MINCOR ZINC PTY LTD
GEORGINA BASIN PROJECT

EL25089  EL25091  EL25092  EL25093
EL25094  EL25143  EL26933

ANNUAL TECHNICAL REPORT

FOR THE PERIOD
2 October 2010 to 1 October 2011

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# Table of Contents

1. SUMMARY ......................................................................................................................... 1  
2. INTRODUCTION ............................................................................................................... 1  
3. TENEMENTS .................................................................................................................... 1  
4. REGIONAL GEOLOGY ...................................................................................................... 2  
5. LOCAL GEOLOGY ............................................................................................................. 4  
6. ABORIGINAL HERITAGE ................................................................................................. 5  
7. EXPLORATION ACTIVITIES ............................................................................................ 6  
8. PLANNED ACTIVITY 2011/2012 .................................................................................... 7  

**List of Figures**

*Figure 1: Georgina Tenement Location Plan.* ........................................................................ 2  
*Figure 2: The Centralian Superbasin and the component basins and the project area.* ......... 3  
*Figure 3: The geology of the Georgina Project area.* ............................................................... 5  
*Figure 4: The location of the planned diamond drill sites, outlined in green, for which Sacred Site Clearance Certificates have been obtained.* ......................................................... 6  

**List of Tables**

*Table 1: Georgina Basin Project Tenement Schedule and expenditure.* ............................... 1
1. SUMMARY

The Georgina Project tenements are located approximately 225 kilometres northeast of the Northern Territory township of Alice Springs, with the main access via the Plenty Highway. The boundaries of the leases are located within the 1:250,000 scale Huckitta (SF 5311) and Tobermory (SF 5312) map sheets.

Drilling activities scheduled to commence during the reporting period were postponed until the 2011-12 field season due firstly, to heavy summer rains that severely restricted access to the area, and secondly by drill rig availability. The combination of these unforeseen factors resulted in all activities being restricted to desk top studies.

2. INTRODUCTION

This annual report for the Georgina project summarises the activities by Mincor Zinc Pty Ltd for the reporting period 2nd October 2010 to 1st October 2011.

3. TENEMENTS

The Georgina project comprises a total of seven Exploration Licenses (appendix 1, covering an area of 3,834.2km\(^2\) (figure 1).

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Table 1: Georgina Basin Project Tenement Schedule and expenditure.
4. 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).

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.
Figure 2: The Centralian Superbasin and the component basins and the project area.

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 supratenuous 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 Ooratippa 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.

5. 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.

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.
6. ABORIGINAL HERITAGE

Heritage clearances were obtained through CLC for the major activities in the previous reporting period: the ground geophysics programme, soil sampling and intended diamond drilling. A map of all the proposed sample sites was provided to CLC, who then delegated an anthropologist to consult with the traditional owners. Site inspections were made to confirm that there are no sensitive sites in the areas to be studied.
7. EXPLORATION ACTIVITIES

Previous exploration activities conducted by Mincor Zinc Pty Ltd including structural and geophysical interpretation and fluid-flow modelling were used in conjunction with soil geochemistry and culminated in the identification of a number of high priority drill targets for significant base metal mineralization. Two of these targets were planned to be drilled during the reporting period. However, this drilling and all other planned field activities had to be postponed until the 2011-12 field season due firstly, to heavy unseasonal rainfall the severely restricted access to the area, and secondly by drill rig availability.
8. PLANNED ACTIVITY 2011/2012

Diamond drilling to determine the stratigraphic controls will be of highest priority and this will proceed as early in 2011 as possible, bearing in mind the difficulty of access to the drill sites will be greatly reduced if suitable weather conditions allow the creeks to dry out and if remediation of the public roads to the tenements is completed. The numerical modelling of fluid flow in the modelled 3D geometry strongly constrains mineralization potential to a close proximity to fault structures, and once the most intense metal transfer zones are defined, further geophysical studies such as very detailed gravity surveys and possibly additional Induced Polarization studies. Further exploration drilling may be carried out if geochemical and geophysical indicators are strongly positive.