Copper Mines of Tasmania Pty Ltd

EL 27/95 - Yolande River

Relinquishment and Final Report

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TENEMENT INFORMATION

EL 27/95 Yolande River is a 64 km^2 tenement to the west of the Mt Lyell mine lease 1 M/95 (Figure 1).

The EL was awarded to CMT Pty Ltd in May 1996 for 5 years, as the major portion of Exploration Tender Area 389.

In late 1998, during licence year 3, CMT became insolvent, the Mt Lyell Mine temporarily closed and was eventually sold to Sterlite Industries (India Ltd).

The new CMT operation commenced in 1999, with a focus on improving the viability of the Prince Lyell mine. Mineral Resources Tasmania supported the company by granting an exemption from expenditure commitments on all exploration licences, until 30 March 2001.

Near the time of the exemption period expiring, a report reviewing the exploration opportunities and costs on all CMT tenements was produced by the company (Morrison and Miller, 2001). After due consideration, a decision was made to consolidate the EL ground holdings down to EL 52/94 Linda combined with a small northern portion of EL 5/98 Queenstown. An application for relinquishment of EL 27/95 was submitted to MRT on 24 June 2002.

This is the final report for EL 27/95.

EXPLORATION AIMS

The broad aim was to generate drilling targets in two potentially prospective environments.

1 The group of dacitic and andesitic porphyries which probably occur at the stratigraphic top of the Yolande River Sequence (the Garfield position) and include the Diamond Hill gold prospect.

2 The southern end of the Henty Fault system, at its truncation by the major east-west Firewood Siding Fault structure. Potential exists for basal Tyndall rocks to be cut by the Henty Fault within the EL.

EXPLORATION RESULTS

Between May 1996 and December 1998, $130,616 was spent on prospect generation work but no holes were drilled. An overview of this work is reported in Harbon (1999).

Summary of Year 1 Exploration

An 11 km access walking track was cut along the southern bank of the Yolande River, connecting Lyell Highway to Zeehan Highway. A helipad site near the Pearl Creek - Yolande River intersection was re-established.

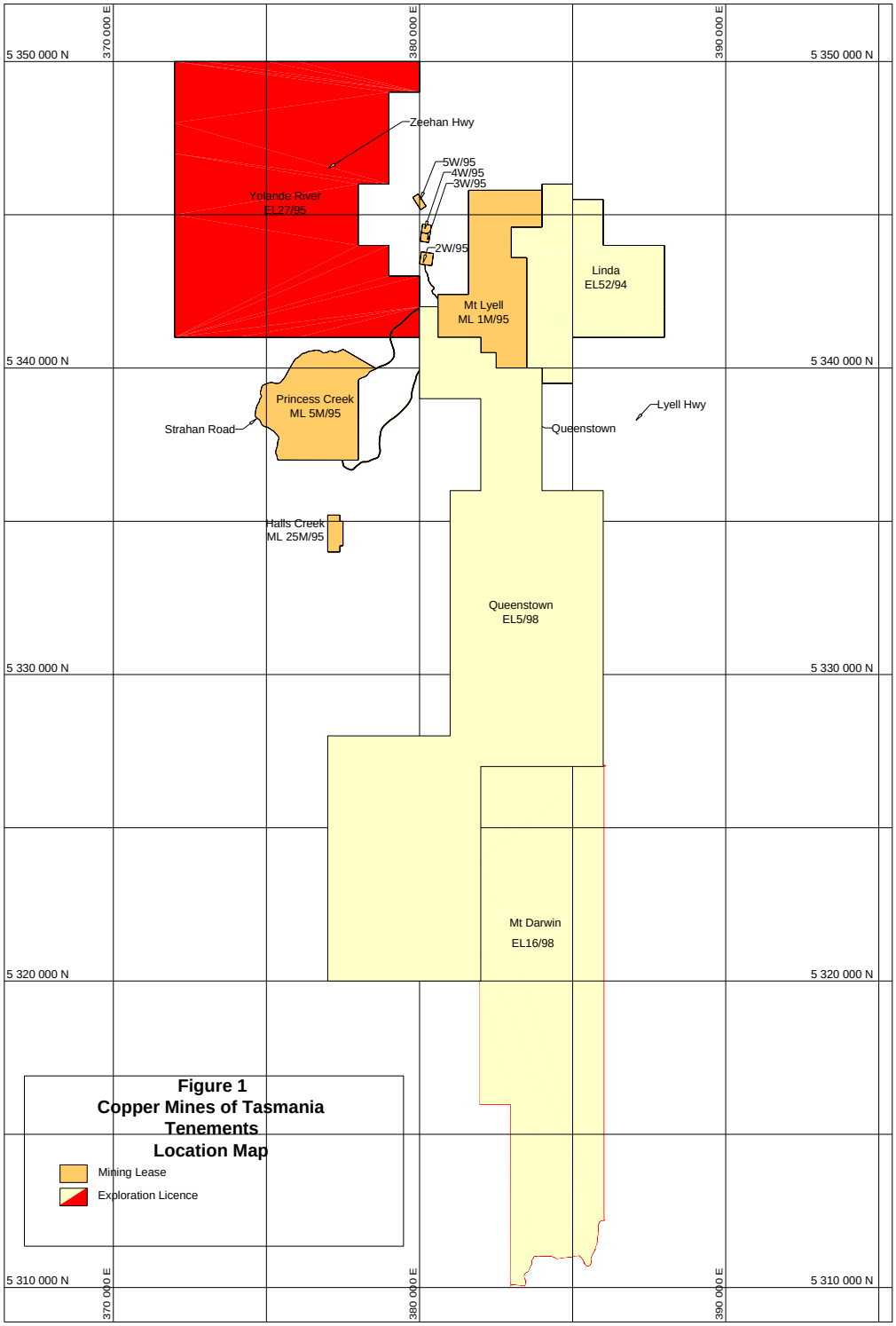

Figure 1
Copper Mines of Tasmania
Tenements
Location Map

Reconnaissance prospecting identified middle - upper Tyndall Group volcaniclastics in the west of this area and confirmed the potential for a Yolande River Sequence - Tyndall contact to be mapped.

In the Madam Howards area outcropping quartz and barite veins were chip sampled and assayed. No gold was detected although trace amounts of pyrite, galena and fluorite were present in some samples.

Core from three Department of Mines drill holes at Madam Howards was also sampled and assayed, with the highest result being MHD1: 225.6 - 230 feet @ 0.12 ppm Au (Morrison, 1997).

Summary of Year 2 Exploration
A small grid was established over the Diamond Hill quartz-feldspar porphyry gold prospect. 51 surface rock chip samples were taken, with 10 assaying > 1ppm gold and a maximum of 18.3 ppm. B/C horizon soil geochemistry suggests depletion in lead over the porphyry, relative to the adjacent volcaniclastics, however most of Diamond Hill appears to have been ground sluiced and the lack of genuine residual soil may be skewing the results. Patchy soil gold anomalies correlate with old diggings

A pan concentrate drainage survey over 11 km^2 between Pearl Creek and Yolande River produced coherent gold anomalies around Diamond Hill and Madam Howards, in marked contrast to an earlier -80# survey. This contrast may reflect gold particle size distribution (Morrison and Griffiths, 1998).

Summary of Year 3 Exploration
A BSc Honours project on a group of acid to intermediate Yolande River porphyries within the EL was supported by the company (Griffiths, 1998). The project also included surface and undergroung mapping and grid based magnetics and soil sampling at Diamond Hill (Harbon, 1999).

During licence year 3 the company developed serious financial problems and work ceased in December 1998.

RELINQUISHMENT

In June 2002 application was made for the surrender of EL 27/95, in line with company policy to consolidate a smaller exploration ground holding adjoining the Mt Lyell mine lease and focus on extending the life of the existing mining operation.

REFERENCES

Griffiths, A. G., 1998. The Geology, Geochemistry and Magnetics of Yolande River Sequence Porphyries, Northwest of Queenstown, unpublished BSc Honours thesis, CODES SRC/School of Earth Sciences, University of Tasmania.

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