



GODKIN EL 50/2007

**ANNUAL AND FINAL REPORT
FOR THE PERIOD ENDING 20th AUGUST 2013**

Author: K.P Denwer

Date: 20th August 2013

Submitted To: Exploration Manager - Australia

Copies To: Tasmanian Regional Exploration Office Library
Mineral Resources Tasmania, Hobart
MMG – Melbourne Group office

Submitted By:

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1. SUMMARY

No significant work was completed on EL 50/2007, Great Northern Creek (informally called Godkin) during the sixth year of tenure.

MMG was required to expend a significant amount of money (\$93,000) on this small 7 km² tenement. Exploration here and to the north has highlighted that the exploration potential for Rosebery style mineralisation is low and subsequently it was decided to relinquish the tenement.

Previously this tenement was part of MMG's nickel tenements but the potential for Rosebery style mineralisation was enhanced by recent drill intersections on the Lake Rosebery tenement (EL 41/2010), where basemetal sulphides have been intersection on the western side of the Rosebery Fault. Further review of the geology highlighted that only a small component of the new Rosebery-Marionoak domain is located on this tenement.

Considerable expenditure has been committed to this tenement with \$555,400 expended by Allegiance pre 2008 when a 2328 metre diamond drilling programme was completed and an additional \$62,600 completed since MMG has been exploring the tenement for a total expenditure for the tenement life to date of **\$618,000**.

2. INTRODUCTION

EL50/2007 is located approximately 3km southeast of the Renison Mine which is 6km west of the township of Rosebery in Western Tasmania (Figure 1).

The EL is considered by MMG and its former owners OZ Minerals and Eastren Pty. Ltd. to be prospective for nickel sulphide deposits. Nickel prospectivity is derived from an interpretation of aeromagnetic data which shows strong magnetic features associated with Cambrian ultramafic outcrop on an adjoining tenement continuing undercover into EL 50/2007 (Figures 2).

More recently MMG has recognised the potential for VMS deposits.

The EL is located in high relief terrane with a cover of temperate rainforest. Access is provided to the EL by forestry roads and historic exploration tracks from the Murchison Highway.

3. LAND TENURE

EL 50/2007, Great Northern Creek (known informally as Godkin) was granted under the ERA system to Eastren Proprietary Limited, a wholly owned subsidiary of Allegiance Mining Pty Ltd, on 24 October 2007 for a period of 5years.

Allegiance Mining Pty Ltd was purchased by Zinifex Australia Limited in early 2008. Subsequently on July 18th 2008 the name of Zinifex Australia Limited was changed to OZ Minerals Australia Ltd as a result of a corporate merger between Zinifex Ltd and Oxiana Ltd. In June 2009 China Minmetals Non-Ferrous Metals Co Ltd acquired from OZ Minerals Ltd a 100% indirect interest (through its subsidiary Album Investment Pty Ltd) in MMG Australia Limited (previously OZ Minerals Australia Ltd) the holder of the tenement.

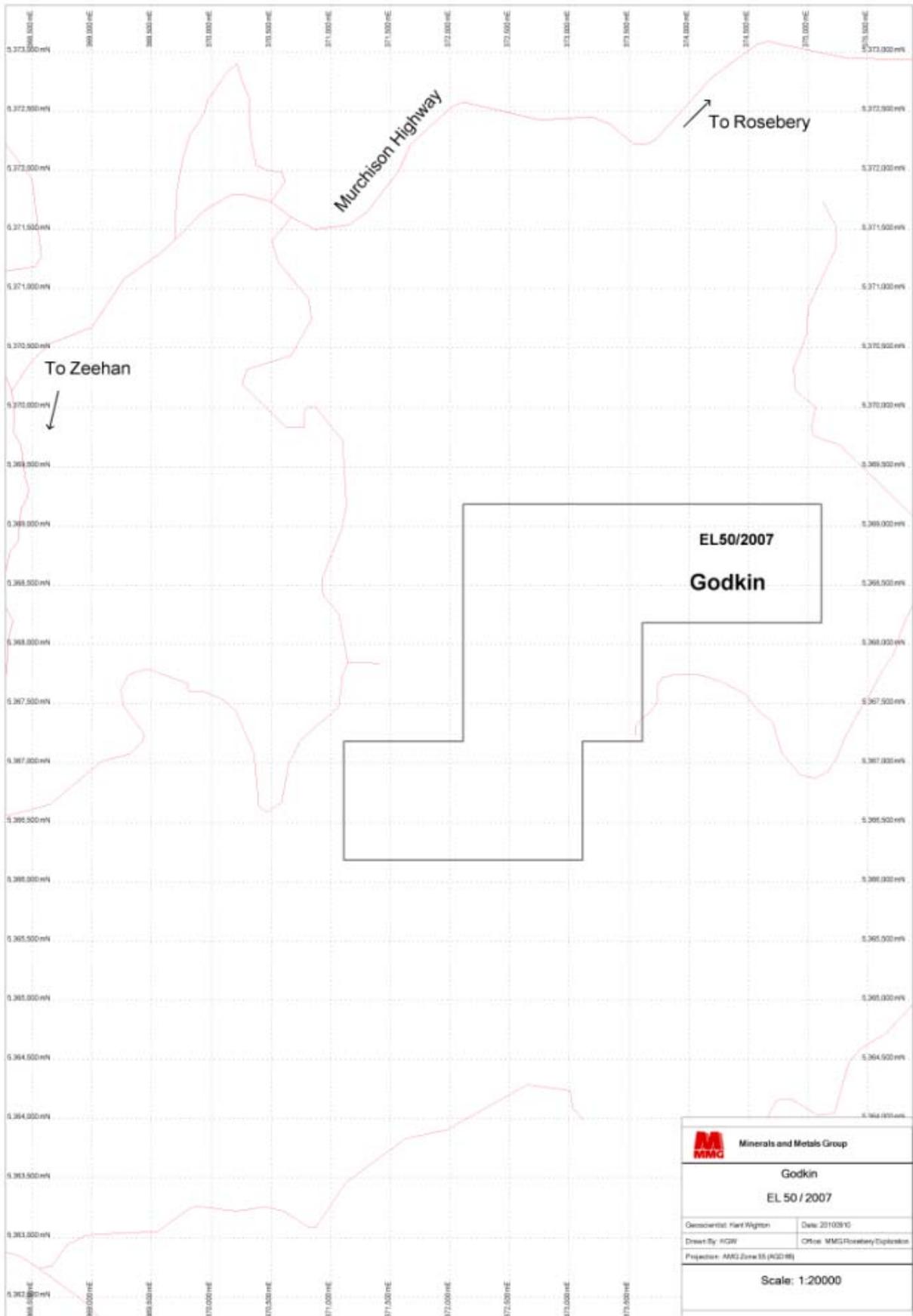


Figure 1: Location EL50/2007 Godkin

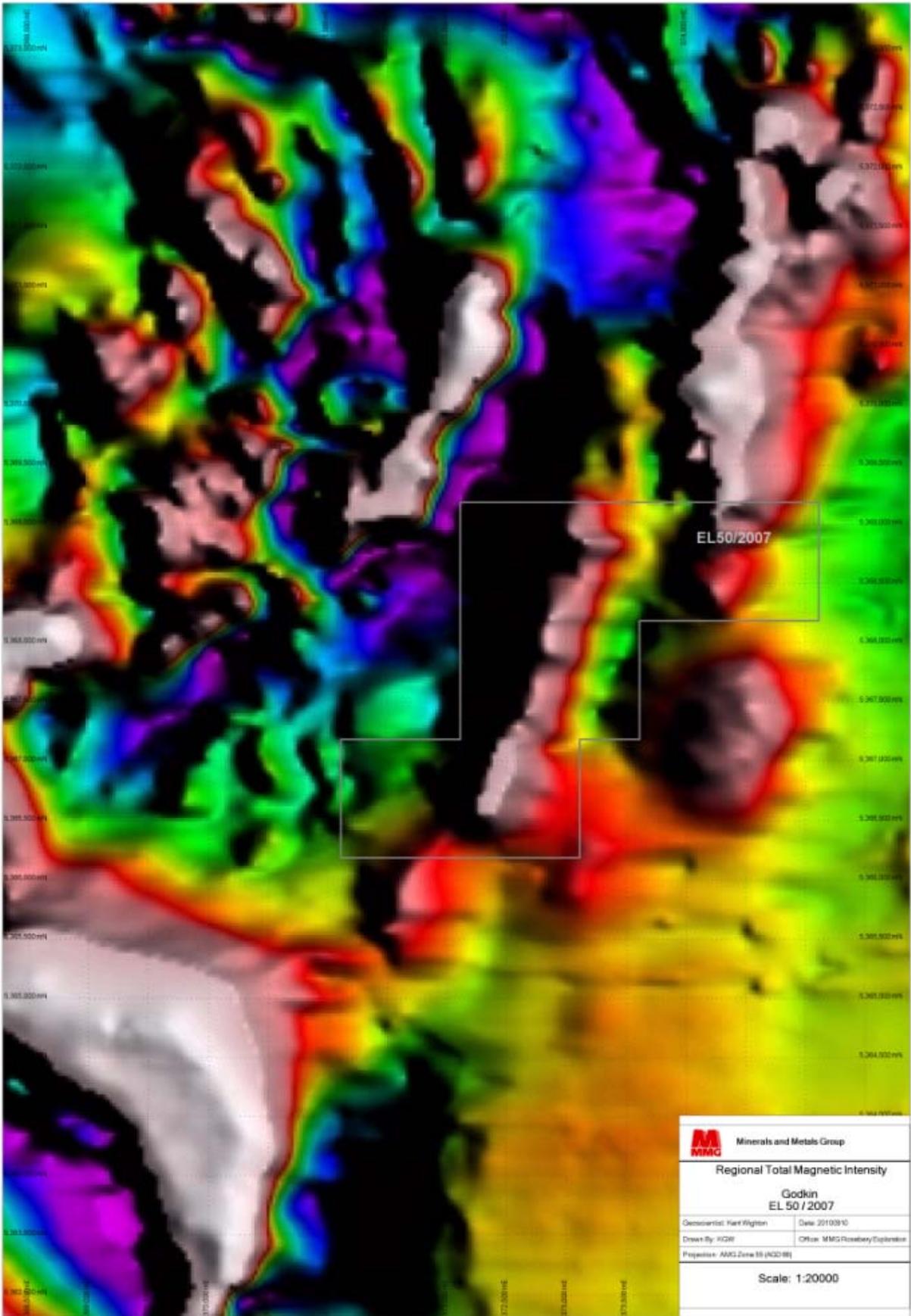


Figure 2: Regional Total Magnetic Intensity of EL50/2007 Godkin

4. GEOLOGY

The Avebury deposits are hosted in both serpentinitised dunite and strongly metasomatised, tremolite-diopside ultramafic skarn. The ultramafic has intruded Mid Cambrian basaltic volcanoclastic greywackes overlain by sandstone, siltstone and polymictic felsic volcanic breccias.

The ultramafic has a strong magnetic signature due to high concentrations of magnetite released during the serpentinitisation process and subsequent Fe metasomatism. High resolution aeromagnetism is a key early exploration tool.

EL 50/2007 overlies Cambrian volcanoclastic sediments hosting two belts of Cambrian mafic-ultramafic rocks (Figure 3). The Cambrian sequence is intruded at depth by a late Devonian Granite which forms an ENE trending ridge connecting the Granite Tor and Pine Hill Granite outcrops. The granite intrusion has extensively altered and metasomatised both the Cambrian volcanoclastics and ultramafic intrusions.

The ultramafic rocks are strongly serpentinitised and locally metasomatised to a diopside-tremolite assemblage. The associated gabbros are frequently extensively talc-carbonate altered. Calcareous sediments are extensively diopside altered with garnet rich skarns.

A variety of mineralisation styles are interpreted as accompanying the granite metasomatic event:

- Cu-Pb-Zn-Ag veins in altered gabbros and Cambrian sediments
- Qtz-cassiterite veins
- Large Cu-As (-WO₄) skarns at Colebrook Hill
- Pervasive (sometimes massive) pyrrhotite mineralisation in altered gabbros and sediments.
- Scheelite mineralisation in skarned sediments.

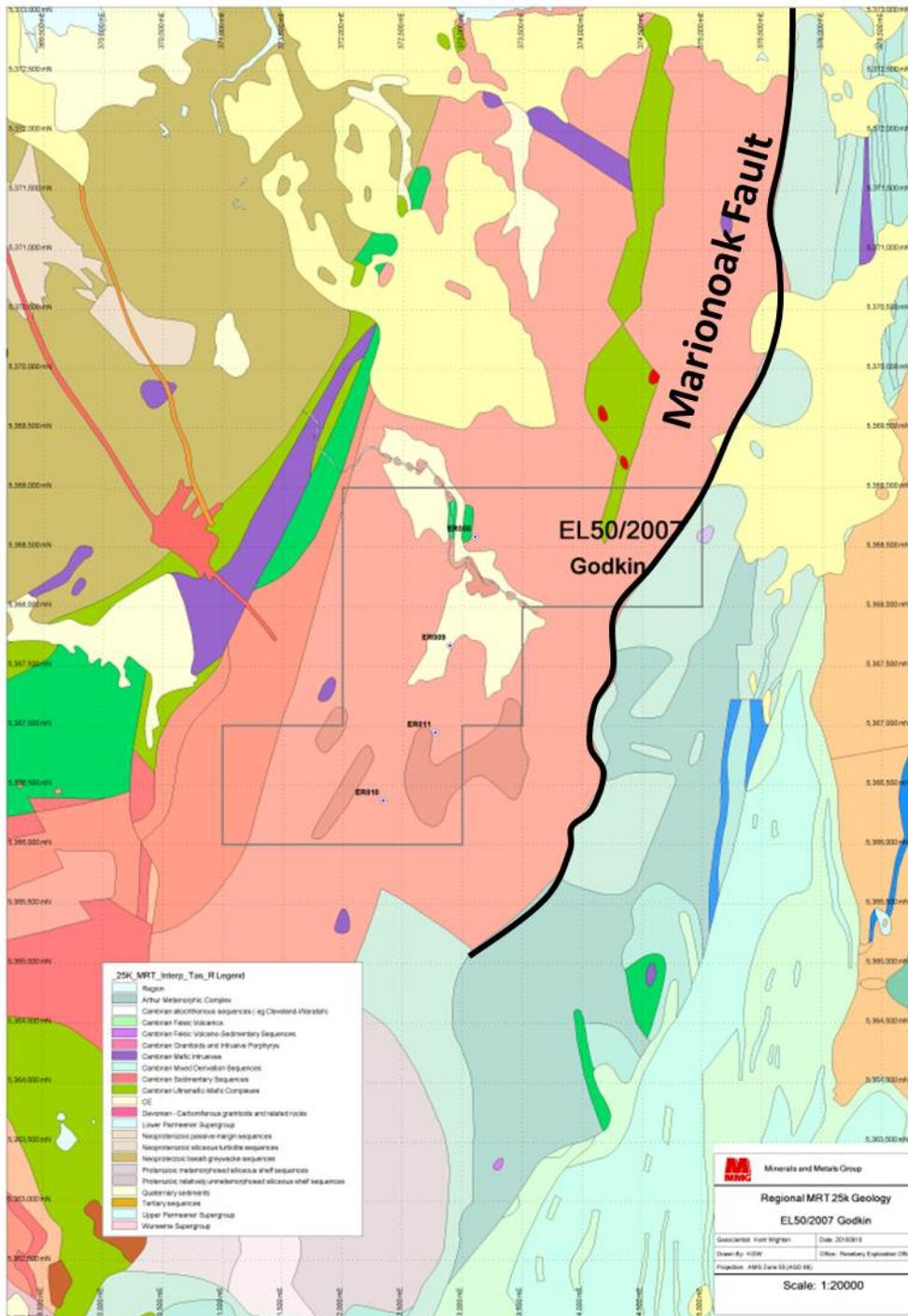


Figure 3: Tenement Geology – note Marionoak Fault and small zone of prospective rocks to SE of the fault.

CURRENT EXPLORATION

Work Completed in the 2012-2013 Period

No significant work completed. Further understanding of significant intersections to the north between the Rosebery and Marionoak Faults have indicated that there is little potential for these lithologies on this tenement as the Marionoak Fault cuts through the SE corner of the tenement (Figure 3).

5. CONCLUSIONS AND RECOMMENDATIONS

At the time of extension it was recognised that there was potential for VMS mineralisation in the volcanic units between the Rosebery Fault and the Cleveland –Waratah association rocks. Further work has indicate that this potential on this tenement is minimal. MMG is required to expend \$93,000 to keep this tenement and as a result of both the high expenditure and the low prospectivity it is recommended for relinquishment,

6. ENVIRONMENTAL

There were no surface disturbance or rehabilitation activities undertaken during the reporting period.

7. EXPENDITURE

Expenditure on EL 50/2007 Godkin for the period ending 20th August 2013 was approximately **\$5,400** mainly relating to staff salaries and administrative costs.

Total expenditure for EL 50/2007 for the 5 years from September 2007 is Allegiance **\$555,400** and MMG **\$62,600** for a total expenditure of **\$618,000**.

8. KEYWORDS

Keywords

GODKIN, GREAT NORTHERN CREEK, RENISON, AVEBURY, NICKEL
SULPHIDE MINERALISATION, LIDAR, ULTRAMAFIC, SERPENTINITE