

EXPLORATION PERMIT EPM 13500 PROJECT MT SYLVIA

RELINQUISHMENT REPORT

Reporting Period 02/01/2003 to 02/01/2004

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SUMMARY

The primary aim of the exploration effort on EPM 13500 was to locate further exploitable reserves of diatomaceous earth (diatomite) in the vicinity of the mine at Black Duck Creek (Mt Sylvia Mine) so as to guarantee the continued operation of the mine and processing plant. The secondary aim is to locate certain materials that can be used as soil conditioners, in particular to improve the amount of plant available silica and both the cation exchange capacity and calcium retention of garden and agricultural soils.

Geological mapping of the area relinquished failed to locate any materials that could be exploited for commercial purposes.

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PLATE 1 INTERPRETIVE GEOLOGICAL MAP OF THE RELINQUISHED PORTION OF
EPM 13500.

1. INTRODUCTION

Exploration Permit EPM 13500 was applied for on 21st February, 2002 on the conditional surrender of EPM 13274. EPM 13274 was subsequently surrendered in favour of EPM 13500 and the reporting period remained the same ie. the year ending 2nd January. See Figure 1 for the location of the sub-blocks within the EPM that have now been relinquished. EPM 13500 falls on the Helidon 1:100,000 map sheet number 9342. The details of the sub-blocks that have been relinquished are: Brisbane block 3266 sub-blocks q,v,w,x; block 3267 sub-block q; block 3338 sub-blocks c,d,e.

The primary exploration objective was to locate further occurrences of diatomaceous earth that could be commercially exploited. Secondary targets included altered basalt or basaltic ash deposits that contain smectite clay-rich material with a high cation exchange capacity with potential use in soil conditioning. Neither of these materials were located in the area that has been relinquished.

2. GEOLOGICAL MAPPING

Photogeological interpretation of 1:25,000 colour aerial photographs with selected field traverses was used to produce the Interpretive Geological Map of the area at a scale of 1:25,000. Photogeological detail was annotated onto transparent overlays to the aerial photographs and then compiled onto a base map derived from the 1:25,000 topographic map of the area.

3. CONCLUSIONS

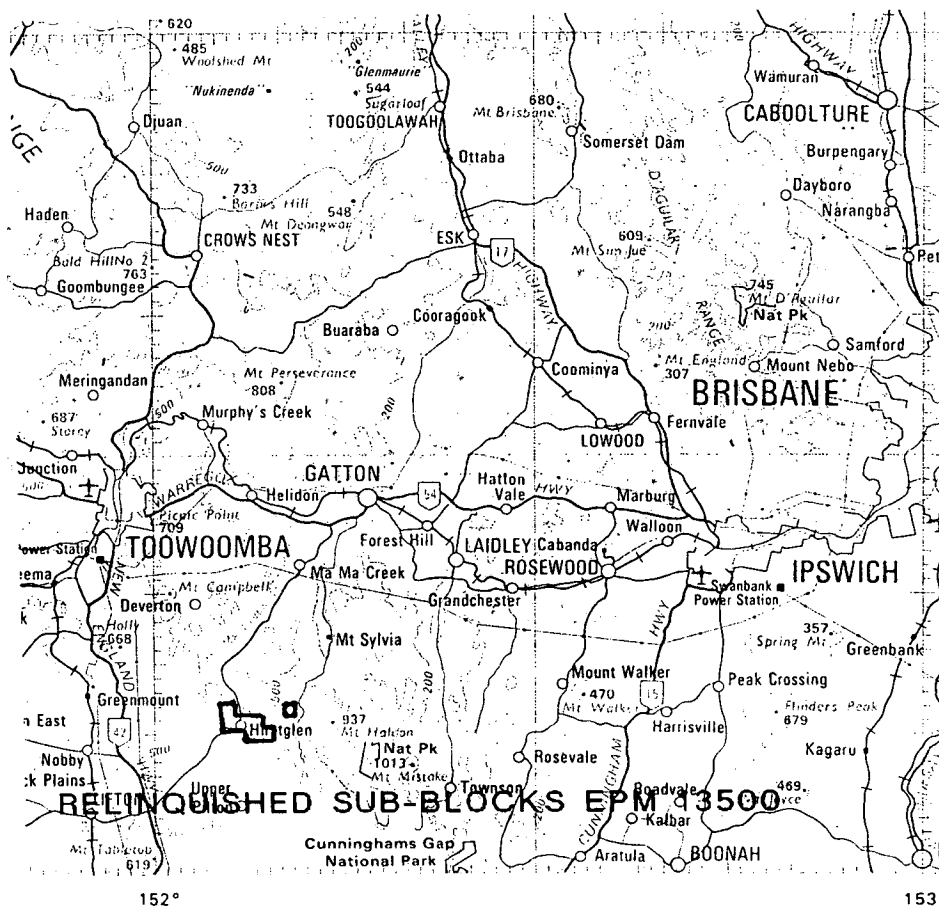
As stated above, no evidence of diatomite or suitably altered basaltic material was found in this area, consequently it has now been relinquished.

4. BIBLIOGRAPHY

1. Authority to Prospect 1839M Final Report June 1979.
2. M.J. Dudgeon. Stratigraphy and Palaeobotany of East and West Haldon, Main Range, Southeast Queensland. No details of publication given.
3. M.E. I'Ons, 2002. Exploration Permit EPM 13274 Project Hell Hole. Annual/Final Report.
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5. M.E. I'Ons, 2004. Exploration Permit EPM 13500 Project Mt Sylvia. Annual Report

5. KEY WORDS

Diatomite, soil conditioner, geological mapping.

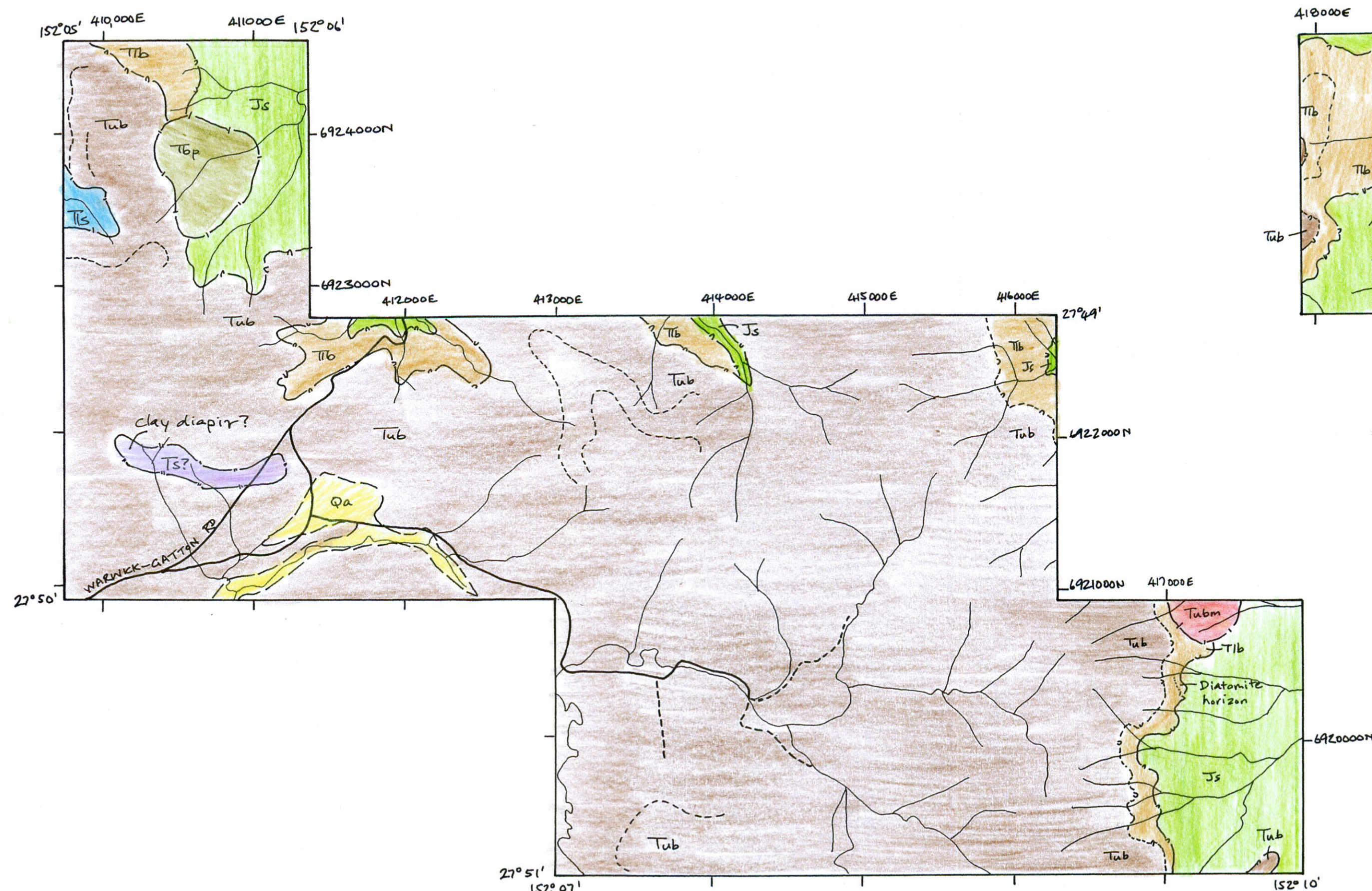


LOCATION DIAGRAM FOR EPM 13500 RELINQUISHED SUB-BLOCKS

Details of sub-blocks:

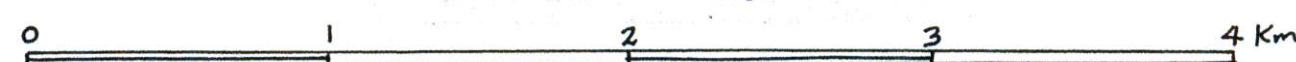
<u>BIM</u>	<u>Block</u>	<u>Sub-blocks</u>
BRIS	3266	Q, V, W, X,
BRIS	3267	Q
BRIS	3338	C, D, E

FIGURE 1



INTERPRETIVE GEOLOGICAL MAP OF EPM 13500 MT SYLVIA PROJECT SUB-BLOCKS RELINQUISHED 2/1/2004

SCALE 1:25,000



LEGEND

- | | | | | |
|----------------------------------|------|---|-------|---|
| | Qa | Alluvium | --- | trace of bedding-horizontal to sub-horizontal |
| Tertiary
Volcanic
Sequence | Tuba | Altered upper basalt sequence rocks | -/- | unconformity |
| | Tub | Upper basalt sequence | -.- | inferred unconformity |
| | Tubm | Maar complex - poorly sorted
sediments and intruding lavas | -x- | geological contact |
| | Tbp | Basalt plugs - vesicular lava | pep | peperite at lava/sediment contacts |
| | TIs | Bioturbated volcanic ash
lake sediments | | diatomite horizon |
| | Tlba | Altered lower basalt sequence rocks | | |
| | Tlb | Lower basalt sequence lavas | | |
| | Ts | Kaolin-rich sandy sediments | | |
| | Js | Jurassic Walloon Coal Measures | | |

GEOLOGICAL MAP OF RELINQUISHED
SUB-BLOCKS EPM 13500 MT SYLVIA

MT SYLVIA MINING PTY LTD

M.E.I'ONS JUNE 2004

AUSTRALIAN GEODETIC DATUM 1966