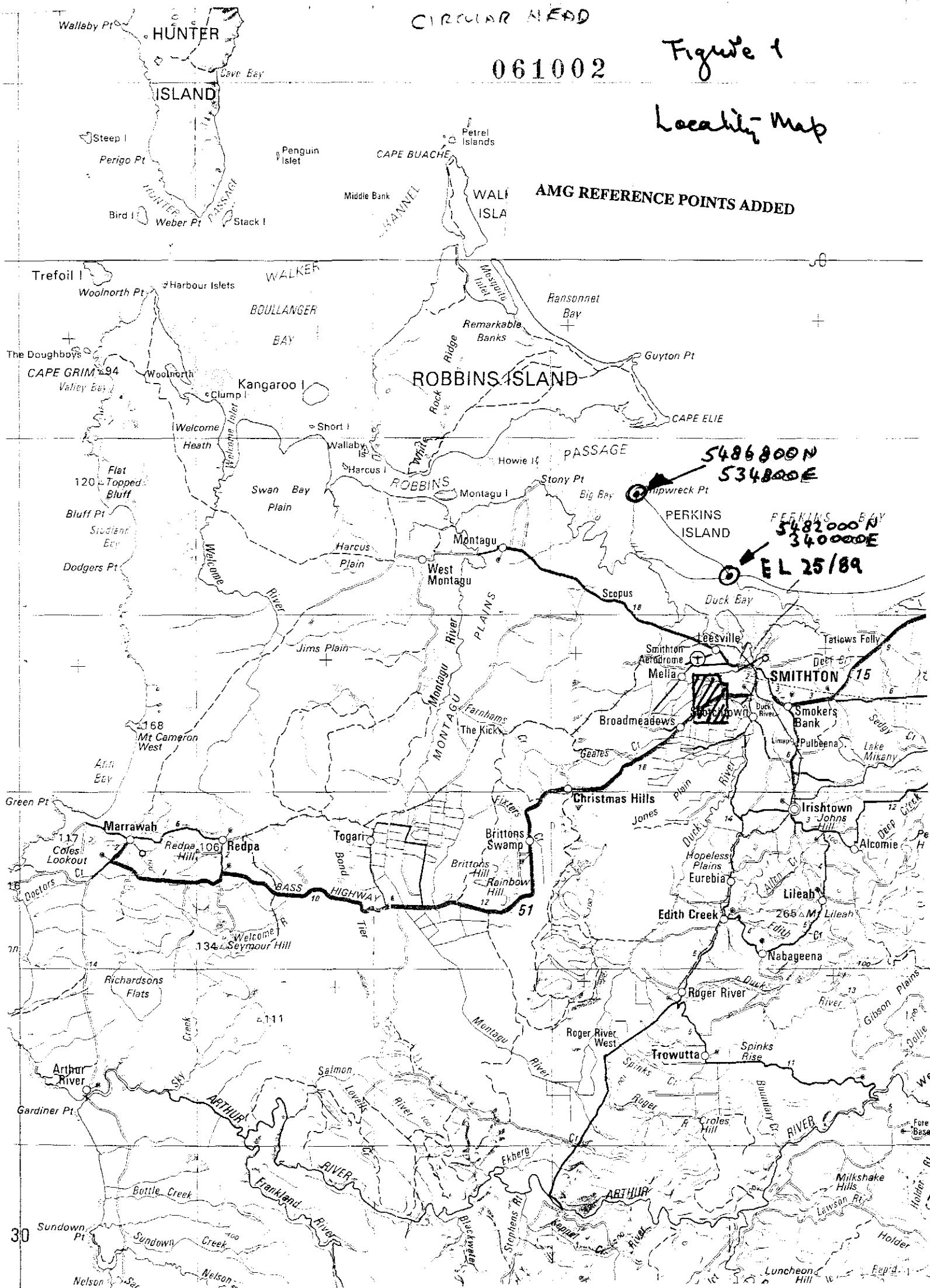


CIRCULAR HEAD

061002

Figure 1
Locality Map

AMG REFERENCE POINTS ADDED



C O N T E N T S

Introduction

Exploration to Date

Dolomite Quality

Proposal for future development

Table 1 Comparative Table of Dolomite Quality

Table 2 Dolomite Quality - B.H.P. Drilling near
Watsons Bend

Locality Map

Licence area map showing Ballast Pit and Lease Areas

Aerial Photograph of Environs

Introduction

The licence lies 3 km S.W. of Wynyard on the Bass Highway and Duck River passes through the northeast corner.

The area south of the highway consists of numerous small pastoral holdings and the central area is held under lease by the Circular Head Dolomite and Trading Co. This leaves:

- 1) the western portion (1.2km²) which is prospective for dolomite but has a superficial layer of marsh deposit rendering it difficult and costly to examine, and
- 2) an easterly portion (=18 ha) which has already been prospected as described below.

Exploration to date

Sampling of outcrop and hammer drill chips has been carried out along the Bass Highway Reserve and in private property UPI 5316 and the Ballast Reserve UPI 5315. The results were reported in the Annual Reports for 1990 and 1991. Prior to this the B.H.P. Company explored 1 km to the north of the licence in an area now partly occupied by the Circular Head Quarry (ML13M/50). Details of this exploration were given by Mineral Holdings in the Annual Report for EL 43/84 (TCR 87 - 2708) and summarised in the following section.

Dolomite Quality

Mineral Holdings Australia has three licence areas further west - in the Woolnorth Quadrangle - where the Smithton Dolomite also occurs. These are: EL31/90 Redpa (2km²), 32/90 Montagu (67km²) and 33/90 Brittons Swamp (32 km²).

Tables 1 and 2 summarise the chemical data so far available

from these licences and also from the 1940 drilling by B.H.P.Co in the vicinity of Watsons Bend to the north of EL 25/89. The highest grade dolomite identified in this programme lies to the west of the Circular Head Company's quarry and is due north of the M.H.A. drilled area in E.L.25/89 (Figure 2 and Table 2).

The indications from Table 1 are that the dolomite at Smithton is closest to the theoretical chemical composition of dolomite in respect of CaO/MgO ratio and in addition has fewer contaminants.

Exploration 1991-2

Activity during the current term has been confined to comparative studies of quality of the Smithton Dolomite in the M.H.A. licence areas and to market research and promotion. The Company has been involved in negotiations with Nippon Steel of Japan, Baker Dolomite of U.S.A. and B.H.P.Co of Australia in the testing of dolomite for the steel industry. More recently, M.H.A. has been arranging a joint venture with an overseas company to exploit its dolomite resources for the manufacture of magnesium metal employing a new method for which it holds the Australian patent.

Exploration 1992-3

The bulk sampling proposal which was programmed for the current year could not be undertaken as the size of sample exceeds the limit which can be removed from an exploration licence and the intended sample site is not available. This site is a Ballast Reserve and procedures are in place for the area to be brought under the Mining Act. When this is completed, approvals will be sought for the extraction of a 5000t bulk sample.

The portion west of ML 102M/71 which has not as yet been investigated will be examined if the proposed bulk sample tests are successful.

TABLE 1

Comparative Table of Smithton Dolomite Quality

	CaO/MgO Ratio	LoI	SiO ₂	Al ₂ O ₃	Fe ₂ O ₃
Smithton BHP BHs (details on Table 2)	1.49	46.5	0.36	0.83	
EL25/89 av. of 8 surface samples	1.34	47.2	<0.01	0.02	0.16
av. of 8 borehole ~	1.39	46.5	0.30	0.01	0.16
Redpa EL 31/90 *av. of 2 surface samples	1.67	46.9	0.67	0.15	0.04
Hammer drill hole No.1 av. of 2 samples	1.59	44.3	0.91	0.06	0.06
No.26 ~ 3 ~	1.69	47.0	0.20	0.10	0.08
DD7 ~ 3 ~	1.69	46.5	0.74	0.04	0.16
Montagu EL32/90 av. of 4 surface ~	1.52	46.8	0.23	0.08	0.45
Brittons Swamp EL32/90 av. of 10 surface samples	1.60	46.6	0.12	0.05	0.20
Chemical composition of pure dolomite	1.40	47.9	-	-	-

x ? 24/89

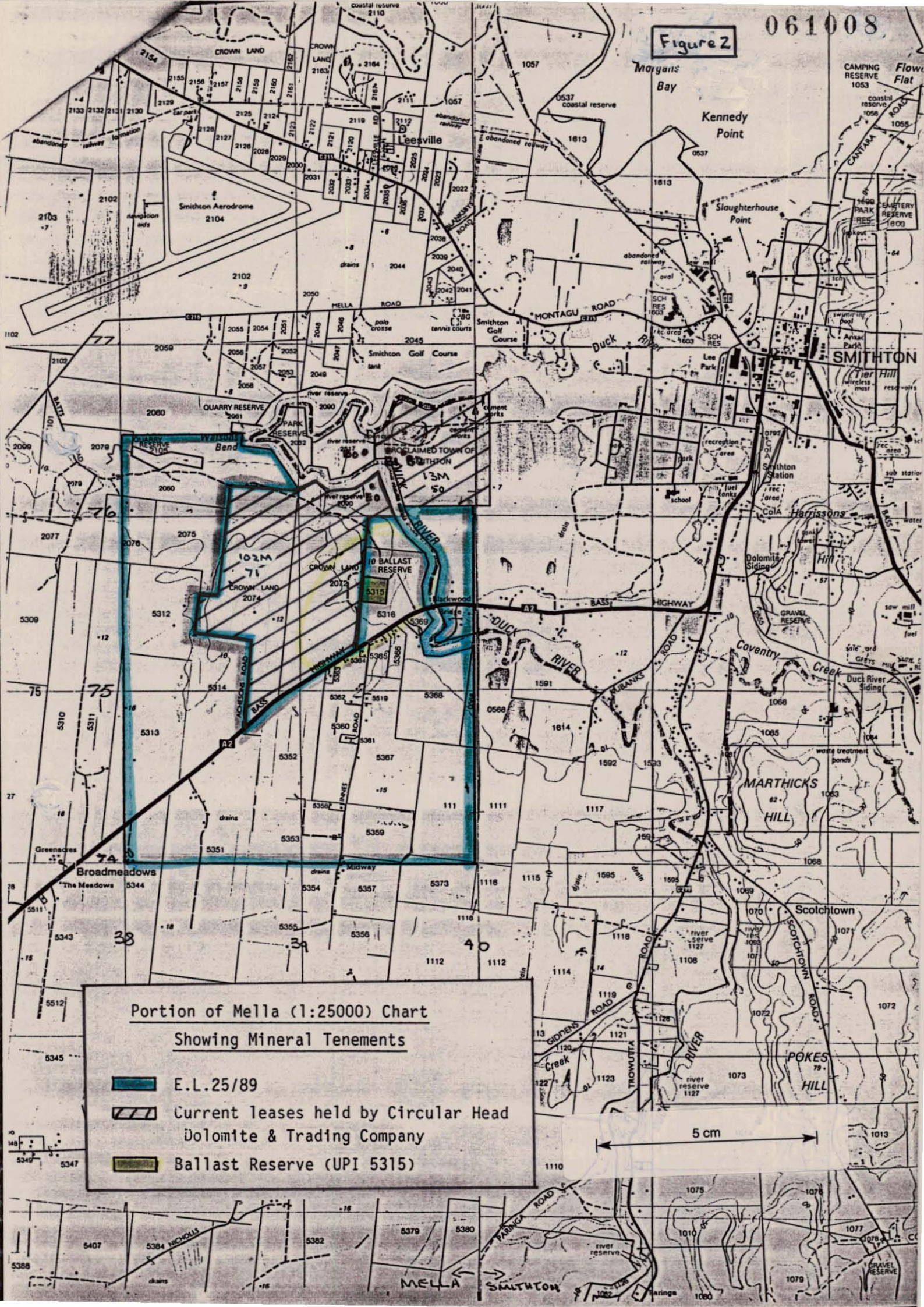
*Only 2 of 7 samples analysed were of dolomite composition, the remainder ranged through magnesian limestone to nearly pure limestone.

TABLE 2

Dolomite QualityBHP Drilling at Watsons Bend(Vicinity of Circular Head Dolomite Quarry)

BH No.	Depth (m)	CaO/MgO	SiO ₂ %	Fe ₂ O ₃ & Al ₂ O ₃ %	LoI %
(Weighted Means) B.O.	17	1.45	0.17	0.46	46.7
B 1a	14	1.51	0.16	1.08	46.8
B 2	14	1.5	0.77	0.92	46.0
B 3	18	1.59	6.83	3.04	42.23
B 4	15	1.46	3.47	1.81	44.23
B 6	13	1.54	5.10	3.81	42.74
C 2½	13	1.41	10.65	3.98	39.61
E 0	12	1.50	0.34	0.87	-
Mean values	14.5	1.50	3.4	2.0	44.0
Mean values B.O., B1a B2 and E0		1.49	0.36	0.83	46.5

Figure 2



Portion of Mella (1:25000) Chart
 Showing Mineral Tenements

- E.L.25/89
- Current leases held by Circular Head Dolomite & Trading Company
- Ballast Reserve (UPI 5315)

5 cm

061009

1064-229

M263

NORTH WEST

RUN 10

1:15 000

15 100'

11.3.86

©TASLANDS

