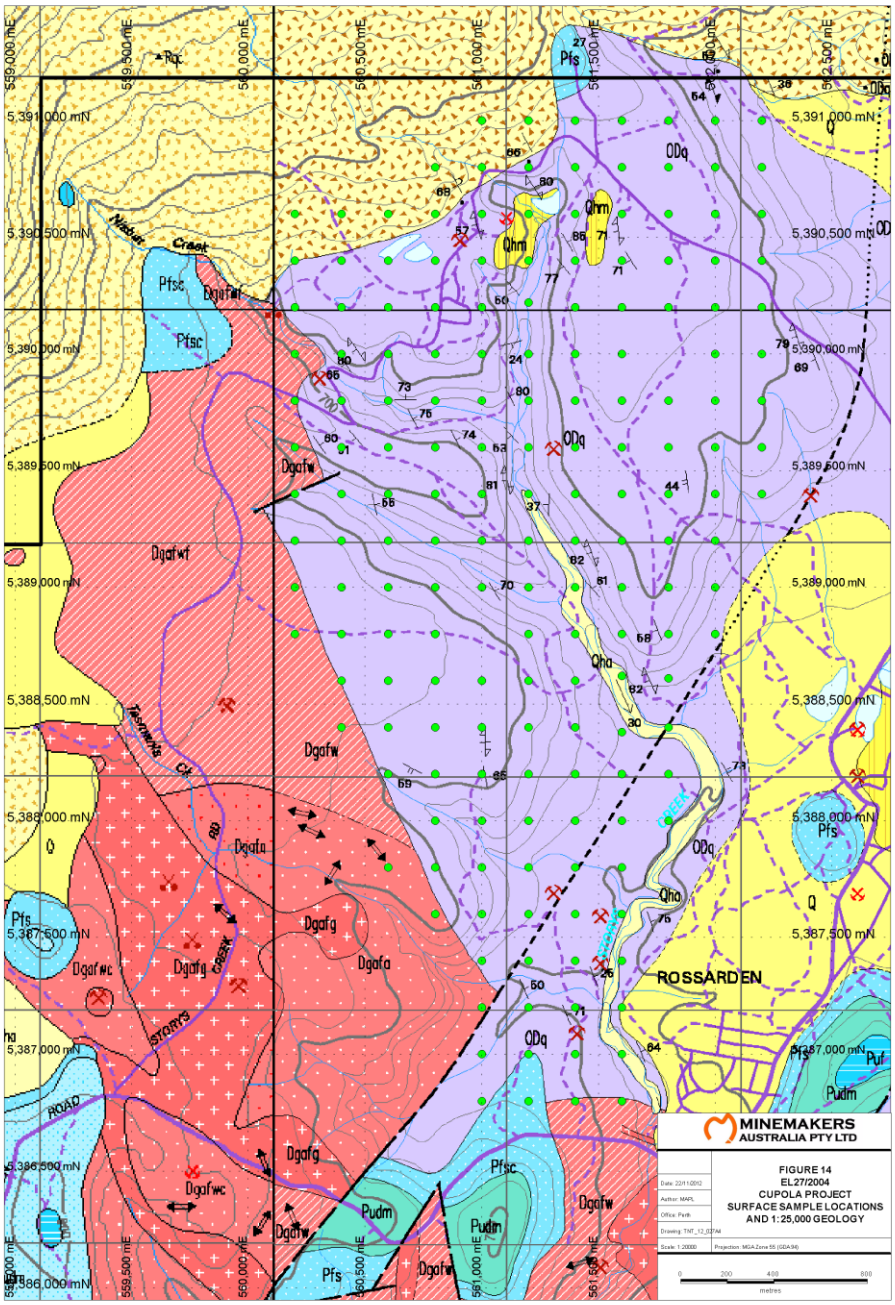

Figure 14: Cupola Project soil locations

2.3.7 Gipps Creek ground magnetics

A trial ground magnetics survey was carried out by Modern Mag, mobilising out of Horsham in Victoria, between the 8th and 10th May 2012. The survey was carried out without cut lines, using

GPS navigation. The forest was reasonably open except in the gullies were thick wet vegetation was encountered. The terrain was generally moderate although there were some quite rugged sections. Weather conditions were cold but generally dry. The survey was run in an E-W orientation and 16.4 line kilometres of data were acquired on an approximately 1000x1000m grid (Figure 15). Because the survey was run without any cut lines, the data are quite noisy. The noise stems from the sampler having to traverse rough ground, clamber over logs and climb down small scarps. Any future survey would benefit from not using a continuous sampling magnetometer but rather taking discrete readings every few metres.

The data is intended to be used in conjunction with the geochemical data obtained from soil sampling at Gipps Creek. The magnetic data has not been processed to any great extent at this stage, as the geochemical data has not yet been obtained. TMI image is presented below in Figure 16.

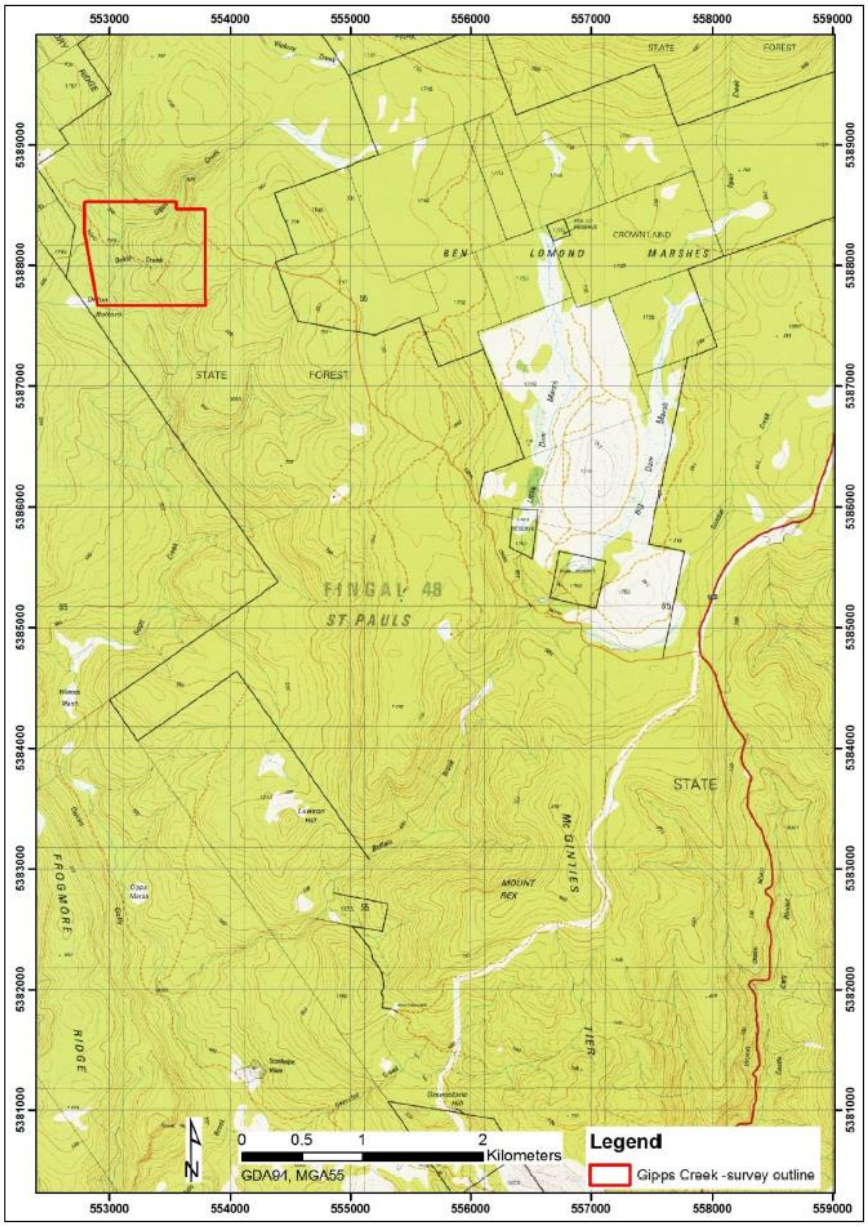

Figure 15: Location of Gipps Creek ground magnetics survey

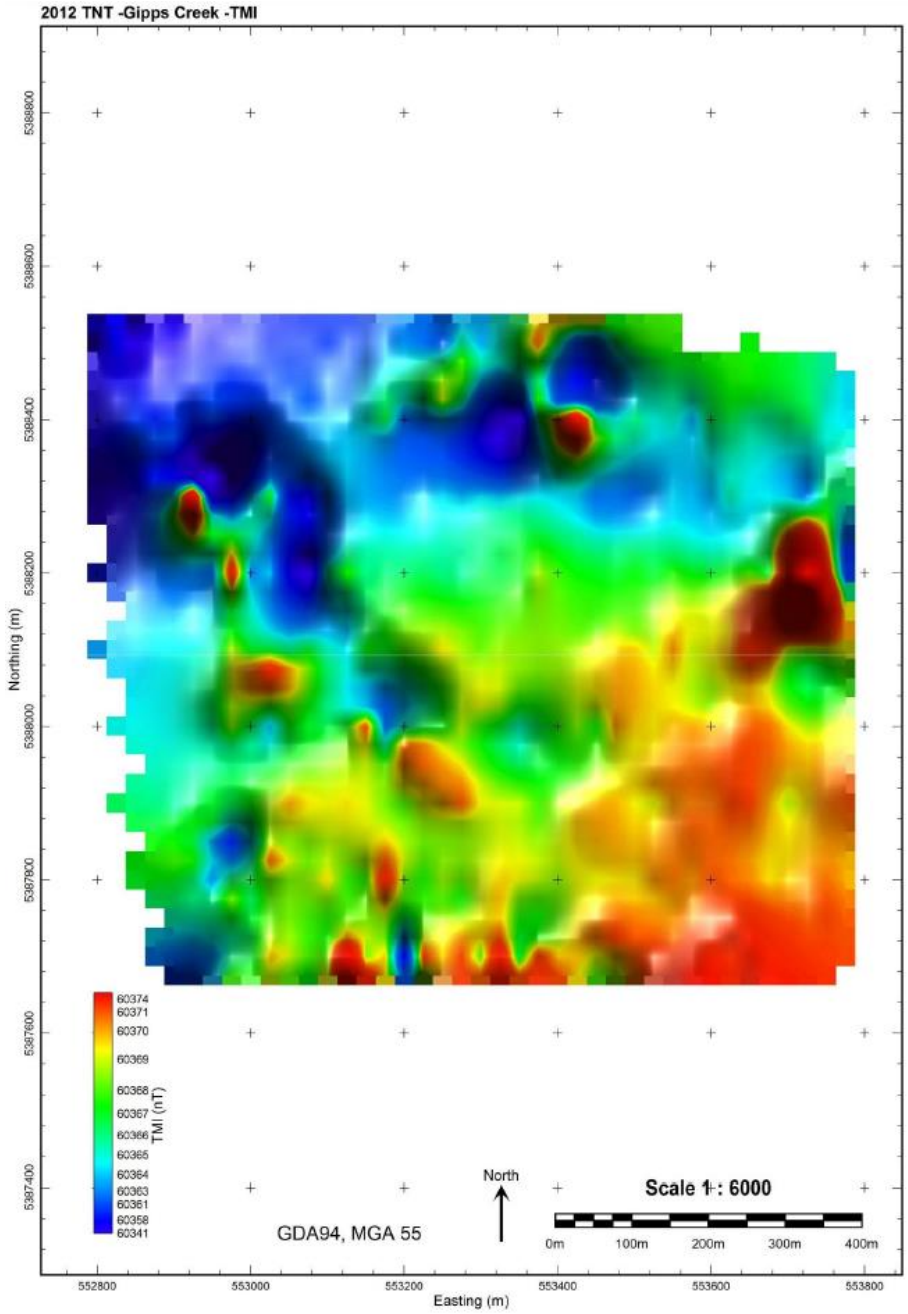

Figure 16: TMI image – Gipps Creek ground magnetics survey

2.3.8 Data compilation and modelling - Lutwyche

In 2012, basic drill hole and underground development data for the Lutwyche deposit was digitized. Approximately 200 assay data records from drilling have been entered. A considerable amount of historical grade estimation was made visually along development drives and this data has yet to be digitized. Lithology and structure logs have not been completely digitized yet.

The Lutwyche vein system is an essentially unmined deposit (1.1Mt @ 0.45%WO_3 and 0.45% Sn), similar in size to the Storeys Creek mine (1.1Mt @ 1.09%WO_3 and 0.20% Sn) but at lower grades. Delineation of the deposit is incomplete however and the system may be larger with higher grades.

The digitization of data is incomplete and there is sufficient data to generate a complete model. Some screen shots of modelling to date are shown below.

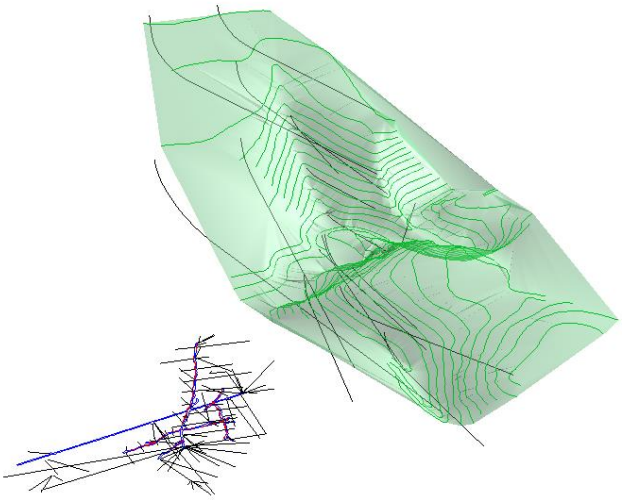

Figure 17: Lutwyche surface and underground drill traces – oblique view to NW

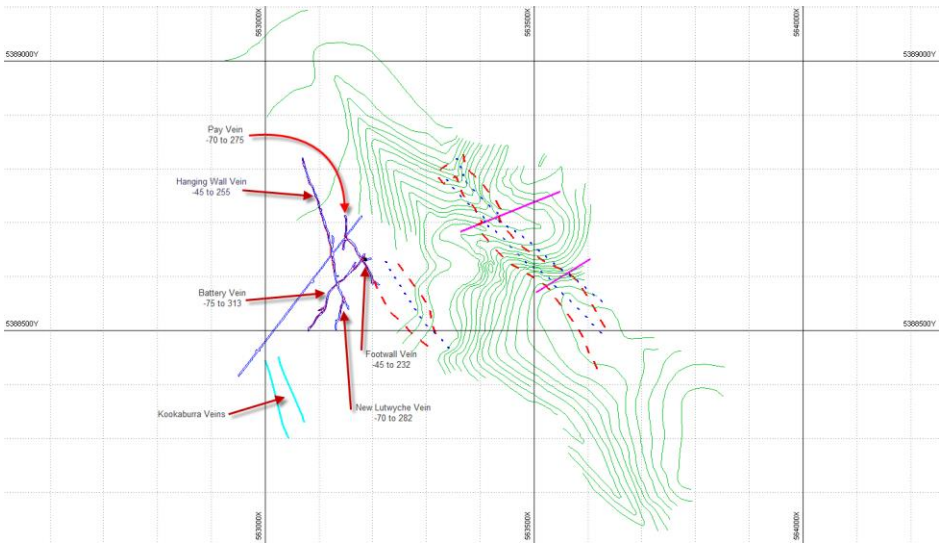

Figure 18: Lutwyche underground development and surface veining – plan view

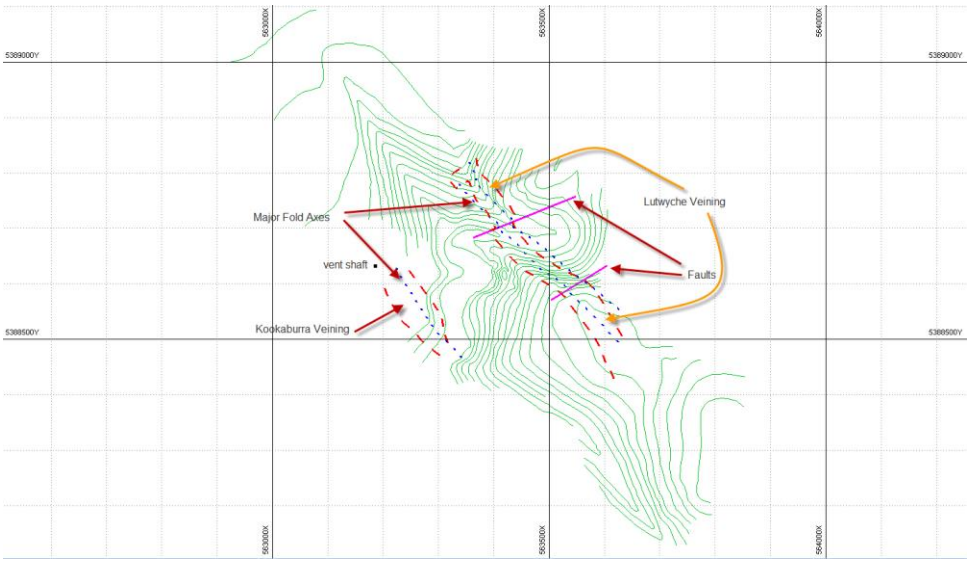

Figure 19: Lutwyche surface veining – plan view

2.3.9 Metallurgy

A 2 kilogram grab sample of material containing cassiterite and wolframite mineralisation was taken from around the Storeys Creek surface stoping area and sent to Toulouse in France for testing using pulse disintegration at Robert Friedland's laboratory (iCube Research The pulse disintegration process is a proprietary one under development. Two experiments (100 pulses/sec and 250 pulses/sec for 10 seconds) liberated all grains. The aim is to develop a method of bypassing the expensive process of crushing and grinding. In this experiment, the separation of cassiterite was ideal for subsequent gravity separation in spirals. Further sampling and test work is planned. No report is available on the work at this time.

3.0 WORK COMPLETED DURING THE REPORTING PERIOD

3.1 Engineering Overview

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GR Engineering Services was engaged to overview the economic potential for a stand-alone operation treating known resources and reasonably reliable exploration targets at and around the old mines in the Rossarden district. The study provided first order estimates of capital and operating costs, and recommendations for future work required as the basis for a more definitive future study.

TNT Mines' management considered that the GR operating cost estimates, and for a tin price of around USD15,000 per tonne and for a reasonable recovery, would likely require a minimum feed grade of about 0.15% Sn equivalent, with upside allowance needed for underground resources and transport from more distal deposits. This report largely set the agenda for consequent studies during the year.

The GR report is presented as Appendix 1.

3.2 Cashflow Modelling Studies

Against a background of moderate to weak tin prices, TNT Mines undertook a study of the economics of feeding a single plant, to be sited at Rossarden and with material from all of its deposits in north-east Tasmania, including that at Great Pyramid RL2/2009, which is wholly owned by TNT Mines.

The overall aim was to prioritise subsequent work programmes so as to maximise the potential for economic development and within the economic framework in which the junior exploration sector currently has to work.

The full study results are presented as Appendix 2.

3.3 Lutwyche Modelling

Lutwyche is a major target, with reasonably well-known vein systems upon which considerable vertical and horizontal development has been undertaken historically.

Independent consultant Vincent Algar was commissioned to provide 3-D models of the historical data and to recommend follow-up drilling programmes. The principal recommendations and conclusions from his work are as follows:

- Available data was used to model the Lutwyche vein system. Figure 20 shows the modelling and Figure 21 the traces of the proposed drilling superimposed upon that modelling.

- The drilling was designed to intersect the major Hangingwall and Footwall Veins, and a segment of it has different drill orientations to intersect the Battery and Pay veins.
- The present database is very widely spaced and generally quite dated. Algar reported he was able to make sense of it by modelling the veins using the underground mapping and the sparse drilling, but that more intersections with complete sampling are required. He noted that the extensive nature of veining in the Aberfoyle deposit, the widths of veining noted in surface mapping and underground mapping at Lutwyche supported the view that there may be a fully intact replica of Aberfoyle present there.
- The proposed drilling represented an ideal and it was contemplated that all drilling would be from surface, intersecting the vein sets at 75 m centres. The program was recommended to be undertaken in two stages, to allow the earlier definition of any near surface resources.
- The first stage would comprise shallow holes into the major veins (seven holes for 1030 m into the Hangingwall and Footwall vein systems) and with three further holes totalling 351m into the Battery and Pay Veins. The overall objective of Stage One will be to test the location, width and tenor of the Lutwyche lodes near surface. It would be combined with surface mapping and surveying to allow resource estimation and design of an open pit, from which a subsequent underground mine could be developed from the decline in its floor.
- The second stage would comprise deeper holes down to the old 13 Level development, and would consist of 19 holes for 6590 m into the Hangingwall and Footwall Veins, and a further 14 holes for 4599 m into the Battery and Pay Veins
- A spreadsheet containing the collar information is presented as Appendix 3. Note that it will need amendment in due course consequent upon ground truthing of access and elevation differences.

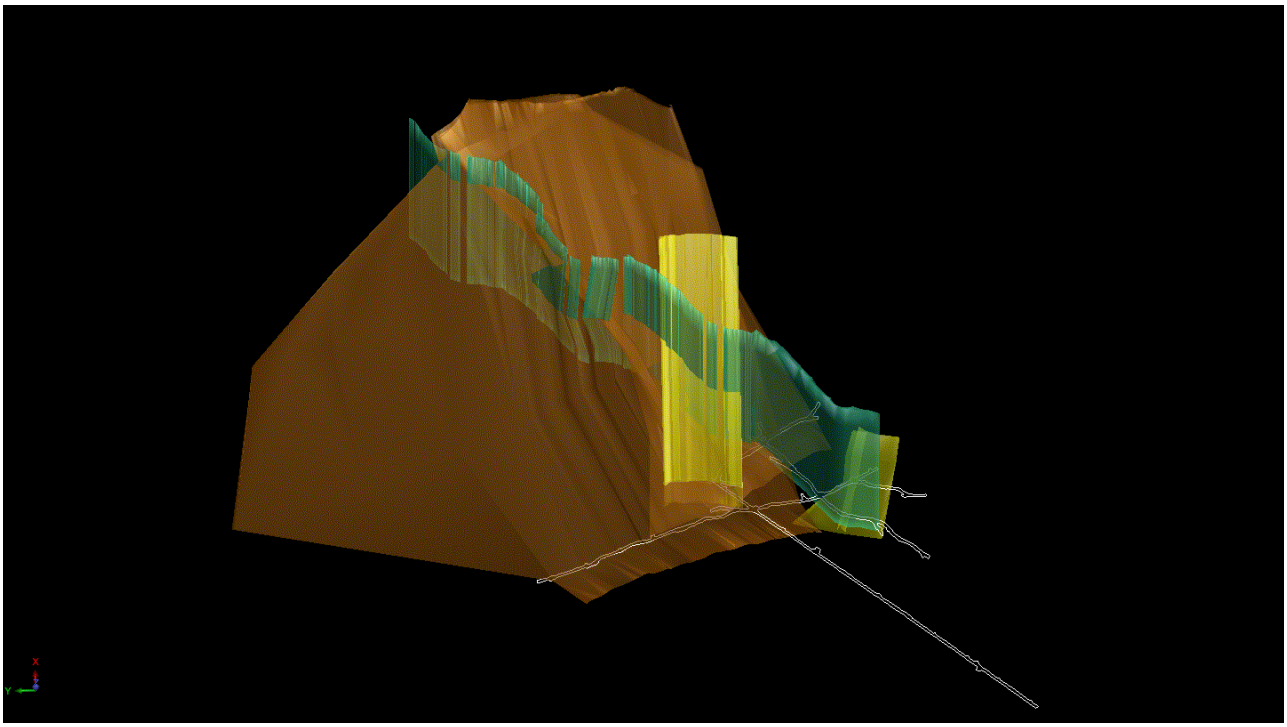

Figure 20: Lutwyche vein models

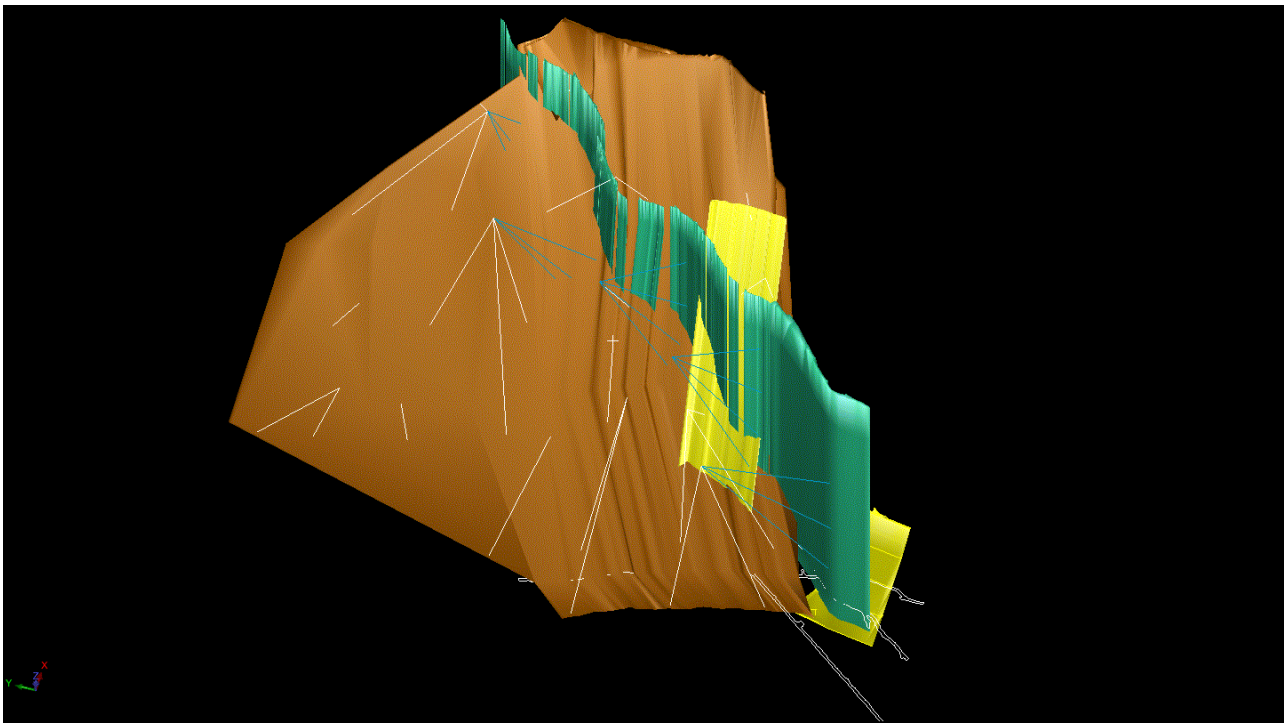

Figure 21: Lutwyche vein models and recommended drill tracs

3.4 Kookaburra Target

Algar next modelled the known data for the Kookaburra system and proposed an extensive drill program for consideration by TNT Mines. Modelling results are presented in Figure 22.

The drilling was aimed to test the likely position of the Kookaburra veins near surface and then at depth; and also to test for North and South strike extensions to the veins. Based on a theoretical level surface, a spreadsheet of the proposed drilling program is presented as Appendix 4. Surface ground checking of historic mapped vein positions and also elevation differences is still required and this will likely result in some adjustments to the program before it is commenced.

TNT Mines management reviewed the Algar report and considered that, in view of current tin prices and poor general investor in the exploration sector, a more sequential and measured approach is probably preferable. In contrast to Lutwyche, there is currently no confirmation that the Kookaburra vein system extends to great depth, notwithstanding that it has to be connected to the granite source below in some form. Hence the immediate target for an economic Kookaburra deposit should be for an open cut operation which would aim to mine the known outcropping mineralisation and any that may exist at fairly shallow depths below it.

It was agreed that there is potential for there to be strike extensions of the Kookaburra system under cover. It is currently known to be much shorter than is Lutwyche at surface, and additional drilling should be directed towards testing for those extensions.

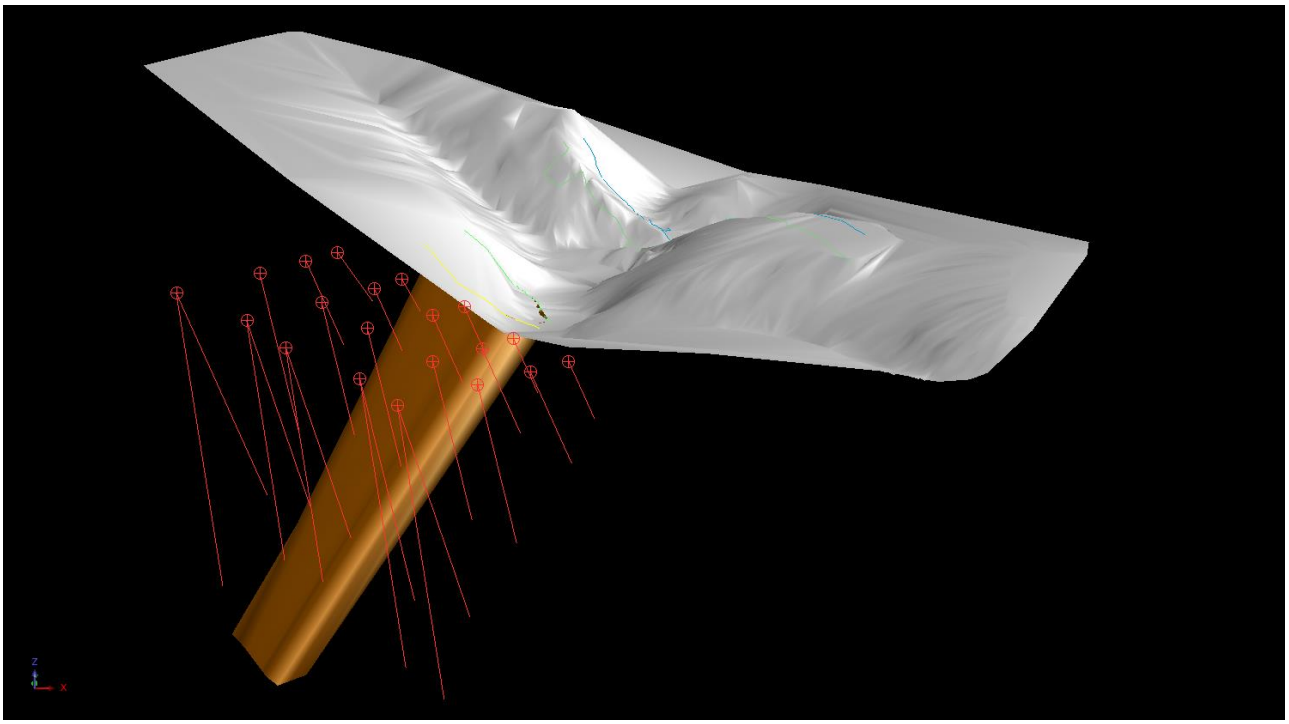

Figure 22: Kookaburra vein system – modelling and proposed drilling

3.5 Royal George

An extensive review of the Royal George database was undertaken, culminating in a JORC 2012 – compliant resource estimate, and which is presented as Appendix 5

3.6 Aberfoyle Project Overview Study

Algar summarised his 2014 studies for the development of a project centred upon Rossarden, but including potential feed material from Royal George and Pyramid Hill in a report entitled: "Aberfoyle Project, Exploration Potential, 3-D Modelling and Database Review. It is presented as Appendix 6.

4.0 DEFERRED INVESTIGATIONS

Due to the overall state of the investment market for exploration companies prevalent in Australia during the period under review, it has not been possible to fund all of the programs which were hoped have been undertaken during the year.

Deferred ones include:

- JORC 2012 estimates of remnant mineralisation at Aberfoyle.
- Trial ground magnetics at Lutwyche.
- Drilling.
- Auger sampling of tailings at Eastern Hill and elsewhere.
- Follow-up previous positive work at Gipps Creek.
- General greenfields exploration.

5.0 DISCUSSION OF RESULTS

During the year under review, and with funding made available from its major shareholder, Niuminco Group Limited, TNT Mines was able to make considerable progress in its aspiration to once again see the Rossarden district as a significant tin and tungsten producer. The consolidation of disparate historical data into a computerised database and the ability to undertake modelling of the targets and planning for drilling of them has been a major advance during the year.

Preliminary economic studies have established a framework for necessary grades or in situ rock values and operating costs for viability, and a first pass estimate of necessary development capital has been provided independently. The project is considered to be marginal, at best, at current prices and it is unlikely to is tracked strong investor support until metal prices and/or market sentiment improves.

Difficulties facing the exploration sector in accessing necessary funds to advance projects has impacted upon some facets of the planned TNT Mines work for the current year.

Looking to the next year, it was hoped that more favourable conditions may arise and evaluation progress will then be tailored in accordance with the funds able to be raised to pursue it.

6.0 ENVIRONMENT

No major ground-disturbing work was carried out in the reporting period.

7.0 APPENDICES

Appendix 1: TNT Mines Ltd, Aberfoyle Project, Project Reports Review, by GR Engineering, 22/1/14

Appendix 2: Cashflow by Exploration Target spreadsheets, by V. Algar, 6/2/2014

Appendix 3: Lutwyche Modelling and Drilling Proposal.

Appendix 4: Kookaburra Modelling and Drilling Proposal l

Appendix 5: Royal George Resource Estimation Report

Appendix 6: Aberfoyle Project, Exploration Potential, 3-D modelling and Database Review

8.0 REFERENCES

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