Exploration and Mining in Tasmania: Diversity of Endowment and Opportunity

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Tasmanian minerals industry

• Characterised by variety of mineral endowment
• 2007-08 value of mining production $A 1,022 million
• 2007-08 value of mineral processing $A 1,801 million
• Mining and mineral exploration provide 53% of Tasmania’s mercantile exports
• Mineral exploration was buoyant until the end of September 2008, but is now in severe decline
• Despite this, the Tasmanian mining industry is robust
• The global recession is providing opportunities for investment in mining and exploration projects
• There are also new projects in the pipeline that provide future off-take opportunities
• These cover a range of commodities, including zinc, iron, lead, copper, tungsten and tin
Que River and Hellyer Mines: Bass Metals Ltd

Que River Mine & Resource

Fossey Resource

Hellyer Plant Site (being purchased by Bass Metals)

Hellyer Mine Portal

Hellyer Resource (plunging north)

Courtesy Bass Metals Ltd
Hellyer Mine: Bass Metals Ltd

- Hellyer operated from 1987 to 2000
- Remnant 748,000 tonnes at 7.0% Zn, 4.1% Pb, 0.3% Cu, 87 g/t Ag and 1.3 g/t Au
- Fossey Zone resource 830,000 tonnes at 9.1% Zn, 4.6% Pb, 120 g/t Ag, 2.5 and g/t Au
- Mine planning and metallurgical study under way
- Start of production planned for early to mid 2010
- Concentrates would probably be produced at the Hellyer mill and would be available for purchase
Que River Mine: Bass Metals Ltd

- Resources of 705,000 tonnes of 5.4% Zn 2.8% Pb, 
  1.2% Cu, 83 g/t Ag and 0.9 g/t Au
- In the 13 months to December 2008, 81,000 tonnes at
  15% Zn, 8% Pb, 0.4% Cu, 214 g/t Ag and 4.3 g/t Au
  have been mined
- The high base metal grades, together with the outstanding
  gold and silver credits, ensure profitable operation even
  during the current recession.
- Currently the ore is trucked to OZ Minerals at Rosebery
  for production of concentrates and gold doré.
- When the copper rich sections of the mine are worked,
  concentrates may be produced at Hellyer and
  would be available on the open market.
Mount Lindsay iron-tungsten-tin deposit

Magnetite replacement deposit of 30 Mt at 33% Fe

Significant tungsten and tin resources in and adjacent to the magnetite: 5.7Mt at 0.3% WO3 and 23 Mt at 0.2% Sn

Scoping study and metallurgical test work under way
Drilling for metallurgical test samples completed: testing in 2010
Other W, Sn and U exploration projects in Tasmania
King Island Scheelite Ltd

- KIS has completed an agreement with the Hunan Nonferrous Metals Corporation and all approvals are in place.
- Hunan is guaranteed 50% of the off-take of 1,000 to 5,000 tonnes of WO₃ per annum.
- KIS will be free to sell the other 50% of scheelite on the open market.
- Geotechnical drilling and processing studies are under way, to be followed by detailed design and equipment procurement.
Schematic Section – Queen Hill

Inferred Resource 3.6 Mt at 1.2% Sn

Stellar Resources also has other tin deposits and an advanced copper exploration project at the Alpine prospect.
Devonian granite and related deposits: Heemskirk to Granite Tor
There are opportunities in Tasmania for project participation in advanced projects both at a production and an exploration stage.

There are also new emerging opportunities generated by Government geoscience programs.