



# **MINCOR ZINC PTY LTD ROUND MOUNTAIN PROJECT**

EL42/2006

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## **1. INTRODUCTION**

Exploration Licence 42/2006 covers an area of approximately 103 square kilometres situated at Round Mountain, two kilometres from Cethana.

Exploration Licence 42/2006 was granted to Mincor Zinc Pty Ltd on 8 March 2007 for a five year period.

## **2. EXPLORATION PHILOSOPHY AND OBJECTIVES**

- Mincor is an aggressive and professional explorer with a strong focus on cost effective delineation and evaluation of new mineral deposits in a safe and environmentally responsible manner.
- Mincor conducts rigorous, appropriate exploration, utilising new technology where appropriate.
- Mincor is not restricted by commodity type or geographic location, as long as mineral potential and a path to development can be seen.

Mincor's exploration objective beyond maintaining and expanding its nickel interests is to bring a new gold or base metal mine into production within the next five years. The work proposed in this report represents part of the start-up of Mincor's recently implemented policy of expanding into other minerals.

Exploration at Round Hill will focus on potential volcanic/intrusive related gold and base metal enriched skarns, associated with the Dolcoath Granite. Mincor will use its experience in Skarn exploration methods developed from its wholly owned Nardoo Well W-MO-F-Sn Project in Western Australia but will focus on Monia Fe-Cu-Zn-F and Round Hill Pb-Zn-Ag associations.

## **3. PREVIOUS WORK**

The area has been prospected since the 1860's but very little systematic work has been carried out in the region. A useful summary of silver mining operations in the Round Mount district is given by Jennings (1958). The original discovery of silver – lead deposits in the area was made in 1878 with the development of ore bodies around Round Mount proceeding sporadically for approximately the next 30 years. More recent exploration or investigation in the area has been carried out by Anglo American (1970's), Rio Tinto, AngloGold, Pasminco and most recently Frontier Resources (formerly Tasgold). Frontier focussed their entire effort on the Narrawa Creek area (mostly Higgs Gold Mine) with no regional exploration undertaken (McDougall, 2006). Retention Licence 8810 over the Moira fluorite deposit was held by AngloGold and Rio Tinto (now the subject of an option agreement by Minemakers Limited) and Frontier were forced to convert their holding to Narrawa Creek (RL3/2005) and Stormont (RL4/2005).

#### 4. GEOLOGY

EL42/2006 is mostly underlain by Ordovician rocks of the Dennison Group, predominantly sandstone correlating with the Moina sandstone, overlain by increasingly calcareous sediments culminating in a limestone sequence that correlates with the Gordon Limestone. This overlies limited occurrences of the Mt Reid Group comprising mainly volcanoclastic sandstones, and some volcanic breccias. All of this has in turn been intruded by the shallowly buried Dolcoath Granite which is a Devonian age, coarse grained I-type alkali feldspar granite containing minor pegmatite and greisen phases. Tertiary basalts cover parts of the area, particularly to the south of Round Mountain and are important as an indication of the age of various glacial deposits as some of these contain boulders of the basalt. A good summary of the regional geology is given in Purvis (2000).

#### 5. EXPLORATION COMPLETED

Exploration to date has comprised only data reviews and compilations and a single field visit to the old Round Hill mine site and surrounding areas. This was carried out as a precursor to further work, to assess field requirements environmental sensitivities and access.

#### 6. CONTINUING EXPLORATION

Work has thus far been severely restricted by availability of staff with higher priority projects receiving attention at the expense of (currently) lower priority areas such as Round Hill. The area remains prospective for a variety of commodities, largely related to the intrusion of the Dolcoath granite. These include mostly veins and skarns and comprise tungsten, tin, gold, silver, lead, zinc and copper.

Exploration programs will focus on this potential volcanic and intrusion-related gold and base metal mineralisation, taking structural controls and into account and applying new technology to the region. Potential "massive sulphides" (including galena dominant) associated with vein systems in the Round Hill area may be detectable with EM and an airborne EM (VTEM) survey is planned for February/March 2008. This will be flown at 200m line spacing with infill to 100m where warranted (refer Appendix A). It is hoped that this may detect further base metal targets in the Round Hill area that eluded early miners because of the structural complexity of the area.

Follow up work may be varied according to the results of the VTEM but is expected to broadly follow the outline below:

A budget for exploration in Year 2 is as follows:

• Additional data compilation and review	\$10,000
• Ground geophysics – refine targets (mag ± EM or other)	\$80,000
• RC and/or Diamond drilling	\$200,000
• Detailed geological mapping and sampling	\$10,000
• Photography, geochemical soil and rock chip sampling	\$15,000
<b>TOTAL</b>	<b><u>\$320,000</u></b>

## **7. CONCLUSIONS**

Whilst the area is prospective on a regional scale, it is without doubt the contact aureole of the Dolcoath granite that yields the greatest prospectivity. The results of an airborne VTEM survey will help guide future work within this contact area whilst providing a first pass test over lightly explored ground that is slightly further a field.

## **8. EXPENDITURE**

Expenditure on EL42/2006 for the Financial Year end 30 June 2007 is as follows:

• Salaries & Wages	\$3,094
• Rent	\$1,870
• Travel (Airfares)	\$596
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	<b>\$5,560</b>

## **9. REFERENCES**

Jennings, I.B., 1958. The Round Mount District. Geological Survey Bulletin No. 45, Tasmania Department of Mines.

McDougall, J., 2006. Relinquishment Report EL29/2003 Gowrie Park; Frontier Resources Limited. Tasmanian Company Report.

Purvis, J.G., 2000. Second Progress Report – Dolcoath EL 37/97. J.G. Purvis and Associated Proprietary Ltd.; Jervoise, Tasmanian Company Report (TCR 00\_4423).

## **APPENDIX A**

Round Hill Proposed VTEM Survey  
February 2008