

OUTER-RIM EXPLORATION SERVICES

ABN 88 104 028 417

Geophysical Contracting Services

100% Australian Owned

3 Katherine Street,
(PO Box 3323)
NORMAN PARK, QLD. 4170

Tel: 07 3843 2922
Fax: 07 3843 2966
Mob: 0412 54 9980
Email: mail@outer-rim.com.au

Volume 1 of 1

Client : Zimifex Limited

Prospect : Henty

Area : Henty, Tasmania

Survey : Borehole PEM Survey

Survey Period : 10th to 12th December, 2006

Operator : Muhammad Humam

DAILY LOG: Zinifex Limited - December, 2006

DATE COMMENTS

CHARGES

10-12-06 We were on standby today because there wasn't time to survey another hole due to the survey of the priority hole using the helicopter tomorrow.

1 Standby day \$1000.00

11-12-06 We got to the Zinifex office at 7.00am, spoke to Mick and Craig about the job, then drove to the Henty site at about 8.00am. We unloading the gear and put it in the basket for the helicopter. We then drove to the survey area, with a Zinifex field assistant, laid out the loop and received the equipment from the helicopter. The weather was very bad, raining almost all day, with some sleet. We finished up at 5.30pm.

1 Survey day \$2000.00
1 Field Assist. day \$ 300.00

12-12-06 We picked up the survey details, went out to site at about 7.45am, set up, synchronised the receiver and transmitter and walked to the drill hole. We dummed the hole and read the Z and X-Y components by about 5.00pm. We then packed up, put the gear back in the basket and organised the helicopter to pick it up. We walked back to the transmitter position, packed up and drove back to the helipad. We loaded the rest of the gear and drove back to Rosebery by 7.30pm.

SURVEY PARAMETERS

Loop H8 : 800 x 500m
 376300E, 53556385N ; 376800E, 53556377N
 376305E, 5355656N ; 376800E, 5355653N

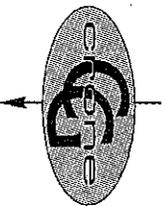
Current : 15 Amps
Time Base : 20 ms
Ramp Time : 1ms
Sync : Crystal clock

Hole No. : **HGW-001**
 376190E, 5355650N

Depth : 510m
Channels : 20
Components : Z,X,Y

1¼ Survey day \$2500.00
1¼ Field Assist. day \$ 375.00

Appendix



CRONE GEOPHYSICS & EXPLORATION LTD.

3607 WOLFEDALE ROAD, MISSISSAUGA, ONTARIO, CANADA, L5C 1V8

Phone: (905) 270-0096

Fax: (905) 270-3472

www.crogeophysics.com

3-D PULSE EM - SYSTEM DESCRIPTION

Name of System: Crone Pulse EM (PEM).

Method Employed: TDEM (Time-domain electromagnetics) or TEM (Transient EM).

Survey Types:

- **Surface** - DEEPEM, Large In-Loop, Moving Loop, Moving Coil - 3 components.
- **Borehole** - 3D Borehole PEM - 3 components are measured and oriented.
- **Underground** - 3D Borehole PEM - including flat or up-dipping holes.

Measured Quantity: Rate of change of magnetic field in nanoTesla/second (same as nV/m^2).

Receiver: Fully digital (input is digitized before stacking) with 24 bit dynamic range.

Channels (Gates):

- Typically 20 logarithmic channels in off-time and 1 during ramp (PP).
- Operator can select from several built-in tables including:
 - 10, 20, or 30 channel system (single, double, triple density)
 - 45 channels 4.5 usec wide covering the end of ramp and start of off-time.
 - 42 channels and PP for 150 msec time base.
 - full sampling of ramp and off-time (8 on ramp and full off-time starting at 0 usec).
- Programmable channel positions in the field.

Stacking: 512 to 65536 stacks with spike rejection.

Gain Control: Automatic software control (no selection or correction required).

Rx Operation: Menu-driven software. Large 16x40 character LCD. Full alphanumeric keyboard.

Display: 256 x 128 pixel scrollable graphic LCD for decay curves and profiles in the field.

Data Handling: Solid state storage; multiple files; all files can be appended at any time. Plot, list, sort, delete data. RS232 transmission of all data or only certain files.

Synchronization: Radio, cable, or crystal clock

Current Waveform: Bipolar on-off square waveform with exponential turn-on and ramp off.

Time Base: Off-time plus ramp time.

- 8.33, 16.66, 50, 100 and 150 msec for 60 Hz noise rejection (equivalent base frequencies of 30, 15, 5, 2.5, 1.67 Hz.)
- 10.0, 20.0, 50.0, 100.0 and 150 msec for 50 Hz noise rejection (equivalent base frequencies of 25, 12.5, 5, 2.5, 1.67 Hz.)

Ramp Time: The time required for the current to turn off.

- 500, 1000, or 1500 usec selections for precisely controlled linear turn-off ramps.
- "fast ramp" option turns current off as quickly as possible for a given loop size and current (2 usec or less to a few hundred usec).

Transmit Loop:

- Single turn loop of any dimension (less than 100m x 100m to greater than 2km x 2km).
- Multi-turn 14m diameter loop for near-surface Moving Coil surveys.

Tx Output Current:

- 30 Amps maximum at 160 Volts for 4.8 kWatt system.
- 20 Amps maximum at 120 Volts for 2.4 kWatt system.

Tx Output Voltage:

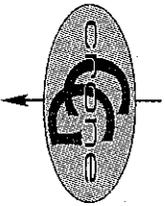
- 48 to 240 Volts continuously adjustable for 4.8 kWatt system.
- 24 to 120 Volts continuously adjustable for 2.4 kWatt system.

Tx Safety features: Transmitter automatically shuts off when loop is opened. Also shuts off with high instrument temperature and overload. Fuse and circuit breaker overload protection.

Borehole Probes: 32 mm diameter.

Pressure-tested for depths of 2500m or more.

Operating Temperature: -40°C to 50°C



CRONE GEOPHYSICS & EXPLORATION LTD.

3607 WOLFEDALE ROAD, MISSISSAUGA, ONTARIO, CANADA, L5C 1V8
Phone: (905) 270-0096 Fax: (905) 270-3472 www.cronegeophysics.com

3-D PULSE EM - SPECIAL FEATURES

High Power: A new 4.8 kWatt transmitter allows very large loops to be used while maintaining a high current.

Precise Current Ramps: Precisely- controlled linear ramps of fixed duration allow for proper comparisons to be made between data from different loop sizes, and also allows for the step response transformation.

Long Time Base (Low Frequency): A new long time base of 150 msec (1.67 Hz) ensures that very long time constant conductors can be seen in complicated environments.

Step Response: A new step response transformation allows even longer time-constant conductors to be seen by reproducing the response that would be seen in a direct measurement of the step response. Our controlled linear ramps and our standard Primary Pulse (PP) measurement on the ramp are necessary for this calculation.

Fast Ramp Option: A new "fast ramp" option duplicates the response seen from other pulse-type systems, but this does not allow for the step response calculation. We do not recommend fast ramps because they are not as linear as our controlled ramps, they drift in duration as the loop warms up, and there is no advantage in terms of power put into the ground since the area under the dB/dt pulse produced by the ramp is the same.

Calculation of Impulse Response: The "fast ramp" response can be calculated (as well as the true impulse response) from our standard linear ramp data.

True Digital Receiver: The Crone receiver is a true digital receiver in that the input is immediately digitized before stacking and binning. This produces the following feature (programmable gate positions).

Programmable Gate Positions: There is complete freedom of channel (or gate) positions and widths,

which can be programmed in the field. There are also numerous built-in tables.

Full Sampling: The entire ramp and off-time can be sampled with contiguous channels if desired.

Current Ramp always Sampled: A Primary Pulse (PP) measurement is always made on the current ramp, which is of great help to ensure proper polarities, and also is crucial for the step response transformation.

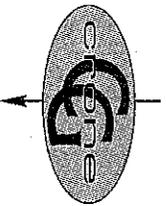
High Quality LCD Display: The 256 x 128 pixel LCD on the receiver allows for accurate plots of decay curves and line or borehole profiles on the receiver, and is of great assistance to the operator to monitor noise and anomaly build-up.

No Data Reduction: There is no data reduction for surface surveys and Z-component borehole surveys, so that what is seen on the receiver is what will be seen in the final plots. For 3-D borehole surveys, there is only the correction applied to the direction of the X and Y components to aid interpretation. Gain controls are automatic, so that the output is always in nanoTeslas/sec (= nV/m²).

Slim-line Probes: A 32 mm probe diameter ensures that virtually all holes can be surveyed with 3-component measurements.

Oriented X and Y Components: X-Y orientation tools accurately orient the X and Y components. This helps tremendously with giving direction to off-hole conductors and to the centre of in-hole conductors.

Reliable, Durable and Portable Equipment: The PEM system has been in use since the early 1970's under temperature extremes of -40°C to +50°C, in desert, jungle, arctic, mountainous, and underground mining conditions.



CRONE GEOPHYSICS & EXPLORATION LTD.

3607 WOLFEDALE ROAD, MISSISSAUGA, ONTARIO, CANADA, L5C 1V8
Phone: (905) 270-0096 Fax: (905) 270-3472 www.crogeophysics.com

3-D PULSE EM - APPLICATIONS

- **Base metals** ⇒ direct detection of:
 - ◊ volcanogenic massive sulphide (VMS) deposits
 - ◊ magmatic sulphide deposits
 - ◊ sedex massive sulphide deposits
 - ◊ higher grade ore within disseminated zones⇒ indirect detection of :
 - ◊ sphalerite and other non-conductors
 - ◊ galena and other poorly connected mineralsthrough detection of associated well-connected conductors.
⇒ detection of conductive marker zones related to deposits
- **Gold**
⇒ detection of associated conductors - e.g. pyrite/pyrrhotite
⇒ detection of the host - e.g. banded iron formations
- **Uranium**
⇒ detection of associated graphitic basement conductors
⇒ detection of associated conductive alteration zones
- **Diamonds**
⇒ detection and definition of clay-rich layer overlying kimberlites
⇒ locating kimberlites under locally thinned conductive cover

In the ore definition, delineation and production stages of a mining operation, Pulse EM can still be highly effective to:

- Define the boundaries of conductive ore
- Determine the size of intersected conductors and thereby determine whether they are connected to main ore zones.
- Reduce the number of necessary drillholes by exploring between holes.
- Survey underground drillholes - even flat or inclined holes.

Pulse EM can also be used for:

- General geological mapping of conductive structures
 - ⇒ shears, fractures, lineaments
 - ⇒ hydrothermal alteration
 - ⇒ graphite-rich rocks, including graphitic schist, shale, slate, and argillite
 - ⇒ clay alteration and zeolites
 - ⇒ differential and clay weathering
 - ⇒ conductive weathered layer at surface
- Groundwater exploration
- Mapping groundwater contamination plumes and freshwater-saltwater interface
- Geothermal exploration
- Mapping depth and thickness of horizontal strata
- Mapping permafrost thickness

PLOTS

CONTENTS

| Plan No. | Plan Type | ID. | Description | Scale |
|----------|-----------|---------|-------------------------|---------|
| 1 | Plan | HGW-001 | Hole location plan | 1:10000 |
| 2 | Section | | Primary Field plot | 1:5000 |
| 3 | Header | HGW-001 | Header information | N/A |
| 4 | Profile | (H8) | Z - Log plot | 1:3000 |
| 5 | | | - Linear, Ch1-10, 1:250 | 1:3000 |
| 6 | | | - Linear, Ch10-15, 1:50 | 1:3000 |
| 7 | | | - Linear, Ch15-20, 1:5 | 1:3000 |
| 8 | | | X - Log plot | 1:3000 |
| 9 | | | - Linear, Ch1-10, 1:500 | 1:3000 |
| 10 | | | - Linear, Ch10-15, 1:50 | 1:3000 |
| 11 | | | - Linear, Ch15-20, 1:2 | 1:3000 |
| 12 | | | Y - Log plot | 1:3000 |
| 13 | | | - Linear, Ch1-10, 1:500 | 1:3000 |
| 14 | | | - Linear, Ch10-15, 1:50 | 1:3000 |
| 15 | | | - Linear, Ch15-20, 1:2 | 1:3000 |
| 16 | | | Total Field plot | 1:3000 |

376000E

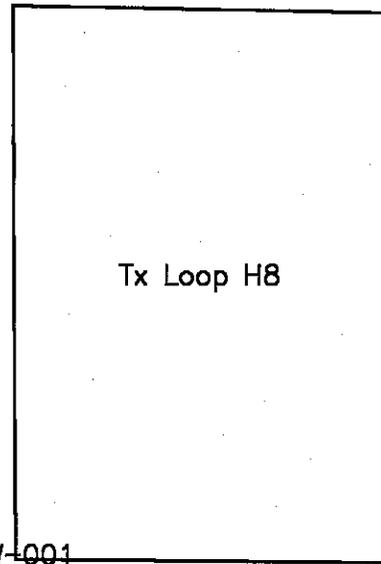
376400E

376800E

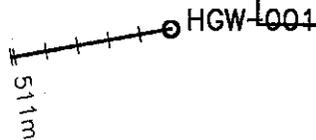
5356200N -

5356000N -

5355800N -

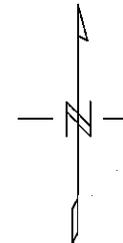


Tx Loop H8



HGW-001

51m



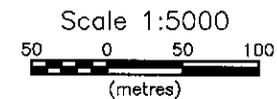
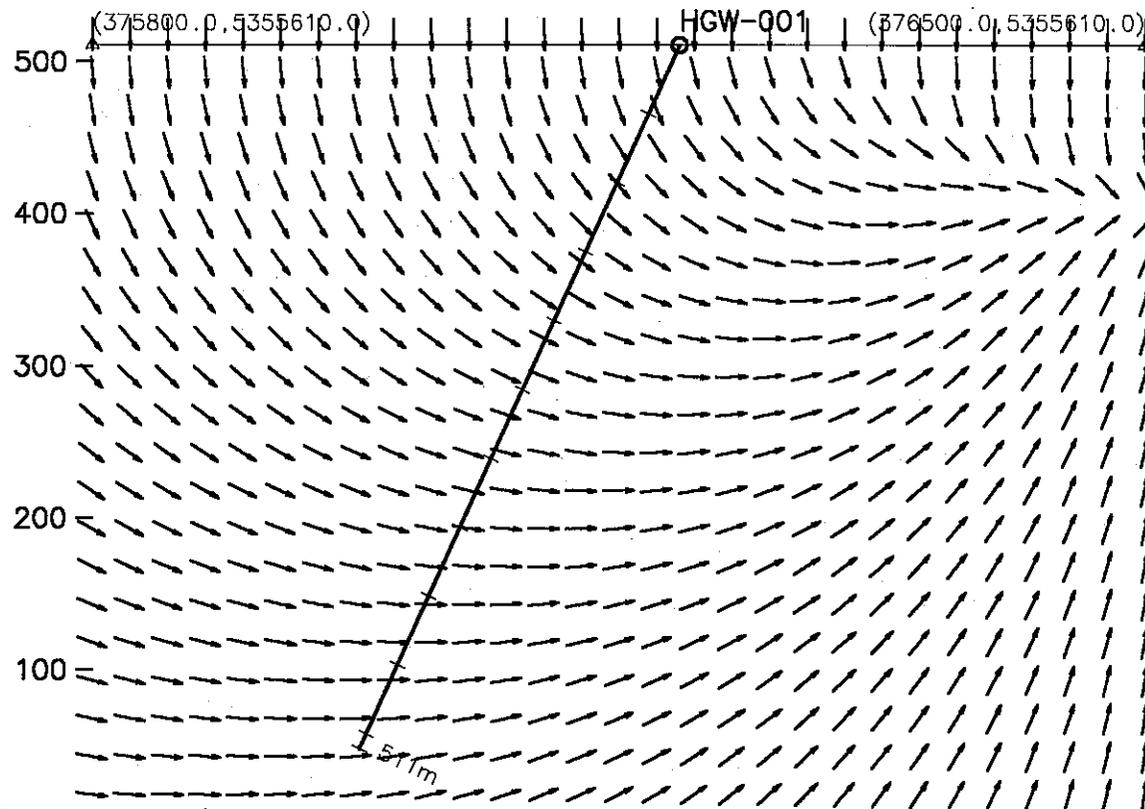
Scale 1:10000
250 0
(metres)

Zinifex Ltd
Henty

**3-D Borehole Pulse EM Survey
Borehole & Loop Location Map**

Hole: HGW-001
Survey Date: Dec 11, 2006

Outer-Rim Exploration Services



| |
|--|
| <p><i>Zinifex Ltd</i> Henty</p> |
| <p>3-D Borehole Pulse EM Survey Hole Section with Primary Field</p> |
| <p>Hole: HGW-001 Survey Date: Dec 11, 2006</p> |
| <p><i>Outer-Rim Exploration Services</i></p> |

OUTTER - RIM EXPLORATION SERVICES

Borehole Pulse EM Survey

| | |
|----------------------------|-------------------------|
| Client : Zinifex Ltd | Hole : HGW-001 |
| Grid : Henty | Tx Loop : H8 |
| Date : Dec 11, 2006 | File name : HGW1Z.PEM |
| Time Base : 20.00 ms | # Readings: 31 |
| Ramp Time : 1.00 ms | Stn Units : Metric |
| # Channels: 20 | Coil Area : 8000 sq m |
| Sync Type : Crystal-MASTER | Polarity : - |
| Loop Size : 800m X 500m | Receiver : Digital #109 |
| Current : 15 Amps | Operator : Humam |

Loop Coordinates (X,Y,Z)

| | |
|--------------------------------|--------------------------------|
| 1. 376300m, 5.35638e+06m, 490m | 2. 376305m, 5.35566e+06m, 518m |
| 3. 376800m, 5.35565e+06m, 500m | 4. 376800m, 5.35638e+06m, 510m |

Hole Coordinates (X,Y,Z) or (Azimuth,Dip,Length)

| | |
|--------------------------------|------------------------|
| 1. 376190m, 5.35565e+06m, 511m | 2. 260deg, 65deg, 511m |
|--------------------------------|------------------------|

Channel Times (usec)

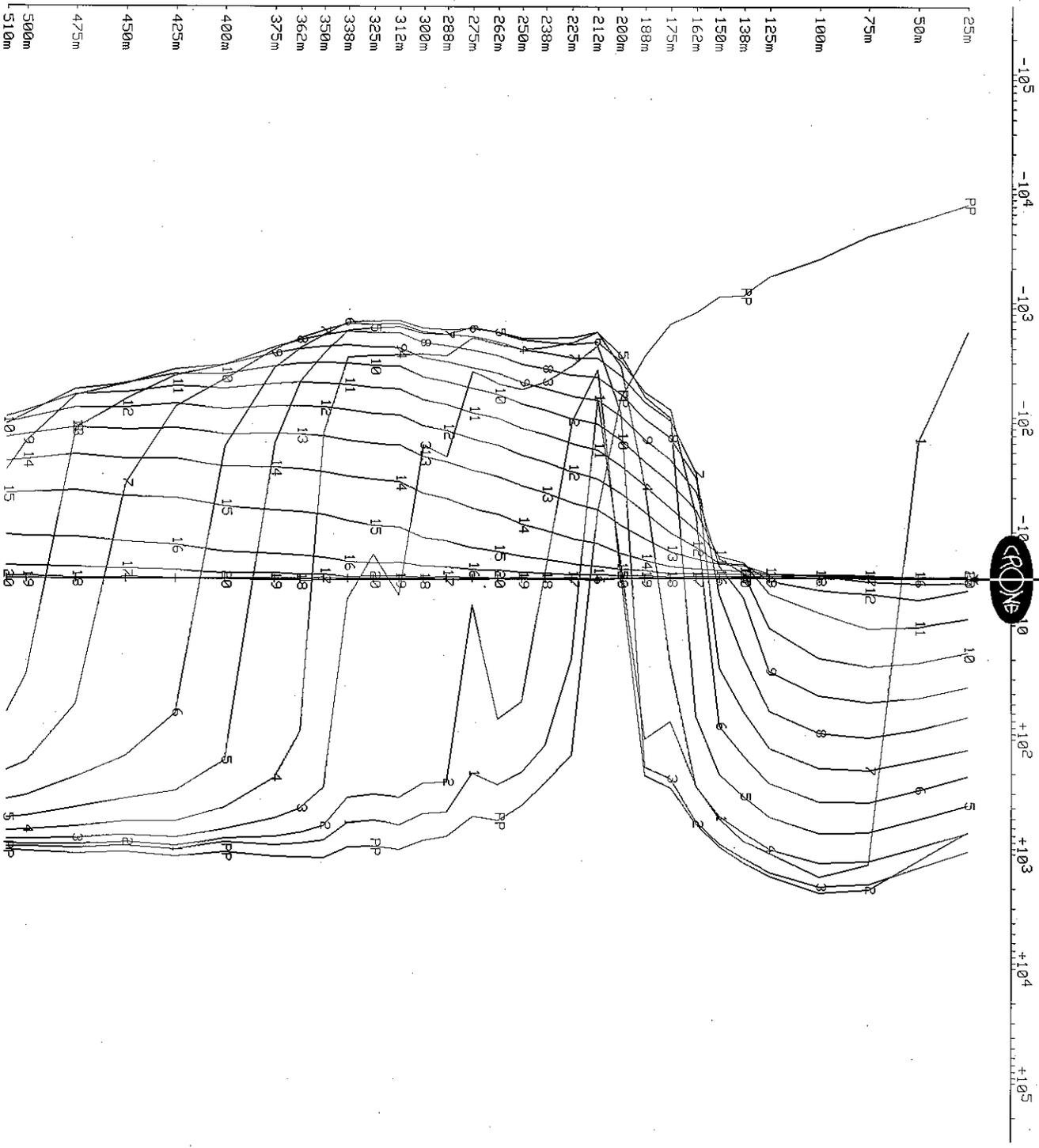
| Ch | Start | End | Center | Ch | Start | End | Center | Ch | Start | End | Center |
|----|-------|------|--------|----|-------|-------|--------|----|-------|-------|--------|
| PP | -198 | -99 | -149 | 1 | 50 | 63 | 56 | 2 | 63 | 86 | 74 |
| 3 | 86 | 112 | 99 | 4 | 112 | 153 | 133 | 5 | 153 | 203 | 178 |
| 6 | 203 | 270 | 236 | 7 | 270 | 360 | 315 | 8 | 360 | 482 | 421 |
| 9 | 482 | 639 | 560 | 10 | 639 | 850 | 745 | 11 | 850 | 1129 | 990 |
| 12 | 1129 | 1498 | 1314 | 13 | 1498 | 1993 | 1746 | 14 | 1993 | 2646 | 2320 |
| 15 | 2646 | 3514 | 3080 | 16 | 3514 | 4666 | 4090 | 17 | 4666 | 6192 | 5429 |
| 18 | 6192 | 8221 | 7206 | 19 | 8221 | 10910 | 9566 | 20 | 10910 | 14490 | 12700 |

OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1Z.PEM

Z COMPONENT dbz/dt nanoTesla/sec - 20 of 20 channels and PP
Scale: 1:3000

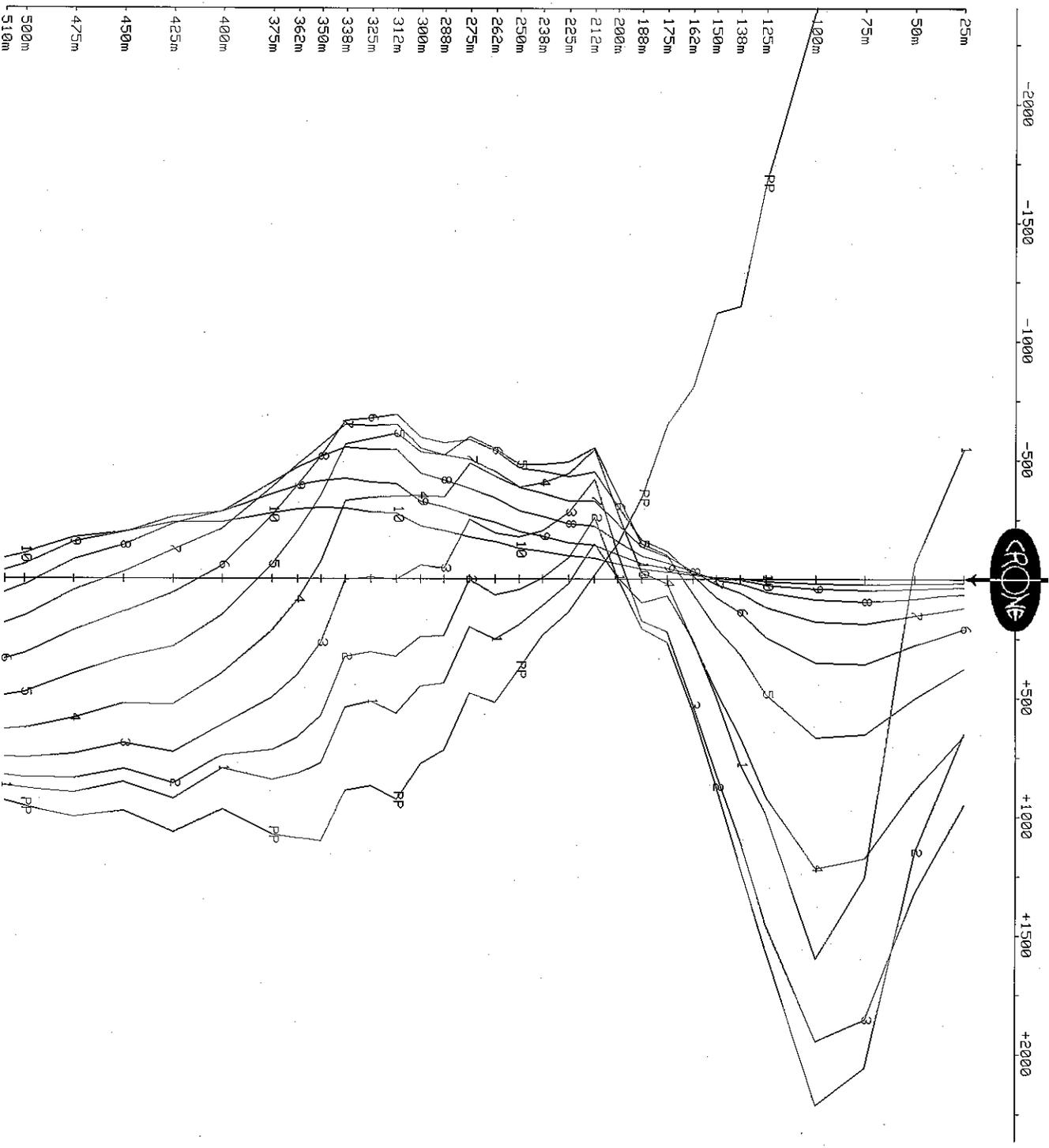


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinfex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1Z.PEM

Z COMPONENT dbz/dt nanoTesla/sec - 10 of 20 channels and PP
Scale: 1:3000 Unit Scale: 1cm = 250 nT/s

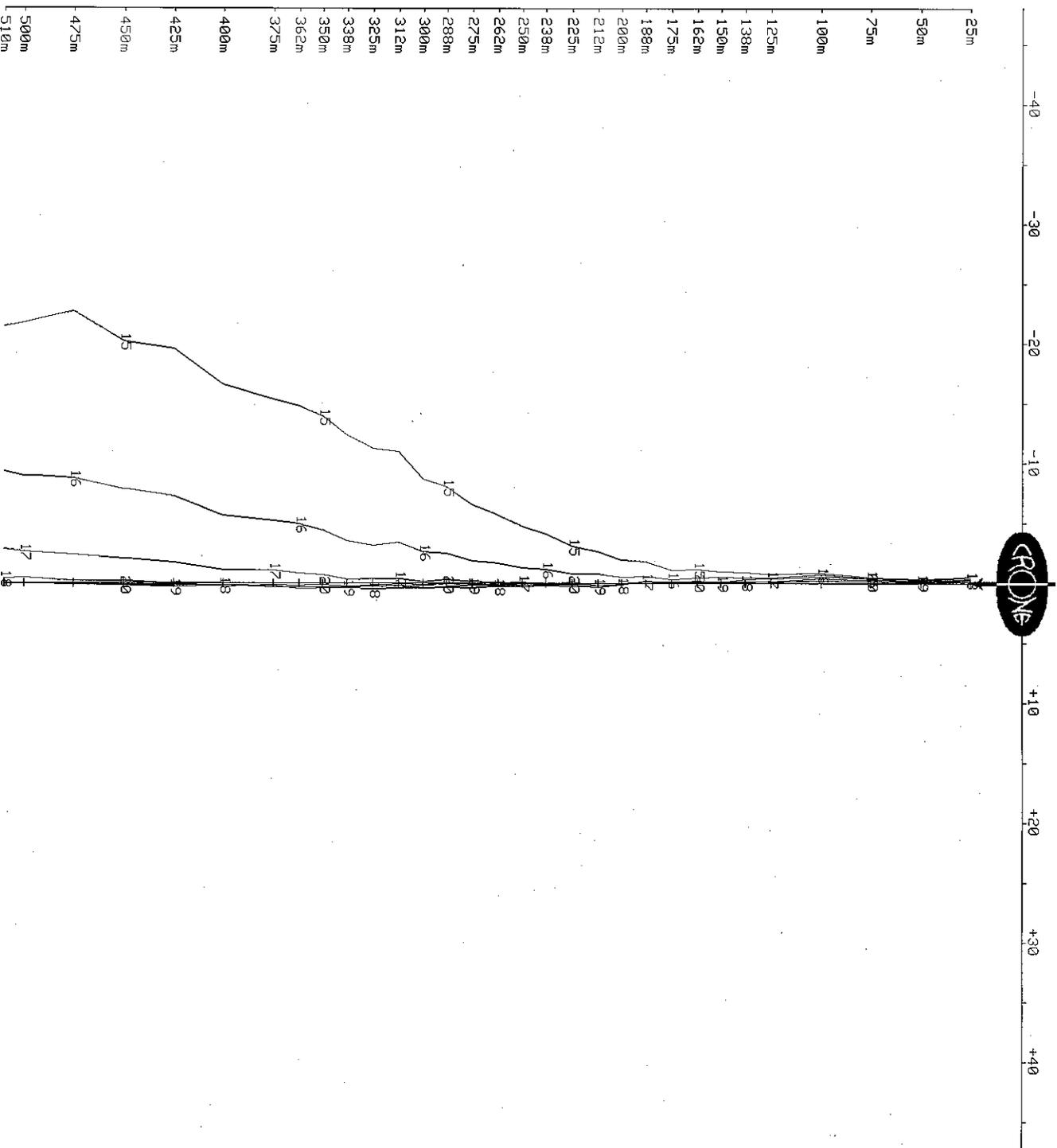


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1Z.PEM

Z COMPONENT dBz/dt nanoTesla/sec - 6 of 20 channels
Scale: 1:3000 Unit Scale: 1cm = 5 nT/s

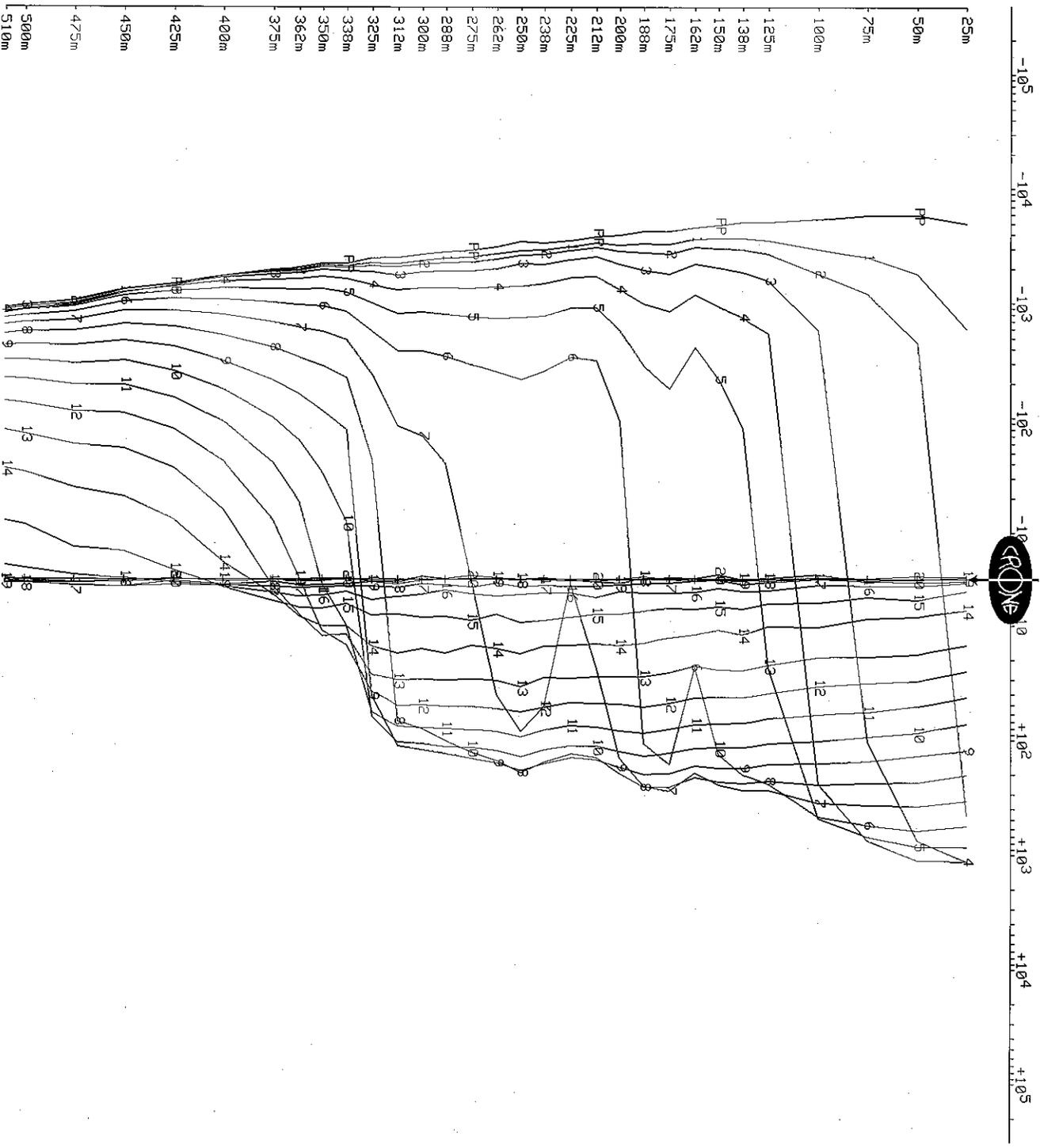


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1XY.PEM

Data Corrected for Probe Rotation using Orientation Tool #5
X COMPONENT dbx/dt nanoTesla/sec - 20 of 20 channels and PP
Scale: 1:3000

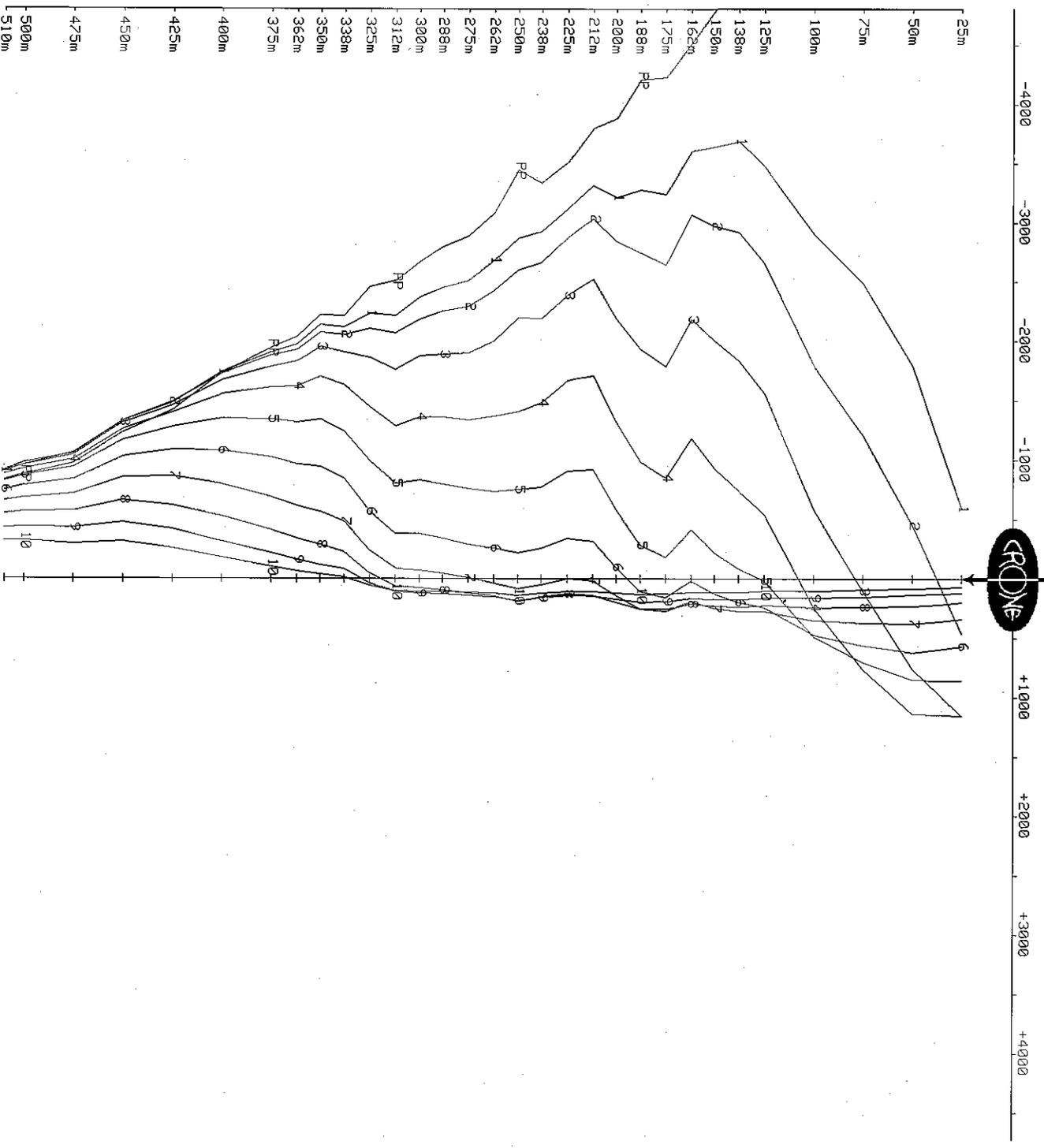


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1XY.PEM

Data Corrected for Probe Rotation using Orientation Tool #5
X COMPONENT dbx/dt nanoTesla/sec - 10 of 20 channels and PP
Scale: 1:3000 Unit Scale: 1cm = 500 nT/s

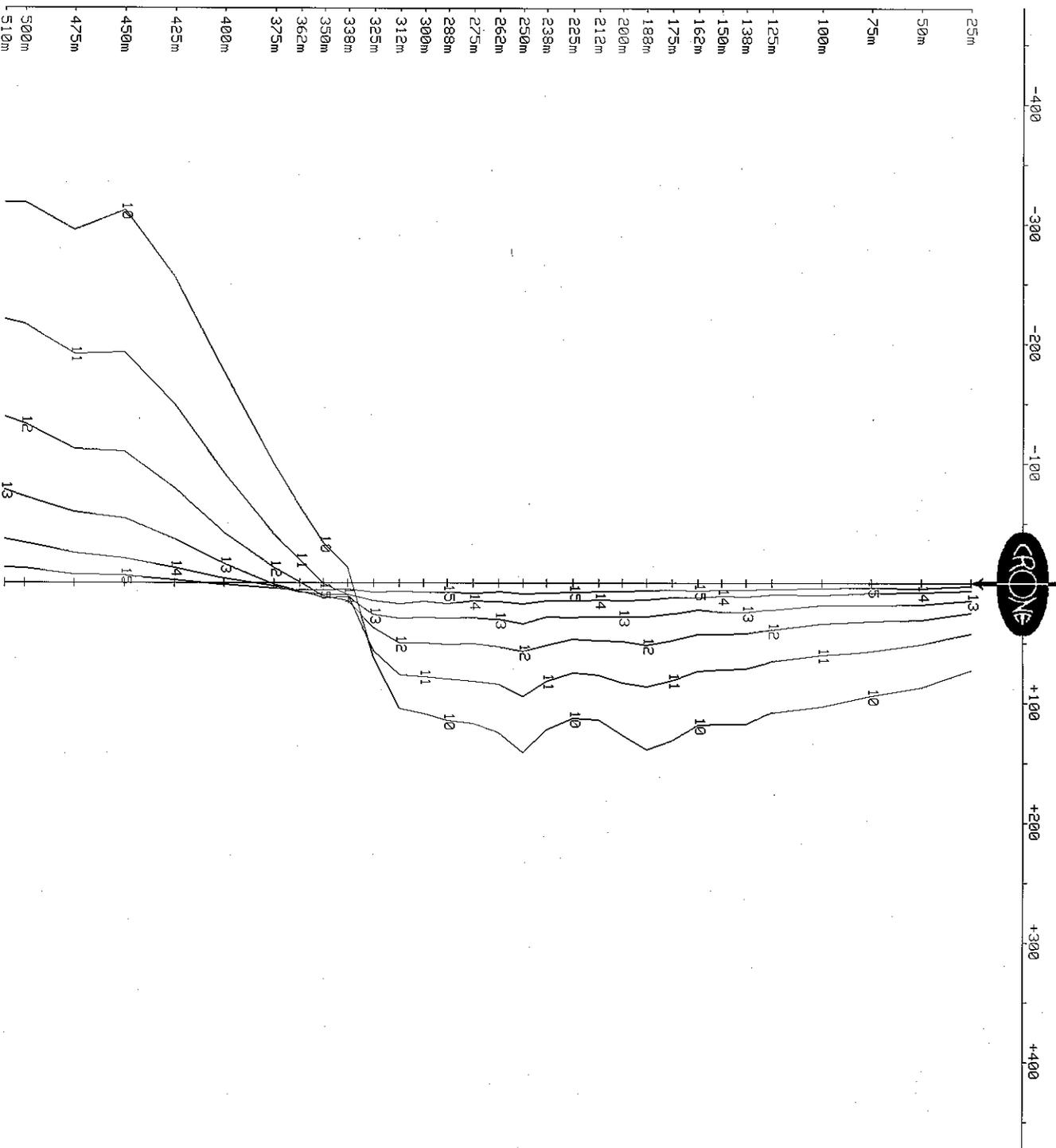


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1XY.PEM

Data Corrected for Probe Rotation using Orientation Tool #5
X COMPONENT dbx/dt nanoTesla/sec - 6 of 20 channels
Scale: 1:3000 Unit Scale: 1cm = 50 nT/s

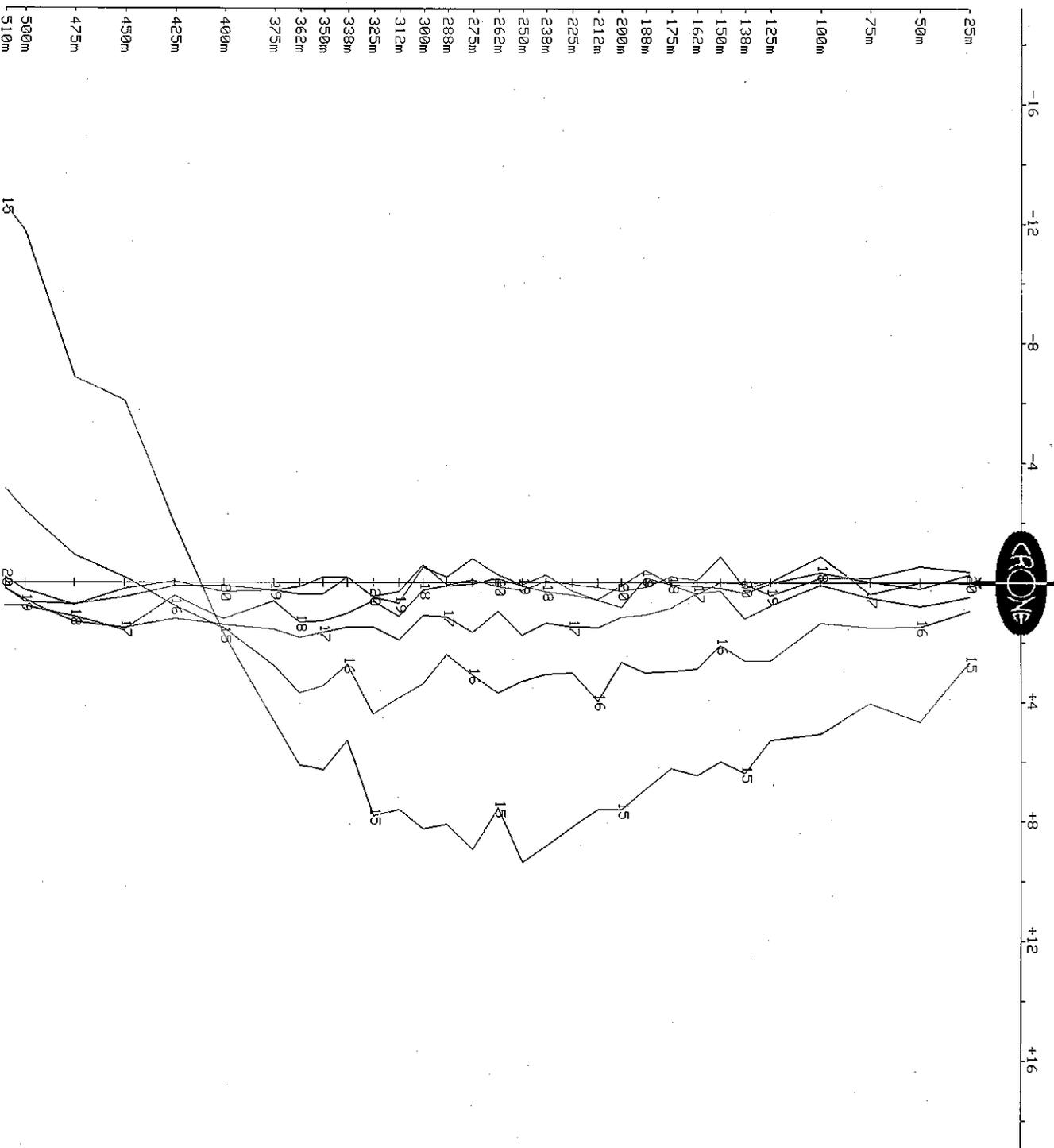


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1XY.PEM

Data Corrected for Probe Rotation using Orientation Tool #5
X COMPONENT dbx/dt nanoTesla/sec - 6 of 20 channels
Scale: 1:3000 Unit Scale: 1cm = 2 nT/s

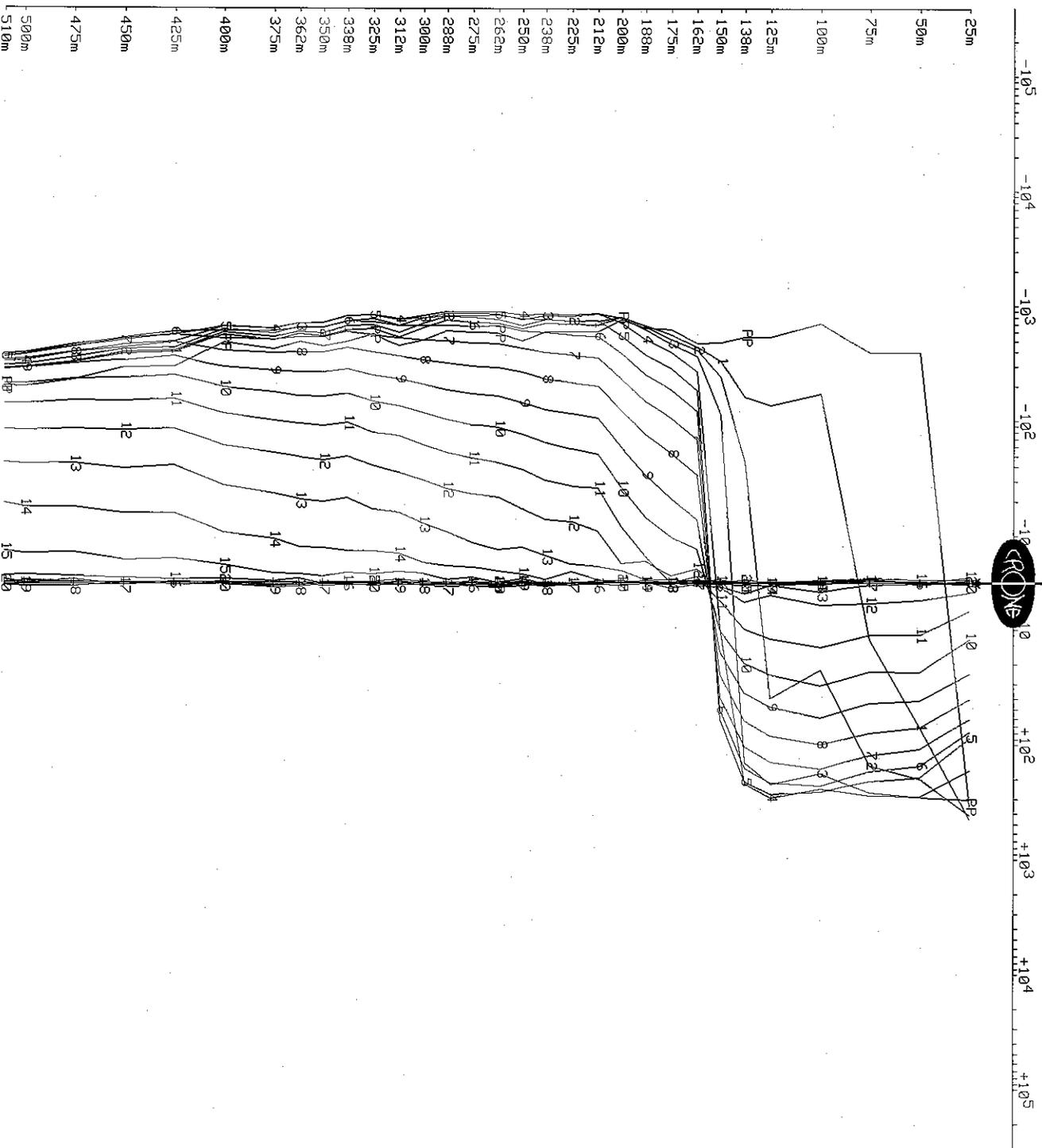


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGWI1XY.PEM

Data Corrected for Probe Rotation using Orientation Tool #5
Y COMPONENT dbY/dt nanoTesla/sec - 20 of 20 channels and PP
Scale: 1:3000

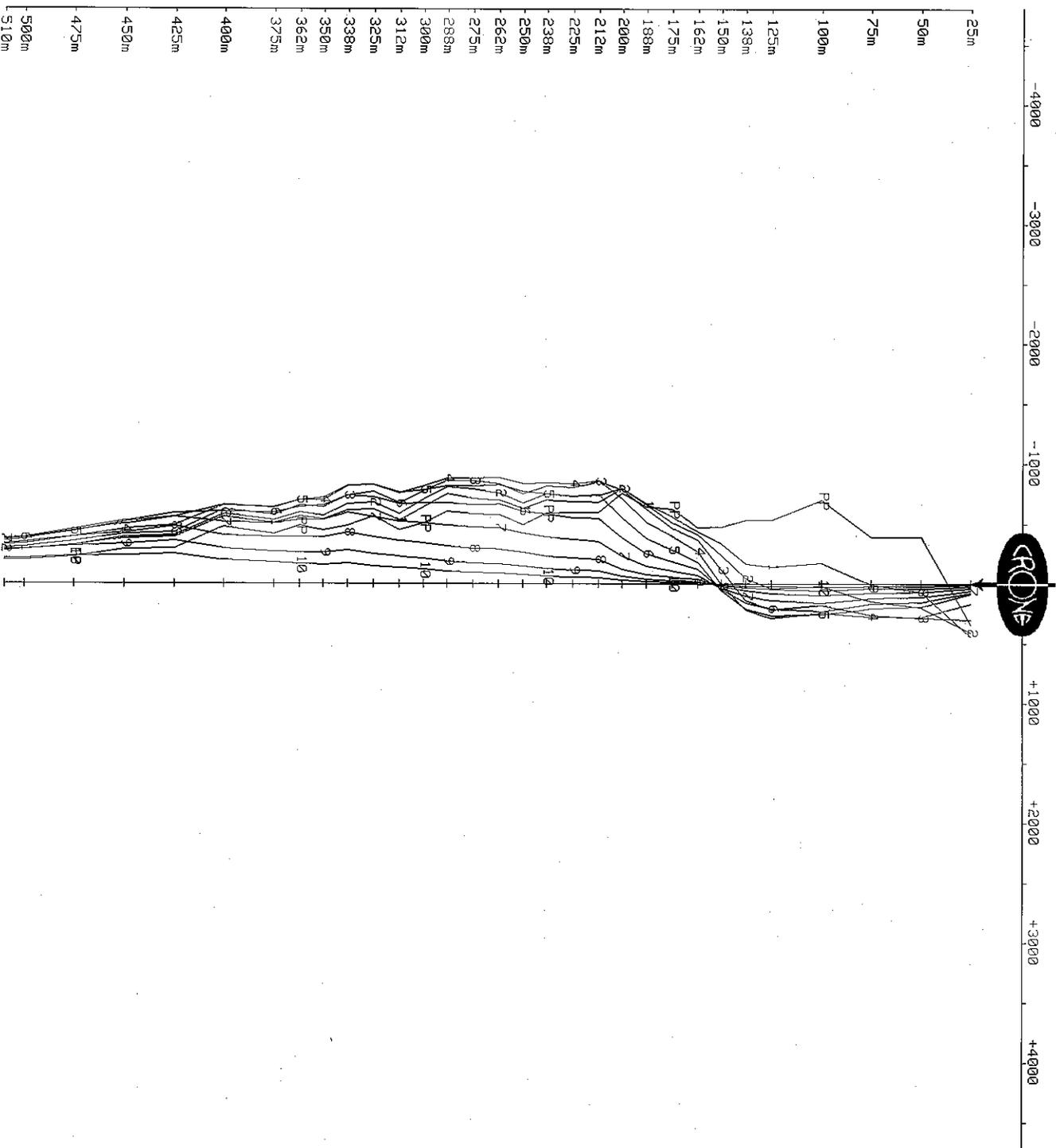


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1XY.PEM

Data Corrected for Probe Rotation using Orientation Tool #5
Y COMPONENT dBy/dt nanoTesla/sec - 10 of 20 channels and PP
Scale: 1:3000
Unit Scale: 1cm = 500 nT/s



OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

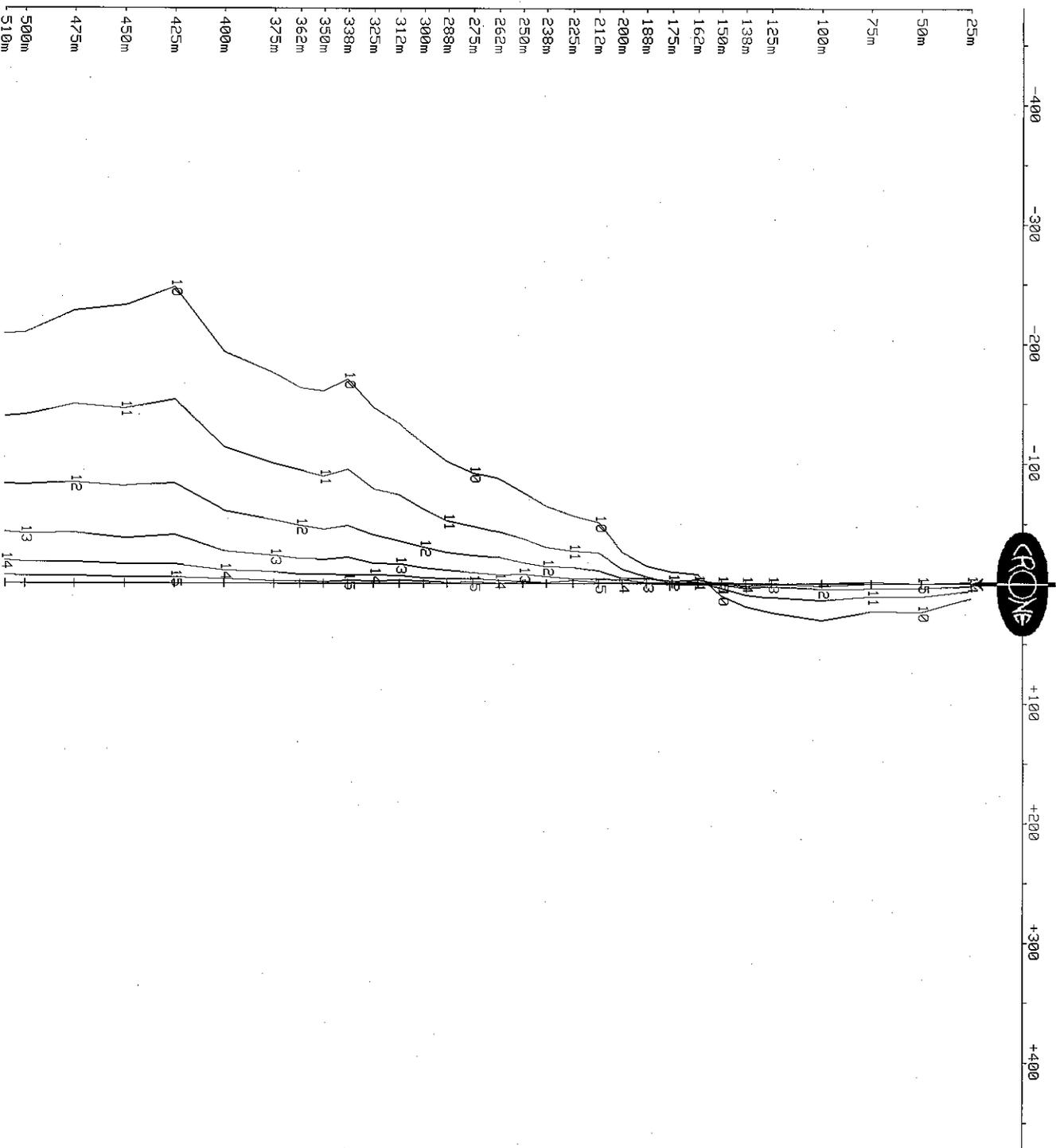
Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1XY.PEM

Data Corrected for Probe Rotation using Orientation Tool #5
Y COMPONENT dBy/dt nanoTesla/sec - 6 of 20 channels

Scale: 1:3000

Unit Scale: 1cm = 50 nT/s

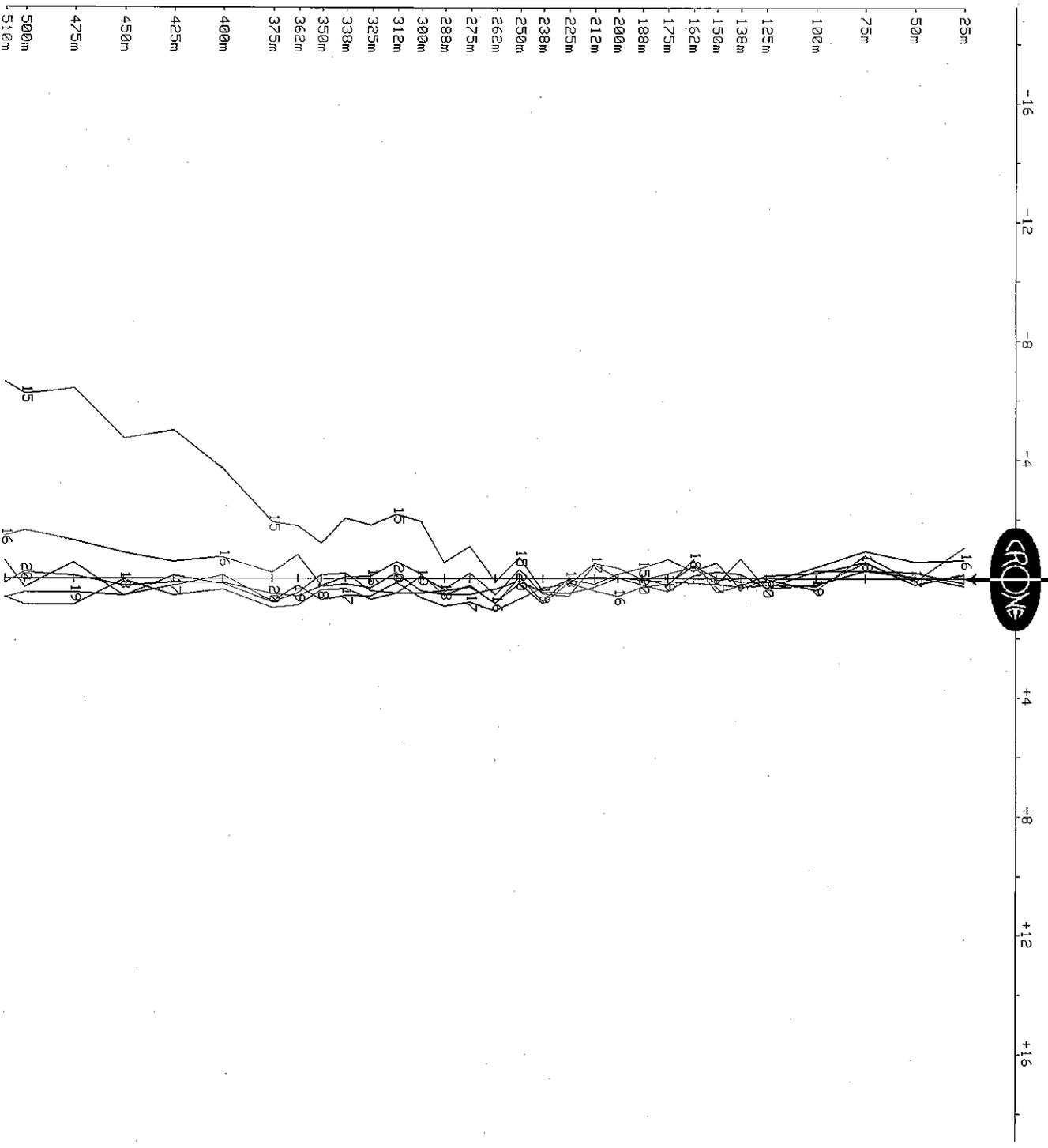


OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1XY.PEM

Data Corrected for Probe Rotation using Orientation Tool #5
Y COMPONENT dBy/dt nanoTesla/sec - 6 of 20 channels
Scale: 1:3000 Unit Scale: 1cm = 2 nT/s



OUTER-RIM EXPLORATION SERVICES Borehole Pulse EM Survey

Client : Zinifex Ltd
Grid : Henty
Date : Dec 11, 2006

Hole : HGW-001
Tx Loop : H8
File name : HGW1XYZ.PEM

TOTAL FIELD dBxyz/dt nanoTesla/sec - 20 of 20 channels
Scale: 1:3000

