

EL 43/84 ANNUAL REPORT.

OPEN FILE

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E-L. 43/84

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MINERAL HOLDINGS AUSTRALIA PTY. LIMITED

INC. IN VIC.

CORRESPONDENCE TO:
2nd FLOOR,
100 COLLINS STREET,
MELBOURNE, AUSTRALIA, 3000
TELEPHONE: 63 7925
Telex: AA31317

MICROFILMED

6th October, 1986

The Director of Mines,
Department of Mines,
P.O. Box 56,
ROSNY PARK. ... TAS.
7018

U. DIR.	A.D.	C.B.	E.O.	C.M.E.
	10 OCT 1986			
	DEPT. OF MINES			
	10.10.1986			

M.D

1/8

Dear Sir,

Re: Exploration Licence EL.43/84 : Renewal

We are in receipt of your letter of 17th September, 1986 requesting further details regarding the renewal of the above Exploration Licence. As you know, we have applied for a Retention Licence to cover the dolomite in this area, and the Exploration Licence renewal is an interim stage.

Referring to your queries :

- A) Besides the gold exploration carried out on the licence, numerous dolomite samples were taken from the Blackwood Bridge (over the Duck River, grid ref. 5475500mN, 339700mE) locality. These samples have been sent to various companies for testing -
- * Steetley, U.K.; Montangesellschaft, Germany; Societa Italiana per Il Magnesio E Leghe Di Magnesio, Italy; Martin Marietta, U.S.A. Results of the tests by Societa Italiana per Il Magnesio E Leghe Di Magnesio were appended to the Quarterly Report to 28th March, 1986. The other results are still awaited. We refer you to the details of the tests being carried out in our letter of 5th September, 1986.
- B) A statutory declaration of costs incurred on the Exploration Licence for the past year is appended.
- C) As we have stated previously, the work commitment for the Exploration Licence will continue to be devoted to the metallurgical testing of the dolomite, rather than in further drilling. Once we have established the marketability of the dolomite, then prove-up drilling will be programmed. If the dolomite cannot be marketed, we believe we should not waste money in expensive drilling programmes (hence our application for a Retention Licence).
- Pan Australian Mining Ltd. have recently advised that they wish to carry out a stream sediment sampling programme for gold within the licence area. The possibility of such a programme was outlined in the report forwarded to you previously.
- D) Accompanying, please find a cheque for \$492.50 being the appropriate fee, and the licence document.

Yours faithfully,
MINERAL HOLDINGS AUSTRALIA PTY. LTD.

Neil M. Thomas
NEIL M. THOMAS - CHAIRMAN

* See copy of telex enclosed received today from Steetleys.

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TOMNEX AA31317
58649 PCLASE G
TLX/REF8960 86-10-07 12:09

FOR THE ATTN MR NEIL M. THOMAS, MINERAL HOLDINGS AUSTRALIA PTY LTD.

TEST WORKS ON DOLOMITE/MAGNESITE SAMPLES COMPLETED. MAIN CONCLUSIONS AS FOLLOWS:-

1. SMITHTON DOLOMITE

BLACKWOOD BRIDGE SAMPLE HAD HIGH SiO_2 (3.4%) AND Al_2O_3 (1.0%) IMPURITIES. QUARRY SAMPLE SiO_2 (1%) AND Al_2O_3 (0.4%) WAS OF HIGHER PURITY.

BOTH SAMPLES CALCINED SATISFACTORILY AT 1200 DEGREES C TO DOLIME BUT TENDED TO DECREPITATE WHEN DEADBURNED AT 1800 DEGREES C GIVING PRODUCT DENSITY OF 3.1 G/ML. THE QUARRY SAMPLE CAUSTIC CALCINED AND BRIQUETTED DEADBURNED TO A 3.3 G/ML DENSITY AT 1800 DEGREES C WHEREAS THE BLACKWOOD BRIDGE ONLY DEADBURNED TO 3.0 G/ML BY THIS PROCESS BECAUSE OF HIGH IMPURITY LEVELS.

2. MAGNESITE

BOTH SAMPLES HAD HIGH SiO_2 , Al_2O_3 AND CaO IMPURITIES WITH MgO CONTENTS OF ONLY 86% (PINNAR) AND 87% (ARTHUR RIVER). DIRECT DEADBURNING AT 1800 DEGREES C GAVE DENSITIES OF 3.1 G/ML (ARTHUR RIVER) AND 3.3 G/ML (PINNAR) BUT DENSITIES ABOVE 3.0 G/ML COULD NOT BE OBTAINED ON EITHER SAMPLE VIA THE CAUSTIC MAGNESIA CALCINATION/BRIQUETTING ROUTE BECAUSE OF THE HIGH IMPURITY LEVELS.

CLEARLY THE MAGNESITE WOULD HAVE TO BE BENEFICIATED TO GIVE ((
ACCEPTABLE PRODUCT QUALITY.

A MORE DETAILED REPORT ON THE TESTWORK IS BEING PREPARED.

ANALYSES GIVEN ABOVE ARE ON A LOSS FREE BASIS.

REGARDS

NOEL HEASMAN
STEETLEY HARTLEPOOL

58649 PCLASE G*
TOMNEX AA31317

002 MINERAL HOLDINGS AUSTRALIA PTY. LIMITED

INC. IN VIC.

CORRESPONDENCE TO:
 2nd FL, JOR,
 100 COLLINS STREET,
 MELBOURNE, AUSTRALIA, 3000
 TELEPHONE: 63 7925
 Telex: AA31317

'A'

6th October, 1986

Chairman of Directors,
 Mineral Holdings Australia Pty. Ltd.,
 100 Collins Street,
 MELBOURNE. ... VIC.
 3000

Dear Sir,

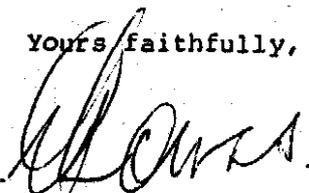
EXPLORATION LICENCE 43/84

In respect of the above Exploration Licence, I detail below actual costs incurred for the period to 6th October, 1986, together with our estimates for the services rendered during the period -

- | | | |
|----|--|-----------|
| 1. | <u>Accounts Paid -</u> | |
| | (a) Direct exploration expenses incurred by the company including mapping, searching and sampling, assay fees and rental | \$3,300 |
| | (b) Expenditures of exploration and drilling by Contractors and Prospectors | \$7,000 ? |
| | (c) Proportion of Chairman of Director's monthly salary for a 12 month period | \$5,000 |
| 2. | <u>Estimated Value of Services -</u> | |
| | Time spent by consulting geologists - | \$1,500 |
| 3. | <u>Estimated Expenditure -</u> | |
| | (a) Proportion of administration, legal, etc. | \$1,000 |
| | (b) Estimated expenditure on sending Dolomite samples overseas for laboratory testing for specific uses overseas | \$3,000 |

\$ 20,800

Yours faithfully,


NEIL M. THOMAS

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STATUTORY DECLARATION

I, NEIL MOIRA THOMAS, of 11 Kent Court, Toorak in the State of Victoria, do solemnly and sincerely declare :

1. That I am a Director of Mineral Holdings Australia Proprietary Limited being a Company incorporated in the State of Victoria
2. Actual costs and estimated general administration expenditure by Mineral Holdings Australia Proprietary Limited on Exploration Licence EL 43/84 as attached in letter dated 6th October, 1986 and marked with the letter 'A'.

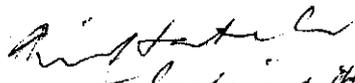
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Oaths Act 1900.

Subscribed and declared at MELBOURNE

This 6th day of October,
One thousand nine hundred and
eighty six.



BEFORE ME:


Justice of the Peace

(3)

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GENERAL HOLDINGS AUSTRALIA PTY. LIMITED

INC. IN VIC.

TO:

TAS. 3000

31317

STRICTLY CONFIDENTIAL

5th September, 1986

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M.I

Director of Mines,
Department of Mines,
P.O. Box 56,
ROSNY PARK. ... TAS.
7018

*This is an application for renewal.
(Due 28.9.86).*

Dear Sir,

Pls write for documents + fees etc.

M.D. [X]

Renewal Licence EL. 43/84

Also request annual report incl. expenditures.

Further to my letter to the Tasmanian Development Authority, Ref. DN 200 - 01, my telex No. 1727 of 27th August, 1986 and my discussion with Mr. Hargreaves, and as requested, I will endeavour to update you and the Minister of Mines of the endeavours by this company to develop our discoveries of the mineral reserves that we have established in Exploration Licence 43/84.

Over the last year, we have been negotiating with a number of companies and requesting that they test in their laboratories, samples of our dolomite. Following the overseas visit of myself, Mr. M. Guy, and Mr. Richard Hudson of Bechtel Corporation in June/July, 1986, the following companies have been contacted and are undertaking substantial work based on minerals in this licence:-

1. Steeley Refractories Ltd., Hartlepool, England:

Messrs. Thomas and Hudson spent a full day at this plant in July at the invitation of the General Manager. Subsequently, a general range of samples of dolomite have been sent for their evaluation, as this company wants to import calcined dolomite of high grade for marketing in the E.E.C. The results of these tests will be passed on to Montangesellschaft of Germany, (Mr. Kurt Harboßt). (Copy of their letter of 5th August, 1986 is enclosed).

2. Montangesellschaft, Koln, Germany:

Mr. Kurt Harboßt has expressed in writing a wish to establish a calcining plant in the North West of Tasmania, and an option has been taken over plant and some accessories. We await the results of tests of the dolomite from Steeley and hopefully a visit of Montangesellschaft in the next few months.

3. Bechtel Corporation, Melbourne:

M.H.A. has commissioned Bechtel Corporation to carry out an indicative feasibility study which is presently in progress, for the development of the calcining of magnesite and dolomite, and the production of magnesium metal. It is necessary to have a large deposit of dolomite over a wide area so that selective mining may be made of suitable dolomite with low impurities for the development of an industry as envisaged in this letter. (Copy of letter of 31st July, 1986 is enclosed).

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4. Societa Italiana per Il Magnesio E Leghe Di Magnesio, Bolzano, Italy:

Following our negotiations on the development of a silicothermic process to produce magnesium metal, M.H.A. commissioned Richard Hudson to visit Societa Italiano Magnesio at Bolzano in Italy, to inspect the plant and discuss a similar Tasmanian joint venture development with this company. Samples of the dolomite from certain areas have been analysed and a larger selection of dolomite processing is in progress. It is hoped that negotiations will firm up and that Societa Italiana Magnesio's Dr. Lama will visit Tasmania in the near future. (Copy of letter of 27th March, 1985 and telex No. 1405 of 23rd June, 1986 are enclosed).

5. Martin Marietta Laboratories, Maryland, U.S.A.:

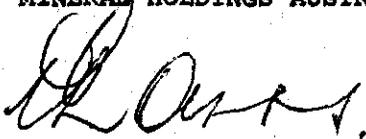
Mr. Stendera of this company has expressed a considerable interest in our high grade dolomite and our magnesite (EL.43/70), and is carrying out tests at present in his laboratory to establish the suitability of our raw material for refractories and for other uses. (Copy of their telex is enclosed).

Details of the results of work done and the progress made will be part of our reports.

Licence EL.43/84 covers most of the dolomite in this Smithton area, but it may be necessary in the near future, when a retention licence is applied for, to reduce part of the area and substitute the dolomite area within adjoining EL.29/80 to fully cover the range of dolomite for further sampling.

Under the circumstances, many years of work have been put into endeavouring to develop an industry in the N.W. of Tasmania and as you know the Tasmanian Development Authority are assisting us in this matter. We look to an interim renewal of this licence in the shorter term, and, in the longer term, a conversion of this exploration licence to a retention licence.

Yours faithfully,
MINERAL HOLDINGS AUSTRALIA PTY. LTD.



NEIL M. THOMAS
CHAIRMAN

NMT:beh:encl.



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**Steeley
Refractories
Limited**

985008

STEETLEY

Hartlepool Works
P.O. Box 8
Hartlepool
Cleveland TS24 0BY
Telephone: 267071
Telex: 58649

Mineral Holdings Australia Pty. Limited,
2nd Floor,
100 Collins Street,
MELBOURNE,
Australia, 3000.

Your Ref: NMT/beh

Our Ref: NH/PMN

Date: 5th August

For the attention Mr. N.M. Thomas, Chairman

Dear Sir,

We refer to our meeting at Hartlepool on the 26th June, 1986, and your letters of the 17th and 25th July, 1986.

We confirm our general interest in the Tasmanian magnesite and dolomite deposits and that we are prepared to undertake a preliminary laboratory investigation into the chemical quality and the calcining, briquetting and deadburning characteristics of representative samples of the magnesite and dolomite.

One parcel containing the magnesite samples has now been received, the other containing the dolomite is being chased. We expect to complete our tests on the samples by the end of September.

We note that you are considering the installation of an FLS rotary kiln 263'9" long by 9'6"/8' dia. This would be suitable for calcined dolomite and caustic magnesia production but the satellite cooler would make it unsuitable for use as a deadburning kiln, where a rotary or grate cooler would be preferred.

The Radenthein report on the magnesite beneficiation trials shows that flotation is more effective than heavy media separation in reducing the silica impurity and gives an acceptable concentrate recovery. Neither process reduces the iron oxide impurity and this could make it difficult for you to produce premium grade magnesia products.

The sintering tests show that the higher purity concentrates can only be deadburned to high density by a two stage process involving caustic calcination, briquetting and deadburning.

Regarding the dolomite deposits, boreholes analyses confirm the existence of high quality dolomite reserves which should be suitable for development.

*(only Pinner)
ARTHUR
LYONS
KEITH
CORN*

Yours faithfully,
For STEETLEY REFRACTORIES LIMITED,
MAGNESIA MATERIALS DIVISION,

N. Heasman

007 SOCIETÀ ITALIANA PER IL MAGNESIO E LEGHE DI MAGNESIO

SOCIETÀ PER AZIONI
CAPITALE SOCIALE L. 5.000.000.000 VERSATO L. 4.500.000.000
SEDE LEGALE BOLZANO

Bolzano, 27 giugno 1985

MINERAL HOLDING AUSTRALIA
PTY. LIMITED.

Ns. rif.

2nd Floor,
100 Collins Street,
MELBOURNE, AUSTRALIA, 3000

OGGETTO:

Att. Mr NEIL M. THOMAS, CHAIRMAN

Dear Sirs,

referring to your letter of 3rd June 1985 we confirm our interest to examine the possibility of using your ores in the magnesium production, following the silicothermic "Bolzano Process".

We ask you to send us two samples of about 100 kg: one of dolomite and one of magnesite. They will be submitted to the control of the chemical composition and to metallurgical tests to verify the suitability of these ores to our process.

The presence of CaO in the magnesite is not important.

We undertake to inform you about the metallurgical results.

Yours faithfully

Soc. Italiana
per il Magnesio e Leghe di Magnesio SpA
BOLZANO

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985010

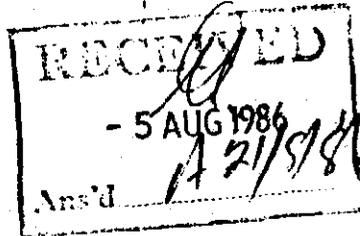
MONTANGESELLSCHAFT MBH



Montangesellschaft mbH · Postfach 10 1365 · 5000 Köln 1

TOMINEX Pty Ltd
 Att. Mr. Neil Thomas
 2nd Floor
 100 Collins Street
 Melbourne, Vic., 3000

Australia



☎ 02 21 / 1 60 18-0
 ⚙ ZINCULOMB KÖLN
 ☎ 8 882 544

Konten:

Deutsche Bank AG, Köln (BLZ 370 700 60)
 Kto.-Nr. 1 203 553 SWIFT-Adr. DEUT DE DK

Dresdner Bank AG, Köln (BLZ 370 800 40)
 Kto.-Nr. 9 783 180 00 SWIFT-Adr. DRES DE FF 370

Ihr Zeichen
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Kattenbug 18 - 24

30.7.1986

Dear Mr. Thomas,

on behalf of Mr. Harbodt we thank you for your letter of July 14 with the first test results. Please keep us informed also of the results running with other companies.

On this occasion we once more ask you to always clearly indicate whether magnesite board or resin bound boards are meant. We must in any case avoid to mix these two quite different types of board.

On occasion of your meeting in L.A. you mentioned to Mr. Harbodt a prospective consumption of 70.000 - 80.000 tpy, but we can not actually realize this figure. Would you please be so kind to let us know to what it refers? To Magnesium Chloride or to the board production, in which latter case it would be of interest to learn how much of it would be magnesite board and how much resin bound board?

Thanking you in advance for your cooperation and reply we are

with best regards
 MONTANGESELLSCHAFT MBH

i.V. Faubel

i.V. Andreesen

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MARTIN MARIETTA

18th August, 1986

Mr. Paul Scheerer,
 Martin Marietta Corp.,
 Magnesia Specialties,
 Executive Plaza 2,
 Hunt Valley, MD 21030,
UNITED STATES OF AMERICA.

Mr.
 Dear Mr. Scheerer,

Further to my letter of 3rd July, 1986 referring to our magnesite, dolomite and quartzite deposits in Tasmania, we are concerned that at this date, we have not received a reply.

You may recall that you undertook to examine under your microscope the crystal structure of the small samples of magnesite, dolomite and quartzite that I sent you whilst I was in the U.S.A., and particularly, the examination of the magnesite structure.

I was most interested to learn that in general the Chinese magnesites and the Canadian Calgary magnesites were considered weak structured and unsuitable after dead-burning. I would be grateful if you could give an opinion on a confidential basis as such information would be of major interest to our company. Of course, you would be committed in no way and there would be no obligation.

I am hopeful that you have received my telexes as I have not had a reply and I re-state them for your information:-

1. Telex No. 1638 of 14th July, 1986:

Further to my letter of 3rd July, our telephone conversation in U.S.A. and your interest in our magnesite. Would you please advise by telex the outcome of your microscopic analysis of our magnesite samples and your interest in an inspection of the deposits in Tasmania. Looking forward to working with you.

2. Telex No. 1690 of 11th August, 1986:

Tests of Magnesite

ROTLX 1638 of 14 July 86. Awaiting your reply.

May I assure you that our Joint Venture progresses in Tasmania and we expect to be able to produce bulk samples from 3 open cuts to be developed and therefore should your initial response be of interest, we could arrange to send you further larger samples for laboratory or small plant trials.

Looking forward to hearing further from you.

Yours faithfully,
 MINERAL HOLDINGS AUSTRALIA PTY. LTD.

NEIL M. THOMAS - CHAIRMAN

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MARTIN MARIETTA BASIC PRODUCTS

MAGNESIA SPECIALTIES DIVISION
EXECUTIVE PLAZA II
HUNT VALLEY, MARYLAND 21030
TELEPHONE (301) 667-0200
TWX: 710-862-2630

DAVID L. MALLORY
DIRECTOR
ADVERTISING AND PUBLIC RELATIONS

June 4, 1986

A. 5/12/86

Mr. Neil M. Thomas
Chairman
Mineral Holdings Australia Pty. Limited
2nd Floor
100 Collins Street
Melbourne, Australia, 3000

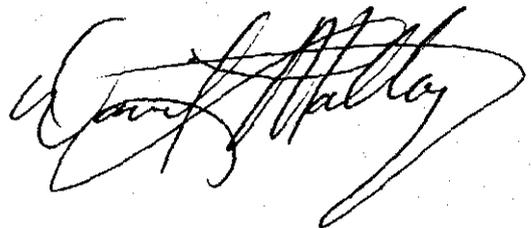
Dear Mr. Thomas:

In response to your letter to Mr. Rook of 9th May, 1986, please forward us typical samples from various locations of your magnesite reserves near Burnie in Tasmania.

We are interested in obtaining the samples for our laboratory testing. Please forward samples to the following individual at our laboratory address:

Mr. James Stendera
Product Development Manager
Martin Marietta Laboratories
1450 S. Rolling Road
Baltimore, Maryland 21227
U.S.A.

Sincerely,



DLM/cr