CONTENTS

1. SUMMARY..........................................................................................................................1
2. INTRODUCTION...............................................................................................................2
3. REGIONAL GEOLOGY ....................................................................................................3
4. LOCAL GEOLOGY...........................................................................................................5
5. ABORIGINAL HERITAGE...............................................................................................6
6. EXPLORATION...............................................................................................................7
7. CONCLUSIONS AND RECOMMENDATIONS .................................................................10

APPENDICES

Appendix 1: Tenement Plan
Appendix 2: CAS Australia Pty Ltd – Prospectivity Report

List of Figures:

Figure 1: Location map showing Georgina tenement block.
Figure 2: The Centralian Superbasin and the component basins.
Figure 3: The geology of the Georgina Project area
Figure 4: Map showing the Georgina Project area.

List of Tables

Table 1: Georgina Basin Project Tenement Schedule
Table 2: Prospectivity Areas.
1. SUMMARY

The tenements currently comprising the Georgina Basin Project are EL25089 to EL25094 and EL25143. The Annual Reporting period for these tenements is 2 October to 1 October and reports are due by 2 November each year. The tenement schedule is given as Table 1 below.

<table>
<thead>
<tr>
<th>Licence</th>
<th>Name</th>
<th>Grant</th>
<th>Expiry</th>
<th>Blocks</th>
<th>Commitment</th>
<th>Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL25089</td>
<td>Arapunya</td>
<td>7/09/2006</td>
<td>6/09/2012</td>
<td>500</td>
<td>$120,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>EL25090</td>
<td>Derry Downs</td>
<td>2/10/2006</td>
<td>1/10/2012</td>
<td>500</td>
<td>$120,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>EL25091</td>
<td>Lucy Creek</td>
<td>2/10/2006</td>
<td>1/10/2012</td>
<td>500</td>
<td>$120,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>EL25092</td>
<td>Mt Teitkens</td>
<td>2/10/2006</td>
<td>1/10/2012</td>
<td>500</td>
<td>$120,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>EL25093</td>
<td>Mt Ultim</td>
<td>2/10/2006</td>
<td>1/10/2012</td>
<td>500</td>
<td>$120,000</td>
<td>$5,500</td>
</tr>
<tr>
<td>EL25094</td>
<td>Tarlton Hill</td>
<td>2/10/2006</td>
<td>1/10/2012</td>
<td>495</td>
<td>$120,000</td>
<td>$5,445</td>
</tr>
<tr>
<td>EL25143</td>
<td>Huckitta</td>
<td>2/10/2006</td>
<td>1/10/2012</td>
<td>16</td>
<td>$18,000</td>
<td>$176</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>3011</td>
<td>$738,000</td>
<td>$33,121</td>
</tr>
</tbody>
</table>

Table 1: Georgina Basin Project Tenement Schedule

The current total expenditure for the Group is $738,000.

No fieldwork was completed during the 2007 reporting period due to lengthy Native Title access negotiations that were only included in September. Data studies, a review by CSA consultants and studies of selected drill core at the NTGS core library in Alice Springs were completed. Discussions commenced with the PMD-CRC group with a view to carrying out numerical modelling of basin fluid flow as part of the 2008 program to better define stratigraphic drill targets.
2. **INTRODUCTION**

A decision to further investigate the potential of the southern Georgina Basin was made following a review of research carried out by the Northern Territory Geological Survey (NTGS). This work identified significant potential for base metal mineralisation based on a reinterpretation all available data, both old and new. A key finding was that total basin depth is significantly less than previously thought as the lower part of the basin was found to constitute non-magnetic granites, rather than being part of the sediment pile. Mincor’s area selection comprised 9000km², aimed at allowing the company to evaluate the southern basin margin and adjacent interior as a whole and to then focus on the most prospective areas. The best examples of mineralisation in Mincor’s immediate area are the Box Hole “mine” from which approximately 15 t of hand picked ore averaging 65% - 70% Pb and 60 g/t Ag was extracted, and the Hunt 1 and Baldwin 1 drill holes, both of which contained occurrences of sphalerite and galena within and beneath a shale cap in the Thorntonia Limestone, at or near the interface with the overlying Arthur Creek Formation. The Box Hole mineralisation occurs stratigraphically higher, in the Arrinthrunga Formation. The Box Hole and Baldwin 1 occurrences are both located outside of Mincor’s tenement area (*Figure 1 and Figure 4*).
3. **REGIONAL GEOLOGY**

The Georgina Basin is a broad, northwest-southeast trending, intracratonic depression which is about 1000km long and 500km wide, underlying an area of some 325,000km² of the Northern Territory and Queensland. Approximately 60 percent of the basin area (195,000km²) lies within the Northern Territory (Figure 2).

![Figure 2: The Centralian Superbasin and the component basins and the project area.](image)

The basin contains prospective Cambrian and Ordovician marine carbonate and clastic sediments and Devonian continental sediments. Neoproterozoic (Vendian) clastics are also considered prospective in places. Sediments were deposited in a series of subtidal to supratidal environments over part of an extensive epicontinental shelf. The Palaeozoic sediments progressively thicken in a south-southeasterly direction, rarely exceeding 400 metres in the northern half of the basin and becoming significantly thicker in the southeast (Toko Syncline). The sedimentary sequence of the basin proper appears to have been neither metamorphosed nor intruded by igneous rocks.

The present outline of the Georgina Basin is an erosional remnant of a much larger, early Palaeozoic sedimentary province that once covered much of north central Australia.

The basin was once contiguous with the Amadeus Basin to the south, but is now separated from it by the Archaean Arunta Block. It is not known at present if, or to what extent the Georgina Basin is connected to the Wiso Basin to the west and the Daly Basin to the northwest. The northwest and southwest extremities of the basin are concealed beneath Mesozoic and Cainozoic sediments which mask the actual limits of the basin in these localities. The Davenport Range and the
Tennant Creek Block, both comprising deformed Early Proterozoic sediments, provide at least partial separation of the three sedimentary basins.

The basin is fully confined by Archaean to Late Proterozoic metamorphic and igneous rocks. In addition to the structural elements described above, the Georgina Basin is bounded by the Mt Isa Block to the east, while to the north, the basin extends as a thin veneer which overlies the Antrim Plateau Volcanics and the potentially prospective Proterozoic McArthur Basin.

The basin has been deformed by minor to moderate folding and faulting, especially in the south and east, with folding, faulting and some overthrusting along the southern margin. Most of the structural deformation occurred during the Late Devonian to Early Carboniferous Alice Springs Orogeny. Work by Pacific Oil and Gas has shown that mainly flat lying, Ordovician sediments can conceal and disguise earlier Palaeozoic structuring. North of latitude 21°S, the Georgina Basin sequence is gently undulating, with no pronounced folding recognised other than the Lake Nash Anticline which is interpreted to be a supratentuous fold. In the north, faults are recognised only along the basin margin.

The most prominent structural elements in the basin are the Dulcie and Toko Synclines, both of which are asymmetric folds with steep dips on their southwestern flanks; the “GMI” linear which has been identified from gravity and magnetics and is believed to be a basement feature; and the “Jinka Feature”, another gravity-magnetic linear, the surface expression of which occurs in the Lucy Creek-Mt Playford Ooratippra Fault Zones.

In the southern portion of the basin, Late Proterozoic-Early Cambrian sediments are now regarded as basal units; elsewhere in the basin, Middle Cambrian rocks are regarded as basal units.
4. **LOCAL GEOLOGY**

Figure 3 below, shows the geology of the Georgina Basin surrounding the project area. To the south in grey is the Palaeoproterozoic Arunta Block and north, outside the area shown in the map is the Palaeoproterozoic Tennant Creek Block. The centre of the project area is underlain by the Arrinthrunga Formation, which hosts mineralization at the Box Hole and Trackrider Prospects. In the west, the Dulcie Sandstone crops out in the northwest-trending Dulcie Syncline. The eastern third of the project is mainly underlain by the Tomahawk Beds. However, in both the northwest and southeast, there are large areas of younger cover overlying the Georgina Basin.

![Geology Map](image)

Figure 3: The geology of the Georgina Project area (note that the colour scheme used here and in subsequent maps differs from that of the stratigraphic column).

The Georgina Basin has been subdivided into several sub-basins that primarily reflect the thickness of Cambrian deposition. One of these is the Elkedra Self which flanks the northwestern depositional edge in the area, adjacent to the Davenport Province. This shelf system contains significant thicknesses of carbonates which have been intersected in several deep drill holes. Two holes in particular, Hunt 1 and Baldwin 1 (Figure 3) highlight differences in depth to stratigraphy, for example, in Baldwin 1 the base of the Arthur Creek Formation is at approximately 880m vertical depth whereas in Hunt 1, 23km to the NW, the same contact is at a depth of approximately 345m.
5. **ABORIGINAL HERITAGE**

Mincor Resources NL executed the final Exploration Deed (with the Central Land Council) in respect of the Georgina Project on 16 August 2007. In recognition of Aboriginal interests in the region, the Deed allows for Heritage Protection Protocols and Compensation for future ground disturbing exploration over the entire project area, irrespective of the presence of a Registered Native Title Claim.

The Registered Native Title Claims principally affect the northern and north-western parts of the project area. The project tenements are affected by the Ooratippra Claim (NTD6043/01) and the Sandover River Claim (NTD6069/01) to varying degrees as follows:

1. EL25090 7% Ooratippra, 93% Sandover River
2. EL25089 7% Ooratippra, 35% Sandover River
3. EL25093 13.6% Sandover River
4. EL25091 21.4% Ooratippra

Tenements EL25092, EL25094 and EL25143 are unaffected by any current Native Title Claims and lie entirely within Pastoral Leases.
6. **EXPLORATION**

Due to protracted Native Title negotiations, access to the area was not possible during the 2007 field season. Staffing changes took place at the Central Land Council at the point of signing of Mincor’s access agreement, resulting in the agreement being rejected at that late stage. By the time the agreement had been re-negotiated, it was too late to arrange field work.

All of the data provided by the NTGS has been reviewed in detail however and has identified prospectivity at two levels:

a) The basin architecture and composition supports the possible development of Mississippi Valley Type (MVT) and associated ore deposit styles. A likely driving force for fluid movement and deposition is the ~450 – 310 Ma Alice Springs Orogeny with Pb isotope data indicating a 2000 – 1720 Ma source age (crustal) and mineralisation age corresponding to the Pertnjara movement (~375 – 395 Ma); and

b) A continuum of other deposit styles should also be considered during the course of MVT evaluation. Despite evidence that carbonate hosted MVT - Irish – Manto style mineralisation, controlled by basement structure and composition is the most likely mineralising style, attention should be paid to the age gap between the mineralising event (Silurian – Carboniferous, most likely Devonian – Carboniferous) and the significantly greater age of the host rocks (Cambrian). For example, if the basin was largely tight, then most of the basement fluid could have penetrated the whole section and there might even be a sandstone deposit sitting up in the (Devonian) Dulce Sandstone.

Available core was inspected at the NTGS core storage facility in Alice Springs. Particular attention was paid to drill holes Baldwin 1, Hunt 1 and DD92EC1 and DD92EC1. In both Hunt 1 and Baldwin 1, sphalerite and galena was observed within and immediately beneath a carbonaceous shale unit located at the interface between the Thortonia Limestone and underlying Arthur Creek Formation.

“Hot shale” at 889m, representing Arthur Creek – Thorntonia contact in Baldwin 1. Finely laminated pyrite +/- marcasite is common throughout the shale unit with minor galena. Dolomite immediately beneath the shale contains galena and sphalerite, commonly along small fractures and joints. The dolomite appears to become more porous and disrupted with depth, possibly indicative of a shelf/slope environment.
Mincor also commissioned CSA consultants to carry out an independent review. Despite being somewhat hindered by staff shortages and other work commitments, CSA produced a useful summary which supports the NTGS models and conclusions, a copy of which is attached as Appendix 2.

As a result of the completion of Native Title negotiations and the abovementioned reviews, a program of work is being prepared for the 2008 field season. This is expected to incorporate detailed worm analysis of gravity and magnetic data followed by numerical modelling of basin development and fluid flow scenarios, to be carried out by PMD-CRC in conjunction with the CSIRO. NTGS commissioned gravity surveys to the south will be extended northwards over Mincor’s project area. Additional stream sediment and soil/rock chip geochemical sampling will be carried out as well as a series of stratigraphic drill holes that will most likely be drilled along the Elkedra Shelf zone. Final drilling planning will be only be completed once results of the numerical modelling exercise are known. The Elkedra shelf zone and the Tarlton area are most likely target areas for initial follow-up (Figure 4).

![Evaporite development in DD92EC1. This hole targeted extensive Chabalowe evaporates due to association of galena with evaporates in the Arrinhrunga Formation at Box Hole.](image)

Figure 4: Map showing the Georgina Project area divided into smaller areas based on interpreted prospectivity. The Elkedra Shelf and Tarlton areas are shown in red. Table 2 below gives details of the 14 areas.
<table>
<thead>
<tr>
<th>Area</th>
<th>Priority</th>
<th>Reasons</th>
<th>Previous Data</th>
<th>To Advance</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>1</td>
<td>Shelf to Dulcie Syncline; transfer zone, NNE trending structure; limited outcrop, Tomahawk and Kelly Formations</td>
<td>a few stream sediment samples, none anomalous</td>
<td>define structure: regional gravity, mapping geochemistry: stream sediment or soil sampling stratigraphy: stratigraphic drilling</td>
</tr>
<tr>
<td>F</td>
<td>1</td>
<td>Shelf to pre-Dulcie Syncline basin, NE trending transfer zone, Arrinthrunga Fm outcropping, Box Hole Bore mineralization</td>
<td>rock chip sampling drill holes soil sampling</td>
<td>define structure: regional gravity, mapping geochemistry: stream sediment or soil sampling stratigraphy: stratigraphic drilling</td>
</tr>
<tr>
<td>M</td>
<td>1</td>
<td>Shelf to Toko Syncline? Kelly and Tomahawk’s; Arrinthrunga Fm. Basement high, Tarlton</td>
<td>550 stream sediment samples 62 rock chop samples (1.31%Pb, 834 ppm Zn)</td>
<td>soil sampling over ssed anomaly, shallow drilling, mapping</td>
</tr>
<tr>
<td>D</td>
<td>2</td>
<td>Shelf to Dulcie Syncline; edge of basin, transfer zone, small sub-basin</td>
<td>a few stream sediment samples, none anomalous</td>
<td>Identify presence of Arrinthrunga Fm. (previous drilling, stratigraphic drilling). Regional geochemistry</td>
</tr>
<tr>
<td>G</td>
<td>2</td>
<td>Shelf to Pre-Dulcie Syncline basin and Dulcie Syncline, NE trending structure; Tomahawk Fm outcropping</td>
<td>a few stream sediment samples, none anomalous</td>
<td>define structure: regional gravity, mapping geochemistry: stream sediment or soil sampling stratigraphy: stratigraphic drilling</td>
</tr>
<tr>
<td>I</td>
<td>2</td>
<td>Distal Shelf to Pre-Dulcie Syncline Basin; NE and NW trending structure; Arrinthrunga Fm</td>
<td>a few stream sediment and rock chip samples, weak anomalous</td>
<td>regional geochemistry</td>
</tr>
<tr>
<td>H</td>
<td>2</td>
<td>Shelf to Dulcie Syncline, edge of the basin, Arrinthrunga Fm</td>
<td>a few stream and rock chip samples. Rock chips weakly anomalous in Cu</td>
<td>Identify presence of Arrinthrunga Fm. (previous drilling, stratigraphic drilling). Regional geochemistry</td>
</tr>
</tbody>
</table>

Table 2: Prospectivity areas showing their priority, main prospective features, previous exploration and suggested exploration.
7. CONCLUSIONS AND RECOMMENDATIONS

The Georgina Project remains highly conceptual in nature. Significant evidence points to prospectivity across a range of styles but principally for Pb and Zn and mainly MVT type within Mincor’s project area. It is likely that the best ore system has not been sampled at all and may in fact be buried with no surface signature.

As the project is still very much at the stage of confirming target concepts and defining target areas, the next step(s) should focus on the generation of defined targets for testing. This is most likely going to be most effectively achieved through a combination of further regional geophysics, particularly gravity, additional geochemical sampling (taking local conditions into account for each area) and stratigraphic drilling. This first phase of drilling is likely to be better targeted following a geophysical worm analysis exercise followed my numerical modelling of various scenarios to develop fluid flow targets.
APPENDIX 1

Tenement Map