



Mole Creek EL4/2015

Annual Report

11 March 2016 to 10 March 2017

Sibelco Mining Services
49-55 Woodlands Drive
Braeside, Victoria
AUSTRALIA

Holder:	Sibelco Lime (Tasmania) Pty Ltd
Authority:	EL4/2015
Grant Date:	11/03/2016
Expiry Date:	10/03/2021
Author:	Ian Oppy
Title:	Senior Hydrogeologist & Geologist
Contact:	ian.oppy@sibelco.com.au 03 9586 5458
Signature:	<i>I. Oppy</i>
Date:	March 2017
Distribution:	Mineral Resources Tasmania Sibelco Australia Limited

ABSTRACT

This report details work completed by Sibelco Australia Limited on EL4/2015 during the period 11th March 2016 to 10th March 2017.

Sibelco extracts limestone from Mining Lease 96M/1971 located on Crown Land near Mole Creek. Exploration on EL4/2015 is initially targeted at locating an extension of this deposit.

Drilling was planned to be undertaken during this reporting period but was postponed because of ongoing discontent by the landowner with Sibelco. Negotiations are continuing with the landowner to alleviate ongoing concerns and to undertake the drilling.

3D Modelling indicates that EL4/2015 is prospective for high grade limestone but drilling is required to assess the economic viability of this resource.

TABLE OF CONTENTS

CONTENTS

1.	INTRODUCTION	1
1.1	Location and Access	1
1.2	Tenure.....	1
1.3	Geology and Exploration Rational.....	1
1.4	Exploration rational and objectives.....	2
2.	REVIEW OF PREVIOUS WORK.....	2
3.	WORK CONDUCTED DURING THE REPORTING PERIOD.....	3
4.	DISCUSSION OF RESULTS.....	3
5.	CONCLUSIONS.....	3
6.	ENVIRONMENT.....	3
7.	EXPENDITURE	3
8.	REFERENCES.....	4
9.	APPENDICES.....	4
10.	BIBLIOGRAPHIC DATA SHEET	5

LIST OF FIGURES

Figure 1: Location Plan

Figure 2: Site Geology

LIST OF TABLES

Table 1: Expenditure

I. INTRODUCTION

1.1 Location and Access

Mole Creek is located in Northern Tasmania. The Mole Creek Limestone Operation is located to the west of Mole Creek, Tasmania from 96M/1971 located on Crown Land.

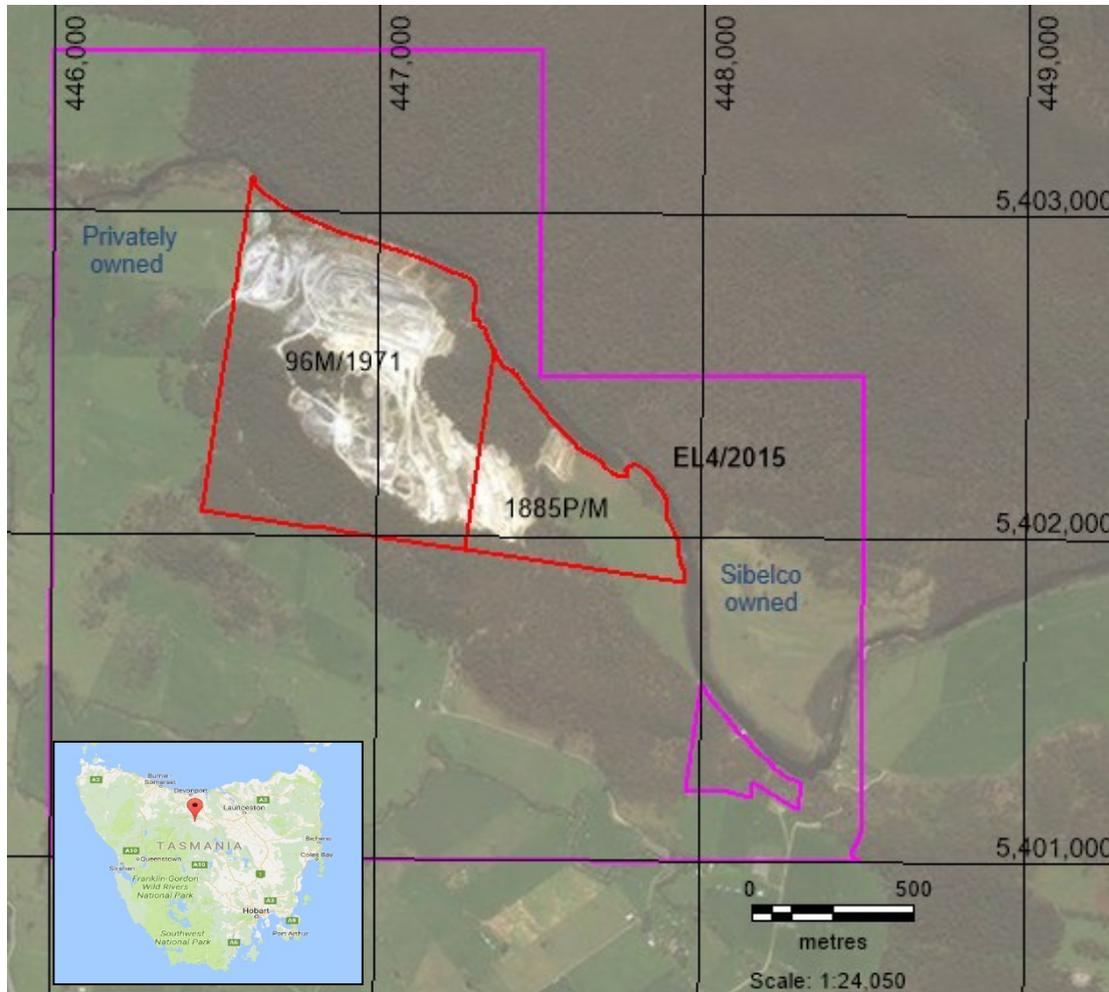


Figure 1 – Location Plan

Sibelco has taken out an Exploration Licence EL4/2015 on land which surrounds the mining lease.

1.2 Tenure

EL4/2015 Exploration Licence, was granted to Sibelco Australia Limited on 11th March 2016 for a period of 5 years. EL4/2015 is on Crown Land and Sibelco owned and privately owned land.

1.3 Geology and Exploration Rational

Limestones in Tasmania are predominantly Ordovician age in the west, Permian to the east with Tertiary deposits in low lying coastal areas. The Mole Creek area has extensive Ordovician Limestones being the Gordon Limestone of the Junee Group. The Gordon Limestone is typically fine grained, crystalline, medium to dark grey but locally light-grey, pink and cream coloured. The rock is impervious but transmits water through cavities.

The limestone deposit at the mine can be sub-divided based on lithology and grade. The Upper Limestone unit has the highest grade calcium carbonate and is therefore capable of producing by calcining the highest calcium oxide lime product.

1.4 Exploration rational and objectives

EL4/2015 is located surrounding Sibelco's limestone operation in an area where historical mapping has shown the presence of limestone occurrences. The aim of the proposed work is to investigate the size and quality of the limestone. If a suitable resource is defined, studies will be undertaken to determine the economic viability of mining the limestone subject to landowner agreement.

Exploration on EL4/2015 is initially targeted at locating an extension of the SW Deposit, which is a structural controlled offset of the Main Deposit.

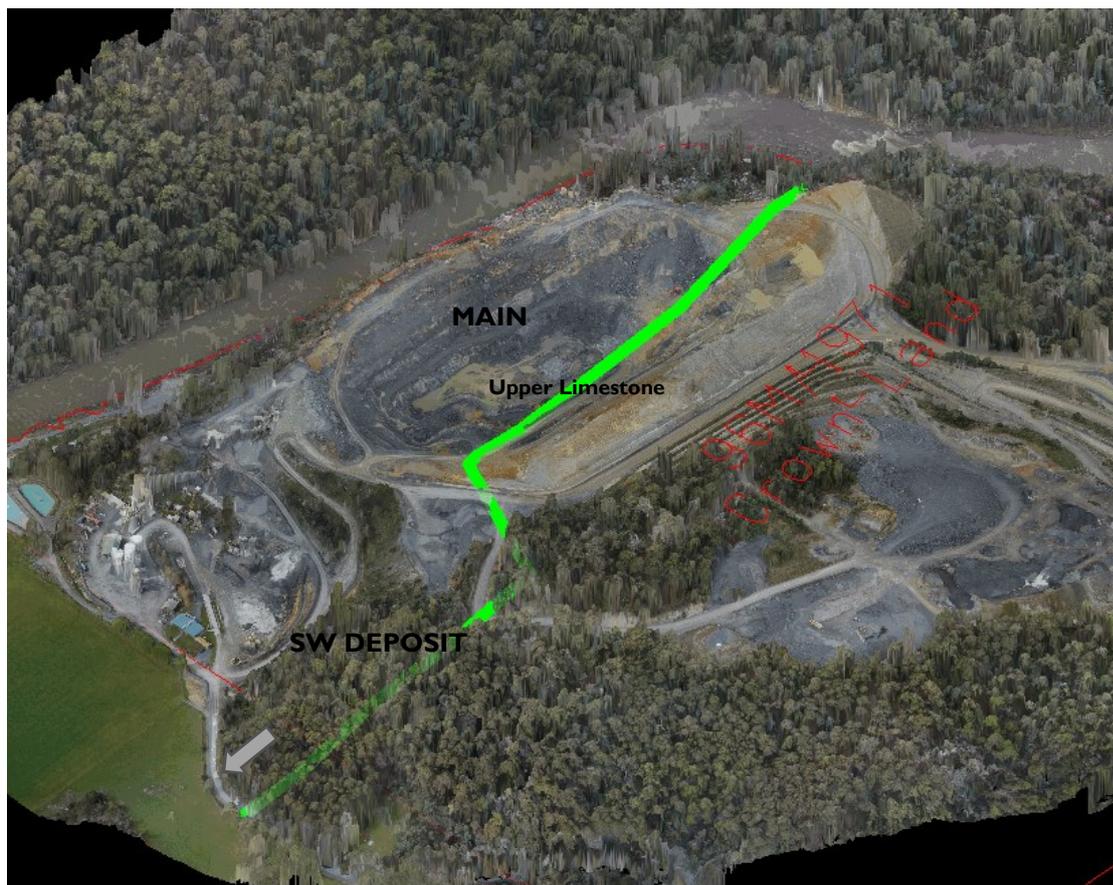


Figure 2 – Site Geology

2. REVIEW OF PREVIOUS WORK

The Mole Creek Limestone has been extensively studied for economic, academic and environmental reasons. In 1957 the Geological Survey reported on the nature and distribution of limestones in Tasmania and outlined deposits which are accessible and suitable for development. The Geological Survey considered the Ordovician limestones to be the most important actual and potential sources of lime in Tasmania.

Detailed geological investigations have been undertaken such as a study by Rao in 1989 who assessed the geochemistry of the Gordon Limestone at Mole Creek. Rao considered the Gordon limestone to be characterized by low Manganese, moderate Sodium and high Strontium concentrations and concluded that the formation is mainly marine.

In 1996 the Karst National Park was declared to provide protection for some cave systems which has also generated an ongoing environmental based interest in the geology and geomorphology of limestone in the area.

3. WORK CONDUCTED DURING THE REPORTING PERIOD

Works planned to be undertaken during the reporting period were:

- Desktop studies - 3D Modelling, planning of drill program
- Community consultation activities
- Fieldwork - drilling and sampling
- Analysis of drilling

Work actually undertaken was restricted and planned drilling postponed due to ongoing discontent by the landowner with Sibelco.

In July 2015 Mineral Resources Tasmania acted as a mediator between the landowner and Sibelco to resolve ongoing issues and to facilitate exploration by Sibelco on the landowner's property. In December 2015, Sibelco paid compensation to the landowner and provided a process by which Sibelco would notify the landowner prior to accessing the landowner's property. This was accepted by the landowner and led to the landowner withdrawing his objection to ELA4/2015. Negotiations are continuing with the landowner to alleviate ongoing concerns and to undertake the drilling.

4. DISCUSSION OF RESULTS

3D Modelling indicates that EL4/2015 is prospective for high grade limestone but drilling is required to assess the economic viability of this resource.

5. CONCLUSIONS

Drilling is required on EL4/2015 in order to be able to assess a potential limestone resource.

6. ENVIRONMENT

There has been no disturbance of the environment as planned drilling is yet to be undertaken.

7. EXPENDITURE

Expenditure is presented in Table I.

Exploration Category	Description of Activity	Quality	Expenditure
Office Administration	Tenement Administration	2 Days	\$1,000
Authority Management			
Office Activities	Planning and reporting	5 days	\$6,000
	Computer Modeling	2 days	\$2,000
Field Activities	Geological Mapping		
	Sampling	Number of samples	
	Equipment Hire	Type and period	
	Accommodation/Field Camp	days	
	Travel	days	
	Land Holder Liaison	1 day	\$1,000
	Survey mapping		
	Geophysics		
	<i>Airborne</i>		
	Type	Line Kms	
	<i>Ground</i>		
	Type	Line Kms	
	Drilling (program cost)		
	RAB/AC	Holes/total metres	
	RC	Holes/total metres	
	Diamond	Holes/total metres	
	Other	Holes/total metres	
Laboratory			
Salaries / Wages	Employees	No. and period	
	Contractors	No. and period	
		Grand Total	\$10,000

Table I – Expenditure

8. REFERENCES

Geological Survey (1957) Limestones in Tasmania. Mineral Resources No. 10.

Rao, C.P (1989) Geochemistry of the Gordon Limestone (Ordovician), Mole Creek, Tasmania. Australian Journal of Earth Sciences. Vol 36, 1989-Issue 1

9. APPENDICES

None

10. BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER	IO201703
TITLE	ANNUAL REPORT FOR PERIOD 11th MARCH 2016 TO 10th MARCH 2017 EL4/2015 MOLE CREEK LIMESTONE TASMANIA
AUTHOR	I. OPPY
DATE	MARCH 2017
PROSPECT NAME	MOLE CREEK LIMESTONE
OWNER/OPERATOR	SIBELCO LIME (TASMANIA) PTY LTD
KEY WORDS	LIMESTONE INDUSTRIAL MINERALS
COMMODITY	LIMESTONE
TECTONIC UNITS	LACHLAN FOLD BELT TASMANIA BASIN
1: 250 000 MAP SHEET	GEOLOGY OF NORTHWEST TASMANIA
1: 63 360 MAP SHEET	MIDDLESEX 8114N
1: 25 000 MAP SHEET	MOLE CREEK 4439