



**STELLAR RESOURCES LIMITED**  
Rubicon Mintech Ventures Pty. Ltd.

## **EL 21/2006 HANGMAN'S CREEK**

**ANNUAL REPORT FOR THE PERIOD  
9 OCTOBER 2007 – 8 OCTOBER 2008**

**Compiled by: Gus Bravo, A M Rigg**

**DATE: August 2008**

**SUBMITTED TO: Executive Chairman**

**DISTRIBUTION:**

**Mineral Resources Tasmania, a Division of the  
Department of Infrastructure, Energy and Resources - Hobart  
Stellar Resources - Melbourne**

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## **ABSTRACT**

This second annual report for EL 21/2006 (Hangman's Creek) covers the period 9 October 2007 to 8 October 2008.

The Hangman's Creek licence is located six kilometres south of Corinna. The area can be accessed via the Corinna Road where it passes through the western side of the licence. The licence covers approximately four kilometres of a 25km long aeromagnetic anomaly, which extends north to within 6.5km of Savage River. The licence is contiguous in the north and west with the Corinna (EL44/2006) and in the south with the Heemskirk (EL46/2003) licences also held by Rubicon Mintech Ventures Pty Ltd., a wholly owned subsidiary of Stellar Resources Ltd.

The geological unit of primary interest, the Lucy Formation, is part of the Arthur Lineament, which extends through the licence. The volcanic setting of the Lucy Formation comprising tholeiitic basalt and associated volcanoclastic sediments is considered to be representative of a rift margin or island arc environment. Magnetic units within the Lucy Formation are prospective for gold, copper/magnetite and copper/gold mineralisation. The Frenchman's and Nancy Spur gold prospects lie on the Lucy Formation 6km to the north-east. The Alpine copper project, located 6km to the south within the Heemskirk licence is hosted within a zone of deformation in the Bowry Formation that is of similar magnetic tenor to the Lucy Formation.

Previous exploration by Fodina Minerals included a stream sediment survey in 1993 directed at the Lucy Formation. Between 1996 and 1999 the Goldstream/Titan joint venture completed a detailed aeromagnetic survey over the area and conducted stream sediment, soil and rock chip sampling. Two diamond holes were drilled to test magnetic zones in the Lucy Formation. One drill hole intersected two narrow zones of anomalous copper and gold.

Current work has included the compilation of an exploration chronology file (Rigg, 2007) and open file data review leading to the plotting of extracted geochemical and geophysical data. The data was later compared with the regional geology to derive areas of interest for on-going exploration. A review of previous geophysical data also was undertaken by Isles (2007) to identify exploration targets within the Alpine-Hangmans District.

Resulting from this work, a number of target areas were identified in the northern part of the licence where grid sampling was conducted by previous explorers. In the forthcoming summer season work will be required to establish access possibly along former sample grid lines. It is then proposed to carry out geological reconnaissance and focussed soil/rock chip sampling to identify drilling targets.

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# **1 INTRODUCTION**

## **1.1 EXPLORATION RATIONALE**

The Hangman's Creek licence is well positioned structurally in a gravity divide between the Meredith and Pieman Granites. It covers a part of the Lucy Formation exhibiting strong arcuate deformation. The structural deformation is considered significant as the nearby Alpine copper mineralisation is hosted within a zone of similar deformation and magnetic intensity related to impure carbonate and iron-rich sediments of the Bowry Formation adjacent to the Hangmans Creek licence (Figures 8 & 9). Magnetic units within the Lucy Formation are prospective for gold, copper/magnetite and copper/gold mineralisation. The Frenchman's and Nancy Spur gold prospects lie on the Lucy Formation 6km to the north-east. Having three contiguous licences, covering similar geological terrane, north of the Heemskirk granite has enabled Stellar to adopt a regional exploration perspective.

## **1.2 LICENCE**

Tenement number: 21/2006

Tenement name: Hangman's Creek

Tenement location: The Hangman's Creek licence is located six kilometres south of Corinna, 28km NW of Zeehan and 23km south of Savage River. Access is provided by the all-weather unsealed Corinna Road, from Savage River and Corinna in the north, and the Corinna Road and Heemskirk Road (from Zeehan) in the south. The north and western part of the licence has good road and track access. The south-east is not serviced by tracks and at present may only be accessible by foot (Figure 1).

The licence covers 8km<sup>2</sup> of Crown Land, and in accordance with the West Coast Planning Scheme (1999) is covered by "Natural Resources", and is classified as State Forest (Figure 2). The topography within the licence ranges from low to undulating terrain across the Lucy Formation in the north and west to generally steeper terrain in the east and south-east where the area has been incised by drainage flowing into the Pieman River. Vegetation coverage is mostly nothofagus/phyllocladus rainforest, with similar large areas of heathland/scrub in the north-central area, and buttongrass moorland containing smaller areas of leptospermum scrub in the south-central area.

Reporting period: 9 October 2007 to 8 October 2008.

Tenement holder: Rubicon Mintech Ventures Pty Ltd., a wholly owned subsidiary of Stellar Resources Ltd.

### 1.3 LOCATION OF LICENCE

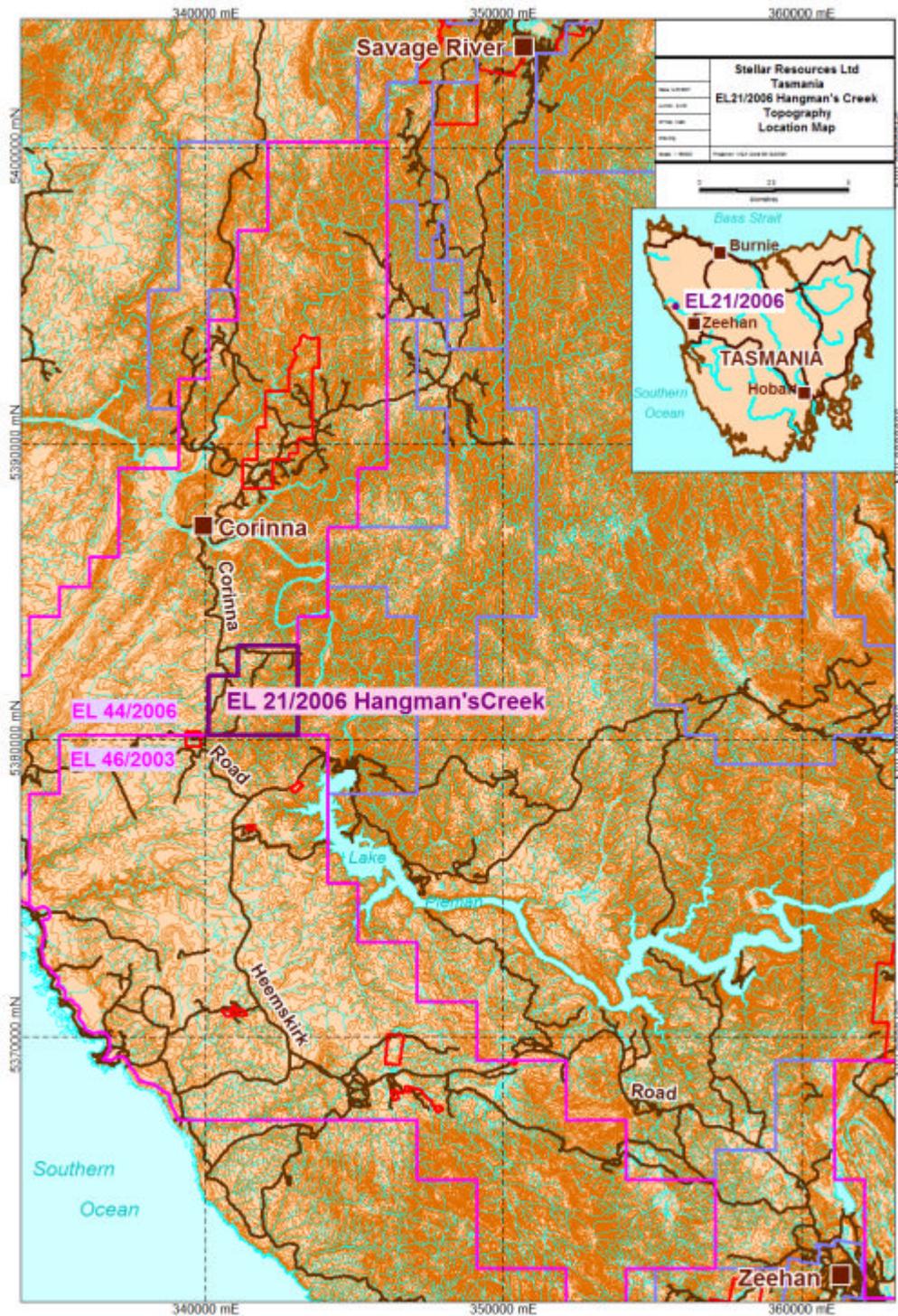


Figure 1 – Location Map  
EL21/2006 Hangman's Creek  
Source: DPIWE.

## 1.4 LAND TENURE

### SCHEDULE

LAND DISTRICT OF MONTAGU  
VICINITY OF HANGMANS CREEK (6 KM SE OF CORINNA)  
MUNICIPALITY OF WEST COAST  
EXPLORATION LICENCE 21/2006 - 8km<sup>2</sup>  
RUBICON MIN TECH VENTURES PTY. LTD.

Commencing at the north-east corner at grid coordinates 343 000 mE 5 383 000 mN thence grid south to 5 380 000 mN grid west to 340 000 mE grid north to 5 382 000 mN grid east to 341 000 mE again grid north to 5 383 000 mN aforesaid thence again grid east to the point of commencement.

Coordinate datum - AGD66AMG, Zone 55.

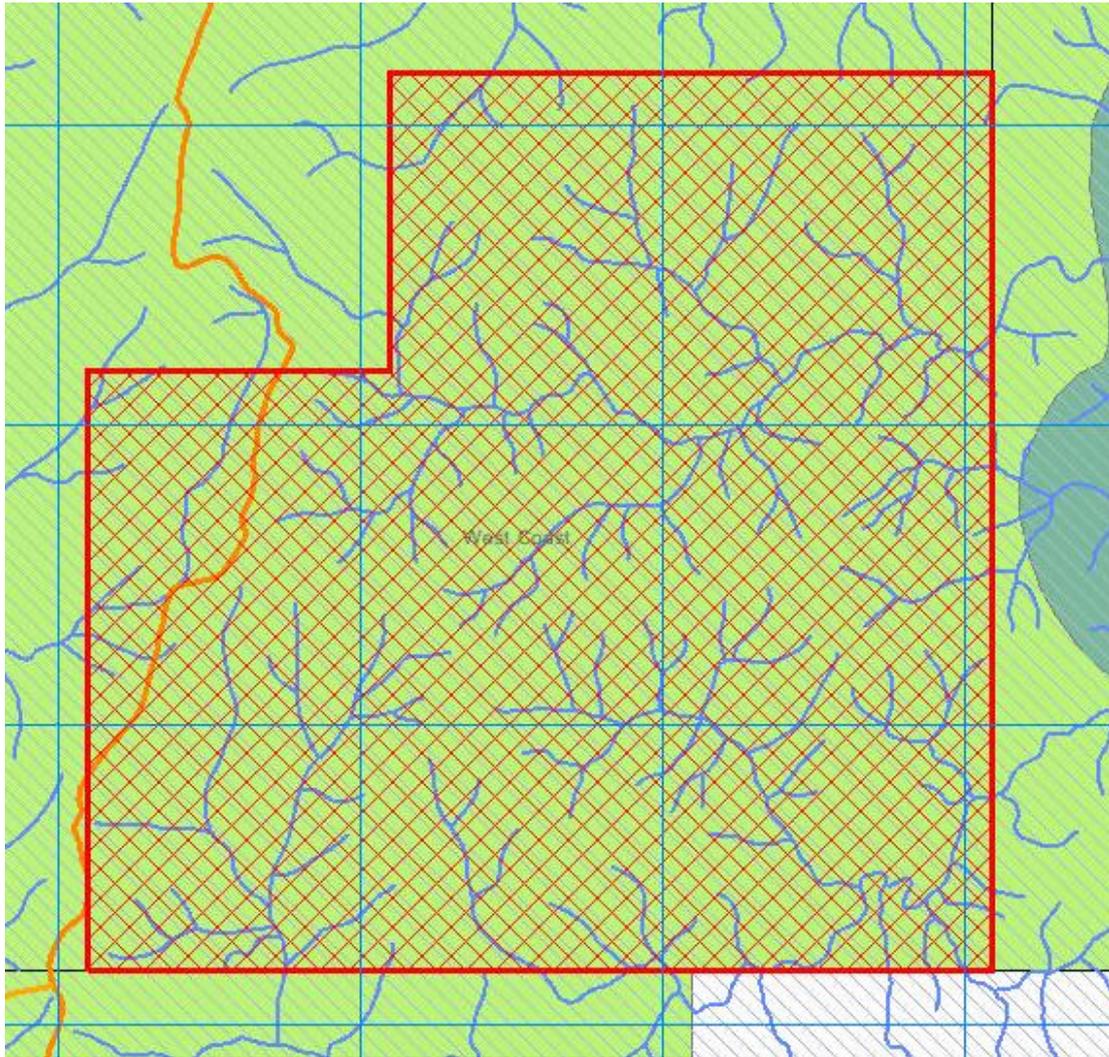
### EXCLUSIONS

- (a) Any land owned or leased by the Commonwealth of Australia.
- (b) Mining Leases amounting to 20 ha (more or less) which were applied for or in force prior to the date of application for this licence: viz Renison Mine Lease.
- (c) Crown reservations or other land set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the *Mineral Resources Development Act 1995*.
- (d) Areas of private land which either have been, or are in the process of being, purchased by the Crown under the Regional Forest Agreement - Private Forests Reserves Program and / or private land over which the landowners have agreed, or are in the process of agreeing, to place a covenant or management agreement for conservation purposes under the Regional Forest Agreement - Private Forests Reserves Program.

### LAND TENURE

The area comprises:  
State Forest  
MDC Informal Reserve  
Proposed Informal Reserve

The licence area contains areas which are listed (including listed on an interim basis) on the Register of the National Estate kept under the *Australian Heritage Commission Act 1975*.



**Public Land Classification**

-  State Reserves
-  State Forests

**Figure 2 – Land Tenure Map  
EL21/2006 Hangman's Creek  
Source: LIST.**

## **2 WORK COMPLETED DURING THE REPORTING PERIOD**

Previous exploration activities within the licence have been well documented in the chronology and exploration summary prepared by Adrian Rigg (2007). As part of the summary, open file mineral exploration data was reviewed in conjunction with the most current MRT geological and geophysical data to derive a number of target areas requiring future work. A review of previous geophysical data was also undertaken by Isles (2007) to identify exploration targets within the Alpine-Hangmans District.

### **2.1 LITERATURE REVIEW**

Esso Exploration Pty Ltd flew an EM (INPUT), magnetic and radiometric survey in 1973 during a program of base metal exploration covering EL2/73. Two flight lines crossed the Lucy Formation, one within the current Stellar licence EL21/2006 and one just to the north, but no EM conductors were recognised.

The northern third and western side of the licence, covering the Proterozoic Lucy Formation has been subjected to two subsequent exploration programmes.

Fodina Minerals Pty Ltd conducted a regional stream sediment survey in 1993, directed at the Lucy Formation in the north and west of the licence. The target was Cu/Au mineralisation in ironstones based on the Starra deposit in the Mt Isa Inlier, western Queensland. Their results suggested that gold enrichment may be associated with the southern part of the Lucy Formation.

In 1995 a Goldstream Mining/Titan Resources joint venture was granted a licence, of similar area to the current EL21/2006, covering the Lucy and Bowry Formations. The exploration target was "Homestake-style Proterozoic lode gold hosted in iron-formation". A high resolution helimag survey was completed over the Lucy and Bowry Formations covering the area from the Alpine prospect in the south to the northern extent of the Lucy Formation, approximately 6.5km from Savage River. The UTS survey was completed at 50m flight line spacing and 40m flying height. The aeromagnetic data enabled more accurate delineation of the Lucy and Bowry Formations, particularly in the area south west of the Pieman River where there is extensive thin Tertiary cover.

The northern area of the Hangman's Creek licence bordering on the SE margin of the Corinna licence was referred to as the Lefroy Ridge East prospect by the Goldstream/Titan JV. The area was originally selected on the basis of anomalous BLEG stream results related to the southern part of the Lucy Formation, where mafic, meta-igneous rocks including chlorite schist are intercalated with weakly magnetic, muscovite schist.

Extensive follow up exploration included gold and -80# silt fraction panned concentrate stream sampling for Au, Cu, Pb, Zn, As, Ag, Sb, Bi, Mo, Sn and W. Anomalous results included gold values to 310ppb and 77ppm Cu above a threshold of 50ppm Cu in the north flowing creeks of the prospect. Goldstream completed soil sampling across the ridge, but values were not considered abnormally high. The folded nature of mafic rocks in the Lucy Formation is readily apparent on the magnetic image and in 1997 Goldstream opted to drill two diamond holes to test prominent aeromagnetic highs related to the Lucy Formation. LREDDH1 was drilled into a long northerly-trending high from a position beside the Heemskirk Road. The hole intersected mainly chlorite schist and massive metabasalt with the best result

129ppb Au and 2679ppm Cu from 153-154m. LREDDH2 was drilled to test magnetic layering within a regional fold closure and an associated 3.8ppb Au, 18.2ppm Cu soil geochem anomaly. The hole intersected magnetite-bearing metabasalt in the top 140m. The best result was 77ppm Cu from 180-181m.

A favourable structural magnetic anomaly exists in the Corinna licence north of the previously drilled LREDDH1. Stream anomalies below this with values to 40ppm Cu are at the upper limit for this area and could be considered anomalous.

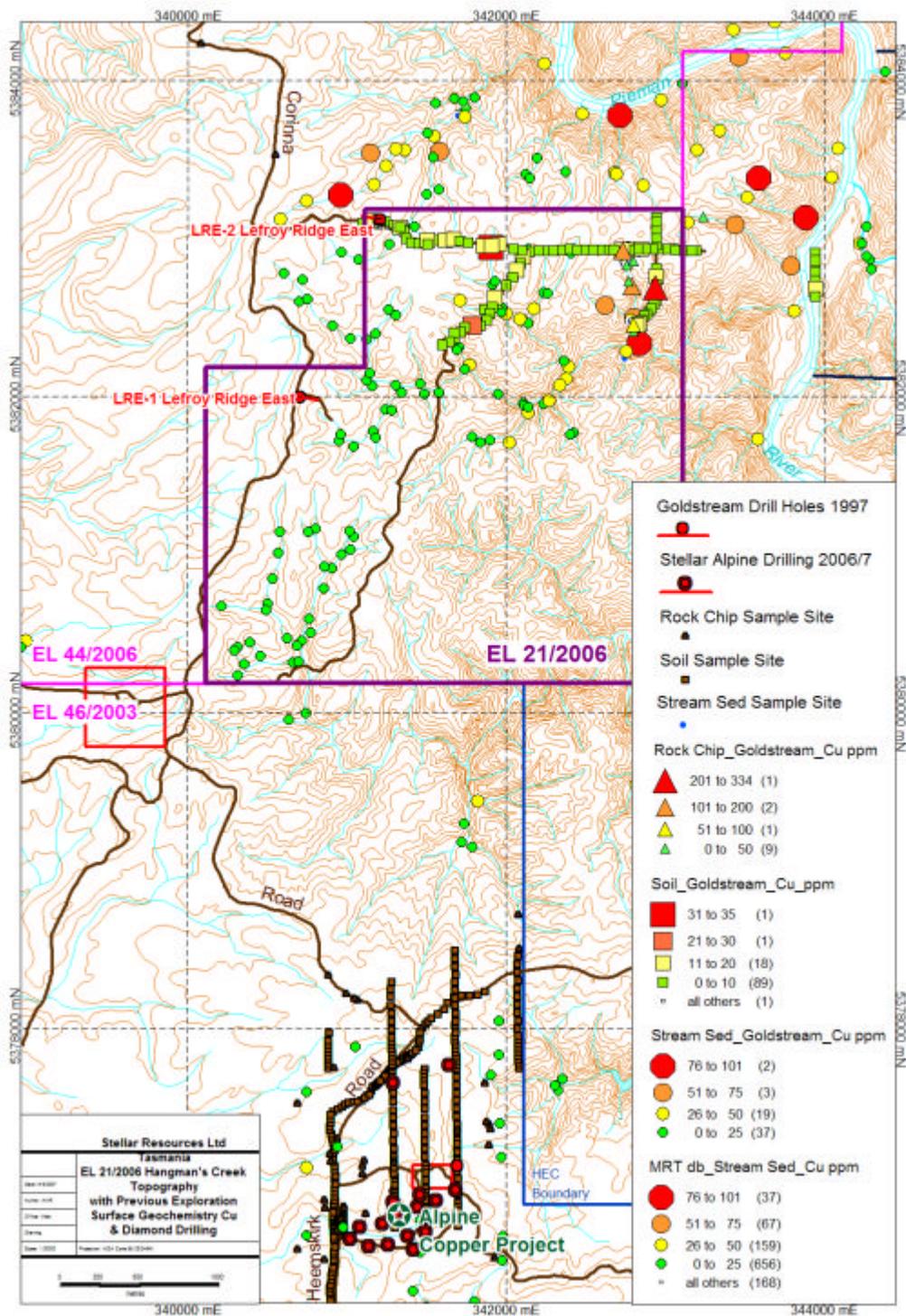
## **2.2 DATA COMPILATION AND INTERPRETATION**

MRT digital geology and geophysics datasets, as well as DPIWE topographic data were purchased and imported into MapInfo, from which further maps have been produced (Figures 6 & 7). Selected previous exploration data from Esso, Fodina and Goldstream was digitised from MRT open-file geochemical and drilling data downloaded from the MRT website.

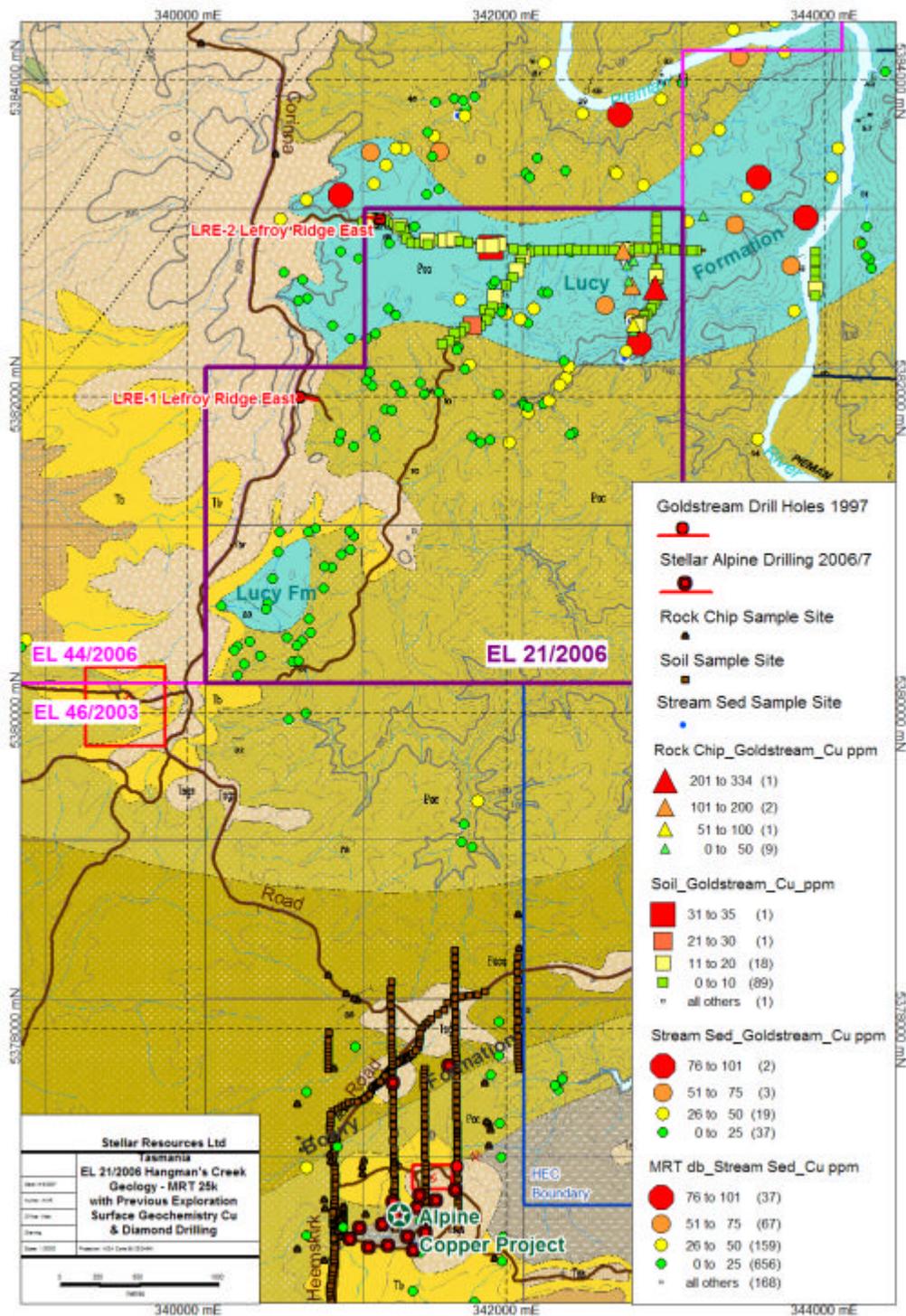
Surface geochemistry was modelled for copper and displayed with topography, mapped geology and aeromagnetics (Figures 3, 4 & 5).

A geological interpretation based on Goldstream/Titan and MRT 1:25,000 scale geological mapping and Goldstream/Titan aeromagnetics was produced by Dr David Isles (Figure 8).

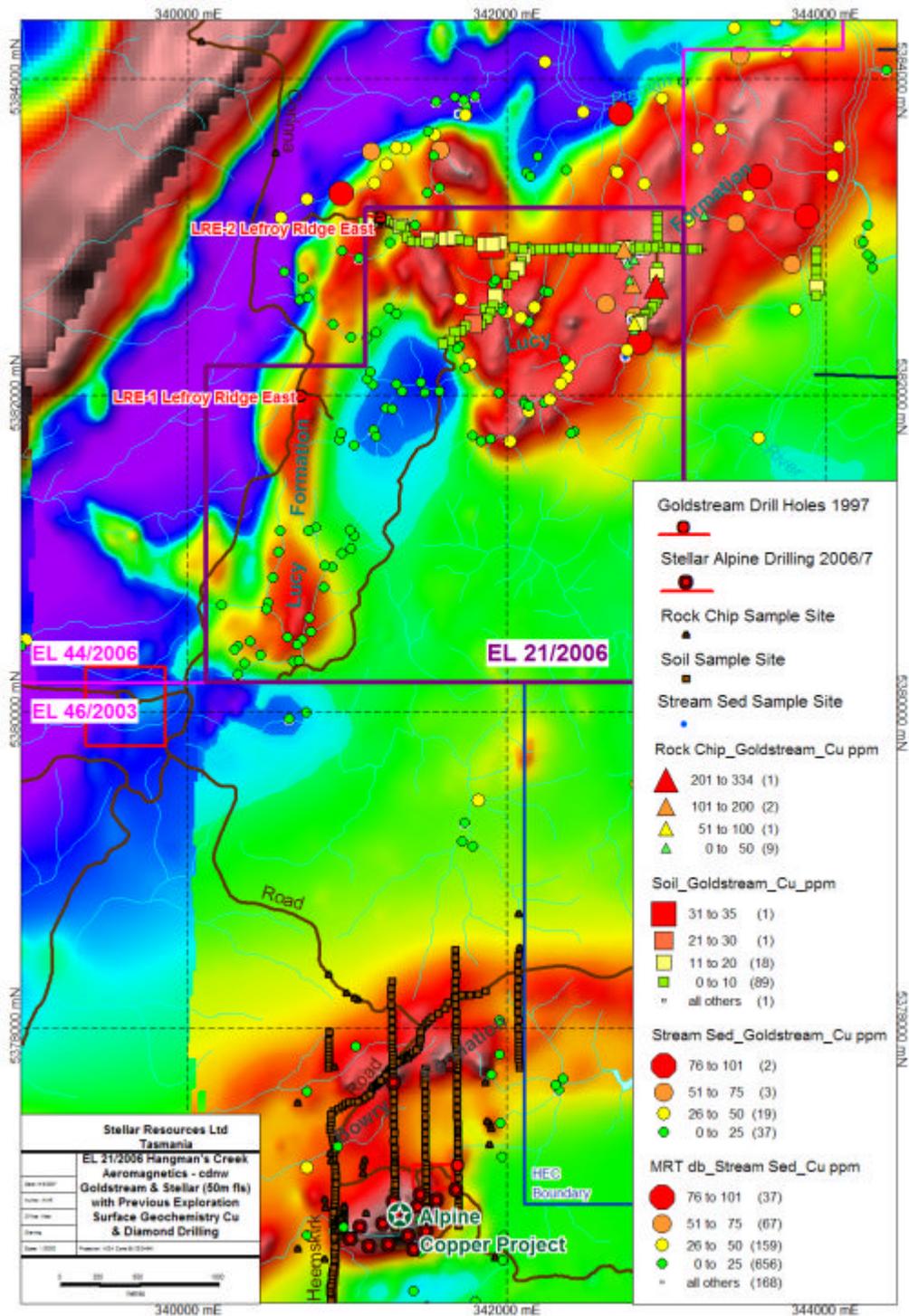
There appears to be no mapped or outcropping granite within the licence. However, an underlying "ovoid" structure has been postulated by Isles (2007) between the Lucy and Bowry Formations to explain the arcuate deformation of the Lucy Formation and corresponding deformation occurring approximately 4km south-south-west on the Bowry Formation (Figure 8). It is believed the presence of an underlying granite body could have contributed to the deformation and been a primary mineralising agent in the Bowry and Lucy Formations.



**Figure 3 – Topography, with previous drill holes, and surface geochemical sampling sites showing copper assays Hangman's Creek EL21/2006**  
Source: Mineral Resources Tasmania.



**Figure 4 – Geology, with previous drill holes, and surface geochemical sampling sites showing copper assays Hangman's Creek EL21/2006**  
Source: Mineral Resources Tasmania.



**Figure 5 – Aeromagnetics, with previous drill holes, and surface geochemical sampling sites showing copper assays Hangman's Creek EL21/2006**  
Source: Mineral Resources Tasmania

### 2.3 GEOLOGICAL SETTING

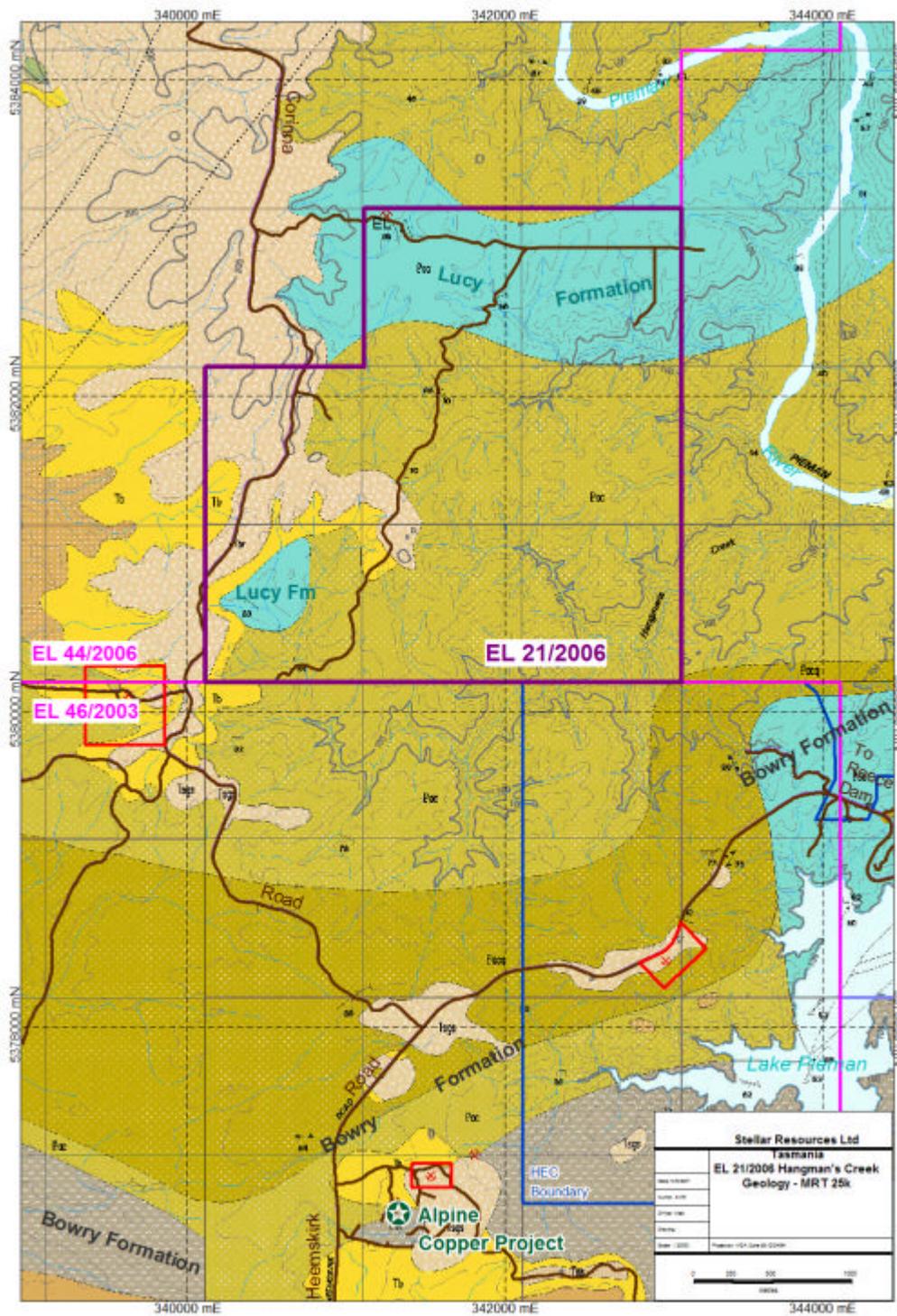
The Hangman's Creek licence covers part of the south-eastern boundary of the Arthur Lineament – a sheared, high-strain tectonic zone containing Cambrian meta-sedimentary and mafic igneous lithologies of the eastern Ahrberg Group. Within the Arthur Lineament the eastern Ahrberg Group includes the Lucy and Bowry Formations and a high strain meta-sedimentary domain of the Oonah Formation. These rocks have undergone polyphase upper greenschist facies metamorphism. They are very strongly deformed with a prominent S1 foliation. A later crenulation cleavage (S2) may be related to the regional fold closures evident in the Lucy Formation.

A sinuous belt of the Lucy Formation extends through the northern and western part of E21/2006 with a distinctive aeromagnetic signature. The Bowry Formation is also strongly magnetic, but lies outside the licence to the south and east within 3km of the Lucy Formation (Figure 6).

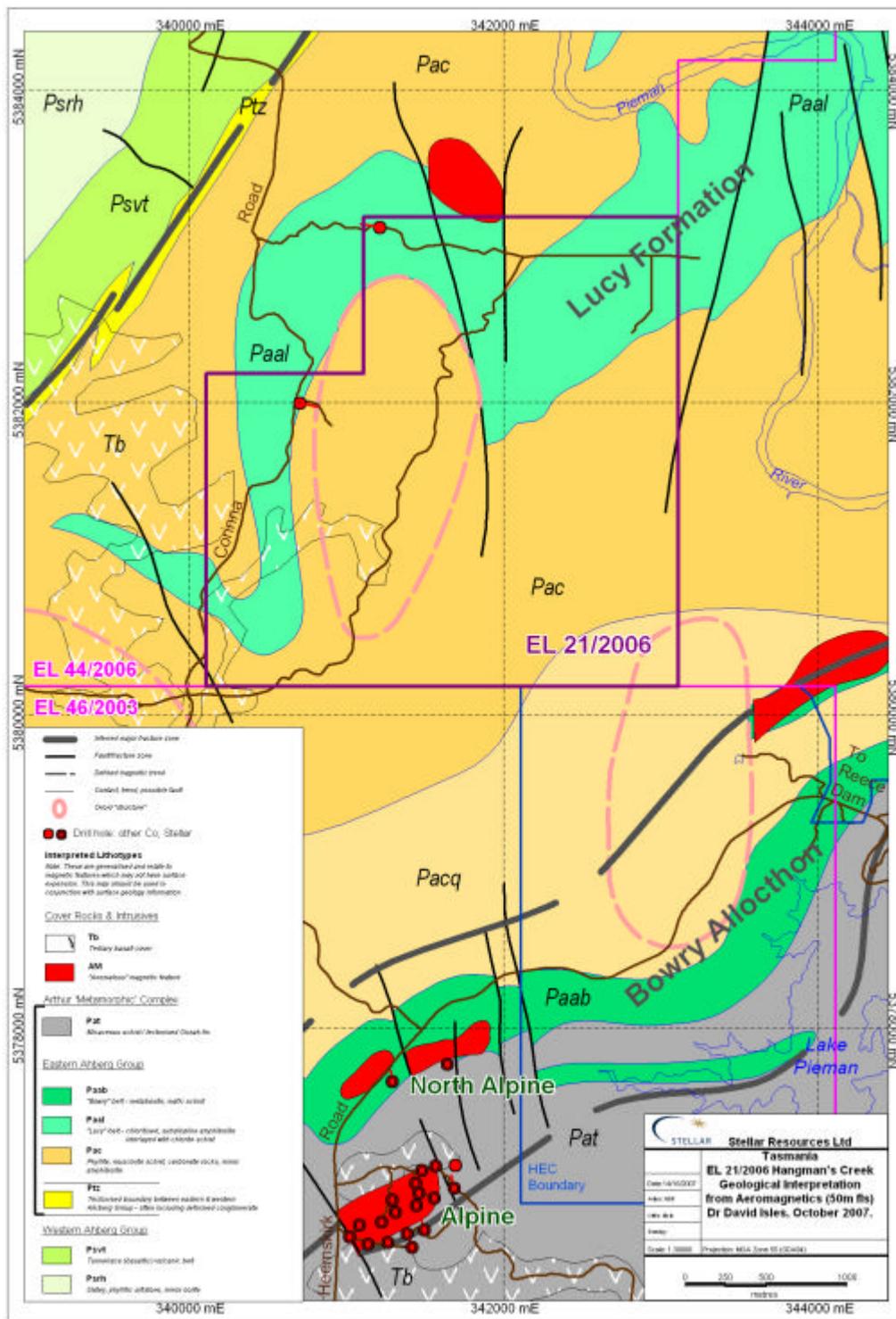
The predominantly meta-igneous rocks in the Lucy Formation comprise amphibolite and chloritic schist derived from dolerite and basaltic lavas that give the Lucy Formation its distinctive aeromagnetic signature. The well foliated to schistose meta-sediments are also known to contain carbonate-bearing psammopelites. Good structural detail is provided by the 50m spaced line data flown for Goldstream/Titan in 1997. A feature of the magnetic expression is the strong, narrow anomaly trends in the Lucy Formation. The magnetic mafic bodies appear discontinuous and commonly boudinaged within the surrounding meta-sediments. Isles (2007) considers the magnetic expression of the basalt, amphibolite and certain magnetic sedimentary units occurring within the eastern Ahrberg Group and Arthur Lineament to be representative of a lensoid or anastomosing structural style for some of the units.

Along the western edge of the licence the Lucy Formation is partially overlain by Tertiary rocks comprising sheet or channel-fill gravels, generally overlain by basalt in ridge top situations. The licence lies within an extensive coastal plain, the Henty Surface, which has been dated as post Eocene (Baillie and Corbett, 1985) and predates the Tertiary basalt lava flows. An understanding of pre-basalt geomorphology may help explain the distribution and source of the tertiary gravels within the licence.





**Figure 7 – 1:25000 Geology  
Hangman's Creek EL21/2006  
Source: Mineral Resources Tasmania.**



**Figure 8 – Geological interpretation by Dr D. J. Isles, with drilling Hangman's Creek EL21/2006**

## **2.4 MINERALISATION**

The West Coast of Tasmania is regarded as a significant mineralised region. The two distinct styles of mineralisation recognised include VHMS deposits hosted by Cambrian age volcanics of the Mt Read Volcanics and major skarn related deposits associated with Devonian age granitic plutons.

The most important style of mineralisation in the general area of Hangman's Creek is the Alpine copper deposit developed in impure carbonate and iron-rich sediments of the Bowry Formation. The Bowry Formation also contains the pyrite-magnetite lenses currently being mined at Savage River 25 km NNE of Alpine. Minor copper, zinc and gold mineralisation is associated with the ironstones.

Magnetic units within the Lucy Formation are considered to be prospective for gold, copper/magnetite and copper/gold mineralisation. The Frenchman's and Nancy Spur gold prospects are hosted in the Lucy Formation and weakly anomalous copper mineralisation is known to occur in chloritic schist (Figures 7 & 8).

Diamond drilling at Alpine intersected quartz-mica schist and quartz-carbonate-serpentinite containing semi-massive, pyrite-magnetite-haematite mineralisation. Consequently, copper mineralisation was believed to have a close association with magnetite, and therefore, discrete magnetic anomalies were considered potential exploration targets.

### 3 DISCUSSION AND RECOMMENDATIONS

Previous exploration interest was directed at the Lucy Formation in the north and western part of EL21/2006. The work has highlighted a number of anomalous locations in the north of the licence considered targets for ongoing exploration (Figure 4).

Geochemical results generated from panned concentrate stream sampling for gold and -80# silt fraction for Au, Cu, Pb, Zn, As, Ag, Sb, Bi, Mo, Sn and W during previous exploration returned results including 310ppb Au and 77ppm Cu above a threshold of 50ppm Cu in creeks flowing north from the licence. The results indicated the potential of the northern area. Goldstream subsequently completed soil sampling across the ridge. Soil values were generally low but an anomalous rock chip sample containing 334ppm Cu was supported by stream sediment maxima of 89ppm Cu. It is noted that geochemical assays are generally higher over areas of greater magnetic intensity. The area, designated Target 1, includes a strongly anomalous linear magnetic belt in the Lucy Formation which is of interest (Figure 9).

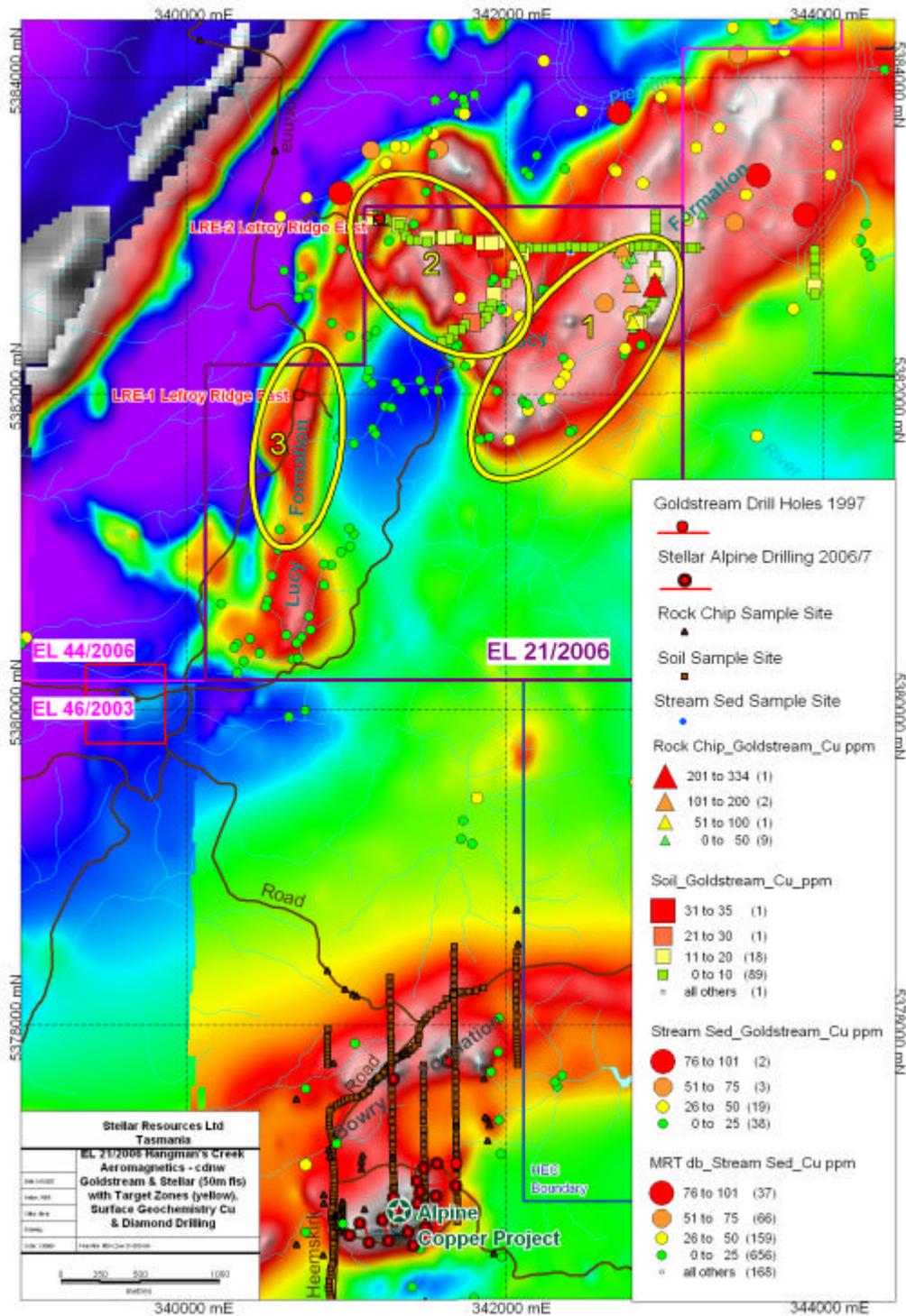
Goldstream drilled two diamond holes on this magnetic trend. One hole in the Lucy Fm in the west of the licence intersected chlorite schist and massive meta-basalt and intercepted anomalous geochemistry. The other hole, in the north-west corner of the licence, intersected massive meta-basalt with low level Au and Cu values. The targets lie on the flanks of one of the 'ovoid' geophysical features and appear to be cut by strong NS trending fractures extrapolated from structures interpreted at the Alpine prospect.

Target 2 includes an area along the magnetic ridge to the south-east of diamond hole LREDDH2 drilled by Goldstream to test magnetic layering within a fold closure associated with a 3.8ppb Au and 18.2ppm Cu-in-soil geochemical anomaly. The hole intersected magnetite bearing meta-basalt in the top 140m. The best result was 77ppm Cu from 180-181m. Stream sediment anomalies to 40ppm Cu below the ridge are at the upper anomalous limit for this area (Figure 9). There has been no sampling along the magnetic ridge to the south-east of hole LREDDH2.

Goldstream hole, LREDDH1, was drilled into part of a long northerly-trending aeromagnetic ridge from a position beside the Heemskirk Road. The hole intersected mainly chlorite schist and massive meta-basalt related to the Lucy Formation. The best result for LREDDH1 was 129ppb Au and 2679ppm Cu from 153-154m down hole. There has been no sampling for approximately one kilometre along the magnetic ridge to the south. Target 3 area was selected to include a north/south trending magnetic ridge in the vicinity of LREDDH1 that has not been tested. Exploration may however prove to be difficult due to a veneer of Tertiary alluvial gravels of unknown thickness (Figure 9).

Existing regional geological, geochemical and geophysical data has been processed by Stellar, and further detailed target identification will proceed with a view to generating drilling targets.

Geological reconnaissance and focussed soil/rock chip sampling along the magnetic ridges not previously sampled is recommended in the forthcoming summer season. It will be necessary to establish access and determine whether previous sample grid lines still exist in the target areas that have been identified.



**Figure 9 – Aeromagnetics, with previous drill holes, and surface geochemical sampling sites showing copper assays and target zones Hangman's Creek EL21/2006**  
Source: Mineral Resources Tasmania

## 4 ENVIRONMENT

There has been no field activity in the licence. Therefore, there are no environmental impacts to report and no rehabilitation work is required.

### EXPENDITURE

Printed At: 27/08/2008 9:59:39 AM						
Progress Report Rubicon Limited						
Code	Description	Actual 09/10/2007 to 27/08/2008	YTD Actual	Total Actual	Total Estimate	Variance
<b>Dept Code: D1</b>	<b>Rubicon</b>					
<b>Job Code: 6505</b>	<b>EL 21/2006 Hangman's Creek</b>					
<b>Phase Code: 105</b>	<b>STAFF COSTS</b>					
1051	Administration Management	4,687.50	7,968.75	8,906.25	0.00	(8,906.25)
1052	Professional	0.00	0.00	0.00	0.00	0.00
1053	Technical	0.00	1,161.00	2,226.33	0.00	(2,226.33)
1054	Labour	0.00	0.00	0.00	0.00	0.00
<b>Phase Totals for: 105</b>		<b>4,687.50</b>	<b>9,129.75</b>	<b>11,132.58</b>	<b>0.00</b>	<b>(11,132.58)</b>
<b>Phase Code: 106</b>	<b>CONTRACT PERSONNEL</b>					
1061	Professional Technical	1,365.00	7,108.50	7,738.85	0.00	(7,738.85)
1062	Labour	0.00	0.00	0.00	0.00	0.00
<b>Phase Totals for: 106</b>		<b>1,365.00</b>	<b>7,108.50</b>	<b>7,738.85</b>	<b>0.00</b>	<b>(7,738.85)</b>
<b>Phase Code: 107</b>	<b>CONSULTANT PERSONNEL</b>					
1071	Administration & Computing	0.00	0.00	0.00	0.00	0.00
1072	Geoscientist	6,300.00	13,300.00	13,300.00	0.00	(13,300.00)
1073	Engineering	0.00	0.00	0.00	0.00	0.00
1074	Other	0.00	0.00	0.00	0.00	0.00
<b>Phase Totals for: 107</b>		<b>6,300.00</b>	<b>13,300.00</b>	<b>13,300.00</b>	<b>0.00</b>	<b>(13,300.00)</b>
<b>Phase Code: 120</b>	<b>DATA ACQUISITION</b>					
1201	Geophysical Airphoto Surveys	0.00	0.00	0.00	0.00	0.00
1202	Purchases of existing data	0.00	0.00	100.00	0.00	(100.00)
1203	Falcon Deployment	0.00	0.00	0.00	0.00	0.00
1204	Other	0.00	0.00	0.00	0.00	0.00
<b>Phase Totals for: 120</b>		<b>0.00</b>	<b>0.00</b>	<b>100.00</b>	<b>0.00</b>	<b>(100.00)</b>
<b>Phase Code: 125</b>	<b>SUPPORT COSTS</b>					
1251	Vehicle Costs All	0.00	0.00	0.00	0.00	0.00
1252	Office Costs	0.00	68.18	68.18	0.00	(68.18)
1253	Field Operations Consumables	66.32	66.32	66.32	0.00	(66.32)
1254	Safety Equipment	0.00	0.00	0.00	0.00	0.00
<b>Phase Totals for: 125</b>		<b>66.32</b>	<b>134.50</b>	<b>134.50</b>	<b>0.00</b>	<b>(134.50)</b>
<b>Phase Code: 130</b>	<b>DATA PROCESSING</b>					
1303	Computing	0.00	0.00	0.00	0.00	0.00
1304	Drafting and Presentation	256.00	256.00	256.00	0.00	(256.00)
<b>Phase Totals for: 130</b>		<b>256.00</b>	<b>256.00</b>	<b>256.00</b>	<b>0.00</b>	<b>(256.00)</b>
1503	Pegging Application Forms	0.00	0.00	0.00	0.00	0.00
1504	Legal Costs	0.00	0.00	0.00	0.00	0.00
1505	Rents/ Other Utilities	307.20	457.24	2,653.94	0.00	(2,653.94)
1506	Contract Tenement Management	0.00	0.00	0.00	0.00	0.00
1507	Native Title Costs	0.00	0.00	0.00	0.00	0.00
<b>Phase Totals for: 150</b>		<b>307.20</b>	<b>457.24</b>	<b>2,653.94</b>	<b>0.00</b>	<b>(2,653.94)</b>
<b>Phase Code: 155</b>	<b>TRAVEL</b>					
1551	Meals and Accommodation	218.80	218.80	218.80	0.00	(218.80)
1552	Airfares	197.67	197.67	197.67	0.00	(197.67)
1553	Vehicle Hire	0.00	0.00	0.00	0.00	0.00
1554	General Expense	14.55	14.55	14.55	0.00	(14.55)
<b>Phase Totals for: 155</b>		<b>431.02</b>	<b>431.02</b>	<b>431.02</b>	<b>0.00</b>	<b>(431.02)</b>

**Progress Report  
Rubicon Limited**

Code	Description	Actual 09/10/2007 to 27/08/2008	YTD Actual	Total Actual	Total Estimate	Variance
<b>Phase Totals for: 190</b>		0.00	0.00	0.00	0.00	0.00
<b>Job Totals for: 6505</b>		13,413.04	30,817.01	35,746.89	0.00	(35,746.89)
<b>Group Totals for: D1</b>		13,413.04	30,817.01	35,746.89	0.00	(35,746.89)
<b>Report Totals:</b>		13,413.04	30,817.01	35,746.89	0.00	(35,746.89)

## REFERENCES

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## KEYWORDS

BASIC VOLCANICS, THOLEIITIC, VOLCANICLASTICS, AMPHIBOLITE, CHLORITE SCHIST, MAGNETITE SCHIST, BRECCIA, GRANITE, CARBONATE, BASE METALS, GOLD, COPPER, PROTEROZOIC, PRECAMBRIAN, CAMBRIAN, DEVONIAN, ORDOVICIAN, TERTIARY, GEOLOGY, ARTHUR LINEAMENT, RIFT MARGIN, BOWRY FM, LUCY FM, NANCY FM, LEFROY RIDGE, OONAH FM, GEOCHEMISTRY, GEOPHYSICS.

## **APPENDIX 1**

### **Stellar Resources, Tasmania Alpine-Hangman's District**

#### **Summary of Aeromagnetics Interpretation and Exploration Targets**

Dr D.J.Isles November 2007

##### Overview

Further to the work prepared by Gus Bravo and Adrian Rigg, this note briefly presents the interpretation of detailed aeromagnetics over the Hangman's Creek EL21/2006 held by Stellar Resources in the southern part of the 'Arthur Lineament'. 'Anomalous' magnetic features are delineated, which should be considered as a potential exploration target, supporting an area of mild geochemical anomalism as outlined by Gus and Adrian. The main exploration target in the EL is 'Alpine' style copper, although the area has broader exploration interest, being part of a major regional tectonic zone, within which there are substantial carbonate and carbonaceous units interspersed with basalts and (probable) meta-basalts. This geological package is also in proximity to the Heemskirk and Meredith granites, each of which is associated with skarn-style processes, the better known examples being the tin deposits at Mt Bischoff, Renison Bell and St Dizier.

The aeromagnetic interpretation makes small but significant modifications to the published geology (which itself has a component of magnetic interpretation). The main addition is structural detail provided by the 50m line spaced data (flown for Goldstream/Titan in 1997). The basalt, amphibolite (?meta-basalt) and certain 'magnetised' units occur within the Western Ahrberg and Arthur Lineament 'belts' and their magnetic expression provides detail on the 'lensoidal'/anastomosing nature of the some of the units as well as their styles of deformation and fracturing.

The most intense deformation in the Alpine-Hangmans area appears to be where a broad NW trending structural corridor transects the Arthur Lineament. Apparent folding of magnetic units in this area may be due to intrusion of small scale granite bodies strategically located between the Heemskirk, Meredith and Interview granites.

Apart from fine tuning the structural picture, the magnetics highlights an isolated local source which is of interest owing to the predominance of pyrrhotite and magnetite in the skarn developments in the region. This feature is regarded as a potential exploration target.

Described below is the target as identified by Gus, Adrian and myself with commentary on the location with respect to magnetic features and interpreted structure added where appropriate.

#### **HANGMAN'S CREEK TARGET**

From Stellar's experience at Alpine, 'odd' magnetic anomalies are potential exploration targets. No 'model' has been developed for Alpine as yet... it continues to be enigmatic and not fit with any established copper deposit types. Gus's latest assessment:

"The most important style of mineralisation in the general area is the Alpine copper deposit developed in impure carbonate and banded iron formation sediments of the

Bowry Formation adjacent to the Corinna licence. The Bowry Formation is the amphibolite-bearing unit which contains the pyrite-magnetite lenses mined at Savage River 24km NE of Corinna.”

My suggestions on possible controls are:

1. Lies within the ATZ
2. Situated in area where major NW structural corridor intersects ATZ
3. Lies in proximity (7km to SE) to Heemskirk granite and is ‘surrounded’ by the Heemskirk, Interview(15km to west) and Meredith (15km to NE) granites.
4. The impure carbonates are likely to be the reactive host rocks for a ‘replacive’ mineralising system.
5. The ‘ovoid’ features in the neighbourhood of Alpine may be due to underlying small granitoids, rather than simply a reflection of a fold/deformation style.

I think factors 1, 3 and maybe 4 play a role at Savage River and the common link between Savage River and Alpine of epigenetic magnetite is a good start point for defining new targets in the ATZ.

Figure 10 at the end of this report shows the Hangman’s Creek target interpretation in the context of the magnetic data.

## Target

This discrete magnetic high, approximately 3km north-west of the Bowry Formation, is situated within the tightly ‘folded’ Lucy Formation magnetic (amphibolite/?meta-basalt) belt, and lies within a broader zone of elevated gold and copper stream and soil geochemistry identified by Gus & Adrian. Goldstream drilled two holes on this magnetic trend. One hole on the Lucy Fm in the west of the licence hit chlorite schist and massive meta-basalt and intercepted anomalous geochemistry, including a best of 0.129ppm Au and 2679ppm Cu at 153-154m. The other hole, in the north-west corner of the licence, intersected massive meta-basalt registered Au and Cu but not at anomalous levels. The targets lie on the flanks of one of the ‘ovoid features’ and appear cut by strong NS trending fractures. **Priority is high**, access appears reasonable as targets sits on a plateau accessible by established tracks. Geological reconnaissance and focussed sampling should be carried out in the forthcoming summer season.

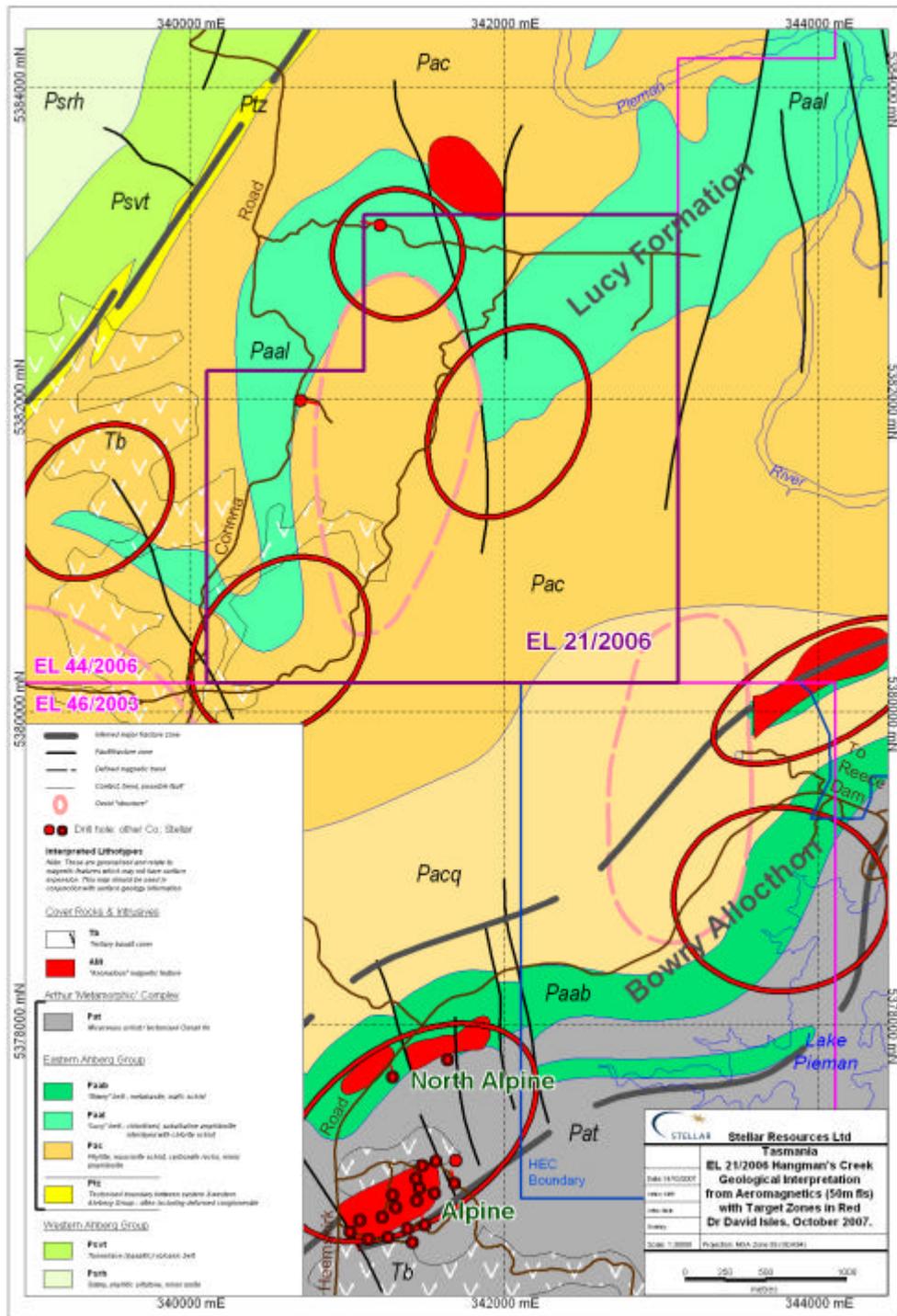


Figure 10 – Geological interpretation from Goldstream/Titan 50m fls aeromagnetics. D J Isles 2007 EL21/2006 Hangmans Creek

## APPENDIX 2

### EL21/2006 Hangmans Creek – Literature Search Chronology of Prior Exploration.

Compiled by A M Rigg 1Aug07

Company	Year	Location	Activity	Results	Conclusions	Comments	Report
Rio Tinto	1956	North-western Tasmania	Aeromagnetic survey - 500m fls?	Geophysical anomalies defined.			
MRT	1970	Arthur Mobile Belt	Report: Geology & prospectivity of the Arthur Mobile Belt, by Turner, Bottrill, Crawford & Villa.		Describes the setting of the AMB and outlines the styles of mineralisation (incl Alpine).		GSB70_2 27_233
Esso	1973	North-west Tasmania	Airborne EM (INPUT) survey. Two lines crossed the Lucy Fm, one within the licence and one just north.	No conductivity was registered over the Lucy Fm or elsewhere.			73-0964
MRT	1982	North-west Tasmania	Aeromagnetic survey - 400m fls?	Geophysical anomalies defined.			
EZ	1986	Incl Lucy Fm north-east of licence (from 500m east of Hangman's Ck eastern boundary.	Cu/Au expln. Grid cutting, geol mapping, historic expln work (p13)			Greater area held by Bass Metals & Pioneer Nickel	86-2614
MRT	1986-88	Western and NW Tasmania	Various geophysical interpretation rpts by Bishop/Leaman/Richardson/Lewis, for magnetics, gravity & EM, outlining granites and structures. Studies on mineral deposits.	Interps with plans.			GSB66, MRVGP1, MRVGP2, MRVGP3, MRVGP4, MRVGP5, MRVGP7, MRVGP8, MRVGP9, MRVGP10 , 02-4815
Fodina	1993	Bowry Fm (Incl Lucy Fm)	Bowry Fm: Owen Meredith Grid extension, geol mapping, ground mag, Rchip & Soil, Ssed for Cu, Pb, Zn, Ag, Au, As, Sn, Bi, W.	Ssed: Bounds & Tandy Cks area: anom Au to 4.88ppb, Cu to 50ppm; Soil: Sporadic Au/As anom's to 0.061ppm Au in schists east and west of Bowry Fm, Cu max 344ppm, Zn max 654ppm.			93-3435

Fodina	1993	Bowry Fm (Incl Lucy Fm)	Report: Geology & prospectivity of the Arthur Mobile Belt, by Turner, Bottrill, Crawford & Villa.	Ssed results interpreted as a normal background for the ironstone rocks.	Concluded that Cu/Au is assoc with an ironstone/magnetite bearing schist, and is at background levels only.	Relinquishment rpt.	94-3566
Goldstream/Titan	1996	Arthur lineament covering Hangman's Creek EL	For Proterozoic iron fm hosted Au. Regional geology			First rpt.	96-3821
Goldstream/Titan	1996	Bowry Fm, Lucy Fm (Lefroy Ridge). In Corinna & Hangman's Ck EL's.	Lefroy Ridge drilling x 2, LREDDH1 (south), LREDDH2 (north), dh EM; district ssed for Au, Cu, Pb, Zn, Ag, As, Sb, Mo, Bi, Sn, W. Aeromag interp by Leaman.	Drilling: LREDDH1 (200m): chlorite schist and rel massive metabasalt with dissem magnetite. Best assays: Au 0.129ppm, Cu 2679ppm at 153-154m, Au 0.155ppm, Cu 238ppm at 77-78m; LREDDH2 (203m): magnetite bearing metabasalt for first 140m. Best assays: Au 0.16ppm, Cu 77ppm at 180-181m. Ssed max: Cu 24ppm, Pb 8.25ppm, Zn 46.3ppm.		N J Turner rpt.	97-4108
Goldstream/Titan	1997	Arthur lineament covering Hangman's Creek EL. Bowry & Lucy Fm.	Aeromag survey flown, 50m fls, 40m fh covering Bowry & Lucy Fm; Pieman River, Whyte River, & Brown's Plain, Paradise River ssed x 115. Gold study by Kitto.	Geophysical anomalies defined.		N J Turner rpt.	97-4074
Goldstream/Titan	1999	Bowry Fm, Lucy Fm (Lefroy Ridge). In Corinna & Hangman's Ck EL's.	Lefroy Ridge grid lines along Bowry mag trend, rchip x 11, soil x 110 for Au, Cu, Ag.	Soils over amphibolite, mafic schists & muscovite schists. Au BCL range 15-20ppb, Cu BCL range 24-30ppm.	Considered normal for the rock types, and not really anomalous. Some mildly anomalous values of around 80ppb Au, 140ppm Cu.	N J Turner rpt. Soil data captured.	99-4261
MRT	2000	Western Tasmania	Aeromagnetic survey - WTRMP - 200m fls			Open-file	