

MEMORANDUM

To: Richard Hatfield, Mincor Resources NL

From: Ken Morrison

Subject: Heazlewood EM Anomaly A Ground Check

Date: 17 August 2008

On Thursday 14 July 2008 Ron Gregory and I conducted a reconnaissance traverse to the site of reported VTEM anomaly A (centred at 358800E, 5406100N GDA 94), within EL 9/2007. The traverse requires a walk of approximately 45 minutes from the current limit of vehicle access near the Old Jasper workings (see attached map). Approximately half the distance is along overgrown logging tracks, which could easily be upgraded to allow 4WD access, and the remainder of the route is through regrowth forest and scrub which is relatively open and navigable.

Anomaly A and the Jasper workings are located at the southern edge of the Middle Cambrian Heazlewood River mafic-ultramafic complex, close to a contact between mafic facies of the complex and Late Proterozoic quartz wackes which correlate with the Oonah and Burnie Formations. On a regional scale parts of this contact are mapped as a fault but it is not clear whether the contact is a thrust or if the Proterozoic is in-situ basement relative to the mafic-ultramafic rocks. For comprehensive descriptions of the Heazlewood River Complex geology see:

- Brown, A. V., 1986. Tasmanian Geological Survey Bulletin 62
- Creenaune, P., 1980. B. Sc. Hons thesis, University of Tasmania
- Mann, B., 1988. B. Sc. Hons thesis, University of Melbourne
- Peck, D. C. and Keays, R. R., 1990. Economic Geology paper
- Rubenach, M. J., 1973. Ph. D. thesis, University of Tasmania

At the designated location of Anomaly A, quartz muscovite sandstones, wackes and minor mudstones outcrop and the same sequence of rocks occurs for at least 300 metres south of Anomaly A, along both the inward and outward legs of the traverse (see map). These rocks are totally unaltered and relatively undeformed.

Approximately 50 metres northeast of Anomaly A, just upstream from the junction of two creeks, heavy float (probably near outcrop) of dolerite and coarse quartz gabbro was located in the bed of the eastern tributary (see map). The rocks sampled are chloritic but show no convincing evidence of hydrothermal alteration. Some time was spent scouting about this area but no outcrop was confirmed. There is potential to spend more time mapping the contact area in detail but on the basis of the observations to date it is reasonable to conclude the anomaly is related to this contact.

The geological setting of Anomaly A is similar to Melba Flats, northeast of Zeehan, where Middle Cambrian dolerite and gabbro dykes on the periphery of a mainly serpentinitised ultramafic suite of rocks, intrude a Late Proterozoic sequence of sediments and several occurrences of high grade copper-nickel massive sulphide with accessory gold and PGEs have been discovered.

Recommended Follow-up Work

A network of uniformly spaced north draining creeks exists in the area of Anomaly A and they are ideally located for a stream sediment survey to screen the contact area for direct evidence of mineralisation prior to a decision on cutting lines for ground EM loops. The creek sediments should be ideal for pan concentrate sampling using 2 litre -2 mm samples panned in the field to a concentrate of approximately 50-100g. A survey of about 20 samples in 10 creeks (see map) would give a good indication of whether the VTEM was responding to mineralisation either on the contact or in the mafic rocks immediately to the north. The suggested survey would take 2 people about 3 days and would best be done in Spring, when the weather allows better productivity than at present, but the creeks on average still have sufficient water flow for good quality panning.

Note on Jasper Prospect

A brief visit to the Old Jasper workings indicated that this copper-gold prospect is hosted in basaltic volcanics, including dolerite and basalt-derived sandstone, and that the mineralisation is associated with pervasive silica, sulphide and locally epidote alteration. Altered rocks crop out over a broader area than is usual for the vein/fault fill style galena-sphalerite-carbonate prospects which are more common in the Heazlewood area, suggesting that Old Jasper could be a primary Cambrian deposit and therefore potentially a more attractive exploration target style than narrow veins of probable orogenic source. Presumably the Metals Exploration percussion drilling around Old Jasper down graded the prospect but it is worth checking their results and drilling methods to ensure that no untested prospectivity remains. It would also be interesting to see the VTEM response over Old Jasper as although no massive sulphide is visible in the mullock, copper sulphides and carbonate are common, so unless the occurrence is very small a conductive response should be detectable.

