HARTZ RANGE MINES PTY LTD
ACN: 084 999 413

EL 22579

5th ANNUAL REPORT

FOR THE PERIOD ENDING
14th AUGUST 2007

Submitted By

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ABSTRACT

Exploration of the Wollogorang Project has been continued by Hartz Range Mines Pty Ltd ("HRM") covering the northern and western parts of the EL 22579. Work carried out during this period consists of completion and interpretation of the airborne magnetometric and radiometric surveys, editing and manipulation of the compiled database of previous exploration activity in the area, data assessment and target generation. Field work has been limited to reconnaissance during this period with field activities currently focussed on adjacent tenements. Several new targets have been identified for follow up work in the coming field season. A field camp has been established just north of the main road between Wollogorang Station and Redbank Mine.

Lagoon Creek Resources Pty Ltd ("LCR") continued operations on the Debbil Debbil Uranium Project in the south-eastern part of the EL. This work consisted of a stream sediment geochemical survey and reconnaissance. Field camp construction has been completed.

KEYWORDS: NT, McArthur Basin, Wollogorang Copper Project, Debbil Debbil Uranium Project, Branch Creek Diamond Project, copper, uranium, diamond, stream sediment, airborne geophysical survey, Landsat, SPOT.
TABLE of CONTENTS

INTRODUCTION ................................................. 4
TENEMENT DETAILS ........................................ 4
REGIONAL GEOLOGY ......................................... 4
EXPLORATION CONDUCTED ............................... 7
PROPOSED EXPLORATION ................................. 11
EXPENDITURE ............................................... 11
REFERENCES ................................................. 11

LIST of FIGURES

Figure 1 Location Map – Projects and Tenements
Figure 2 Regional Geological Setting
Figure 3 Airborne Magnetics
Figure 4 Airborne Radiometrics
Figure 5 Landsat Image with LCR Stream Sediment Sample Locations

LIST of APPENDICES

Appendix 1 Airborne Geophysics Survey Logistics and Quality Control Report A719
Appendix 2 Airborne Geophysics Survey Acquisition Report FAS1777
Appendix 3 Airborne Geophysics Survey QC Report FAS1777
Appendix 4 Airborne Geophysics Radiometric Calibration Report FAS1777
INTRODUCTION

Hartz Range Mines Pty Ltd (“HRM”) holds three Exploration Licences, EL10335, 22579, and 24358 at Wollogorang Station on the Northern Territory - Queensland border. HRM have divided the three EL’s in the area, based on previous work, into project areas. These are the Wollogorang Project including the Coolibah Creek Diamond Prospect, which occupies the western part of the EL and the Debbil Debbil JV Uranium Project, which occupies the eastern part of the EL. See Figure 1.

Approval has been granted in September 2007 for a waiver of reduction of tenement blocks at this anniversary.

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Native Title - Authority Certificate C2006/107 has been amended to include track construction and drill pad construction.

REGIONAL GEOLOGY

The project area is located within the Wearyan Shelf tectonic domain of the southeastern parts of the Pelaeoproterozoic McArthur Basin. The McArthur Basin is a succession of essentially unmetamorphosed sedimentary and lesser volcanic rocks, deposited largely in shallow marginal marine and lacustrine settings (see Figure 2). The tenement covers a sequence of sediments and volcanics of the mid-Proterozoic Tawallah Group which flank the northern margin of the Lower Proterozoic Murphy Inlier. The Murphy Metamorphics are a sequence of isoclinally folded greenschist facies metasediments which are unconformably overlain by a felsic volcanic/pyroclastic sequence (Cliffdale Volcanics), intruded by granite/adamellite of the Nicholson Granite Complex. The Tawallah Group overlies the igneous and metamorphic complexes of the Murphy Inlier with angular unconformity and disconformity. The Tawallah Group is the oldest group of the McArthur Basin sequence. The Westmorland Conglomerate is the oldest unit of the Tawallah Group and consists of a thick sequence (up to 1800m) of fluvial arkosic conglomerate and quartz arenite. The Seigal Volcanics conformably overlie the Westmorland Conglomerate and occurs as a series of tholeiitic basaltic lavas and minor tuffaceous interbeds along the southern margin of the project area. The McDermott Formation conformably overlies the Seigal Volcanics along the southern margin and forms a narrow, poorly outcropping unit characterised by alternating beds of shallow-water marine arenites, shale and dolostone.

The carbonate rocks of the McDermott Formation are conformably overlain by the Sly Creek Sandstone sequence which grades upwards into glauconitic sandstone named the Aquarium Formation. The conformable units encompass the majority of the project area and are characterised by a series of open folds with north-east oriented axes.

The continental Settlement Creek Volcanics conformably overlie the Aquarium Formation and consist of a series of basaltic lava flows, sills and siltstone interbeds. Exposure of the volcanics is limited and is obscured by recent alluvium denoting the Settlement Creek valley.

Minor siltstone and sandstone of the Early Cretaceous Mullaman Beds overlie the Tawallah Group sediments. Soils, alluvium and lateritic deposits of Tertiary and Quaternary age mask the underlying Proterozoic lithologies along the major watercourses. (after Jackson et al, 1987 and Ahmad & Wygralak, 1989)
Figure 1. Location Plan
Figure 2. Regional Geological Setting
EXPLORATION CONDUCTED

Exploration by LCR on the Debbil Debbil JV covering EL22579 during the past year consisted of Continued interpretation and evaluation of all available data and reconnaissance. Planned drilling at the “North West Copper Pit” has been postponed due to inaccessibility until a suitable method or access can be arranged. HRM has continued exploration with completion of database compilation, airborne geophysics survey, satellite imagery purchases, data processing, analysis and target generation.

Exploration Database Compilation

HRM have completed compilation of the digital database of all previously reported exploration results covering the area. Analysis of this database is ongoing.

Airborne Geophysical Survey

An airborne magnetometric and radiometric survey designed to join the survey flown by LCR over the Debbil Debbil Uranium Project has been completed. The survey (FAS_1777) was conducted by Fugro Airborne Surveys. Digital airborne geophysics data captured over EL22579 have been submitted in ASEG GDF2 format and a mosaic of the grid data from both surveys has been included with this report. Analysis and interpretation of these data is still in progress however the new data has already revealed several possible kimberlite pipes in the Coolibah Creek area. The survey coverage is shown in images produced from the data in Figures 3 and 4. Acquisition and quality control reports for the survey have been included as Appendices 2 and 3.

Stream Sediment Survey

A stream sediment sampling campaign was carried out by LCR covering most of the Debbil Debbil JV area. Assay results are not yet available and will be included in next years report. Sample locations are shown on Figure 5.

Satellite Imagery

Landsat 7 etm+ and SPOT 5 high resolution digital image data have been acquired. These data are being processed spectrally for mapping geochemical alteration and geological features and for field planning. The imagery is also being integrated with the airborne geophysical survey data to assist in targeting.
Figure 3. Airborne Magnetics
Figure 4. Airborne Radiometrics K – Th – U draped on DEM
Figure 5. Landsat 7 Natural Colour Bands 321 in RGB
Stream Sediment sample locations in red.
PROPOSED EXPLORATION

Results of the Stream Sediment programme conducted by LCR will be analysed and follow up sampling will be carried out as indicated by the results. Drilling of the “North West Copper Pit” is scheduled to be carried out as soon as suitable access or an alternative suitable drilling rig can be arranged. The Northwest Copper Pit area, centered at AGD 84: 792827E, 8067099N, occurs atop a plateau of dolostone which overlies a mafic volcanic unit. Both are cut by a mafic dyke trending 120 degrees with a dip of 80 degrees (Fig. 6). The dyke is strongly fractured and mineralized along the fractures with quartz and malachite. The dyke also produces elevated scintillometer readings. There are 2 existing workings along the dyke which were likely excavated in search of copper. A thin cap of sandstone exists on top of the plateau. Due to the steep and rocky nature of the plateau, drill pads could not be constructed near the target.

Targets generated from the Airborne Geophysical Survey will be followed up as soon as possible with detailed structural and lithological mapping, rock chip sampling and assay. In particular, attention will be given to the possible Kimberlite pipe structures identified from the recent airborne magnetics survey. Ground geophysics techniques (either Induced Polarisation or Electro Magnetism) will be employed where further delineation of recognised targets is required. Drilling will be carried out if indicated by the previous methods. Field verification of Rio Tinto drainage and rock anomalies is still to be completed with additional sampling as suggested by initial results.

EXPENDITURE

Expenditure for the current period and planned expenditure for the coming period will be reported separately.

REFERENCES


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