



Milling and Processing Pty Ltd

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Memorandum

Date: 9th May 2008
To: John Lynch.
At: Lynch Mining Pty. Ltd.
From: N. Moony.
Copies: Adrian Brewer
Subject: Summary of metallurgical test work on Cleveland Tailings

Drill core drill samples were be collected and shipped to Burnie Research laboratories in late March 2008.

Stage One A (Burnie)

Number 1 Tailings Dam.

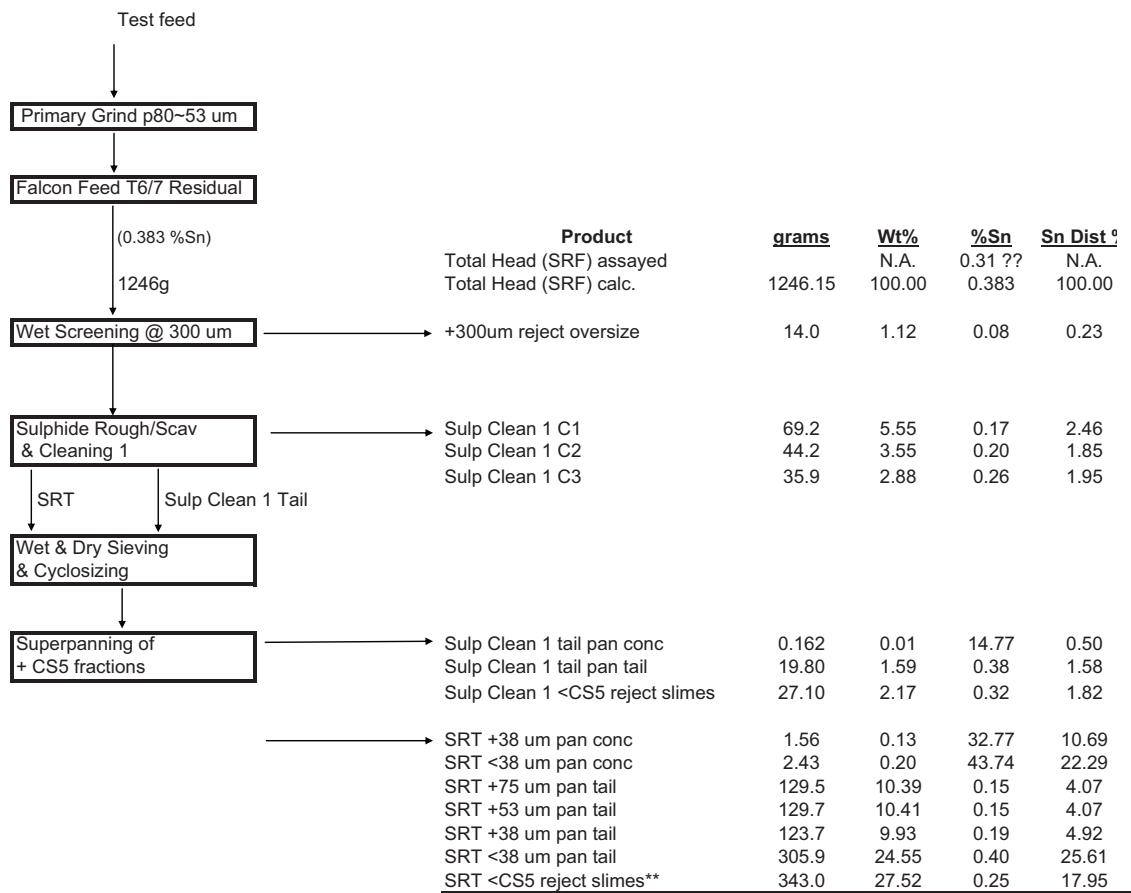
A Blend TDI was made up on a weighted basis from each hole drilled in No.1 dam, and the following work carried out.

- Superpanning composite of all holes on a sample reground to 80% passing 53µm on sample that assayed 0.38% Sn sulphides removed, tin losses to sulphides were low and only 6.3% of the tin was rejected at 0.20% Sn, some 10% of the tailings occur as sulphides.
- Superpanning results were good and 33% of the tin was recovered at 40% Sn.
- The +6µm -53µm superpanning tail assayed 0.40% Sn and some 27% of the cassiterite was distributed in this fraction. All this cassiterite should be readily recoverable by tin flotation.
- Losses to the <6µm slimes was 18% at 0.25% Sn.

- Cassiterite flotation results on the super pan tails were unexpectedly poor very likely due to Fe^{+++} interference and only 40% recovery was achieved to about 5% Sn, it is now proposed to further wash the tin flotation feed and also remove the carbonates using magnetic separation.
- Test results on the -53 μm tailings with the UF Falcon were also poor, it was expected that the settings BRL used for Renison would also yield good results on Cleveland tailings, results did not confirm this hypothesis and more work is required to improve results.
- More cassiterite flotation tests will be carried out in July on No.1 tailings dam composite.

Cleveland Tin Tailing Feed Preparation and Superpanning Flow-Chart & Mass Balance (Sn)

Dam 1 Composite 2 (October, 2008)

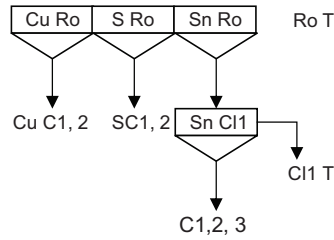


** Calculated assay of this fraction from SRT assay head (0.43%Sn) was used; the assay of collected sample was too high - 0.42%Sn

Burnie RESEARCH LABORATORY

ROUGHER FLOTATION REPORT SHEET

Grinding		Primary	Regrind
Mill	0	Short	
Media	0	MS Balls	
Media	0	6Kg	
Solids	0	1Kg	
Water	0	500ml	
Time	0	8	
Speed	0	50	
Lime	0		
End pH	0		
End p80	0	53	



PROJECT	T0383
TEST NO	1
DATE	5/06/2009
TECHNICIAN	ANB

PRODUCT FLOATED
Brewer Geological Services

NOTES

Float Cell	Volume
Rougher	2.7 Litre
Cleaner 1/2	2.7 Litre
Cleaner 3	0 Litre
Speed	800 rpm

	pH	100 Limil g/t	100 X23 g/t	0.5 PAX g/t	100 IF50 g/t	100 SSF g/t	1 SPA g/t	100 H2S04 g/t	Cond Time min	Air L/min	Float Time min	Cum Float Time	Wet Wt g	Con % Solids
Centrifuge														
Condition	5.3		45						2					
Cu Ro Conc 1					34					3-3.5	2	1.5	100	
Condition			23						2					
Cu Ro Conc 2										3.5-4	2	3	80	
Condition	5.3			170					5					
Sulphide Ro C1										4-6	4	3.5	200	
Sulphide Ro C2				136						4-7	3	6.75	150	
Condition	5.5					454			10					
Condition	5.0						284		15					
Condition	5.0													
Tin Ro C1					34					3-8	5	5	500	
Condition	5.1						284		10					
Tin Ro C2	4.9									5-11	7	6.5	500	
Condition	5.0						284		10					
Tin Ro C3	4.8				45					5-9	10	10	1000	
Tin Cl 1 C1	5.0									3-7	5	4.5	400	
Tin Cl 1 C2										3-7	4	8.5	250	
Tin Cl 1 C3										6-9	4	12.5	250	
REAGENT TOTALS (g/t)			68	306	113	454	851							

PRODUCTS	WT g	WT %	Sn Fusion	DIST	Cu ppm	DIST	Ag ppm	DIST	S %	DIST
Test 1 Cu Ro C1	35.0	3.97	0.37	3.62	11100	33.5	19.0	14.3	31.0	22.0
C2	24.7	2.80	0.29	2.00	6176	13.2	14.0	7.43	31.1	15.6
S Ro C1	50.2	5.69	0.31	4.35	3547	15.4	12.0	12.9	26.1	26.5
C2	22.4	2.54	0.42	2.63	2795	5.41	10.0	4.81	16.0	7.28
Sn Cl1 C1	12.8	1.45	1.76	6.30	1681	1.86	9.00	2.48	7.74	2.01
C2	7.10	0.81	1.34	2.66	1919	1.18	9.00	1.37	8.92	1.28
C3	6.80	0.77	0.91	1.73	1826	1.07	9.00	1.31	9.37	1.29
Cl1 T	102.2	11.6	0.62	17.7	1252	11.0	7.00	15.4	4.20	8.70
Ro T	620.4	70.4	0.34	59.0	324	17.4	3.00	40.0	1.22	15.3
CALC	881.6	100.0	0.41	100.0	1314	100.0	5.28	100.0	5.60	100.0
ASSAY HEAD										

CUM PRODS

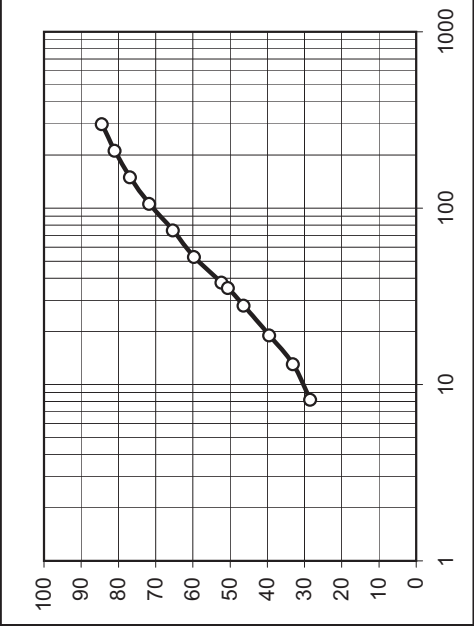
CUM PRODS	CUM Wt	WT %	Sn Fusion	CUM	Cu ppm	CUM	Ag ppm	CUM	S %	CUM	S TOT
Test 1 Cu Ro C1	35.0	3.97	0.37	3.62	11100	33.5	19.0	14.3	31.0	22.0	22.0
C2	59.7	6.77	0.34	5.62	9063	46.7	16.9	21.7	31.1	37.6	37.6
S Ro C1	50.2	5.69	0.31	4.35	3547	15.4	12.0	12.9	26.1	26.5	64.1
C2	72.6	8.24	0.34	6.98	3315	20.8	11.4	17.8	23.0	33.8	71.4
Sn Cl1 C1	12.8	1.45	1.76	6.30	1681	1.86	9.00	2.48	7.74	2.01	73.4
C2	19.9	2.26	1.61	8.96	1766	3.03	9.00	3.85	8.16	3.29	74.7
C3	26.7	3.03	1.43	10.7	1781	4.11	9.00	5.16	8.47	4.58	76.0
Cl1 T	128.9	14.6	0.79	28.4	1362	15.2	7.41	20.5	5.08	13.3	84.7
FEED	145.1	100.0	0.41	100.0	1314	100.0	5.28	100.0	5.60	100.0	

Bumie RESEARCH LABORATORY
SIZING AND SIZE ANALYSIS REPORT SHEET

PROJECT	T0227
SAMPLE	TBDC 1
TEST NO	
DATE	23/10/2006
TECHNICIAN	MJR

SIZING

	TBDC 1	SIZE um	WEIGHTS		
			gm	(%)	%PASS
	P80 198	300	30.49	15.57	84.4
		212	6.81	3.48	81.0
		150	8.04	4.10	76.9
		106	10.09	5.15	71.7
		75	12.39	6.33	65.4
		53	11.20	5.72	59.7
		38	14.51	7.41	52.3
CYCLOSIZER		CS1	3.39	1.73	50.5
FLOW 200		CS2	8.25	4.21	46.3
TEMP 21		CS3	13.33	6.81	39.5
SG 2.70		CS4	12.59	6.43	33.1
MINS 15		CS5	9.07	4.63	28.4
CENTRIFUGE		CS6	4	0.00	28.4
		SUB	55.72	28.45	0.0
		TOTAL	195.88	100.00	



ANALYSES

SIZE um	WT %	Sn		Cu		Ag		S	
		%	dist	ppm	dist	ppm	dist	%	dist
106	28.30	0.30	21.2	1037	22.3	4.0	22.6	5.06	25.2
53	12.04	0.46	13.8	1748	16.0	6.0	14.5	11.00	23.3
35	9.14	0.54	12.3	1438	10.0	5.0	9.1	6.33	10.2
19	11.02	0.62	17.1	1573	13.2	5.0	11.0	4.28	8.3
8	11.06	0.36	10.0	1287	10.8	4.0	8.8	5.40	10.5
CALC87	28.45	0.36	25.6	1273	27.6	6.0	33.9	4.49	22.5
ASSAY	100.00	0.40	100.0	1313	100.0	5.0	100.0	5.68	100.0