

Copper Mines of Tasmania Pty Ltd

Exploration Licence 5/1998 – Queenstown

Report for the period ending 1st April 2001



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FIGURES

Figure 1 Copper Mines of Tasmania Tenements Location Map

EXECUTIVE SUMMARY

No work has been carried out on EL 5/1998 - Queenstown since December 1998.

Under the *Exemption From Conditions* as issued by the Minister exploration work is scheduled to start on 31st March 2001.

The current exploration programme for the licence is currently under review and this review should be completed towards the end of April 2001.

INTRODUCTION

Exploration licence EL 5/1998 has been held by Copper Mines of Tasmania Pty. Ltd. (CMT) since 1st May 1998. The licence area is located south of the Mt Lyell Mine Lease ML 1M/95. It forms a strategic block of ground that is contiguous with both the mine lease and WITH surrounding ELs also held by CMT (Figure 1).

As a consequence of an *Exemption From Conditions* granted in 1999 by the Minister no work has been carried out on the EL since December 1998. The Year I Annual Report (Harbon and Garrard) was the last report to have been submitted for the EL.

The proposed exploration programme on EL 5/1998 is currently under review and this review should be completed towards the end of April 2001. A report outlining the revised programme will be submitted once the review has been finalised.

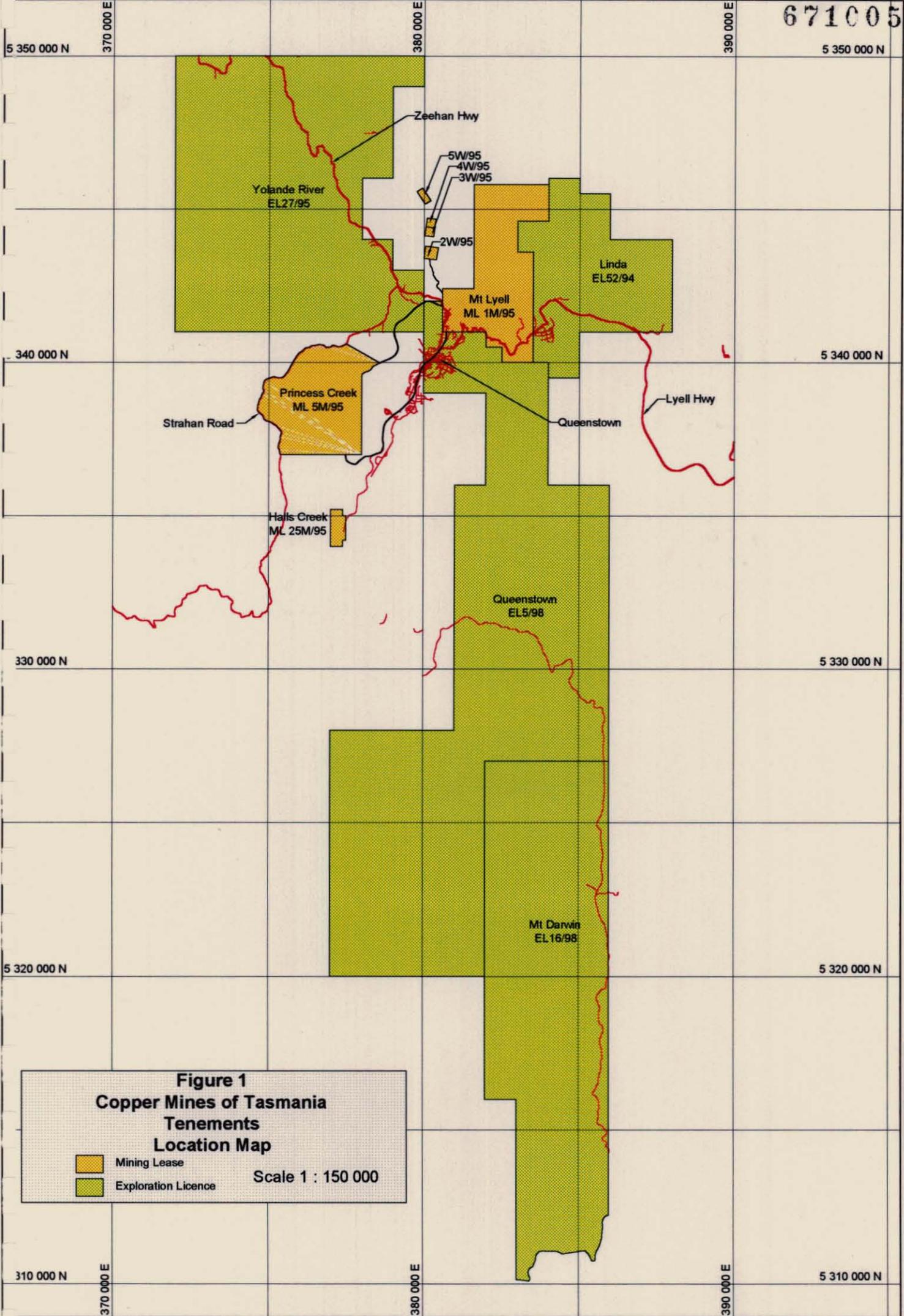


Figure 1
Copper Mines of Tasmania
Tenements
Location Map

Mining Lease
 Exploration Licence

Scale 1 : 150 000

5 cm

LAND TENURE

EL 5/1998 is a 96 km² block located south of the Mt Lyell Mining Lease (ML 1M/95) and which extends some 20 km south of Queenstown.

The licence, in which CMT hold 100% equity, was awarded to CMT in May 1998. The original expiry date of 1st May 2003 has been extended to 1st May 2005 as a consequence of the two year exemption approved by the Minister.

Exclusions from the within the EL include 1.2km² of Crown Reserves, 4.3km² of Mining Leases, an exclusion zone surrounding the HEC King River Tunnel System and a Queenstown water reserve.

The South West Conservation Area forms part of the southern boundary to the licence. Any work in this area requires consent from MWEG through MRT.

Vehicle access to the northern part of the licence is reasonable, via the Lyell Highway in the north and the Jukes road in the east. There is no road access to the southern and western part (containing the Garfield Prospect) of the licence, and previous exploration in this part required helicopter support to a base camp established by RGC Exploration Pty. Ltd.

REGIONAL GEOLOGY

The north - south striking Mount Read Volcanics (MRV) comprise the major part of the EL.

A middle spine of Central Volcanic Complex (CVC) rocks (and/or correlates) is bounded to the east, northeast and south by Owen Group lithologies. These latter dominate the topography of the EL and outcrop as Mounts Owen, Lyell, Jukes and Huxley. The CVC packages are made up of a variety of rock types including lavas, (phyric and non-phyric), breccias, siltstones and volcanoclastics, and porphyritic intrusions, all of characteristic composition that varies from andesitic to rhyolitic to dacitic. In addition to the CVC packages both Eastern Sequence and Yolande River Sequence lithologies have been recognised. Suite II andesites of the YRS are considered to host the mineralisation at the Garfield prospect (Halley *et al.*). Tyndall Group rock types have not been extensively identified. Generally contacts are not well exposed.

Alteration is ubiquitous, particularly in the CVC packages and their correlates. South of the Mount Lyell mineral field alteration becomes significantly less obvious, although surface mineralisation is nearly always accompanied by diagnostic alteration and associated destruction of original textures.

The major structural feature through the EL is the Great Lyell Fault which has been mapped as an irregular contact between the CVC and the overlying Owen Group sediments. The fault has generally been identified along the eastern boundary of the EL.

PREVIOUS EXPLORATION

Previous exploration through the EL has been detailed in Year 1 Annual Report (Harbon and Garrard). The following areas have been identified as prospective exploration targets:

Jukes Proprietary Prospect (Cu/Au)

Historical workings with potential for a low tonnage high grade copper deposit. Strong magnetic responses and shearing are associated with the mineralisation.

Mt Ellen Prospect (Au)

Historical gold workings comprising trenches and adits.

Mt Huxley

Partially explored copper and gold anomalies, most with associated apparent hydrothermal alteration, and where prospectivity has been enhanced by contemporary regional geochemical and geophysical surveys.

Nasty Nob Prospect (base metals)

Possible shear associated mineralisation along the Great Lyell fault and adjacent to a prominent but small rhyolite dome.

Great Owen and Little Owen areas (Cu and Au)

Numerous historical workings of variable significance, with reasonably comprehensive geochemistry and geophysics coverage. Some anomalous result(s) not satisfactorily explained.

Garfield Prospect (Cu)

A Mount Lyell analogue located in suite II andesites identified as belonging to the Yolande River Sequence.

Flanagan's Flat – Snake Spur (Cu-Au)

Historical workings partially covered by regional exploration.

PROPOSED EXPLORATION PROGRAMME

The proposed exploration programme is currently under review. The review will include compilation of a GIS package that covers the EL, will incur expenditure in the region of \$7,000, and is expected to be completed towards the end of April 2001. Following completion of the review a report will be issued detailing the revised programme. The revised programme will take cognizance of CMT's exploration philosophy, corporate objectives and metal production requirements into the millennium.

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