



**MINCOR ZINC PTY LTD  
ROUND MOUNTAIN PROJECT**

EL42/2006

**RELINQUISHMENT REPORT**

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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 in Central - Northwestern Tasmania. The Licence was granted to Mincor Zinc Pty Ltd on 8 March 2007 for a five year period. Figure 1 shows the tenement location.

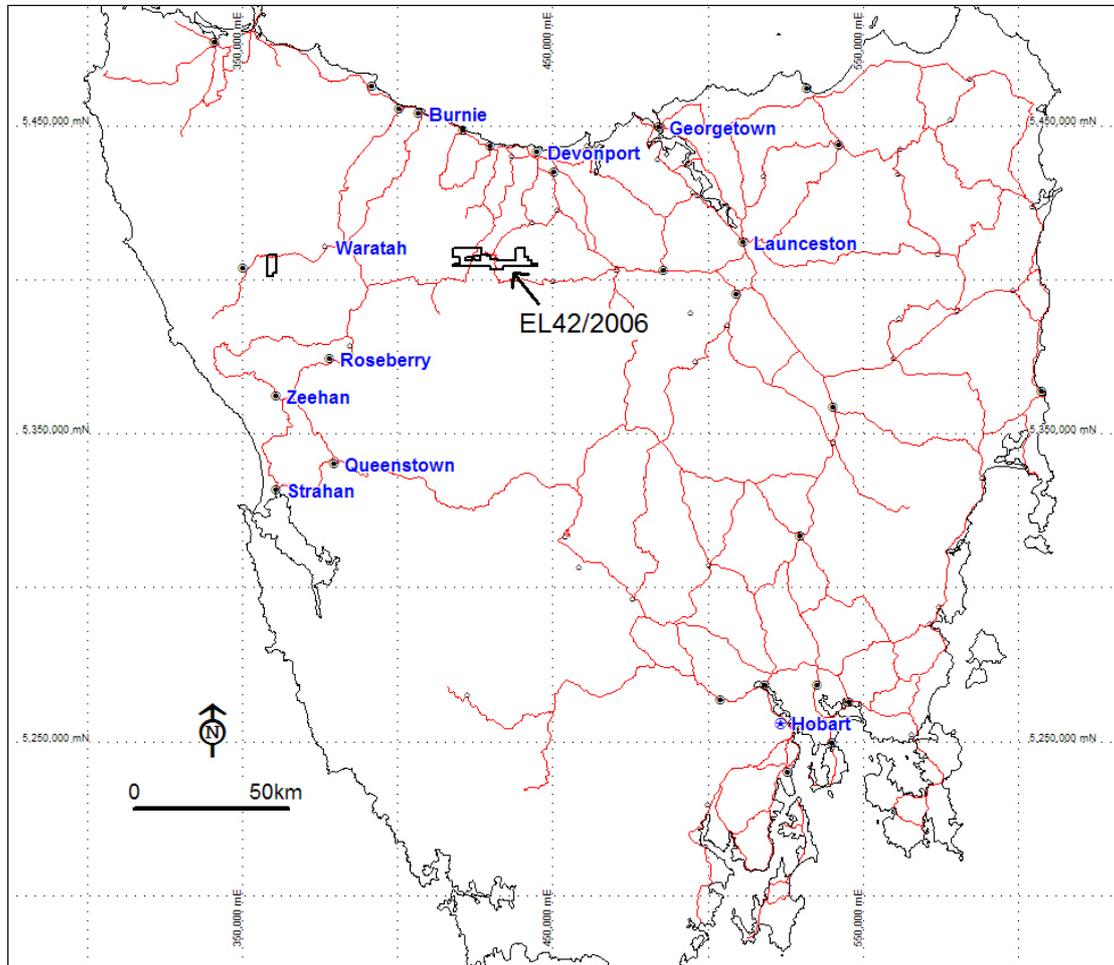


Figure 1 Location of EL42/2006, coordinate system is MGA zone 55 (GDA94).

## 2. EXPLORATION PHILOSOPHY AND OBJECTIVES

- Mincor is a 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. Obviously, changing economic conditions and metal prices will influence the nature, size and style of discovery that is required to progress to production stage. These factors have to be taken into account during successive exploration project selection and ranking phases and will influence the nature of ongoing work at any given time.

Exploration at Round Hill to date has investigated the potential volcanic/intrusive related gold and base metal enriched veins and skarns, associated with the Dolcoath Granite. Attention has also been paid to the porphyry style alteration and geochemical patterns seen in diamond drilling carried out immediately to the south by Pluton Resources at the Dove River prospect. Similar porphyry potential has not been identified on EL42/2006 to date.

### **3. PREVIOUS WORK**

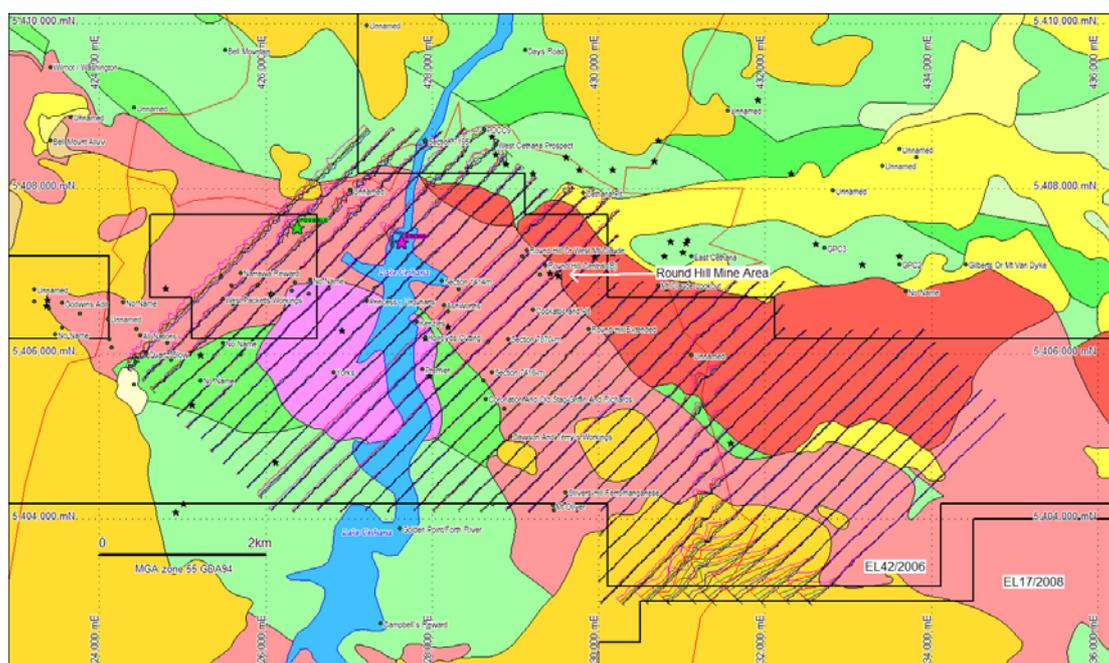
The area has been prospected since the 1860's but very little systematic work has been carried out in the region. A useful summary of silver mining operations in the Round Mount district is given by Jennings (1958). The original discovery of silver – lead deposits in the area was made in 1878 with the 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 Moina 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 data reviews and compilations and field visits to the old Round Hill mine site and surrounding areas. A VTEM (Versatile Time-Domain ElectroMagnetic) survey comprising 170.4 line kilometres was flown over the central portion of the tenement, targeting gold, silver, lead, tin tungsten and other base metals within the Owen/ Gordon group in the thermal aureole of the Dalcoath Granite (figure 2). No significant anomalies (other than one associated with infrastructure at the Lake Cethana hydroelectric scheme) were detected. Full VTEM details are included in the attached report (Appendix B) and data is included on the attached DVD (Appendix C). Please note that the report also contains information on an additional survey that was flown at the same time.



**Figure 2 Location and extent of VTEM survey carried out in March 2008. Flight lines and mineral occurrences are shown. Tenement location is shown in figure 1. See also Appendix A**

## 6. CONTINUING EXPLORATION

Work was initially restricted by availability of staff with higher priority projects receiving attention at the expense of (at the time) 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.

Future exploration programs should focus on this potential volcanic and intrusion-related gold and base metal mineralisation, taking structural controls into account and continuing to apply new technology to the region. Potential sulphide associated mineralisation (including galena dominant) associated with vein systems in the Round Hill area may still be detectable with geophysics (such as IP), despite a lack of success with airborne electromagnetics). 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.

## 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 airborne VTEM did not provide great encouragement however this would only downgrade the prospectivity for conductive ore bodies, typically associated with massive sulphide mineralisation. The bulk of known mineralisation in the area is either silver – lead and various scarn associated minerals such as tungsten which typically do not have an electromagnetic signature. VTEM provided an opportunity to test the area for any obvious, new mineralisation that might be chargeable, with minimum impact on what is a physically challenging and environmentally sensitive area.

## 8. EXPENDITURE

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

• Salaries & Wages	\$6,814
• Rent	\$3,995
• Travel (Airtfares)	\$1,054
• Geology	\$12,718
• Geophysics	\$23,625
	<hr/>
	<b>\$48,206</b>

No field work was carried out during the first year with \$5,560 having been spent, mainly on review of available data. The total for the two year period is thus \$48,206.

## 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**

**Map showing VTEM Survey coverage and results  
February 2008**

## **APPENDIX B**

**Round Hill VTEM survey results – February 2008**

## **APPENDIX C**

**Round Hill VTEM survey data DVD – February 2008**