MINCOR RESOURCES NL
(Mincor Iron Holdings Pty Ltd)
HELLYER GORGE PROJECT

Final Surrender Report
EL34/2011 (Arthur River)
EL35/2011 (Hellyer Gorge)

06 January 2012 to 30 November 2012

26 November 2012
SUMMARY

Mincor Iron Holdings Pty Ltd (Mincor) acquired the Arthur River and Hellyer Gorge tenements (EL34/2011, EL35/2011) on 6 January 2012, following an Australia-wide study of Iron Ore Prospectivity.

The NW area of Tasmania was chosen on the basis of public domain geophysical data, and the proximity to known iron ore occurrences and currently operating mines. In particular, the main target was the strong NE trending gravity and aeromagnetic lineaments which form the important terrane boundary referred to as the Arthur Lineament, a high strain metamorphic belt. The Savage River Magnetite Mine is located along this zone of high strain metamorphic rocks.

The geological setting of the Hellyer Gorge Project tenements was considered prospective for the following deposit types:

- Iron Deposits associated with lower amphibolite facies metamorphic rocks (Savage River)
- Iron Deposits associated with skarns at granite margins (Kara, Stanley River)
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1 INTRODUCTION

The subject tenements, EL34-2011 (Arthur River), and EL35-2011 (Hellyer Gorge) were acquired in January 2012 by Mincor Iron Holdings Pty Ltd (a 100% owned subsidiary of Mincor Resources NL) principally for their iron ore potential.

1.1 Location and Access

The tenements are located in the northern western part of Tasmania, approximately 40-60 kilometres south-east of Somerset. Figure 1 shows a plan of the associated project tenements.

Figure 1  Hellyer Gorge Project Location

Access to Hellyer Gorge is by bitumen road 40-50 km south from either Somerset or Burnie, and then on gravel farm and forestry tracks. Arthur River can be also accessed westward from Hellyer Gorge, however several key bridge crossings on the Hellyer River (Blackwell Road) and the Arthur River,(Keith River Junction and Pykes Road) have both been destroyed by flood waters; this severely limits the access to the key Arthur River prospects (Atlas, Goninons) to a northern route.
from Wynyard and Preolenna, and then the gravel Farqhuar’s Road to Farqhuar’s Bridge (on the Arthur River). During the February field inspection the Farqhuar’s Bridge had been padlocked by private owners (Tasmania Magnesite) and permission to access was only by private Agreement. Access within the tenements, and the Goninons (Fe-Ag) and Atlas (Pb-Ag) prospects is generally 4WD only, with most access tracks, although well maintained, being both steep and narrow.

1.2 Tenements

The project tenements (461 km²) were granted on 6th January 2012 (Table 1 below). Total expenditure accrued was $10,478, principally on travel, accommodation and logistics support for the field inspection carried out in February 2012.

The pro-rata cost of the SRK Australia-wide study of Iron Ore Prospectivity has not been included in the expenditure figures in Table 1 below.

This report covers work carried out on the entire tenement for the period 6 January 2012 to 30 November 2012.

Table 1  TENEMENT DETAILS, EXPENDITURE HISTORY

<table>
<thead>
<tr>
<th>Licence</th>
<th>Name</th>
<th>Date From</th>
<th>Date To</th>
<th>Area</th>
<th>Commitment</th>
<th>Expenditure</th>
<th>Rent</th>
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<td>ARTUUR RIVER</td>
<td>06/01/2012</td>
<td>30/11/2012</td>
<td>213</td>
<td>$85,000</td>
<td>$603</td>
<td>$4,920</td>
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<td>EL35-2011</td>
<td>HELLYER GORGE</td>
<td>06/01/2012</td>
<td>30/11/2012</td>
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<td>$85,000</td>
<td>$9,875</td>
<td>$5,729</td>
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<td></td>
<td></td>
<td>$170,000.00</td>
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</tbody>
</table>
2 GENERAL GEOLOGY

The main geological elements and structures in NW Tasmania have a strong NE-SW trend. Many Fe deposits are associated with amphibolite-facies metamorphic rocks, and a number are also associated with skarn mineralisation adjacent to granites (figure 2 below).

Figure 2  NW Tasmania Geology, based on Age (top) and Lithology (below)
Both gravity and magnetic data (figure 3 below) show the same NE-SW trend and define the important terrain boundary between the Rocky Cape Group and the ‘western’ Ahrberg Group from the relatively low strain parts of the Oonah and correlated Burnie Formation to the west and east respectively. This terrain boundary is known as the Arthur Lineament and forms an important high strain metamorphic belt, and which also contains the Savage River Magnetite Mine.

Figure 3   NW Tasmania Geophysics, Gravity (top) and Magnetics (below), showing the position of the Arthur Lineament and key Iron Deposits/Occurrences
3 INVESTIGATIONS AND RESULTS

3.1 Previous Exploration (WAMEX)

Previous exploration on the subject tenements commenced in 1892 with the pegging of mineral claims over the Atlas Lead-Silver Prospect; this early work, comprising the excavation of three adits, was not followed up by modern geological mapping and field work until 1977-78, when CRA Exploration carried out heavy media stream sediment sampling for tin. CRA then, later in 1980, started soil geochemistry and a Sirotom (ground EM) survey on EL1/77, focussing on base metal potential.

CRA failed to locate any anomalous tin, so used soil geochemistry to re-define a base metal anomaly along strike from the Atlas adits, returning a maximum of 2200ppm Pb, as well as gossan samples with up to 0.5% Pb and 1.2% Zn within the dolomitic Atlas Formation (Keith Metamorphics); a maximum 1.9% Pb was also returned from dolomitic shale. The Sirotom survey over the soil geochemical anomaly generated a weak conductive target which was subsequently drilled in 1985. Two diamond holes returned disappointing results with the best being 2.5m @ 0.4% Pb and 1.2% Zn in the vicinity of the historic adits.

A prospectors report (72-094) describes efforts aimed at re-locating and sampling the Goninon’s Fe-Ag prospect between the Atlas adits and the Keith River. The report by Mineral Holdings Aust. Pty Ltd covers work on EL43/70, where earlier work in 1968 sampled an Ag rich Fe-slurry (assayed at 28.9 oz/ton Ag), and is described as draining from an old adit. Further work was recommended, but it is unclear if the prospect was conclusively located, and CRA make no mention of it in their later work at the nearby Atlas adits.

The most recent work is restricted to coal exploration by Eagle Nickel Limited from 2008-10 (EL73/2007), targeting the Permian Oil Shales at Oonah and black coal at Preolenna. Some conceptual nickel exploration was conducted by Boldjet Pty Ltd on EL22/2008 in 2009, targeting early Cambrian ultramafics (serpentinite and peridotite) south of Hellyer Gorge.

Mincor did not have the right to explore for coal on surrendered EL's34-35/2011, and was not able to gain access across Farqhuar's Bridge to inspect the Goninons and Atlas Prospects.
3.2 Current Exploration (Mincor)

3.2.1 February 2012 Field Visit

The project area was visited from 16-20 February 2012 in order to ascertain the accessibility of the key Goninons and Atlas Prospects. The general condition of private and public forestry roads was excellent within the tenement area; however the destruction of several key bridges and the restricted access across the Farqhuar’s Bridge meant that future access would be potentially very costly.

![Deposit Details](image)

Figure 4 Atlas Prospect, and Junction, Pykes Rd Bridges
### Deposit Details

The details of mineral deposit (ID 434)

- **Name**: Goninons Formation
- **Aliases**
- **Parent Deposit**
- **Type**: Mine or Prospect
- **Operational Status**: Prospect
- **Status Date**
- **Main Commodity Type**: Metals/elements
- **Description**: A short drive has been reported
- **Locality**
- **Location**: 371650mE 5434350mN AMG66
- **Deposit Size**: Not determined
- **Host Rock Ages**: Proterozoic
- **Mineralisation Ages**
- **Use**
- **Form**: Other (noted in references)
- **Rock Type**
- **Commodities**: Iron, Silver
- **Gangue**
- **Exploration**: Geochemical surveys, Prospecting

### Structure (dip, strike, comments)

### Resources

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**Figure 5** Goninon’s Prospect, and Farquhar’s Bridge
4 CONCLUSIONS

Due to the currently unfavourable access situation, and the likely considerable upfront cost of establishing new bridges to provide access, it was determined to surrender the tenements in order to focus on other opportunities.