

LYNCH MINING PTY LTD

**EL7/2005 “LUINA”
Annual Report for the Period 30th June 2008 to
30th June 2009.**

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SUMMARY

Exploration Licence 7/2005, “Luina” covering an area of 18km² lies west southwest of Waratah in north western Tasmania. The area is held by Lynch Mining Pty Ltd.

This report describes activities conducted on the tenement area during the Annual Period 30th June 2008 to 30th June 2009.

Composited samples from each of the completed holes were metallurgically evaluated at the Burnie Research Laboratory. Individual assay samples for each metre of drilling were also collected, but no assaying has been undertaken on these samples to date.

Expenditure for the period totalled \$42,710.

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Digital File List (on CD at back of report)

EL072005_200806_A_01_Report.pdf
EL072005_200806_A_02_Map.pdf
EL072005_200806_A_03_Appendix.pdf
EL072005_200806_A_03_Appendix.xls
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1.0 INTRODUCTION

This report details all exploration work undertaken on Exploration Licence 7/2005, “Luina” during the Annual Period 30th June 2008 to 30th June 2009.

Exploration Licence 7/2005, “Luina” covering an area of 18 km², lies in western Tasmania and is situated to the west of Waratah (Figure 1). Access is via the sealed Waratah-Savage River road and then via a series of old sealed and unsealed mine access and forestry roads/tracks.

EL 7/2005 is situated in western Tasmania and lies within the Burnie (SK55-3) 1:250,000 map sheet.

The terrain is dominated by steep shrub and tree covered slopes, with a significant area of rehabilitated mine workings and former town site. Areas of former forestry clearing are also present. The Whyte River transects the tenement area.

Exploration work during the reporting period has comprised metallurgical test work on drill samples obtained during the previous period.

The principal exploration targets for the area are the Cleveland Mine Sn/Cu tailings dams and remaining potential unquantified underground resources in the Cleveland Mine.

2.0 TENURE

Exploration Licence 7/2005 (Luina) covering an area of 18 km² was granted to Lynch Mining Pty Ltd on 30th June 2005 for a period of 5 years (Figure 1).

3.0 PREVIOUS EXPLORATION

The Cleveland deposit was discovered in 1898. Initial production of the surficial ore commenced in 1908, and ceased in 1914 after production of 295.5 tons of cassiterite. Tributing continued until 1917, during which time a further 48 tons were produced. Aberfoyle commenced mining in 1968, and mining was ceased in early 1986, primarily due to the collapse of the tin price.

At the cessation of the more recent mining approximately 7 million tonnes of ore assaying 0.82% Sn and 0.35% Cu had been processed.

Various reports show that a significant resource remains in the deposit, with Measured and Indicated resources of 5.2 million tonnes @ 0.70% Sn and 0.31% Cu and Inferred resources of 1.3 million tonnes @ 0.72% Sn and 0.22% Cu at a 0.35% Sn cut-off. In addition, a large resource known as the Foley Zone located at the lower levels of the mine

had been drilled and is reported to contain 3.8 million tonnes @ 0.28% WO₃ at a 0.2% cut-off. Data for these estimates has not yet been either sourced or verified.

4.0 REGIONAL AND LOCAL GEOLOGY

The Cleveland ore bodies occur in a steeply dipping northeast trending succession of arenaceous, argillaceous, and chemical sediments and mafic volcanic rocks and ultramafic/mafic complexes. The sequence is unfossiliferous but has been correlated by rock type with the Cambrian Crimson Creek Formation of the Zeehan-Rosebery area. The Meredith Granite, a high level, late tectonic Late Devonian to Early Carboniferous granitic pluton believed to be genetically associated with the mineralisation, intrudes the sequence east and south of the mine. The Cleveland ore bodies are located in a dominantly fine grained sedimentary sequence that is thought to lie in an embayment on the margin of a basaltic eruptive centre.

The tin-copper ore bodies occur as a series of sub parallel, near vertical sulphide lenses within the Halls Formation. The mineralisation is composed largely of fine to medium grained quartz, tourmaline, fluorite, chlorite, and pyrrhotite plus chalcopyrite, cassiterite and stannite. Eleven lenses are recognised and are divided into two groups; the footwall and the hanging-wall lodes separated by a micaceous greywacke unit and an overlying basic volcanic unit. The footwall lodes are composed of three relatively thick lenses (Henrys, Lucks and Khaki) which have a strike length of less than 200 metres. The hanging-wall lodes (or Halls lenses) comprise five lenses and have a greater strike length and stratigraphic continuity than the footwall lodes, attaining a maximum thickness of about 30 metres and a maximum strike length of about 600 metres. The sulphide lenses are offset by a series of sub parallel, southeast dipping reverse faults.

5.0 EXPLORATION ACTIVITIES

Exploration during the period has principally involved metallurgical test work on samples from drilling completed during the previous period.

5.1 METALLURGICAL TESTWORK

Composited samples from each of the 32 completed holes were prepared and have been metallurgically evaluated at the AMMTEC Burnie Research Laboratory. Individual assay samples for each metre of drilling were also collected, but no assaying has been undertaken on these samples to date.

Composited drill samples from each of the completed drill holes were assayed by the AMMTEC laboratory in Burnie. Data is included as Appendix 1.

More detailed work has been completed on composited samples from Tailings Dam No. 1, and all relevant information is included as Appendix 2.

6.0 EXPENDITURE

Expenditure over the licence area totalled \$42,710 during the reporting period to 22nd May 2009, and is broken down by expense in the table below: –

Staff Salaries & wages	\$15,000
Contract and Consulting Geologists, Field Assistants	\$4,450
Safety, Health and Environment	\$0
Ground geophysical surveys, Consultants and Interpretation	\$0
Drilling	\$0
Drilling Consumables	\$0
Assaying	\$12,850
Petrology	\$0
Communications	\$189
Equipment Hire	\$0
Printing and Digital Data	\$691
Tenure Maintenance	\$0
Field Expenses	\$0
Freight and Storage	\$0
Travel & accommodation	\$3,959
Vehicle hire/fuel/maintenance	\$0
Administration overheads @ 15% of above	\$5,571
TOTAL	\$42,710

7.0 CONCLUSIONS AND RECOMMENDATIONS

EL 7/2005 covers the old Cleveland Sn/Cu Mine area in western Tasmania, which has been subject to a long period of exploration and mining.

Drilling of the tailings dams has provided samples for metallurgical testing which is ongoing.

Evaluation of drill samples will be continued.

Historical data which has been used for underground resource estimation will be sourced if possible and recompiled to a modern dataset for further evaluation.