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Sunday Creek Magnetite Project

SOUTH OF RAVENSHOE
NORTH QUEENSLAND
AUSTRALIA

Pre-feasibility Information Brief

January 2012

**SUNDAY CREEK MAGNETITE PROJECT
PRE-FEASIBILITY INFORMATION BRIEF**

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INTRODUCTION

The Sunday Creek Magnetite Project contains 3 mining tenures and is situated approximately 40 km to the south west west of Ravenshoe a township within the Local Government boundary of the Tablelands Regional Council. Ravenshoe is located approximately 120 km by road south west of Cairns in a region known as the Atherton Tablelands in North Queensland.

The township of Tully is located approximately 60 km east of the Project in the coastal area. The North Coast Railway (Queensland State Government) and the Bruce Highway (State Highway – Federal Government funded) pass through Tully.

Montgomery John Omodei (Omodei) privately owns and controls the Minerals Development Licence (MDL) 298 Whispering Ridge, the Exploration Permit Minerals (EPM) 15896 Sunday Creek and the Exploration Permit Minerals (EPM) 18361 (the 'Licence/Permit area') combined as one project under a single Environmental Authority (EA) which is known as the Sunday Creek Magnetite Project (the Project).

Refer:-

Appendix 1 – Regional Area Sketch

Appendix 2 – Local Area Sketch

EXISTING

The Mine

EPM 15896 and EPM 18361 are located mainly on land known as Yourka property, extending into land known as Blunder Park property in the north and land known as Glen Ruth property in the south.

The Project area consists of 45 mining tenure sub-blocks and encompasses approximately 155 square kilometres of land. MDL 298 Whispering Ridge is located within the EPM 15896 permit area.

The Local Government authority for the Project area is the Tablelands Regional Council.

Refer Appendix 3 – Mining Tenure Sketch.

The Port

Mourilyan Harbour is approximately 160 km by road from the Licence/Permit area via the Kennedy and Palmerston highways.

The Port of Mourilyan is located approximately 100 km south of Cairns, near Innisfail, North Queensland and has access to the main east coast shipping channel.

Currently the port is mainly used to export sugar and molasses from the region utilising a 45,000 dwt berth.

The Far North Queensland Ports Corporation Limited (Ports North), a Queensland State Government owned corporation is responsible for managing all ports north from Mourilyan with the exception of Weipa including Cairns, Cape Flattery, Cooktown, Burketown, Karumba, Mourilyan, Quintell Beach, Skardon River and Thursday Island (www.portsnorth.com.au).

Ports North are keen to develop new business concepts for the port and have included in their future plans the need to expand the current 45,000 dwt berth to three (3) 45,000 dwt berths plus a future 2.9 kilometre jetty for a deep channel panamax berth.

Mourilyan Port is serviced by an existing harbour road and a new harbour access line has been identified to service any port expansion. The port is close to the Queensland North Coast Railway and Bruce Highway travelling along the Queensland coast between Brisbane and Cairns.

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Refer Appendix 4 – Mourilyan Harbour Sketch.

Utility Services

HV Power

The Queensland High Voltage Power Grid passes through Yourka (north/south) to the east of the Project area and is operated by Ergon Energy a Queensland State Government owned corporation.

A HV switchyard on the Queensland HV power grid is located within Wooroora property approximately 20km from the Project.

Refer Appendix 5 – Utility Services Sketch

Water

The catchment area of the Tully River spans approximately 260 square kilometres across one of Australia's wettest regions. Some of this rainfall finds its way to Koombooloomba Dam on the Atherton Tableland, which has a standard capacity of 180,000 megalitres and can manage an additional capacity of 25,000 megalitres using a rubber dam extension. This is an inflatable rubberised tube which is fitted along the crest of the spillway.

Stanwell Power Corporation Limited, a Queensland State Government owned corporation, operates 2 Hydro power stations at Koombooloomba Dam and at Kareeya on the Tully River. Using the combined generating capacities of the 7.3 MW Koombooloomba Hydro power station and the 86.4 MW Kareeya Hydro power station, Stanwell twice captures energy from water flowing down the Tully River as it makes its way from the Atherton Tableland to the ocean.

This power generation is connected to the Queensland HV power grid at the Kareeya switchyard.

Koombooloomba Dam is located approximately 25 kilometres east of the Project.

Refer Appendix 5 – Utility Services Sketch

Innisfail – Tully – Cardwell Region

The Innisfail-Tully region is renowned as the 'wettest' area in Australia with an annual rainfall of approximately 5 metres.

The region is well serviced with HV power, rail and road transport and populated areas.

The Local Government authority for this region east of the Great Dividing Range is the Cassowary Coast Regional Council.

Refer Appendix 6 – Innisfail-Tully- Cardwell Region Sketch.

Great Dividing Range

The Great Dividing Range runs along the east coast of Australia separating the coastal area with the inland regions. This range can peak at over 1,000 metres in elevation (near Millaa Millaa) whereas the Project elevations are within the 620-700 metre range.

There are 2 existing crossings of this range in close proximity to the Project;

Palmerston Highway – Millaa Millaa to Innisfail; and

Kirrama Range – Mt Garnett to Kennedy (10km north of Cardwell). The section of road that passes through State Forest reserves on Kirrama Range has been closed since Cyclone Yasi and is unlikely to be reopened in the near future due to lack of funding from the State Government;

The Great Dividing Range moves inland south of Mt Garnet and crossings of coastal ranges to the south of the Project exist at;

Mt Fox – Gregory Development road (south of Kennedy Highway) to Ingham; and

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Hervey's Range road – Gregory Development road to Townsville.

The Flinders Highway between Charters Towers and Townsville is part of the highway between Mt Isa and Townsville and the Gillies Highway is part of the main highway from Gordonvale (south of Cairns) to Atherton.

A light railway line operates between Cairns and Kuranda (on top of the range west of Cairns) and is mainly used by the tourism industry. This railway line used to extend to Ravenshoe.

Refer Appendix 7 – Great Dividing Range Crossing Sketch.

Native Title Claim

There are no current Native Title claims on the Project.

Refer Appendix 8 – Native Title Tribunal Sketch

Conservation Tenure

There are no Conservation Tenures (Reserves, Restricted Zones, etc) over the Project area.

Refer Appendix 8 – Native Title Tribunal Sketch

Environmentally Sensitive Areas (ESA) – Mining Activities

There are no current ESA's applicable to the Project area.

Refer Appendix 9 – Environmentally Sensitive Areas

CONCEPTUAL

For the purposes of this prefeasibility work, the baseline production of DSO high grade magnetite will be 15 million tonnes per annum (Mtpa) and production of HMS magnetite will be 200,000 tonnes per annum (tpa).

Basic Mine Process Flow

At Mine Site

Initial open cut mining operations in satellite pits to a depth not exceeding 100m.

Haul ROM ore to central processing plant for crushing, screening and separation/blending of high grade ore

Preparation of high grade DSO ore for transport via slurry pipeline

Pump DSO ore to Coastal Processing Plant located on coastal area close to rail and main roads

At Coastal Processing Plant

Dewater ore and load for transport to export facilities

Pump excess water back to Project

Separate and process suitable HMS product for transport

Mine Central Processing Plant Site & Main Haul Roads

Concept is to mitigate wet season impact by locating central processing plant on a ridge line away from flooding effects in Oakey creek and Sunday creek. It is proposed to further mitigate any flood impact by constructing a northern and southern haul road leaving the northern haul road available in the event of any major climatic effect on the southern haul road.

The proposed drill rig access tracks for the drilling program to be performed for the prefeasibility works will be along the same line as these proposed haul roads.

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Refer Appendix 10 – Mine Central Processing Plant Site & Main Haul Roads Concept

Mine Logistical Access

The concept of this access is to stay above 640m in elevation and as far upstream as possible for any creek crossings such as Blunder Creek and the Millstream crossings to mitigate any impact of severe climatic events.

Refer Appendix 11 – Mine Logistical Access Overview & Elevation Profile.

Note: The elevation profile image in Appendix 9 is an indication only of elevations and cannot be taken as being accurate.

Mine Product Delivery

Mine product will be delivered by slurry pipe line to a coastal area adjacent to rail and main highway for transport of DSO and HMS.

A water storage dam would be constructed across Oakey Creek where the proposed southern haul road crosses the creek.

This dam will store water from the upper catchment area of Oakey Creek and store water pumped back from the coastal processing plant.

Stanwell Power Corporation Limited controls a tunnel that was originally constructed for the now defunct Tully Hydro scheme. Initial approaches to Stanwell management about using this tunnel for a slurry pipeline has so far met with a favourable attitude.

A suitable proposed route for the slurry pipeline will be pursued with Stanwell during the engineering study phase of the prefeasibility works.

Mine Workers Accommodation Village

Proposed site for Workers accommodation village. Village needs to be away from Plant site with at least a 2km buffer.

Refer Appendix 12 – Mine Workers Accommodation Village Sketch

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Appendix 1 – Regional Sketch



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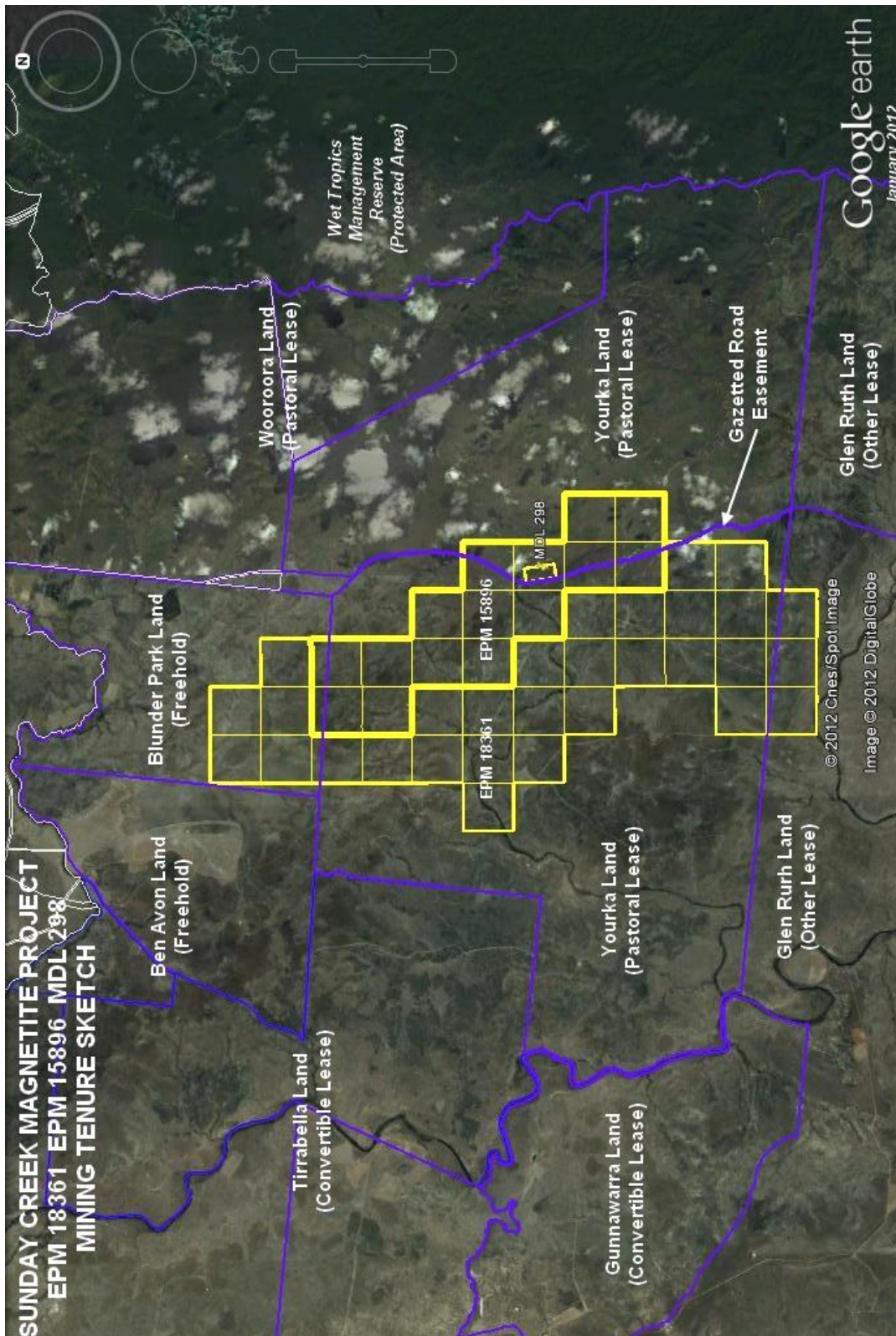
Appendix 2 – Local Area Sketch



	Government	Authority
North Coast Railway	State	Queensland Rail
Main Road	State	Queensland Department of Transport and Main Roads
Forestry Road	State	Queensland Parks and Forest Service, Department of Environment and Resource Management
Shire Road	Local	Tablelands Regional Council Cassowary Coast Regional Council
Bruce Highway	State	Queensland Department of Transport and Main Roads (Federal Government funded)

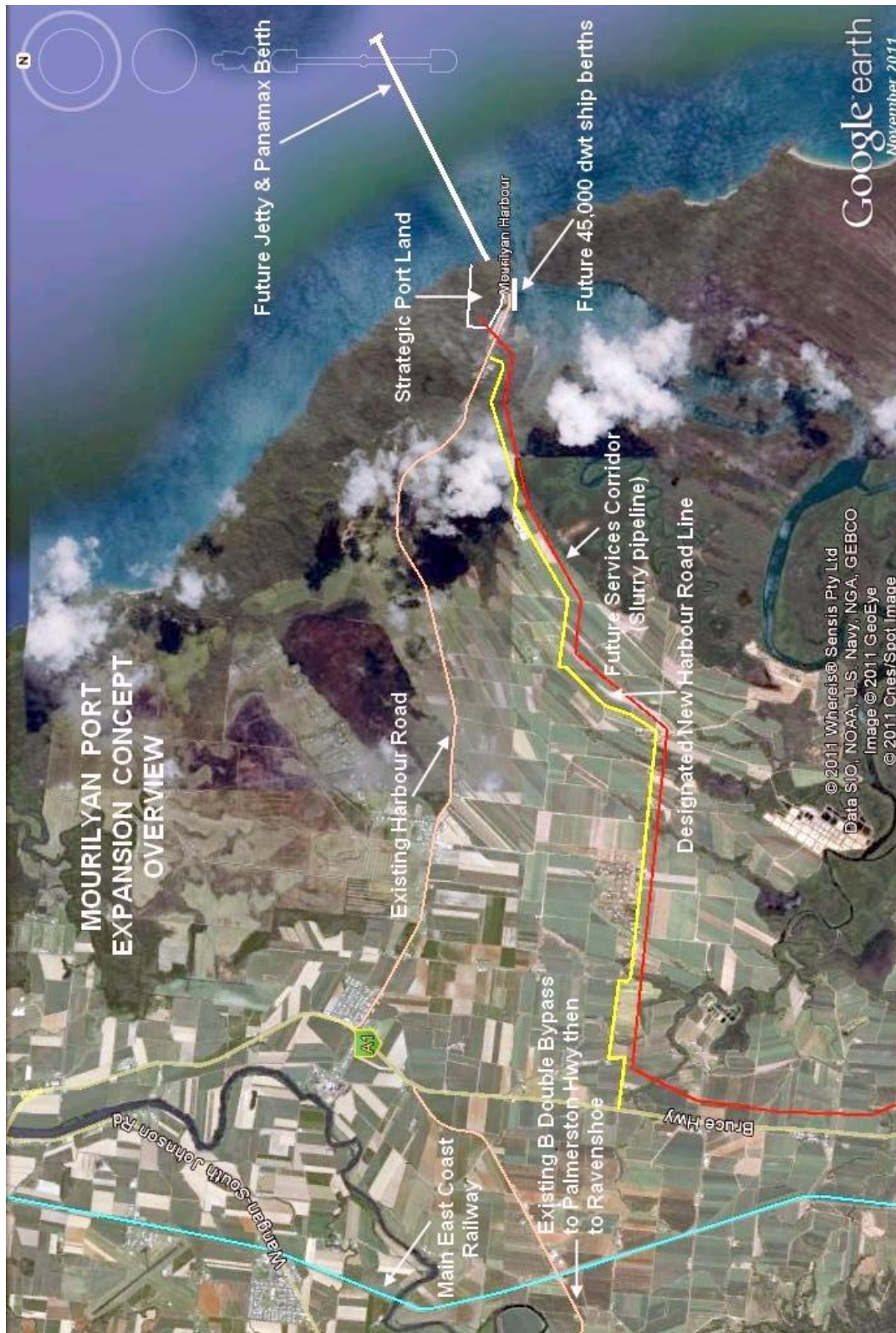
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Appendix 3 – Mining Tenure Sketch



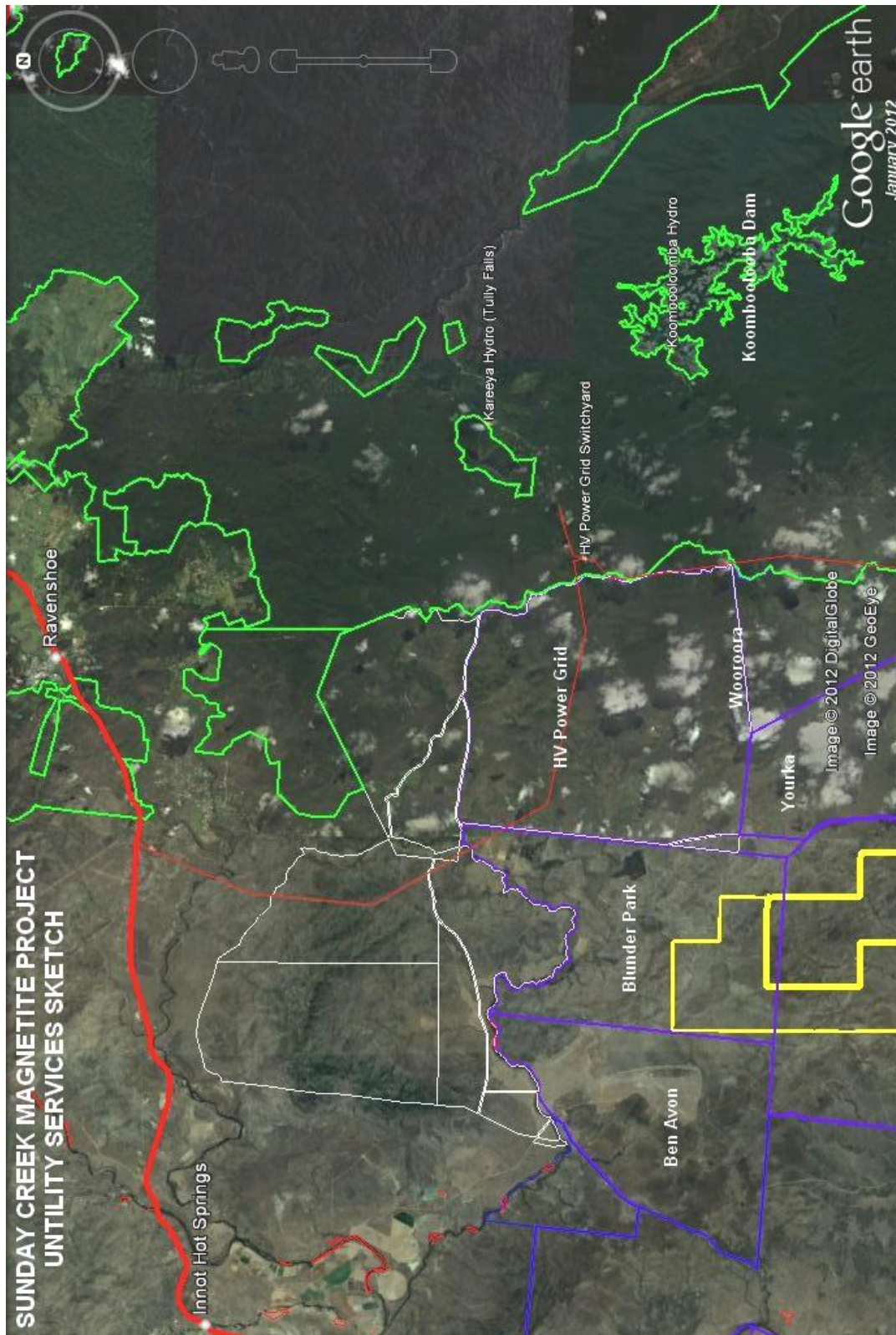
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Appendix 4 – Mourilyan Harbour Sketch



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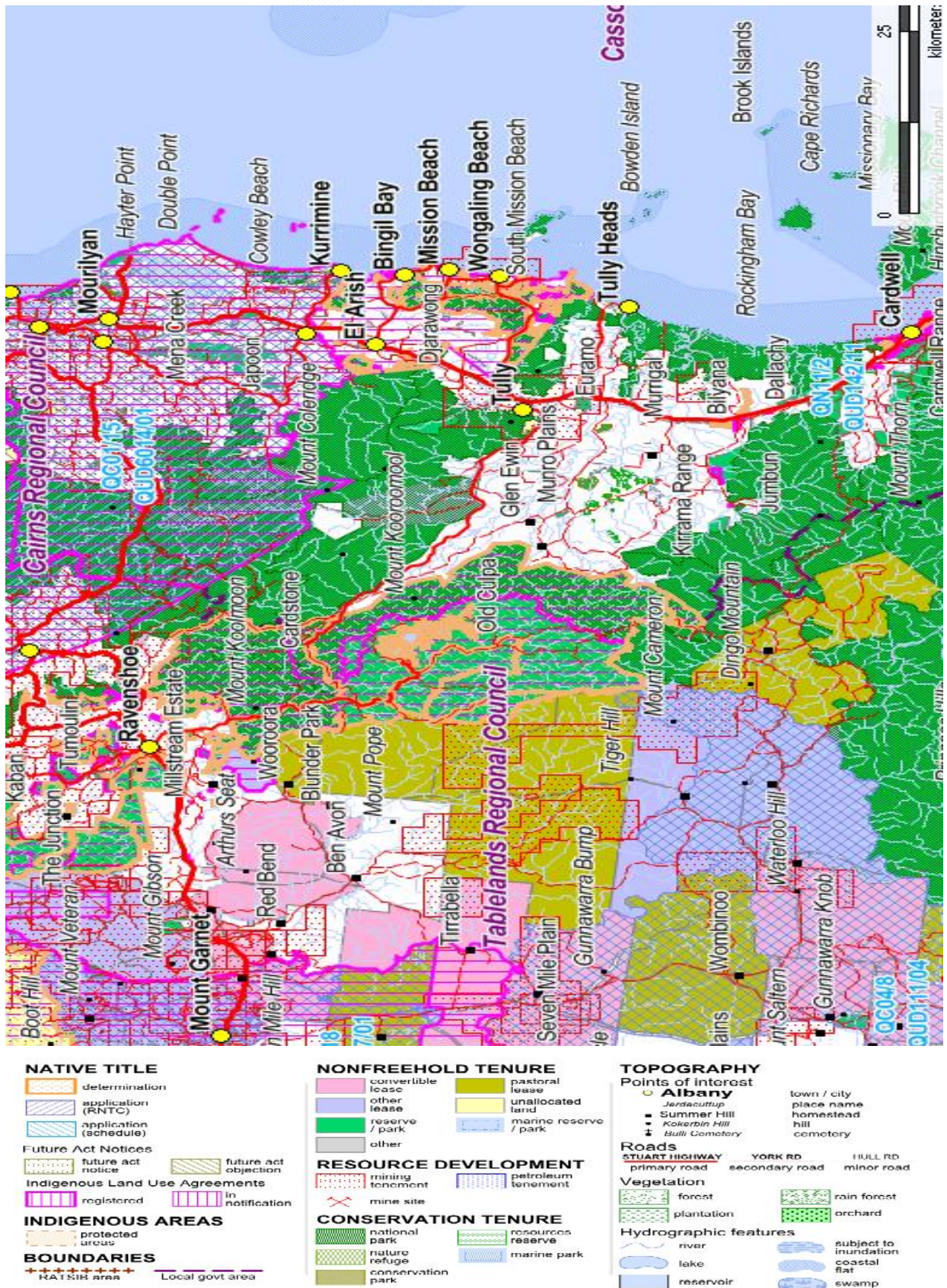
Appendix 5 – Utility Services



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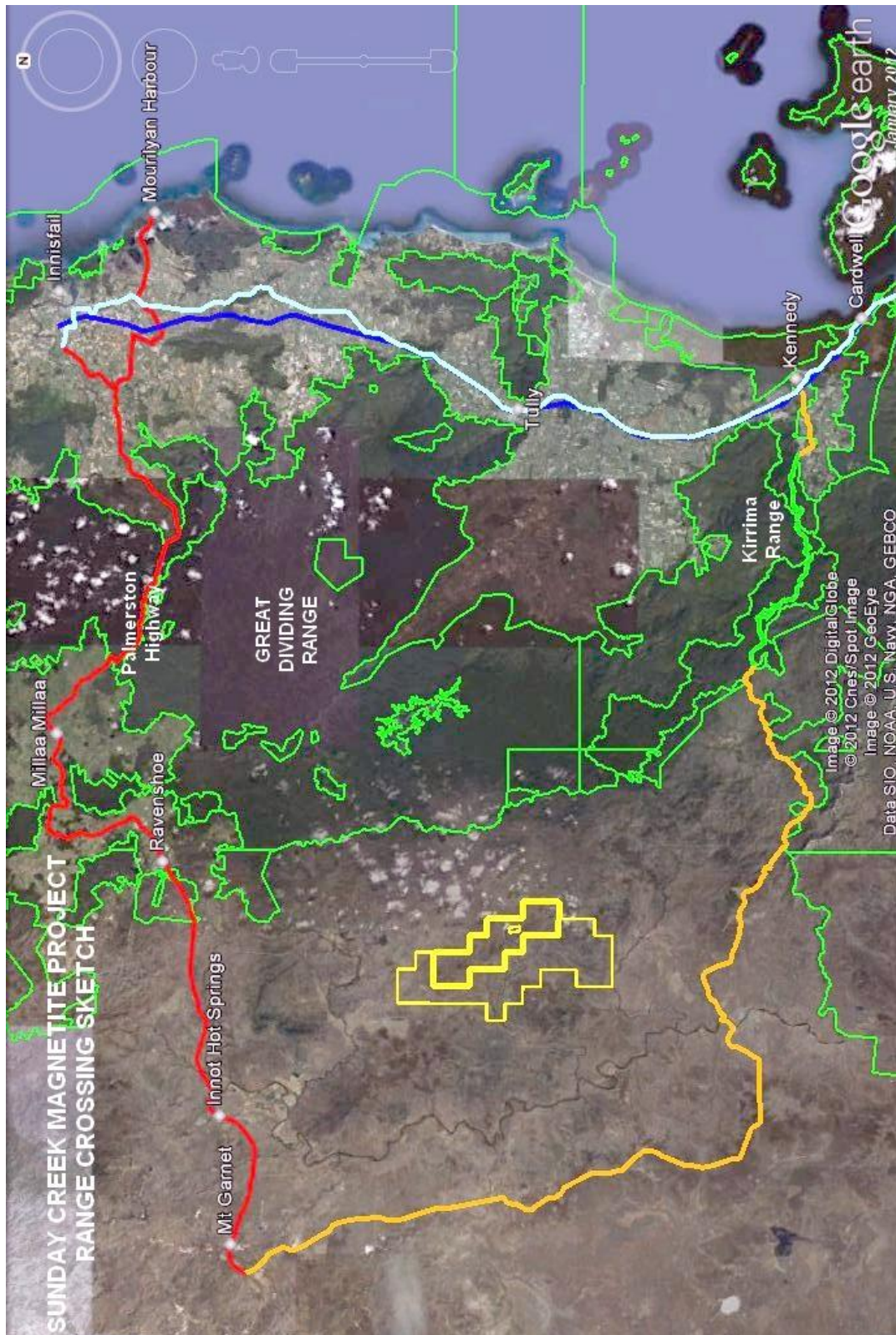
Appendix 6 – Innisfail-Tully-Cardwell Region

This map is from the Native Title Tribunal data and has been included as it depicts unrestricted freehold land title in the region (clear white area).



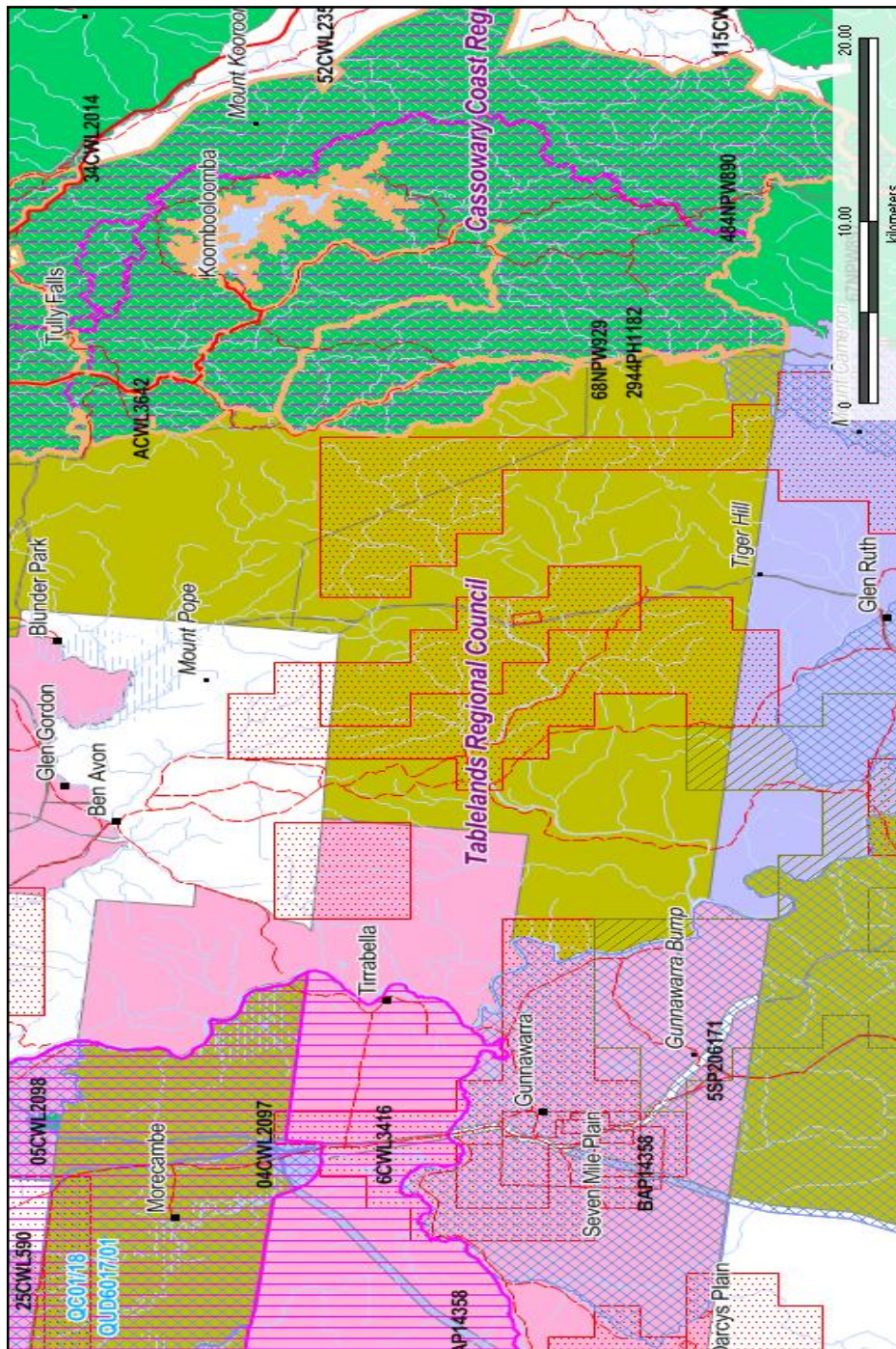
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Appendix 7 – Great Dividing Range Crossing Sketch



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Appendix 8 – Native Title Tribunal Sketch



NATIVE TITLE

- determination
- application (RNTC)
- application (schedule)

Future Act Notices

- future act notice
- future act objection

Indigenous Land Use Agreements

- registered
- in notification

INDIGENOUS AREAS

- protected areas

BOUNDARIES

- RA1518 area
- Local govt area

NONFREEHOLD TENURE

- convertible lease
- other lease
- reserve / park
- other
- pastoral lease
- unallocated land
- marine reserve / park

RESOURCE DEVELOPMENT

- mining tenement
- mine site
- petroleum tenement

CONSERVATION TENURE

- national park
- nature refuge
- conservation park
- resources reserve
- marine park

TOPOGRAPHY

Points of Interest

Albany

- Jerdacuttup
- Summer Hill
- Kokerbin Hill
- Bulli Cemetery

Roads

- STUART HIGHWAY primary road
- YORK RD secondary road
- HULL RD minor road

Vegetation

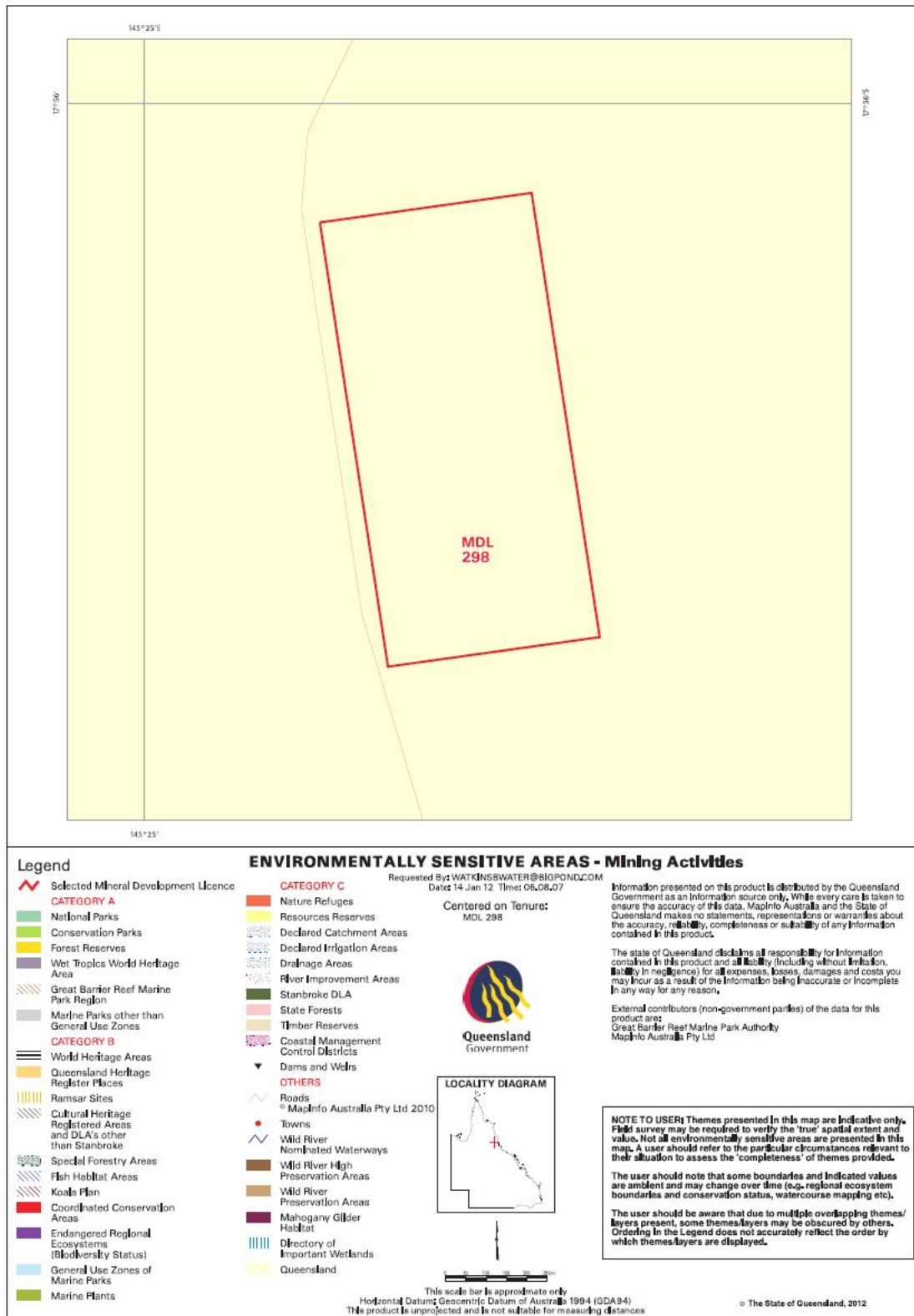
- forest
- plantation
- rain forest
- orchard

Hydrographic features

- river
- lake
- reservoir
- subject to inundation
- coastal flat
- swamp

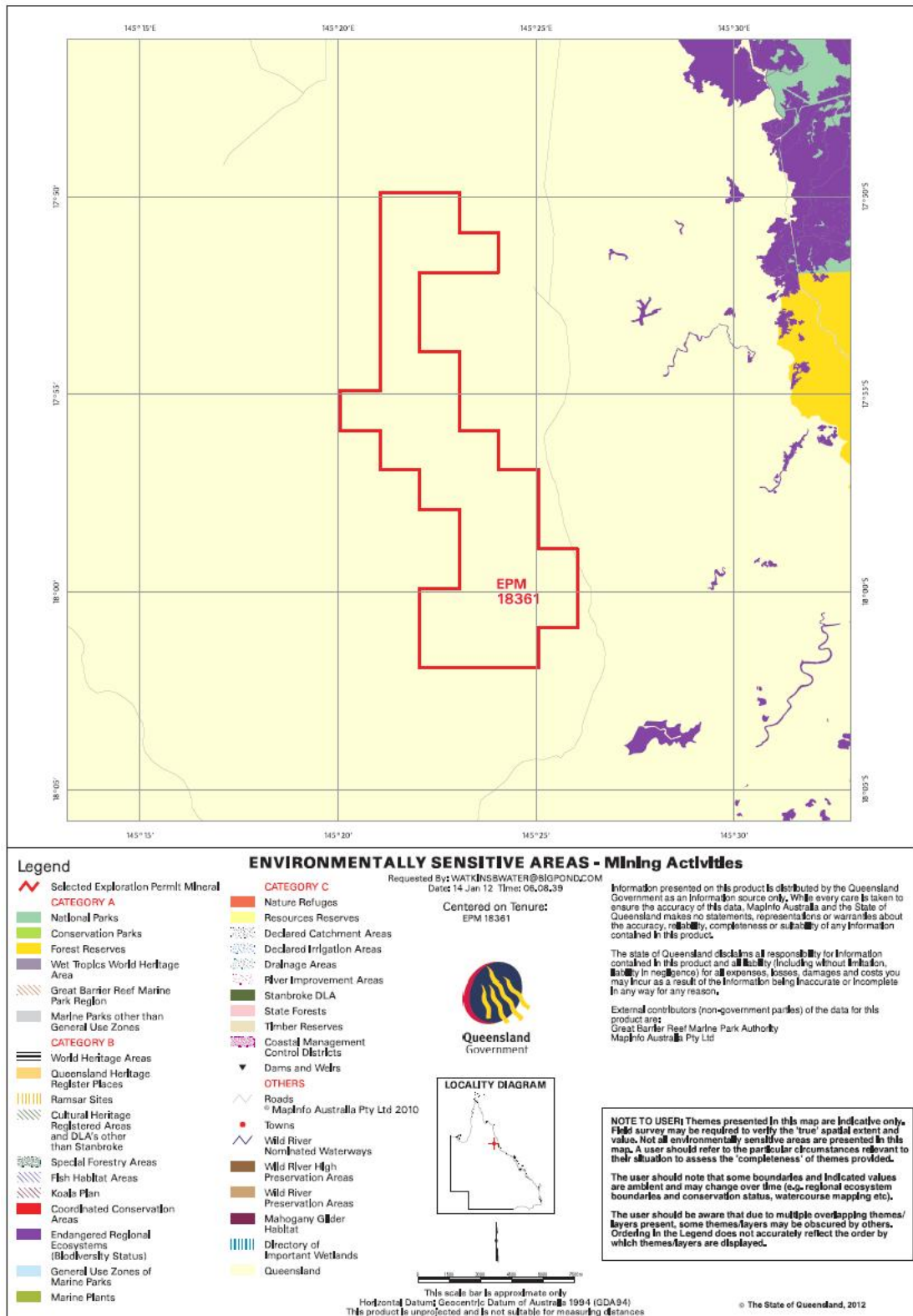
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Appendix 9 – Environmentally Sensitive Areas



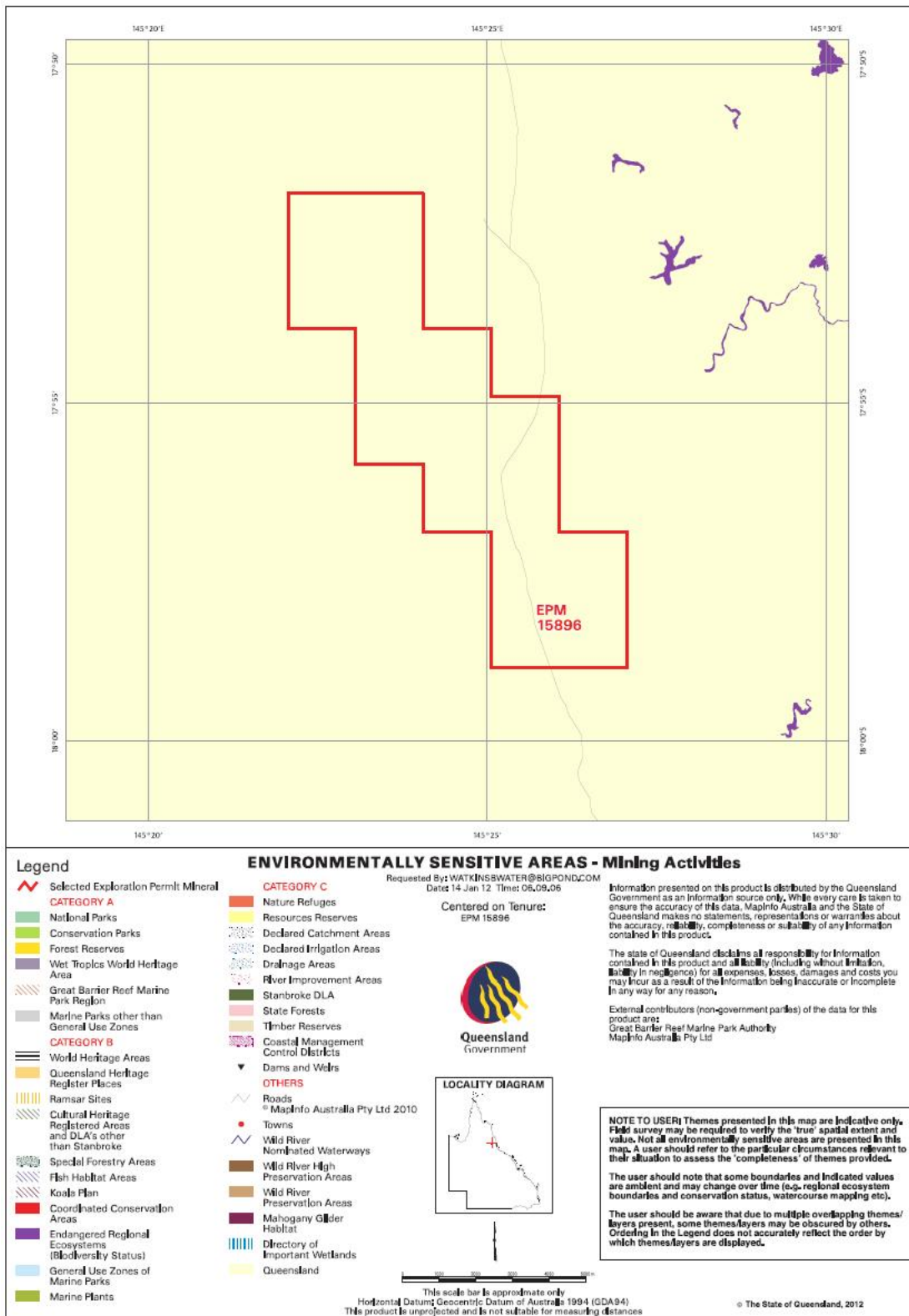
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Appendix 9 – Environmentally Sensitive Areas (continued)



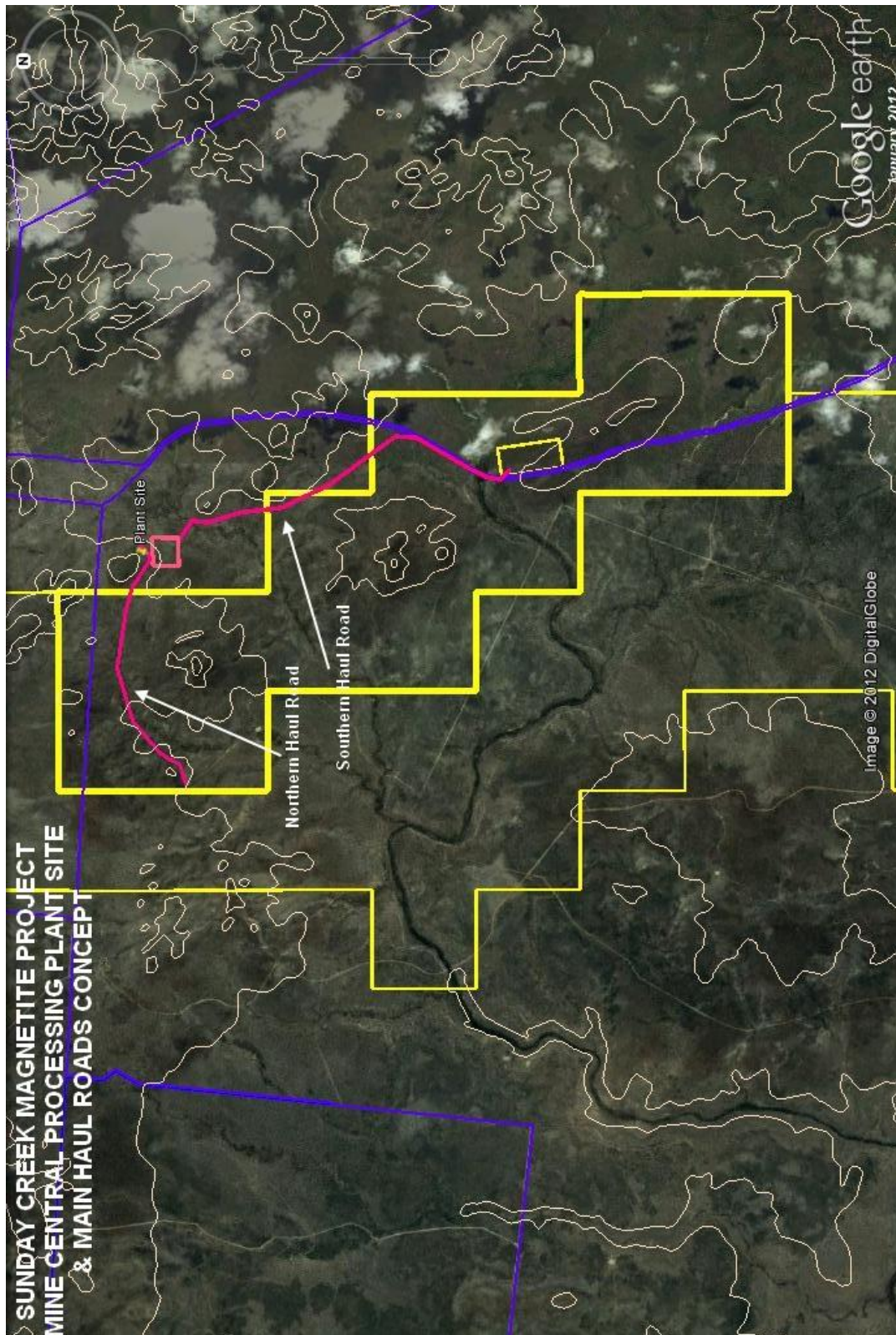
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Appendix 9 – Environmentally Sensitive Areas (continued)



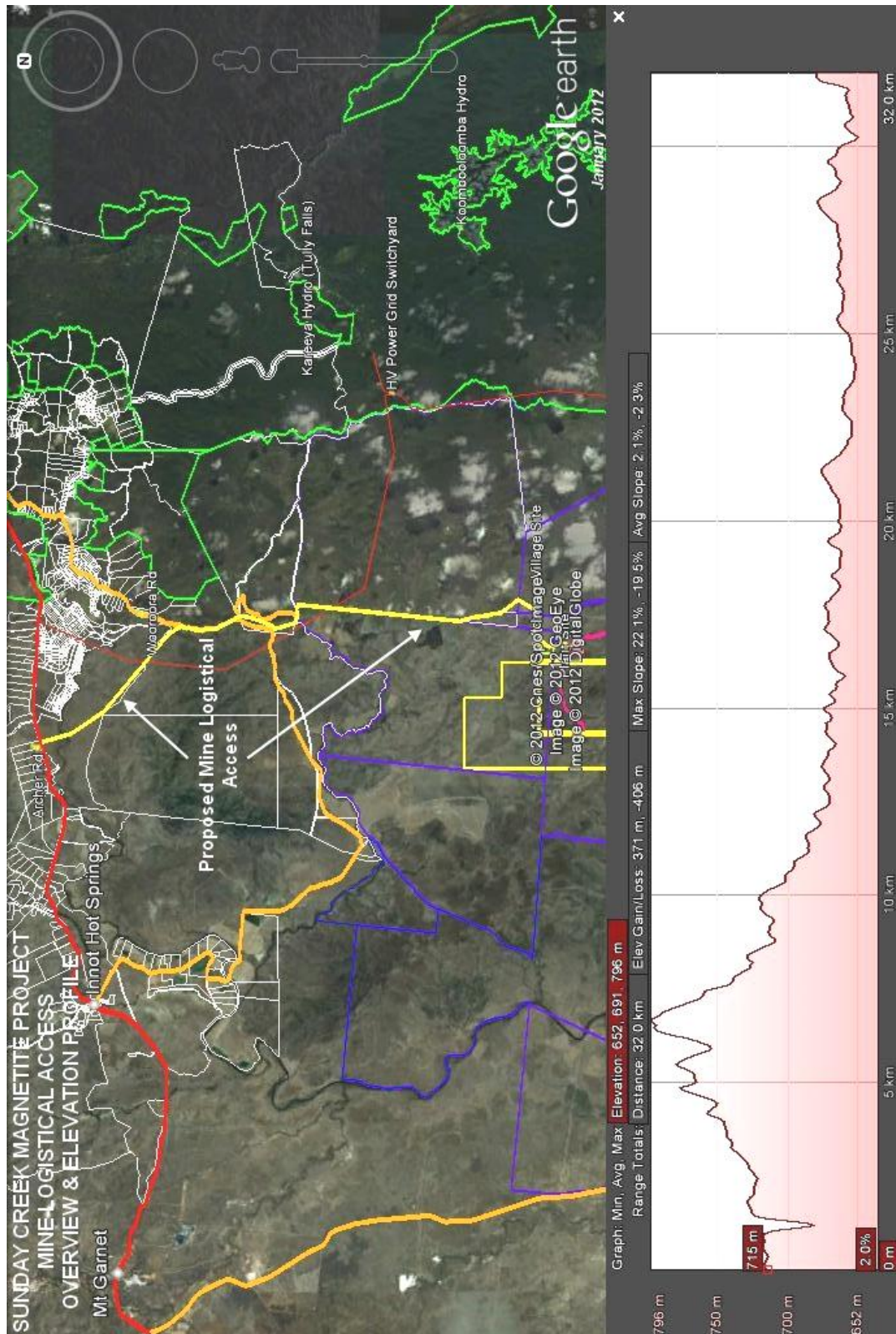
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Appendix 10 – Mine Central Processing Plant Site & Main Haul Roads Concept



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Appendix 11 – Mine Logistical Access Overview & Elevation Profile



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Appendix 12 – Mine Workers Accommodation Village Sketch

