

Appendix D:  
Proposed Geological Investigations over EL 30/2002  
Hellman & Shoefield Pty Ltd, 2006

**19<sup>th</sup> June 2006**

**ZZ Exploration Pty Ltd,  
PO Box 1603  
Hobart  
Tas 7000**

Dear Paul,

**Re: ZZ Exploration Licences, Zeehan**

Hellman & Schofield are pleased to submit the following proposal to provide consulting services for a literature and resource potential study for the Zeehan Zinc Ltd licences around Zeehan in Western Tasmania. These licences include EL20/2002, EL30/2002, and EL18/2003

The aim of the work is to :-

1. Review past competitor activity on the licences and provide a summary of work undertaken,
2. Amass any geological, geochemical or geophysical data into digital datasets for use in Mapinfo
3. Provide geological models for exploration,
4. Identify a series of targets for 'on-ground' exploration

**Hellman & Schofield to undertake :-**

1. Using the Zeehan Zinc and MRT Tiger databases to gather relevant open file reports in PDF format, creating a digital library.
2. To review the open file reports and make an assessment of the exploration methods and concepts used and evaluate the outcomes.
3. Assembling any geochemical or drill hole data into a useable digital format eg Mapinfo tables, Access database, Excel spreadsheets.
4. Gather and digitize any relevant geological information into Mapinfo tables.

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**SYDNEY**

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5. Providing a report that summarises previous exploration activity in a suitable format for use in an Annual Report to the Tasmanian Government. The technical report will document the work carried out and the parameters used in any interpretation. Hard copy maps will be supplied as required, it is suggested that a Summary Work Done map (A0 size) and a Target map (A0 size) are supplied by Hellman & Schofield.
  6. Identifying and describing pertinent geological models for the licence areas.
  7. If required, using Surpac software to interpret geology and drill hole assay results in order to generate wireframes for any resources. Wireframes to include resource shape and any significant fault shapes; any other important geological feature may be included eg weathering profile, lithological units. (This may necessitate additional time being spent and depends on the amount of drilling etc)
  8. Design exploration programmes – this may require a site visit to assess.

It is envisaged that this work will provide considerable focus for exploration, suggest innovative geological concepts from the latest research and can be used as part of the annual expenditure requirement for the licences.

Initial focus will be on outcrops of the Gordon Limestone which may host small scale lead/zinc bodies similar to the Mariposa resource. Areas for scrutiny include Austral Valley, Sunny Corner, Westerway, Pyramid, Blackjacks and Bannockburn. A second order focus will be for fine grained clastic hosted stratabound lead/zinc deposits in the Proterozoic Oonah Formation and the Devonian Bell Shale. Additional targets will be for nickel mineralisation both of the Avebury-type and the Melba Flats style. An assessment will also review potential for iron/magnetite resources proximal to the Heemskirk Granite.

Any requirement for a resource estimation and/or JORC Resource Reports can be discussed at a later date.

Mr. Simon Tear will be available for four weeks commencing on the 23rd July to conduct this study. Costs are estimated as follows :-

1. Site Visit

Site visit expenses are chargeable at cost. Travel time is chargeable at half the normal daily rate. Hellman & Schofield will provide air tickets if needed. It is assumed that Zeehan Zinc will provide travel to and from their Hobart Office and to and from any field offices.

2. On site costs

Any standard on site costs including accommodation will be paid by Hellman & Schofield and charged back to the project.

3. Consulting Charges

Hellman & Schofield will provide professional staff as outlined in our attached General Terms and Conditions which form part of this proposal. Simon Tear is charged out at A\$1,200 per 8 hour day (Consultant rate).

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#### 4. Cost Summary

Item	Rate (\$A)	Amount (\$A)
Travel (1 day)	600	600.00
Consulting ST (19 days)	1200	24,000.00
Report Preparation (1 day)	640	640.00
Computer software		500.00
<b>Total Fees and Charges</b>		<b>25,740.00</b>
Airfares		750.00
Accommodation		250.00
Expenses		At cost
<b>TOTAL BUDGET</b>		<b>\$26,740.00</b>

This is not a fixed price contract but is provided to give you an estimate of the project cost. The project will only be charged for the actual time required and expenses incurred to perform the tasks.

Hellman & Schofield would be glad to discuss any issues with you and look forward to working with you on this study.

Yours sincerely,

Simon Tear  
Consulting Geologist  
Hellman & Schofield

## General Terms and Conditions

### 1. Professional and Technical Staff

All the time spent on assignments including consultations, planning, travelling, industrial unrest, weather delays, field testing, analysis, computations, assessment, drafting, typing, presentation of results, interpretation and reporting will be charged at the following standard rates (Australian \$):

CONSULTING RATES		
Item	Rate	
	/hr	/day
Principal Consultant	\$200.00	\$1,600
Consultant	\$150.00	\$1,200
Draughting/Digitising	\$85.00	\$680
Plus SURPAC usage	\$12.50	\$100
Data entry/Secretarial	\$60	\$480
Travel time	50% of consultant rate	
Mileage	\$0.60 /km or ATO rate	
Expenses (accommodation, meals etc)	at Cost	
Report preparation/production	at Cost	
Communications	at Cost	

### 2. Report Production Costs

For hard copy reporting, material costs are incurred with preparation, compiling, binding and dispatch of reports. To cover costs to supply up to three bound copies, a levy of 5% on professional fees will be applied. Where large report numbers are requested, materials consumption will be logged and charged at cost.

Plan printing and plotting costs will attract the following rates:

	Colour Saturation Level	Plain Paper					Draft Mode
		A4	A3	A2	A1	A0	
B&W or Line Colour	6%	\$3.00	\$4.50	\$7.00	\$12.00	\$18.00	Cost X 50%
Full Colour	15%	\$3.25	\$4.75	\$8.00	\$13.50	\$20.00	
Low Colour	30%	\$3.50	\$5.00	\$9.00	\$15.00	\$22.00	
Saturation	50%	\$4.00	\$5.50	\$10.00	\$16.50	\$24.00	
Full Colour	75%	\$5.00	\$7.50	\$15.00	\$23.00	\$32.00	
High Colour Saturation	100%	\$6.00	\$10.00	\$20.00	\$30.00	\$40.00	

### 3. Expenses

Expenses incurred by Hellman and Schofield in the course of or attributable to, a particular assignment will be charged out as follows:

#### 3.1 Motor Vehicle

- Private motor vehicle \$0.60/km
- Four wheel drive vehicles and running expenses at cost
- Hire car and running expenses at cost.

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### 3.2 Other Expenses

All other expenses incurred in completing the commission in accordance with the client's instructions will be charged at cost, or at standard commercial rates. Such expenses are likely to include but are not limited to:

- Services of other consultants, contractors, computer bureaus, printing and copying services and the like
- Hire of plant, equipment, instrumentation
- Travel and accommodation
- Purchase of expendable field equipment/instrumentation
- Purchase of maps, charts, aerial photographs, special stationery, printing, photography etc
- Special insurance as required.

## 4. Travel, Accommodation and Flights

Class of travel is to be in general accordance with the following guidelines. Any air travel sector over eight hours is to be business class. Any air travel sector less than eight hours is to be economy class. Hellman & Schofield commits to making all reasonable endeavors to ensure the cheapest possible airfare within these guidelines. Airfares must have full flexibility to change dates and times of travel without penalty.

Motel style accommodation will be provided unless satisfactory alternative arrangements are made and agreed upon.

The Client will supply transport between the accommodation area and the Consultants work location. Availability of a car, for sole use by the Consultant will be negotiated on a project by project basis. The type of vehicle supplied will depend on the nature of the assignment.