

**SURVEY AND LOGISTICS REPORT
ON A HELICOPTER BORNE
VERSATILE TIME DOMAIN
ELECTROMAGNETIC (VTEM)
SURVEY**

on the

**SORRELL, TASMANIA AREA
AUSTRALIA**

for

MACQUARIE HARBOUR MINING LTD

by



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**Project A728
April, 2010**

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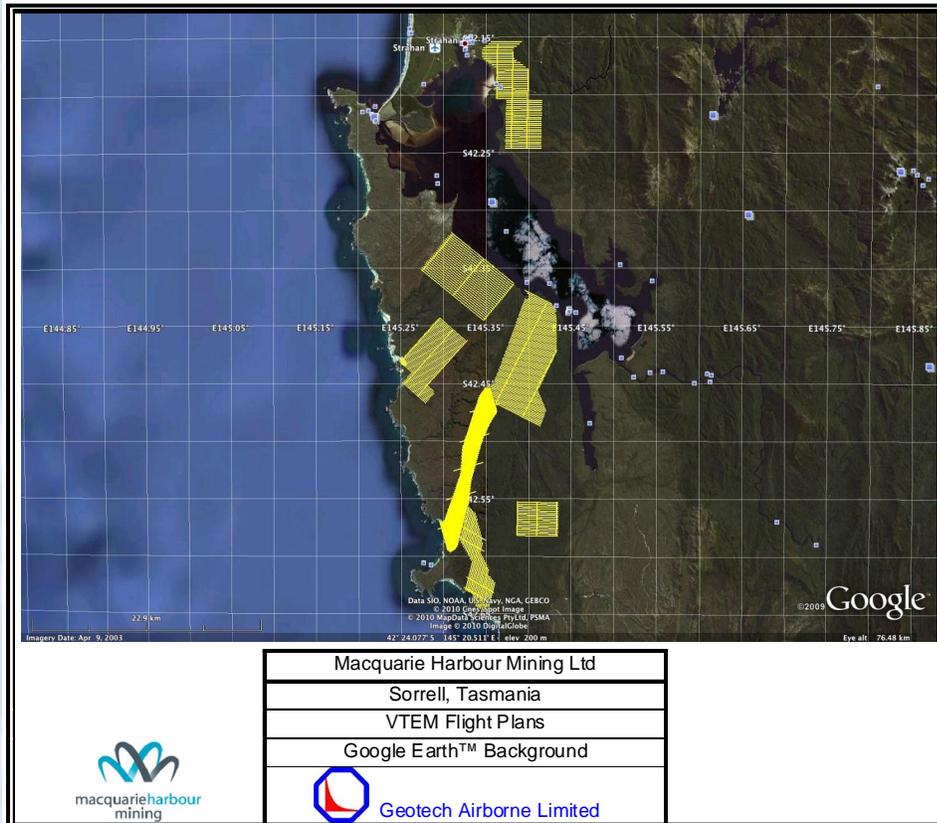
SURVEY AND LOGISTICS REPORT ON A HELICOPTER-BORNE VTEM SURVEY

1. SURVEY SPECIFICATIONS

1.1. General

Job Number	A728
Client	Macquarie Harbour Mining Ltd.
Project Area	Sorrell, Tasmania
Location	Australia
Number of Blocks	7
Total line kilometres	1437
Survey date	1 – 16 March, 2010
Client Representative	Kate Godber Tel: +61 3 6229 9955 Fax: +61 3 6229 8430 info@mhml.com.au
Client address	Level 1, 20 Kings Park Road West Perth, WA 6005, Australia PO Box 21, Kingston TAS 7050

1.2. VTEM flight plan on Google EARTH™ Background



1.3. Survey block coordinates.

Easting UTM Z 55S	Northing UTM Z 55S
BLOCK 1	
359666.493	5305190.49
362422.792	5303060.11
358680	5298700
359300	5298150
358400	5297050
356400	5298706.53
357250	5299720
355910	5300870
BLOCK 2	
360700	5313450
366850	5308600
363955.522	5305000.26
357800.773	5309800
BLOCK 3	
363537.606	5286437.88
364211.699	5284009.85
364298.314	5283423
364115.666	5282648.32
364992.985	5280932.98
364894.431	5280510.71
365526.153	5279821.71
364846.514	5276864.69
363702.856	5277487.06
363504.371	5277911.09
363540.479	5278542.2
362690	5278984.27
363288.486	5281748.01
362080	5283767.84
362800.203	5287154.22
BLOCK 4	
371539.57	5284387.22
371539.57	5287700
367565.5	5287700
367565.5	5284387.11
BLOCK 5.1	
364592.105	5299074.77
365394.03	5296237.77
364715.487	5295004.22
364006.106	5293308.1
363049.992	5289453.34
362864.938	5287387.21
361877.977	5283316.59
361631.236	5282854
361199.435	5282699.78
360560	5283717.39
360274.135	5284920.03
362032.166	5290224.21
362124.684	5292691.23
363666.822	5297717.86
364592.105	5299074.77



BLOCK 5.2	
364747.786	5298645.59
365219.696	5299526.49
366289.363	5302483.79
367862.398	5307139.97
368397.224	5307171.42
369089.364	5307517.49
370599.474	5306353.45
371008.46	5305566.93
371071.384	5302106.26
369341.043	5298362.45
370159.023	5296474.8
369655.647	5294933.23
365251.154	5297041.09
364747.786	5298645.59
BLOCK 6	
363269.15	5331112.99
363300.616	5330326.48
364716.345	5329288.27
364747.803	5327872.55
364779.261	5326393.89
365723.08	5326330.97
365723.08	5321643.34
369196.01	5321643.34
369196.01	5326330.97
367780	5326330.97
367780	5329288.27
366310	5330326.48
366270	5331112.99
365679.45	5331890

1.4. Survey block specifications

Survey block	Line spacing (m)	Line-km (contractual)	Line-km (delivered)	Flight direction	Line number
Block 1	150	185	188	131 – 311	L10010 – L10480
	1700			41 – 221	T90010 – T90030
Block 2	200	202	204	129 – 309	L20010 – L20240
	3800			39 – 219	T92010 – T92030
Block 3	150	124	126	14 – 194	L30010 – L30290
	1000			104 – 284	T93010 – T93040
Block 4	200	78	79	90 – 270	L40010 – L40170
	1900			0 – 180	T94010 – T94030
Block 5.1	100	274	288	164 – 344	L50010 – L50830
	2500			74 – 254	T94970 – T95010
Block 5.2	150	350	357	116 – 296	L55010 – L55740
	2900			26 – 206	T95210 – T95220
Block 6	200	191	195	90 – 270	L60010 – L60520
	1500			0 – 180	T96010 – T96030



1.5. Survey schedule

Date	Flight #	Block	Nominal Production Km flown	Comments
1-March-10	1	Test	N/A	Test Flight
2-March-10	2	Test	N/A	Test Flight
3-March-10	3	2	126	Production
4-March-10	4,5,6	1,2,4,6	279	Production
1 – 10 March, no production due to weather.				
11-March-10	7	6	36	Production
12-March-10	8	4	N/A	No production
13-March-10	9,10,11,12	1,2,3,4,5	340	Production
14-March-10	13,14,15	1,2,5,6	404	Production
15-March-10	N/A	N/A	N/A	Service
16-March-10	16,17	1,5	249	Production



2. SYSTEM SPECIFICATIONS

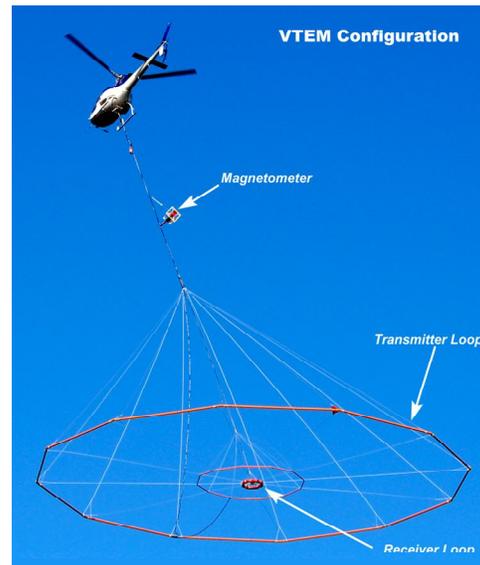
2.1. Instrumentation

Survey Helicopter	
Model	AS 350 B3
Registration	VH-THU
Operating Company	United Aero
Nominal survey speed	80 km/h
Nominal terrain clearance	75 m
VTEM Transmitter	
Coil diameter	26 m
Number of turns	4
Pulse repetition rate	25 Hz
Peak current	200 Amp
Duty cycle	37.03%
Peak dipole moment	425,000 NIA
Pulse width	7.41 ms
Nominal terrain clearance	41 m
VTEM Receiver	
Coil diameter	1.2 metre
Number of turns	100
Effective area	113.1 m ²
Sampling interval	0.1 s
Nominal terrain clearance	41 m
Magnetometer	
Type	Geometrics
Model	Optically pumped cesium vapour
Sensitivity	0.02 nT
Sampling interval	0.1 s
Cable length	12 m
Nominal terrain clearance	65 m
Radar Altimeter	
Type	Terra TRA 3000/TRI 40
Position	Beneath cockpit
Sampling interval	0.2 s
GPS navigation system	
Type	NovAtel
Model	WAAS enabled OEM4-G2-3151W
Antenna position	Helicopter tail
Sampling interval	0.2 s
Base Station Magnetometer/GPS	
Type	Geometrics
Model	Cesium vapour
Sensitivity	0.001 nT
Sampling interval	1 s



2.2. VTEM Configuration

Configuration	
Cable angle with vertical	35 °
Cable length (EM receiver)	42 m
Cable length (Magnetometer)	12 m

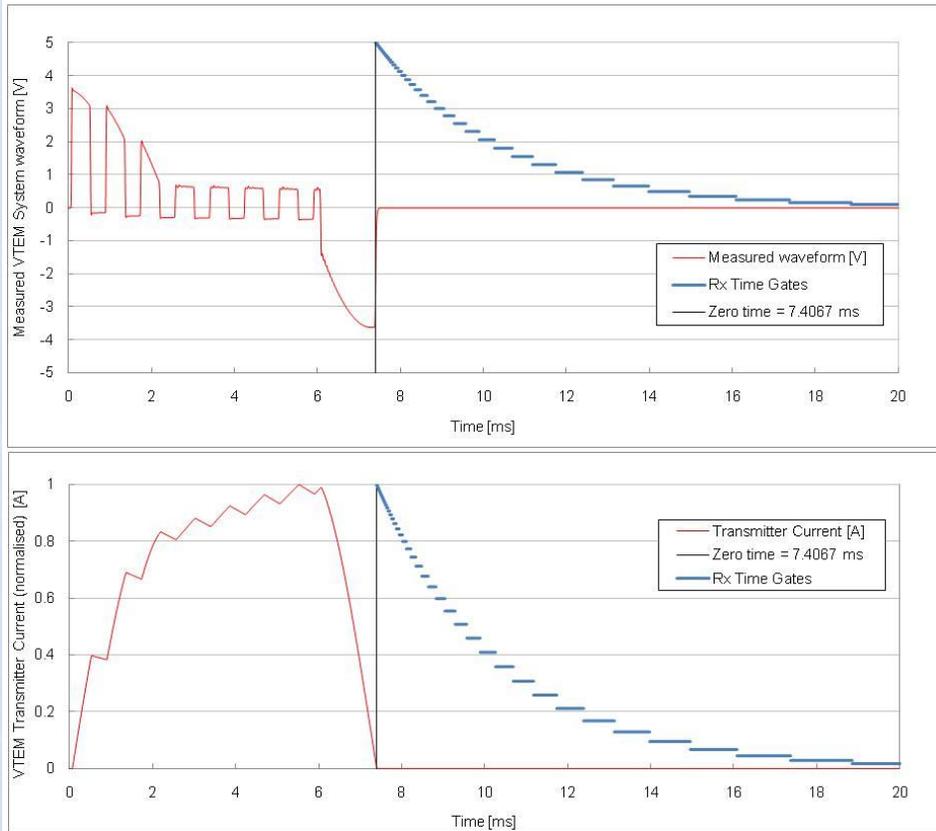


2.3. VTEM decay sampling scheme

B-field VTEM Decay Sampling scheme				
Array	Microseconds			
Index	Middle	Start	End	Width
13	83	78	90	12
14	96	90	103	13
15	110	103	118	15
16	126	118	136	18
17	145	136	156	20
18	167	156	179	23
19	192	179	206	27
20	220	206	236	30
21	253	236	271	35
22	290	271	312	40
23	333	312	358	46
24	383	358	411	53
25	440	411	472	61
26	505	472	543	70
27	580	543	623	81
28	667	623	716	93
29	766	716	823	107
30	880	823	945	122
31	1010	945	1086	141
32	1161	1086	1247	161
33	1333	1247	1432	185
34	1531	1432	1646	214
35	1760	1646	1891	245
36	2021	1891	2172	281
37	2323	2172	2495	323
38	2667	2495	2865	370
39	3063	2865	3292	427
40	3521	3292	3781	490
41	4042	3781	4341	560
42	4641	4341	4987	646
43	5333	4987	5729	742
44	6125	5729	6581	852
45	7036	6581	7560	979
46	8083	7560	8685	1125
47	9286	8685	9977	1292
48	10667	9977	11458	1482



2.4. VTEM Transmitter Waveform over one half-period (March 2010)



3. PROCESSING

3.1. Processing parameters

Coordinates	
Projection	MAP GRID AUS ZONE 55
Datum	GDA 94
Spherics rejection (EM and Magnetic data)	
Non-linear filter	4 point
Non-linear filter sensitivity	0.00001
Low-pass filter wavelength	15 fids
Lag correction of other sensors to EM receiver position	
GPS	16 m
Radar	26 m
Magnetometer	17 m

3.2. Flight Path

The flight path, recorded by the acquisition program as WGS 84 latitude/longitude, was converted into the UTM coordinate system in Oasis Montaj. The flight path was drawn using linear interpolation between x,y positions from the navigation system. Positions are updated every second and expressed as UTM eastings (x) and UTM northings (y).

3.3. Electromagnetic Data

A three stage digital filtering process was used to reject major spheric events and to reduce system noise. Local spheric activity can produce sharp, large amplitude events that cannot be removed by conventional filtering procedures. Smoothing or stacking will reduce their amplitude but leave a broader residual response that can be confused with geological phenomena. To avoid this possibility, a computer algorithm searches out and rejects the major spheric events.

The signal to noise ratio was further improved by the application of a low pass linear digital filter. This filter has zero phase shift which prevents any lag or peak displacement from occurring, and it suppresses only variations with a wavelength less than the specified filter wavelength.

3.4. Magnetic Data

The processing of the magnetic data involved the correction for diurnal variations by using the digitally recorded ground base station magnetic values. The base station magnetometer data was edited and merged into the Geosoft GDB database on a daily basis. The aeromagnetic data was corrected for diurnal variations by subtracting the observed magnetic base station deviations.

Tie line levelling was carried out by adjusting intersection points along the traverse lines. A micro-levelling procedure was then applied. This technique is designed to remove persistent low-amplitude components of flight-line noise remaining after tie line levelling.



The corrected magnetic data was interpolated between survey lines using a random point gridding method to yield x-y grid values for a standard grid cell size of a quarter of the line spacing. The Minimum Curvature algorithm was used to interpolate values onto a rectangular regular spaced grid.

3.5. Digital Terrain Model

Subtracting the radar altimeter data from the GPS elevation data creates a digital elevation model. To correct for minor elevation differences that are evident in this data when gridded, Shuttle Radar Topography Mission (SRTM) data have been used.



4. DELIVERABLES

VTEM Survey and logistics report		
Format	PDF	
Copies	2 x Digital (DVD/CD) 2 x Hard copy	
Database		
Format	Digital Geosoft (.GDB) and ASEG-GDF (.DAT, .DFN and .PRJ)	
Channels	Name	Description
	X_UTM	X positional data (UTM Z55S / WGS84)
	Y_UTM	Y positional data (UTM Z55S / WGS84)
	X_MGA	X positional data (MGA Z55 / GDA94)
	Y_MGA	Y positional data (MGA Z55 / GDA94)
	Lon	Longitude data
	Lat	Latitude data
	Z	GPS antenna elevation (metres above sea level)
	Radar	Helicopter terrain clearance from radar altimeter (metres above ground level)
	RxAlt	EM Receiver and Transmitter terrain clearance (metres above ground level)
	DTM	Digital terrain model (metres)
	Gtime	UTC time (seconds of the day)
	MagTF	Raw Total Magnetic field data (nT)
	MagBase	Magnetic diurnal variation data (nT)
	MagDiu	Total Magnetic field diurnal variation and lag corrected data (nT)
	MagTieL	Tie-line leveled Total Magnetic field data (nT)
	MagMicL	Microleveled Total Magnetic field data (nT)
	dBdt[13] to dBdt[48]	dB/dt, Time Gates 83 μ s to 10667 μ s (pV/A/m ⁴)
Bfield[13] to Bfield[48]	B-field, Time Gates 83 μ s to 10667 μ s (pV.ms/A/m ⁴)	
PLM	Power line monitor	
Grids		
Format	Digital Geosoft (.GRD and .GI) ¹ and ER Mapper (.ERS)	
Grids	Name	Description
	A728_ <i>blk</i> ² _Mag	Total Magnetic field (nT)
Maps		
Format	Digital Geosoft (.MAP)	
Scale	1:10 000 (Block 4,6) 1:15 000 (Blocks 1,2,3,5.2) 1: 20 000 (Block 5.1)	
Maps	Name	Description
	A728_ <i>blk</i> _Mag	Total Magnetic field colour contours
	A728_ <i>blk</i> dBdt_Log	VTEM dB/dt profiles, Time Gates 0.667 – 10.667 ms in linear - logarithmic scale
	A728_ <i>blk</i> Bfield_Log	VTEM B-field profiles, Time Gates 0.667 – 10.667 ms in linear - logarithmic scale

¹ A Geosoft .GRD file has a .GI metadata file associated with it, containing grid projection information.

² *blk* indicates the block name



Waveform		
Format	Digital Excel Spreadsheet (A728_VTEM_Waveform.xls)	
Columns	Name	Description
	Time	Sampling rate interval, 10.416 μ s
	Volt	Output voltage of the receiver coil (volt)
	Current	Transmitter current (normalised to 1A peak)

Google Earth Flight Path file	
Format	Google Earth A728_FlightPath.kmz
	Free version of Google Earth software can be downloaded from, http://earth.google.com/download-earth.html



5. PERSONNEL

Geotech Airborne Limited Personnel	
Operator / Crew chief	Michael Nagel
Data Processing (Preliminary)	Pete Holbrook
Data Processing (Final) /Reporting	Matt Holbrook
Final data supervision	Malcolm Moreton Data Processing Manager (malcolm@geotechairborne.com)
Overall project management	Keith Fisk Managing Partner and Director (keith@geotechairborne.com)



APPENDIX A

GENERALIZED MODELING RESULTS OF THE VTEM SYSTEM (by Roger Barlow)

Introduction

The VTEM system is based on a concentric or central loop design, whereby, the receiver is positioned at the centre of a 26.1 metres diameter transmitter loop that produces a dipole moment up to 625,000 NIA at peak current. The wave form is a bi-polar, modified square wave with a turn-on and turn-off at each end. With a base frequency of 25 Hz, the duration of each pulse is approximately 7.5 milliseconds followed by an off time where no primary field is present.

During turn-on and turn-off, a time varying field is produced (dB/dt) and an electro-motive force (emf) is created as a finite impulse response. A current ring around the transmitter loop moves outward and downward as time progresses. When conductive rocks and mineralization are encountered, a secondary field is created by mutual induction and measured by the receiver at the centre of the transmitter loop.

Measurements are made during the off-time, when only the secondary field (representing the conductive targets encountered in the ground) is present.

Efficient modeling of the results can be carried out on regularly shaped geometries, thus yielding close approximations to the parameters of the measured targets. The following is a description of a series of common models made for the purpose of promoting a general understanding of the measured results.

Variation of Plate Depth

Geometries represented by plates of different strike length, depth extent, dip, plunge and depth below surface can be varied with characteristic parameters like conductance of the target, conductance of the host and conductivity/thickness and thickness of the overburden layer.

Diagrammatic models for a vertical plate are shown in figures A and G at two different depths, all other parameters remaining constant. With this transmitter-receiver geometry, the classic **M** shaped response is generated. Figure A shows a plate where the top is near surface. Here, amplitudes of the dual peaks are higher and symmetrical with the zero centre positioned directly above the plate. Most important is the separation distance of the peaks. This distance is small when the plate is near surface and widens with a linear relationship as the plate (depth to top) increases. Figure G shows a much deeper plate where the separation distance of the peaks is much wider and the amplitudes of the channels have decreased.

Variation of Plate Dip

As the plate dips and departs from the vertical position, the peaks become asymmetrical. Figure B shows a near surface plate dipping 80°. Note that the direction of dip is toward the high shoulder of the response and the top of the plate remains under the centre minimum.

As the dip increases, the aspect ratio (Min/Max) decreases and this aspect ratio can be used as an empirical guide to dip angles from near 90° to about 30°. The method is not sensitive enough where dips are less than about 30°. Figure E shows a plate dipping 45° and, at this angle, the minimum shoulder starts to vanish. In Figure D, a



flat lying plate is shown, relatively near surface. Note that the twin peak anomaly has been replaced by a symmetrical shape with large, bell shaped, channel amplitudes which decay relative to the conductance of the plate.

Figure H shows a special case where two plates are positioned to represent a synclinal structure. Note that the main characteristic to remember is the centre amplitudes are higher (approximately double) compared to the high shoulder of a single plate. This model is very representative of tightly folded formations where the conductors were once flat lying.

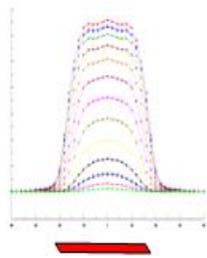
Variation of Prism Depth

Finally, with prism models, another algorithm is required to represent current on the plate. A plate model is considered to be infinitely thin with respect to thickness and incapable of representing the current in the thickness dimension. A prism model is constructed to deal with this problem, thereby, representing the thickness of the body more accurately.

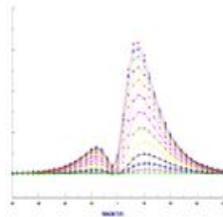
Figures C, F and I show the same prism at increasing depths. Aside from an expected decrease in amplitude, the side lobes of the anomaly show a widening with deeper prism depths of the bell shaped early time channels.



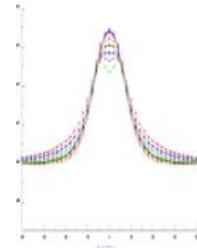
A



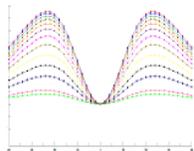
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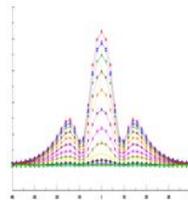
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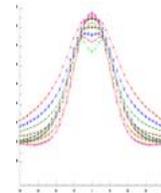
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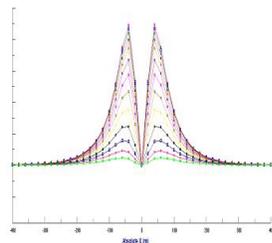
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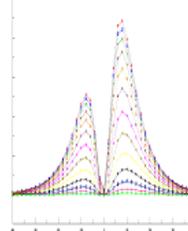
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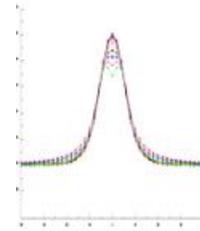
G



H



I



General Modeling Concepts

A set of models has been produced for the Geotech VTEM[®] system with explanation notes (see models A to I above). The reader is encouraged to review these models, so as to get a general understanding of the responses as they apply to survey results. While these models do not begin to cover all possibilities, they give a general perspective on the simple and most commonly encountered anomalies.

When producing these models, a few key points were observed and are worth noting as follows:

- For near vertical and vertical plate models, the top of the conductor is always located directly under the centre low point between the two shoulders in the classic **M** shaped response.
- As the plate is positioned at an increasing depth to the top, the shoulders of the **M** shaped response, have a greater separation distance.
- When faced with choosing between a flat lying plate and a prism model to represent the target (broad response) some ambiguity is present and caution should be exercised.
- With the concentric loop system and Z-component receiver coil, virtually all types of conductors and most geometries are most always well coupled and a response is generated (see model H). Only concentric loop systems can map this type of target.

The modelling program used to generate the responses was prepared by PetRos Eikon Inc. and is one of a very few that can model a wide range of targets in a conductive half space.

General Interpretation Principals

Magnetics

The total magnetic intensity responses reflect major changes in the magnetite and/or other magnetic minerals content in the underlying rocks and unconsolidated overburden. Precambrian rocks have often been subjected to intense heat and pressure during structural and metamorphic events in their history. Original signatures imprinted on these rocks at the time of formation have, in most cases, been modified, resulting in low magnetic susceptibility values.

The amplitude of magnetic anomalies, relative to the regional background, helps to assist in identifying specific magnetic and non-magnetic rock units (and conductors) related to, for example, mafic flows, mafic to ultramafic intrusives, felsic intrusives, felsic volcanics and/or sediments etc. Obviously, several geological sources can produce the same magnetic response. These ambiguities can be reduced considerably if basic geological information on the area is available to the geophysical interpreter.



In addition to simple amplitude variations, the shape of the response expressed in the wave length and the symmetry or asymmetry, is used to estimate the depth, geometric parameters and magnetization of the anomaly. For example, long narrow magnetic linears usually reflect mafic flows or intrusive dyke features. Large areas with complex magnetic patterns may be produced by intrusive bodies with significant magnetization, flat lying magnetic sills or sedimentary iron formation. Local isolated circular magnetic patterns often represent plug-like igneous intrusives such as kimberlites, pegmatites or volcanic vent areas.

Because the total magnetic intensity (TMI) responses may represent two or more closely spaced bodies within a response, the second derivative of the TMI response may be helpful for distinguishing these complexities. The second derivative is most useful in mapping near surface linears and other subtle magnetic structures that are partially masked by nearby higher amplitude magnetic features. The broad zones of higher magnetic amplitude, however, are severely attenuated in the vertical derivative results. These higher amplitude zones reflect rock units having strong magnetic susceptibility signatures. For this reason, both the TMI and the second derivative maps should be evaluated together.

Theoretically, the second derivative, zero contour or colour delineates the contacts or limits of large sources with near vertical dip and shallow depth to the top. The vertical gradient map also aids in determining contact zones between rocks with a susceptibility contrast, however, different, more complicated rules of thumb apply.

Concentric Loop EM Systems

Concentric systems with horizontal transmitter and receiver antennae produce much larger responses for flat lying conductors as contrasted with vertical plate-like conductors. The amount of current developing on the flat upper surface of targets having a substantial area in this dimension, are the direct result of the effective coupling angle, between the primary magnetic field and the flat surface area. One therefore, must not compare the amplitude/conductance of responses generated from flat lying bodies with those derived from near vertical plates; their ratios will be quite different for similar conductances.

Determining dip angle is very accurate for plates with dip angles greater than 30°. For angles less than 30° to 0°, the sensitivity is low and dips can not be distinguished accurately in the presence of normal survey noise levels.

A plate like body that has near vertical position will display a two shoulder, classic **M** shaped response with a distinctive separation distance between peaks for a given depth to top.

It is sometimes difficult to distinguish between responses associated with the edge effects of flat lying conductors and poorly conductive bedrock conductors. Poorly conductive bedrock conductors having low dip angles will also exhibit responses that may be interpreted as surficial overburden conductors. In some situations, the conductive response has line to line continuity and some magnetic correlation providing possible evidence that the response is related to an actual bedrock source.

The EM interpretation process used, places considerable emphasis on determining an understanding of the general conductive patterns in the area of interest. Each area has different characteristics and these can effectively guide the detailed process used.



The first stage is to determine which time gates are most descriptive of the overall conductance patterns. Maps of the time gates that represent the range of responses can be very informative.

Next, stacking the relevant channels as profiles on the flight path together with the second vertical derivative of the TMI is very helpful in revealing correlations between the EM and Magnetics.

Next, key lines can be profiled as single lines to emphasize specific characteristics of a conductor or the relationship of one conductor to another on the same line. Resistivity Depth sections can be constructed to show the relationship of conductive overburden or conductive bedrock with the conductive anomaly.



APPENDIX B
GEOPHYSICAL MAP IMAGES
(not to scale)



