M.I.M. EXPLORATION PTY. LTD. TECHNICAL REPORT

No. 1928

TITLE

EXPLORATION LICENCE 7525 'JUMPUP'
NORTHERN TERRITORY
FIRST ANNUAL REPORT:
YEAR ENDED 11th SEPTEMBER 1992

ISSUING DEPARTMENT

EXPLORATION

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INVESTIGATIONS CONDUCTED BY

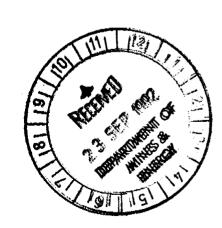
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DATE

SEPTEMBER 1992



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EXPLORATION LICENCE No. 7525 'JUMPUP'

NORTHERN TERRITORY

FIRST ANNUAL REPORT: YEAR ENDED 11th SEPTEMBER 1992

1. INTRODUCTION AND SUMMARY

Exploration Licence No. 7525 'Jumpup' is located approximately 985km by road SE of Darwin and about 65km NW of Borroloola. The Licence covers approximately 81km². The EL is one of several currently held by Mount Isa Mines Limited in the McArthur Basin. 'Jumpup' was granted for six years on 11th September 1991.

The tenement covers the Middle Proterozoic Tawallah Group. A northerly trending splay from the Emu Fault to the east is thought to pass through the centre of the Licence area. This geological situation suggests 'Jumpup' has potential for stratiform or other base metal deposits. The area has been explored in the past for base metals, phosphate and uranium with little result.

M.I.M Exploration Pty. Ltd. carried out a airborne QUESTEM survey over the Licence, which defined a broad anomaly in the northeast of the area. The Tawallah Range 1:100 000 aeromagnetics shows three belts of moderate magnetic anomalism, most probably related to the basic volcanic rocks of the Tawallah Range Formation found in the vicinity. The QUESTEM anomaly appears to be the result of conductive overburden.

There is limited correlation between the QUESTEM and magnetic results.

Ground geophysical follow up work of the QUESTEM anomaly will commence in the second year along with the completion of geological mapping and air photo structural interpretation. If warranted, targets generated by this will be diamond drilled.

2. LOCATION AND ACCESS

The Licence area lies on the Tawallah Range (6066) 1:100 000 scale topographic map, approximately 65km NW of Borroloola or 620km, in a straight line, SE of Darwin, Northern Territory. The EL is enclosed within latitudes 15°40'S and 15°45'S and longitudes 135°47'E and 135°52'E (Fig. 1).

Access to EL7525 is by the Stuart Highway from Darwin to Daly Waters, the Carpentaria Highway to Borroloola and along the Bing Bong road for approximately 72.5km to the Licence area turn-off.

Within the area, access is limited to a few dirt tracks which follow BHP's old surveyed grid lines. Cross-country traverses are difficult due to the low and thick nature of the scrub. The terrain is sandy with minor black soil and paperback swamps. Topographically the majority of the area is flat lying, cut by deep creek gullies. High (up to 180m ASL) dissected hills and ridges occur in the west of the EL.

3. TENURE

Exploration Licence No. 7525 'Jumpup' was applied for on the 24th June 1991 and granted to Mount Isa Mines Limited on the 11th September 1991 for a term of six years. The area covered is 25 one-minute graticular blocks, which equals 81km^2 . The N.T.D.M.E. expenditure commitment for the first year was \$15 000. There are no unusual conditions or requirements attached to the Licence.

4. REGIONAL GEOLOGY

EL7525 'Jumpup' is located on the Mt Young 1:250 000 Geological Sheet area (SD53-15). The sequence of interest is the McArthur Group - a stratigraphic equivalent of the ore-bearing sequences in the Mount Isa District. Important base metal deposits within the North Australian Craton are all hosted by this Group or its equivalents. This coupled with the projected extension through the centre of the area of a northerly trending fault splay from the Emu Fault to the east makes EL7525 potentially prospective for base metal mineralisation.

The McArthur Basin consists of a thick platform cover sequence overlying the eastern edge of the Northern Australian Craton, which consists of Lower to Middle Proterozoic basement rocks (Jackson et al, 1987). It has a stratigraphic succession similar to the Lawn Hill Platform and Mount Isa Orogen. The basin is divided into four rock groups: Roper (youngest), Nathan, McArthur and Tawallah (oldest). Only the Tawallah and McArthur Groups will be discussed as they bear direct significance to the EL7525 area.

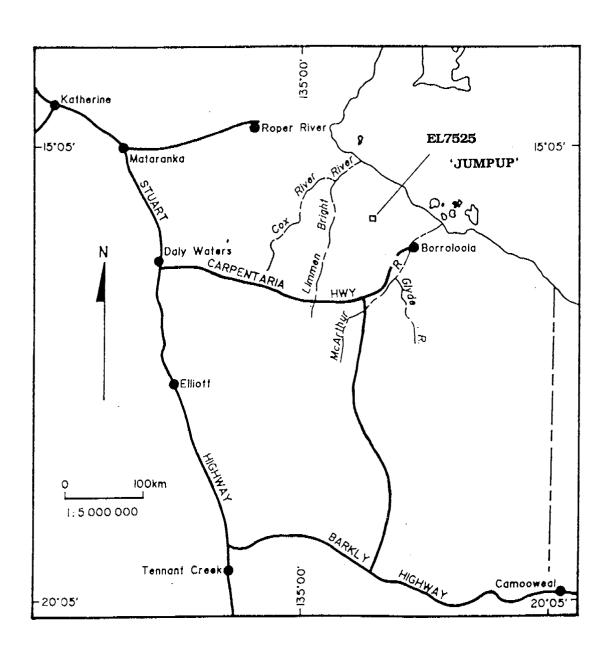


Fig. 1.
LOCATION MAP

4.1. Tawallah Group

The Tawallah Group is the oldest group in the McArthur Basin consisting mainly of thick sequences of ridge-forming sandstones alternating with units of recessive volcanics and fine grained clastics (Pietsch et al, 1991). It has an unconformable lower contact with the Scrutton Volcanics in the pre-McArthur basement and has a maximum thickness from 4500 - 5200 metres.

4.2. McArthur Group

The McArthur Group unconformably overlies the Tawallah Group and consists of a sequence of interbedded carbonates and lutites with subordinate sandstones up to approximately 4200 metres thick (Jackson et al, 1987). The Group is sub-divided into the Umbolooga Sub-group (older) and Batten Sub-group (younger). These Sub-groups are thought to be separated by a regional palaoregolith. This conformable contact is only disrupted by major fault zones. The Umbolooga Sub-group is host to the McArthur River lead-zinc-silver deposit.

4.3. Structure

The McArthur River Basin is dominated structurally by the Batten Fault Zone, a north-trending zone 50 - 70km wide and flanked by the Wearyan Shelf to the east and the Bauhinia shelf to the west. This zone is thought to represent the site of a former syndepositional half graben. Deformation of the basin has mainly been in response to block-faulting along the Batten and Urapunga Fault Zones causing the reversal of the graben structure into a horst or anticlinorium. This has lead to the exposure of the Scrutton Volcanics in the middle of the Batten Fault Zone (Jackson et al, 1987).

The Faults have considerable strike-dip displacement as well as strike-slip with tension gashes in the Emu Fault Zone indicating right-lateral displacement of unknown magnitude. Within the Batten Fault Zone, fault movement of major blocks has caused broad folds and warping, and, at a more local scale, dragfolds, steep tilting, shearing, brecciation, veining and solution alteration effects.

5. PREVIOUS EXPLORATION

In the late 1950's Mount Isa Mines Limited (AP510 and AP1748) and Geopeko Ltd. (AP1438) held various portions of EL7525 'Jumpup' (Table 1). Stratiform base metals were their primary target with phosphate and uranium being of secondary concern. Both companies considered the base metal potential of the 'Jumpup' area as unprospective and so no work was conducted after initial reconnaissance.

TABLE 1

OPEN FILE COMPANY REPORTS COVERING EL7525 "JUMPUP"

TENEMEN	T No.	COMPANY	CR NUMBER
AP 51	0	Mount Isa Mines Ltd.	CR57/006 CR57/007 CR57/008 CR57/009
AP 143	8	Geopeko Ltd. CR67/006	
AP 174	8	Mount Isa Mines Ltd.	CR56/003
AP 235	7	Aust. Ore & Minerals Ltd.	CR69/005
AP 255	4	RABAC Exploration N.L.	CR71/044A-B
AP 306	9	Metals Invest. Holdings N.L.	CR71/079
EL 142	4	Aust. & New Zealand Expl. Co.	CR78/011
EL 171	0	Western Mining Corp. Ltd.	CR79/108 CR81/161A-B CR82/216
EL 207	2	A.O. (Aust.) Pty. Ltd.	CR80/171 CR82/284 CR83/123
EL 408	3	CRA Exploration Pty. Ltd.	CR84/024
EL 474	5	BHP Minerals Ltd.	CR86/216

In 1968 Australian Ore and Minerals Ltd. covered the northeastern corner part of the present tenement area under AP2357. Layton and Associates were contracted to undertake the exploration for phosphate or uranium mineralisation. After extensive literature search and ground follow up of airphoto anomalies proved disappointing the area was relinquished in 1969.

The central southwestern portion of EL7525 was held by RABAC Exploration Concession in 1970. AP2554 was the subject of intensive Side Looking Airborne Radar (SLAR) survey looking for a base metal or uranium deposit. The technique delineated two major fault zones in the present tenement area. Both these fault zones trend northeast southwest. In addition to these a host of fracture patterns were defined in a number of directions. Limited ground follow up was conducted over the next two years with little success. In 1972 the area was relinquished.

Metals Investment Holdings Ltd. held the northeastern corner of 'Jumpup' under AP3069 from 1970-71. A stratified base metal or uranium deposit was sought. Geological and structural mapping lead to sedimentological facies analysis of the most favourable lithologies. No mineralisation was delineated so the tenement was relinquished in 1971.

Australian and New Zealand Exploration Company in 1977 held the southern portion of 'Jumpup' for manganese exploration. Interpretation of landsat images and airphotos inconjunction with geological mapping indicated that economic manganese potential in the area was low. The AP was relinquished in 1978.

In 1978 the majority of EL7525 'Jumpup' was held under EL1710 by Western Mining Pty. Ltd. The target was a stratiform Cu-Pb-Zn deposit. Based on detail aerial photo interpretation and geological mapping fortynine soil traverses (traverses 9-11 are in the present tenement area) and orientation airborne INPUT-EM survey was flown. Nineteen INPUT-EM anomalies were defined and they indicated the best host for base metal mineralisation was the Wollogorang Formation of the Tawallah Group. In follow up exploration IP and TEM geophysical techniques were used to define the presence of the Wollogorang Formation. Only two of these anomalous zones are contained in 'Jumpup' - R1-2 and R1-11. Five percussion drill holes were sunk into R1-11 to test weak IP and TEM anomalies. Drilling defined a black carbonate unit and porphyritic trachyte. Weak pyrite and chalcopyrite were also reported. The anomalies were defined as a response to the deep weathering profile (up to 30m). In 1981-82 three lines of ironstone and rock chip sampling and a limited IP surveys were conducted to the south of R1-11 and west of R1-2. Although ironstone, rock chip and drill chip samples assayed up to 800ppm copper it was felt that high background copper values were indicative of the Wollogorang Formation and consequently the area was relinquished in 1983.

In the middle to late 1980's small portions of EL7525 were held by A. O. (Aust) Pty. Ltd. (EL2072 - stratiform base metals), CRA Exploration Pty. Ltd. (EL4083 - diamonds) and BHP Minerals Ltd. (EL4745 - stratiform base metals). Very limited work was conducted by all three in the present tenement area and no anomalies were defined. The licences were surrendered in 1981, 1985 and 1986 respectively.

The Tawallah Range 1:100 000 Sheet has been covered by airborne magnetics. The map, prepared by the NTGS, includes data from two sources:

(a) NTGS survey with the following specifications:

Contractor : Aerodata Holdings Ltd.

Line Directions : 90° and 270°

Line Spacings : 500m Mean Terrain Clearance : 100m Date : 1990

(b) BHP survey with the following specifications:

Contractor : Geoterrex Pty. Ltd.

Line Directions : 0° to 180° & 90° to 270°

Line Spacings : 300m Mean Terrain Clearance : 80m Date : 1988

Both surveys used caesium vapour magnetometers with 0.04nT resolution and 0.2 sec cycle rate.

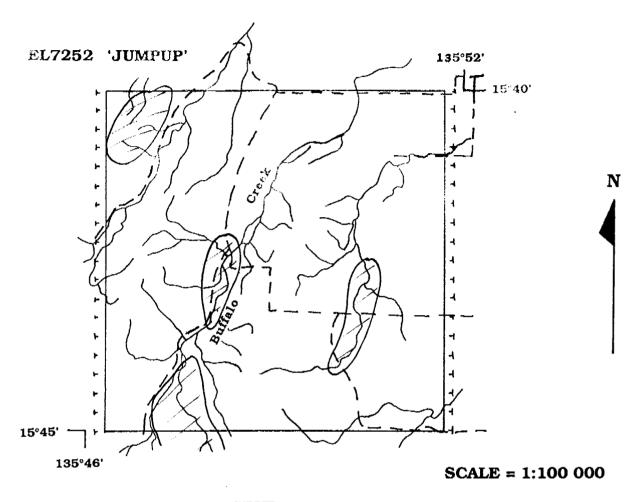
6. EXPLORATION CONDUCTED BY M.I.M. EXPLORATION PTY. LTD.

Figure 2 outlines areas explored and methods utilised by M.I.M. Exploration Pty. Ltd. in 1991.

6.1 Geophysics

Due to the extensive quartz sand and sandstone ground cover a detail airborne EM survey was conducted by Aerodata in 1991. The method used was QUESTEM, which is a time domain EM system, the details of which are outlined in Appendix 1.

All geophysical interpretation and compiling was conducted by M.J. Shalley, M.I.M. Consultant Geophysicist.



LEGEND

QUESTEM LINES

AREAS OF VOLCANIC ROCK

Fig. 2:

TRACKS

EXPLORATION CONDUCTED BY M.I.M. EXPLORATION, 1991.

6.1.1 Survey Specifications

The survey specifications are as follows:

Flight Line Directions : 90° and 270°

Flight Line Spacings : 500m

Nominal Mean Terrain Clearance : 120m (aircraft)

45m (receiver)

Navigation and Flight Path Recovery : satellite GPS

QUESTEM Operating Frequency : 75 Hz

Data Collected (as outlined in Appendix 1) included:

QUESTEM : 15 channels

Magnetometer : High sensitivity Cs vapour

Aircraft Ground Clearance : Radar altimeter

6.1.2 Data Presentation and Quality

Data is presented in Appendix 2 as multiplot profiles which include:

Fifteen channels of QUESTEM
Two channels of magnetometer (high and low sensitivity)
Aircraft ground clearance
QUESTEM anomaly time constant

The last of these, the time constant is of dubious value because it is not clear how accurately it reflects the quality of an anomalous conductor.

QUESTEM Channel 10 data is presented in the form of a contour map (Drw. No. 33605) showing the location of anomalous zones. Apart from anomaly amplitude, it contains little information on the quality of the anomalies. A flight path map (Drw. No. 33606) shows the location and direction of traverses. Maps and profiles are at the scale 1:25 000.

Because of the moderately rugged terrain in parts of the area, the nominal mean terrain clearance of the aircraft was often exceeded. Actual clearance, as read from the radar altimeter record, varied between 115 and 300m. The western third of the area showed the more extreme variations but clearance was usually less than 250m.

Where the terrain clearance exceeds 150m, the ability of the system to detect small or deep conductive bodies, particularly if they are steeply dipping, will be moderately to severely impaired. In the case of large, shallow-dipping or flat lying mineralised

bodies, similar to the HYC system at McArthur River, the impairment would be weak or negligible. In any case, more careful interpretation procedures will need to be applied in assessment of this data.

6.1.3 Preliminary Appraisal of Data

The Channel 10 contour map (Drw. No. 33605) shows that the area is generally fairly resistive, that is the anomalies are weak. Greatest activity occurs in the northeast of the area, where anomalous values reach 550 ppm. Both the contour map and the profiles show that this anomalous zone is broad and therefore probably caused by conductive overburden. There are some weak anomalies more or less coincident with magnetic anomalies (see 6.1.5).

A more detailed interpretation, including computer modelling, will be supplied with the next report.

The published magnetics discussed in Section 5 show three belts of moderate magnetic activity lie within, or partly within the EL. Comparison with geological mapping indicates that the most likely source is basic volcanics. However, there is not much outcrop available to confirm this. Drawing Number 33607 shows the extent of these magnetic anomalies within the present tenement.

There is a very limited positive correlation between the magnetics and QUESTEM Channel 10 data. The best of this coincidence of weak QUESTEM and moderate magnetic activity near the eastern edge of the area at about 592500E, 8262500N. A similar situation exits along the central meridional zone of magnetic activity, where a string of weak QUESTEM highs shows approximate coincidence. However, towards the south of the zone the QUESTEM anomalies shift a little to the west of the magnetic activity.

The general association of weak QUESTEM anomalies with obviously shallow sourced magnetic activity is consistent with a basic volcanic source. Weathering of the volcanics promotes surface conductivity which produces the QUESTEM anomalies.

6.2 Geological Mapping

Due to the difficulty of access the Licence area has had only limited geological reconnaissance performed to date by M.I.M. Exploration. The remained of the mapping will be completed next year.

7. CONCLUSIONS

The airborne geophysics has defined a broad QUESTEM anomaly in the northeastern corner of the EL.

The three bands of moderately anomalous magnetic zones which may be related to basic volcanics in these areas.

Limited reconnaissance has delineated a number of scattered volcanic outcrops.

8. FUTURE WORK

- 1. Ground EM-37 follow up of the limited QUESTEM anomaly in the northeastern corner of the EL.
- 2. Completion of the geological mapping.
- 3. Completion of the air photo lineament study.
- 4. Diamond drilling of targets generated by the above work.

Derrick C. Kettlewell

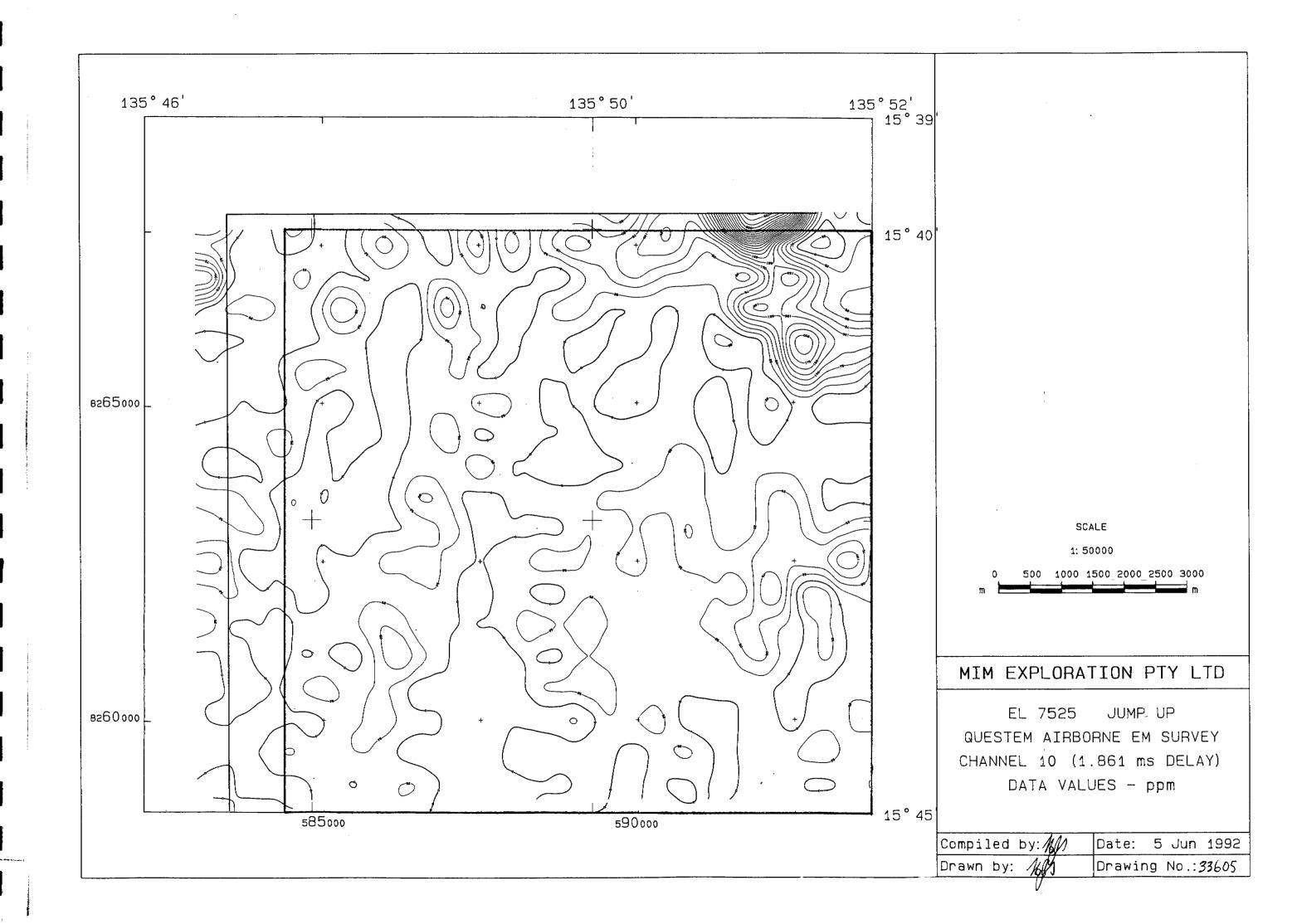
9. REFERENCES

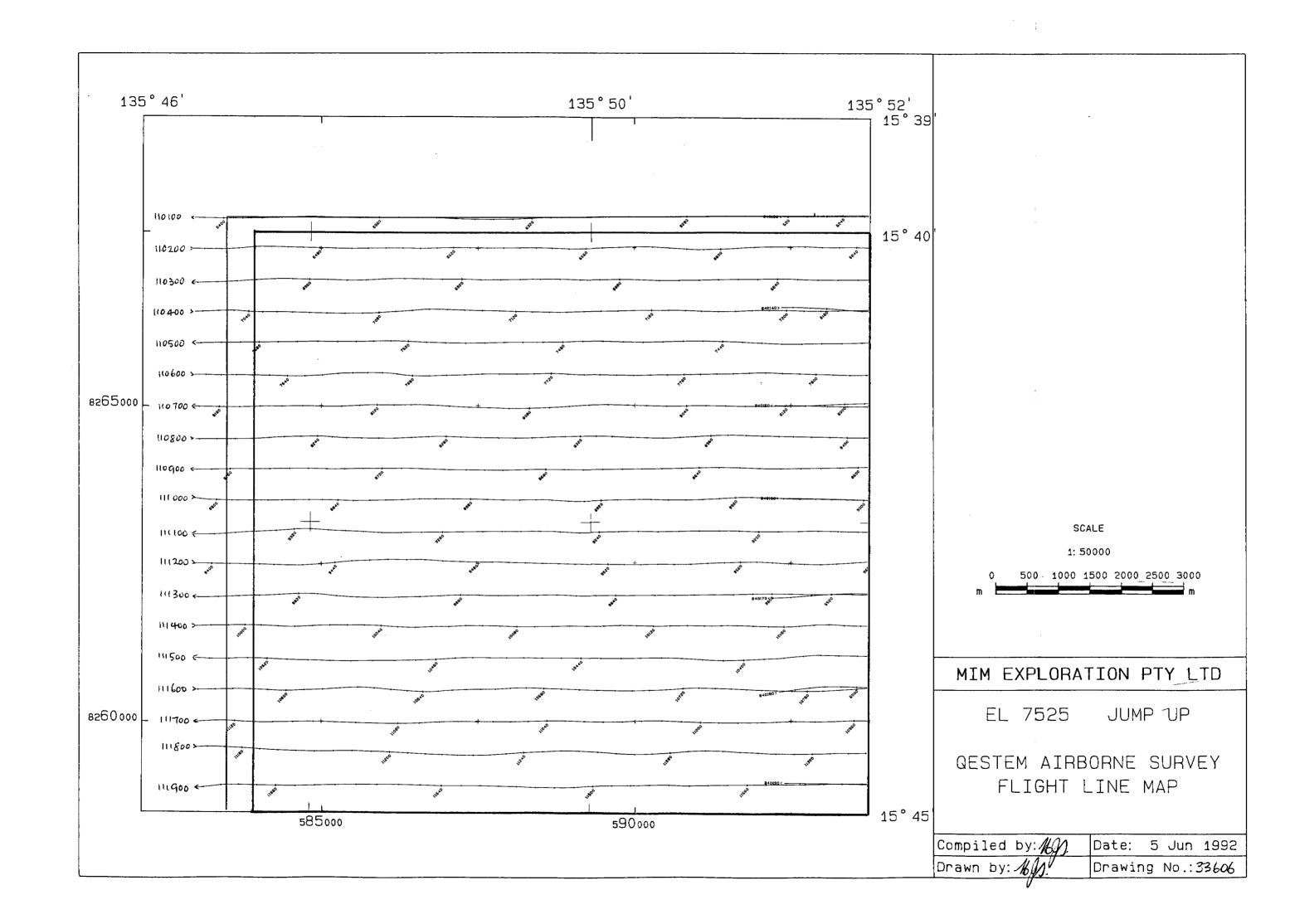
Jackson, M. J., Muir, M. D., and Plumb, K. A. 1987: Geology of the Southern McArthur Basin, Northern Territory, Bureau of Mineral Resources, Australia, Bulletin 220.

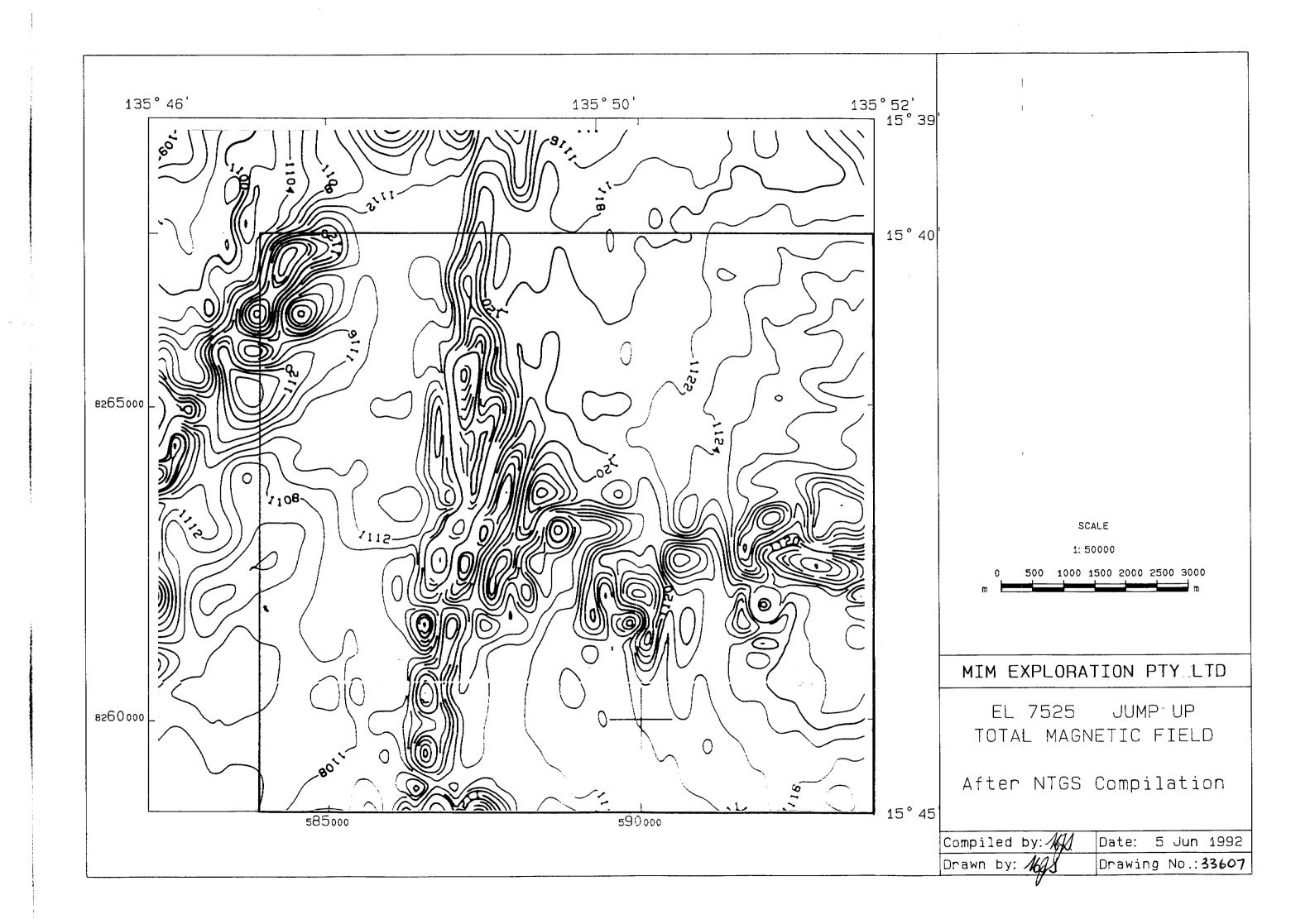
Pietsch, B. A., Wyche, S., Rawlings, D. J., Creaser, P. M., and Findhammer, T. L. R., 1991: McArthur River Region 6065-6165, 1:100 000 Geological Explanatory Notes, Department of Mines and Energy, Darwin, Australia.

Plumb, K. A., and Paine, A. G. L., 1964: 1:250 000 Geological Series - Mt Young, Northern Territory (SD/53-15) Explanatory Notes, Bureau of Mineral Resources, Australia.

DRAWINGS







APPENDIX 1

QUESTEM AIRBORNE EM SYSTEM



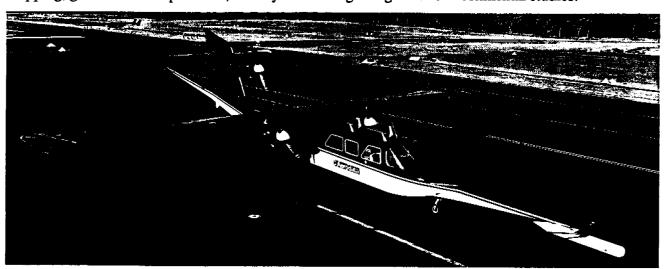
QUESTEM

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Telephone International Facsimile International (09) 322 1799 (619) 322 1799 (09) 481 0709 (619) 481 0709 'AERODA' AA 96146

Digital Time-Domain Airborne Electromagnetics

Recent advances in equipment sensitivity and quantitative data processing techniques have extended the range of applications of Aerodata's QUESTEM airborne EM system from being purely an anomaly detector to one which can map ground conductivities, both areally and in depth. This is a major advance for mineral exploration and has applications in the related fields of detailed geological mapping, groundwater exploration, salinity monitoring and general environmental studies.



The QUESTEM system comprises:

- Choice of 75 or 37.5 Hz operation
- Recording of unwindowed data select required windows post-flight
- Increased depth penetration with real time digital signal processing
- Large transmitter moment
- Broad transmitter and receiver bandwidth
- Intelligent spheric monitoring and rejection
- Software stacking to increase signal-to-noise ratio and to reject power line interference
- High sensitivity Cs vapour magnetometer (0.5 second sampling)
- Installation in a cost efficient Trislander aircraft.

Data processing and interpretation services offered include:

- Automatic anomaly selection, classification and plotting
- Conductivity inversion for layered earth and discrete conductors
- Apparent conductivity and decay constant maps
- Full layered earth inversion for QUESTEM transients
- Colour image processing of EM and magnetic data
- Integration of EM, magnetic and other geophysical or satellite remote sensing data sets
- Comprehensive geophysical and geological interpretation by experienced earth science consultants.

THE QUESTEM RECEIVER

QUESTEM is built around an IBM - compatible PC. All signal processing and calculations are carried out with software-controlled digital hardware on a programmable array processor (see attached diagram). Four transients are recorded per second. This translates to one sample approximately every 13 m.

Windows can be positioned anywhere on the transient waveform (including during the pulse). The position of windows can be simply altered to suit the requirements of a particular survey. In addition, several auxiliary parameters are calculated. These include monitors of power-line interference, spheric activity and primary field. All parameters are displayed in real-time on a computer screen, in hard-copy and stored on disk.

The Questern system can be operated at a fundamental frequency of 75 Hz or 37.5 Hz. The lower frequency allows recording out to a delay time of 11.33 msec after the transmitter pulse. This allows a drastic increase in depth penetration in conductive areas.

The contribution of secondary eddy currents in the aircraft to the total signal is removed in real-time. This is possible because of calibration, carried out at high altitude at the commencement of flight, during which the aircraft's response is identified accurately and stored digitally.

Atmospheric or 'spheric' noise is detected and rejected before it can be integrated into stacked data. This is particularly important because the limited time available for stacking does not allow the spherics to be 'stacked out'. Noise induced by motion of the coil sensor in the Earth's magnetic field is easily separated from desired signal because of its much lower frequency.

As a result of ongoing research, the performance of Questem is continually being upgraded. Recent developments mean that the separation of primary and secondary fields is far more accurate than in pre-existing systems and conductivities derived from Questem data are accurately calibrated.

QUESTEM DATA PROCESSING

Aerodata, in conjunction with its Canadian sister company Questor, offers the latest developments in the processing of airborne EM and magnetic data. Colour imaging workstations are used to prepare final map products of the highest quality.

Any parameter derived from the data set may be colour contoured or imaged. These parameters include: time constant, conductivity, raw channels etc. Recently-developed software allows the integration of the complementary EM and magnetic data sets into a single presentation.

Computer routines have been developed for the automatic selection and plotting of EM anomalies. Plotted anomalies may be annotated with conductivity-thickness products and/or any other body parameters.

Aerodata has developed its own layered earth QUESTEM modelling software which carries out rapid forward modelling and inversion of QUESTEM responses. This software has led to the implementation of a conductivity-depth mapping scheme allowing the plotting of cross sections of conductivity distributions with depth along flight lines.

QUESTEM AIRBORNE TIME-DOMAIN EM SYSTEM

Aircraft: Britten-Norman Trislander VH-NKW

Flying height:

120 m

Bird height:

45 m

Frequency of transmitter operation:

75 Hz or 37.5 Hz

Transmitter waveform: Transmitter on-time:

half-sine wave pulse 2.0 msec

Transmitter off-time:

4.67 msec/75 Hz or 11.33 msec/37.5 Hz

Peak transmitter loop current:

200A

Transmitter loop turns: Area per loop turn:

 $\begin{array}{c} 6\\186~\mathrm{m}^2\end{array}$

Transmitter loop moment:

223,000 ATm²

Number digital samples per waveform:

128/75 Hz or 256/37.5 Hz

Sample size:

52.08 microsec

Sensor:

horizontal coil in towed bird

EM reading duration:

200 msec

EM readings per second:

4

Mag sensor:

Cs vapour

Mag reading duration: Mag readings per second:

100 msec

Mag resolution:

0.1 nanoTesla

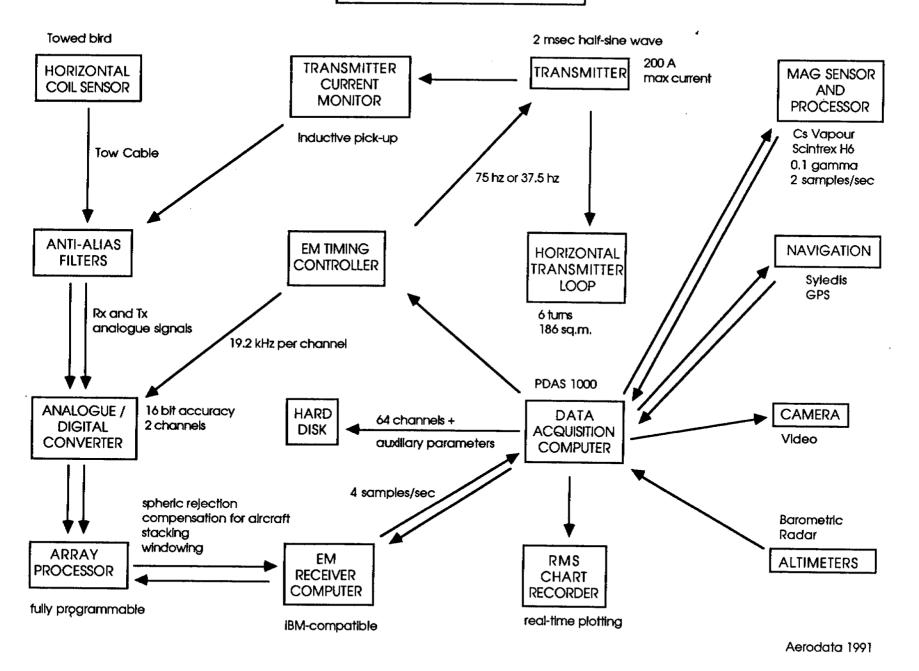
SUGGESTED QUESTEM WINDOW SPECIFICATIONS

75 Hz SYSTEM

37.5 Hz SYSTEM

WINDOW	START (µsecs)	END (usecs)	WINDOW	START (usecs)	END (usecs)
1 2 3 4 5 6 7 8 9 10 11 12 13	168 273 377 481 584 793 1001 1210 1418 1626 1939 2355 2876	325 429 533 637 845 1054 1262 1574 1782 2095 2408 2929 3450	1 2 3 4 5 6 7 8 9 10 11 12	168 376 585 1001 1418 1835 2460 3085 3710 4543 5377 6210 7252	END (µsecs) - 324 - 533 - 949 - 1366 - 1783 - 2408 - 3033 - 3658 - 4491 - 5324 - 6158 - 7199 - 8450
14 15	3398 3918	3971 4490	14 15	8502 9544	9908 11158

QUESTEM SYSTEM SCHEMATIC



APPENDIX 2

QUESTEM MULTIPLOT PROFILES
LINES 110100 to 112000

