WPG Resources Ltd

# *Annual Report on Exploration Licence 5075*

# *Mirikata*

# *For the Period 24th October 2012 to 23rd October 2013*

***by***

***Kurt Crameri***

***December 2013***

## FIGURES

## TENEMENT REPORT INDEX

| | |
|---|---|
| TENEMENT: | EL 5075 |
| TENEMENT HOLDER: | WPG Resources Ltd |
| OPERATOR: | WPG Resources Ltd |
| AUTHOR: | Kurt Crameri |
| 1:250,000 SHEET: | Billa Kallina SH53-7 |
| 1:100,000 SHEET: | Peak 5938 |
| MINERAL PROVINCE: | Gawler Craton |
| COMODITIES: | Zinc, Lead, Iron |
| KEY WORDS: | Literature review, PACE funding |

## *Summary*

Exploration by WPG on EL5075 Mirikata during the first year of the tenure focused on review of historical exploration activities. No field work was completed during the reporting period.

Previous exploration by early tenement holders was concentrated at Hawks Nest, 15km south west of Mirikata, until PlatSearch was granted the tenement in 1996 over the same area as EL5075. Seven holes were drilled by PlatSearch with JV partners Inco and Newcrest in 2002 and 2007 respectively, with only one significant intersection recorded in MRK005. Field work ceased in 2007 when Newcrest left the Mirikata JV and the tenement expired in 2011.

Expenditure on EL 5075 for the year ended 23rd October 2013 was $15,793.

# *1. Introduction*

WPG Resources Ltd ("WPG") is the operator for Exploration Licence 5075, Mirikata. The project area is centred approximately 100 kilometres south east of Coober Pedy, in the northern Gawler Craton. The licence covers an area of 113 square kilometres.

The project area was selected in order to primarily explore for iron ore and base metals, as previous work had indicated the presence of BIF, similar to those found at Hawks Nest, 15km to the south west.

Located within the green zone of the Woomera Prohibited Area (WPA), an access deed was signed with Department of Defence in February 2013 for 5 years.

# 2. Location and Access

## 2.1 Location

The Mirikata project is situated in central South Australia approximately 100 kilometres south east of Coober Pedy as shown in Figure 1. The project area comprises EL 5075 Mirikata and covers an area of approximately 113 square kilometres. The sealed Stuart Highway is located 2 kilometres to the west of the tenement. The area is covered by the 1:250,000 Map Sheet Billa Kallina SH53 07.

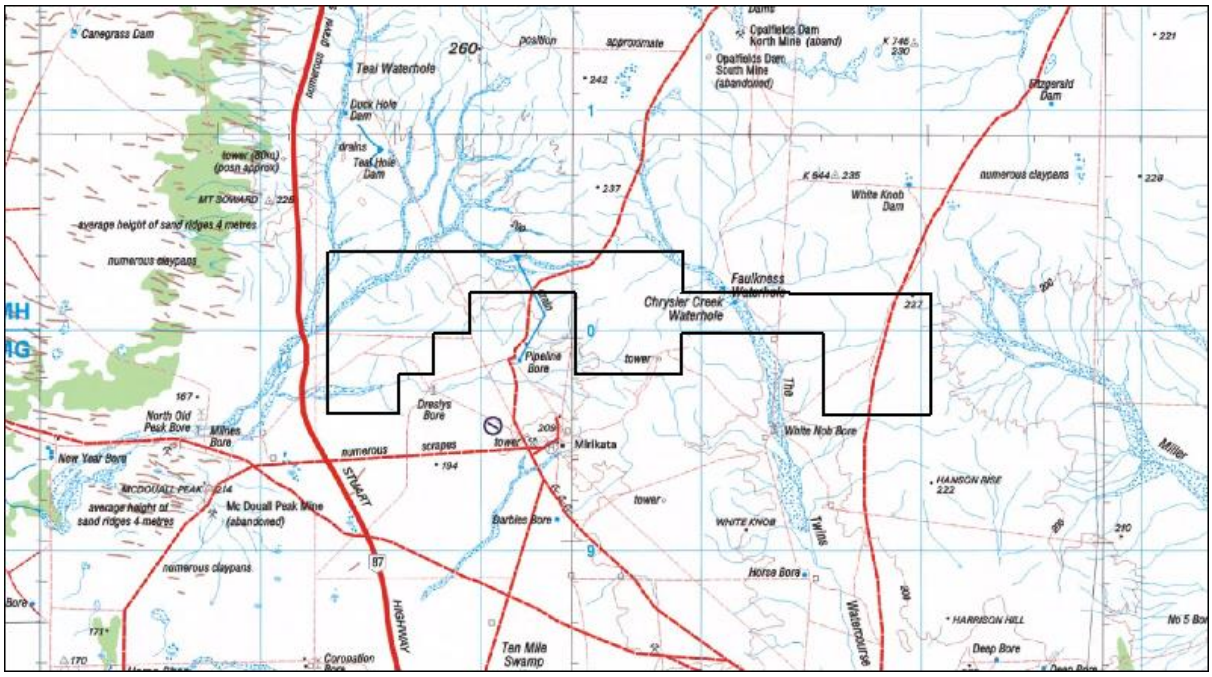


***Figure 1**. EL 5075 Mirikata Locality Diagram.*

## 2.2 Access

The topography of the project area is largely flat to gently undulating and ranges in altitude from around 195m asl in the south-west to 227m asl in the north-east. There is no permanent surface water in the area however ephemeral creeks drain towards the Twins Watercourse and Dresley Creek. The region is predominantly soil covered with access along established station tracks. Vegetation comprises sparse blue bush and salt bush in areas of open gibber plains desert. Land use is predominantly low density sheep and cattle grazing with stock water obtained from sub-artesian bores and surface dams.

### 2.3 Climate

Climate in the Mirikata area is typically arid continental with very hot dry summers and moderate to cool winters. Average annual rainfall is less than 200mm and falls mostly during summer often associated with tropical cyclones that develop off the northern coast of Western Australia and move inland as rain depressions. Short heavy downpours can cause local flash flooding.

## *3. Tenure*

### 3.1 Tenement Details

Exploration Licence 5075 covers an area of 113 square kilometres. EL 5075 was granted to WPG Resources on the 24th of October 2012 and is current to 23rd of October 2014.

### 3.2 Landowners

There is one pastoral lease that covers the Mirikata tenement. The McDouall Peak pastoral lease is owned by McDouall Peak Pty Ltd. The Twins station homestead on the adjoining pastoral lease to Mirikata is over fifteen kilometres from the area of exploration interest.

### 3.3 Aboriginal Heritage Clearance

EL 5075 is currently under an ILUA application with the Antakarinja Land Management Aboriginal Corporation (AMLAC) that was lodged in November 2013.

### 3.4 Woomera Prohibited Area

EL 5075 is situated within the Woomera Prohibited Area. WPG has entered into a 5 year Deed of Access with the Department of Defence for EL 5075 (Mirikata), which was finalised in February 2013. The tenement is located within the “Green Zone”, where infrequent Defence use may occur up to 56 days per year, as shown in figure 2.

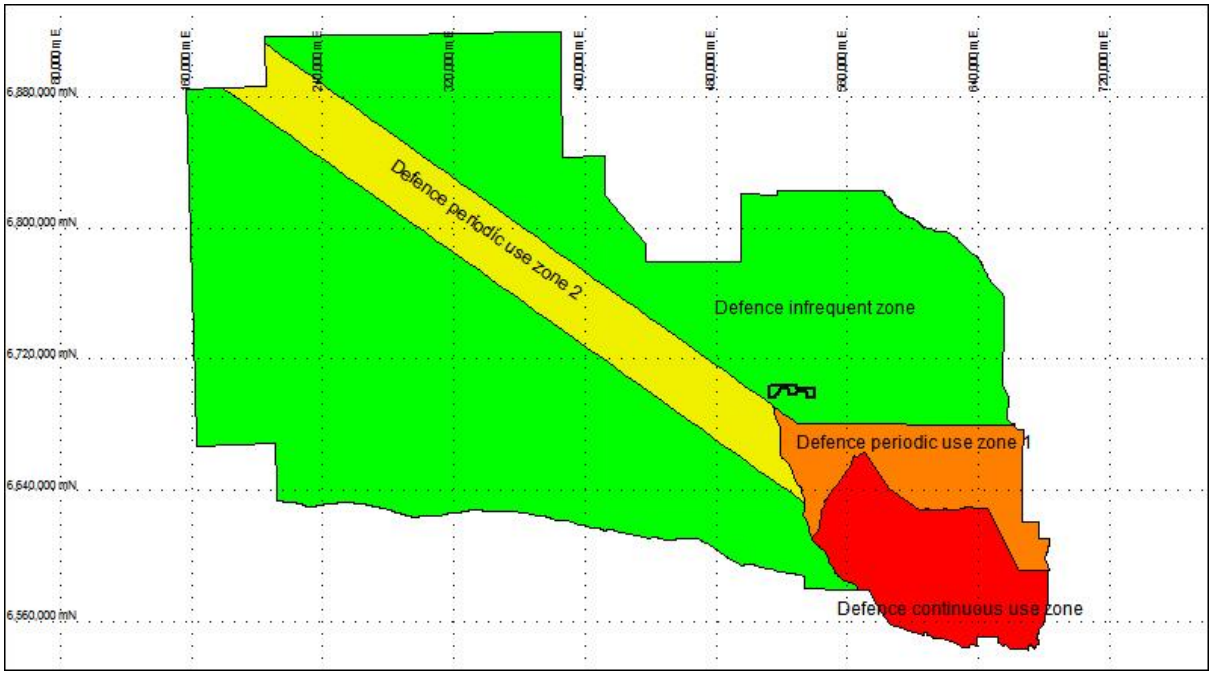


***Figure 2.*** *EL 5075 Mirikata tenement in relation to WPA*

## *4. Regional Geology*

The Mirikata tenement is located in the northern Gawler Craton, on the south eastern margin of the Lake Phillipson trough and south of the Mount Woods Inlier.

The surface of the project area is covered by a thin veneer of Quaternary red brown, ferruginous clays, silts and sand, which overlies the Cretaceous Bulldog Shale. The Bulldog Shale is typically soft mudstone and claystone horizons that range in thickness from 5 to 29 metres and often contain abundant gypsum. The Early Cretaceous Cadna-Owie Formation lies beneath the Bulldog Shale and is a fine to medium grained, friable quartz sandstone with clay cement throughout and is often marked by ferruginous layers of varying colours. This unit can be up to 25 metres thick.

The Late Jurassic non-marine Algebuckina Sandstone underlies the Cadna-Owie Formation. The Algebuckina Sandstone comprises up to 40 metres of poorly consolidated fine grained to pebbly quartzose sandstone with minor white clay matrix interbeds. Only one drillhole at Mirikata intersected the Algebuckina Sandstone.

The Early Permian and/or Late Carboniferous Stuart Range Formation underlie the Mount Toondina Formation (absent at Mirikata) and comprise marine mudstone and siltstone. This unit is underlain by the Early Permian and/or Late Carboniferous Boorthanna Formation, comprising siltstone, claystone and pebbly sandstone towards the base.

Basement to the exploration licence area is siliceous and calc-silicate meta-sediments, quartz-feldspar gneiss and banded iron formation. The BIF is thought to be an extension of the Hawks Nest stratigraphy, 15km south west of Mirikata.

## 5. Previous Exploration

Initial exploration over the Mirikata tenement area was conducted by Newmont, Esso, CRAE and BHP during the 1970s through to 1990s. The majority of work completed on these tenements was located at Hawks Nest, 15km to the south west of the current Mirikata tenement.

A total of 34.3 line kilometres of ground magnetic traverses were completed at Dresley's Bore and Mirikata North anomalies. Quantitative modeling by CRAE indicated a depth to magnetic source of 450 metres and no further work was completed.

EL2141 was granted to PlatSearch NL in January 1996 over the current tenement area and was relinquished in 2011, after the tenement was renewed twice as EL2802 and 3537. Detailed ground magnetic and gravity surveys were completed in the first 5 years over the tenement area. Depth to basement over three discrete anomalies was interpreted between 150 to 250m, significantly shallower than the CRAE modelling several years earlier.

Inco entered into a JV with PlatSearch in 2000, where Inco agreed to drill test the magnetic anomalies identified as shown in figure 3.

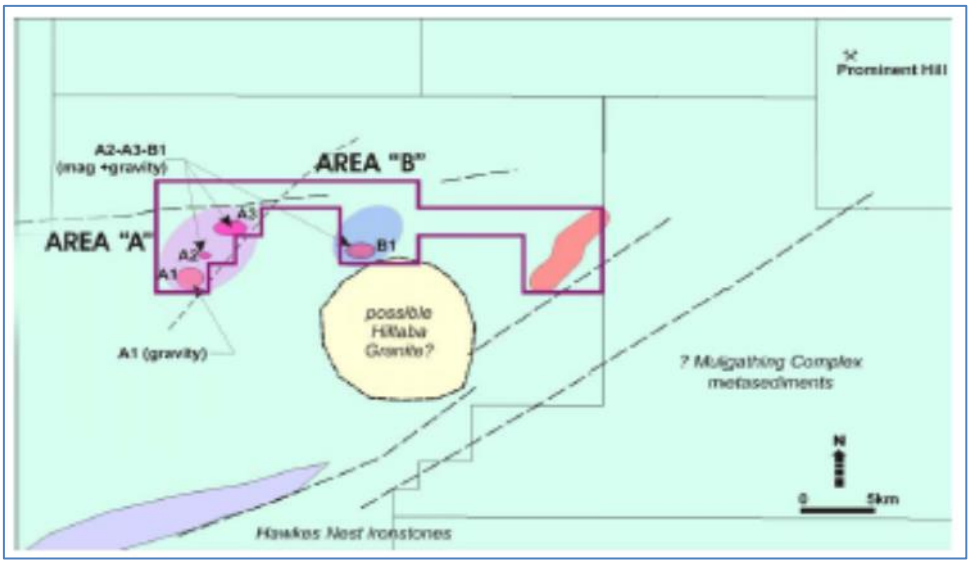


***Figure 3.*** *PlatSearch drill targets at Mirikata*

MRK001 was completed in August 2001 to a depth of 417m, drilled into the A2 anomaly. Proterozoic basement was intersected at 336m depth, with the remainder of the drill hole intersecting a laminated to banded magnetite/amphibole/quartz/haematite/chlorite banded iron formation (BIF). Samples from MRK001 were assayed for Ag, Au, Cu, Pb, Zn, with no significant results received.

MRK002 was drilled into the A3 anomaly in August 2002, with the hole abandoned after the rods became bogged in the Permian sediments at 258m depth. MRK002A was collared to the east and intersected basement rocks at 303m, with a final depth of 455m. As with MRK002, there were significant issues in drilling through the Permian sediments. Basement rocks consisted of siliceous, calc-silicate, chloritic metasediments and magnetite/haematite BIF. The only significant assay obtained from this hole was 1m @1.6g/t Au from 311m. Inco withdrew from the JV in March 2003.

The Mirikata tenement was renewed for a second time in 2006 as EL3537. Newcrest entered into a new JV with PlatSearch in 2007 over Mirikata with a plan to drill four holes, targeting the A1, A3 and B1 anomalies. The JV partnership was also successful in receiving $50,000 in PACE funding (DPY4-07) from DMITRE. A total of 2088.2m were drilled, of which 1149.4m was rotary-mud and 938.6m NQ2/HQ core.

MRK003 was drilled into the A1 anomaly and intersected basement at 84 metres, significantly shallower than previous drilling. Basement rocks consisted of gneiss and dolerite dykes with no significant mineralisation intercepted.

Drillholes MRK004 and MRK005 were drilled into the A3 anomaly to follow up of anomalous mineralisation intercepted in MRK002A. MRK004 intersected brecciated/sheared, and quartz-carbonate-sericite-sulphide altered meta-sediments with anomalous Pb, Zn, As values, but generally < 1000ppm. MRK005, designed to test the non-magnetic gravity anomaly extension towards the east approximately 1200m from holes MRK004, MRK002A, encountered strongly faulted/sheared, siliceous and calc-silicate meta-sediments with variable carbonate-chlorite-quartz-sericite-garnet alteration and carbonate–quartz-sulphide veinlets. A 112m interval from 436m averages 0.19% Zn, 0.07% Pb and 1.5 ppm Ag. The B1 anomaly, tested by MRK006 intersected BIF and metasediment, with no significant assays received.

At the conclusion of the drilling program, Newcrest withdrew from the JV based on the lack of copper and gold results received. No further field work was completed by PlatSearch on the tenement until it was relinquished in 2011.

## *6. Planned Future Work*

The Mirikata tenement area contains prospective base metal potential as indicated from the 112m @ 0.19% Zn, 0.07% Pb and 1.5g/t Ag intercept in MRK005. The location of MRK005 is close to the tenement boundary, which could indicate that the potential host stratigraphy continues outside of the tenement.

Anomaly C, located on the eastern side of the tenement remains undrilled, although a low priority. Difficulties with future work on Mirikata is the depth to basement (up to 250m) of cover sediments and the unconsolidated Permian sediments, as detailed by the abandoned hole drilled as part of the Inco JV.

## *7. Expenditure*

### Expenditure for EL 5075 for the Twelve Month Period Ending 23rd October 2013

| | |
|---|---|
| Consultants: Geological | $11,688.96 |
| Legal fees | $506.64 |
| Tenement expenses | $1,336.80 |
| Motor Vehicle expenses | $359.82 |
| Office Costs | $1,901.33 |
| **Total** | **$15,793.55** |

### Life to Date Expenditure for EL 5075

| EL # | From | To | $ |
|---|---|---|---|
| EL 5075 | 24 Oct 12 | 23 Oct 13 | 15,793 |
| | **Total** | | |

WPG Resources Ltd

# *Final Report on Exploration Licence 5075*

# *Mirikata*

# *For the Period 24th October 2013 to 14th October 2014*

***by***

***Kurt Crameri***

***October 2014***

## FIGURES

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| MINERAL PROVINCE: | Gawler Craton |
| COMODITIES: | Zinc, Lead, Iron |
| KEY WORDS: | Final report |

## *Summary*

Exploration by WPG on EL5075 Mirikata during the period from October 2012 to July 2014 focused on a review of historical exploration activities. No field work was completed during the period of the tenure due to priority being given to other projects, the prohibitive depth of cover creating significant drilling difficulties and budgetary constraints and as a result the decision was made to surrender the tenement in July 2014.

Previous exploration by early tenement holders was concentrated at Hawks Nest, 15km south west of Mirikata, until PlatSearch was granted a tenement in 1996 over the same area as EL5075. Seven holes were drilled by PlatSearch with JV partners Inco and Newcrest in 2002 and 2007 respectively, with only one significant intersection recorded in MRK005. Field work ceased in 2007 when Newcrest withdrew from the Mirikata JV and the tenement expired in 2011.

Expenditure on EL 5075 for the period of tenure from October 2012 to July 2014 was $25,599.

# *1. Introduction*

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The project area was selected in order to primarily explore for iron ore and base metals, as previous work had indicated the presence of BIF, similar to those found at Hawks Nest, 15km to the south west.

The project area is located within the green zone of the Woomera Prohibited Area (WPA) and an access deed was signed with Department of Defence in February 2013 for 5 years.

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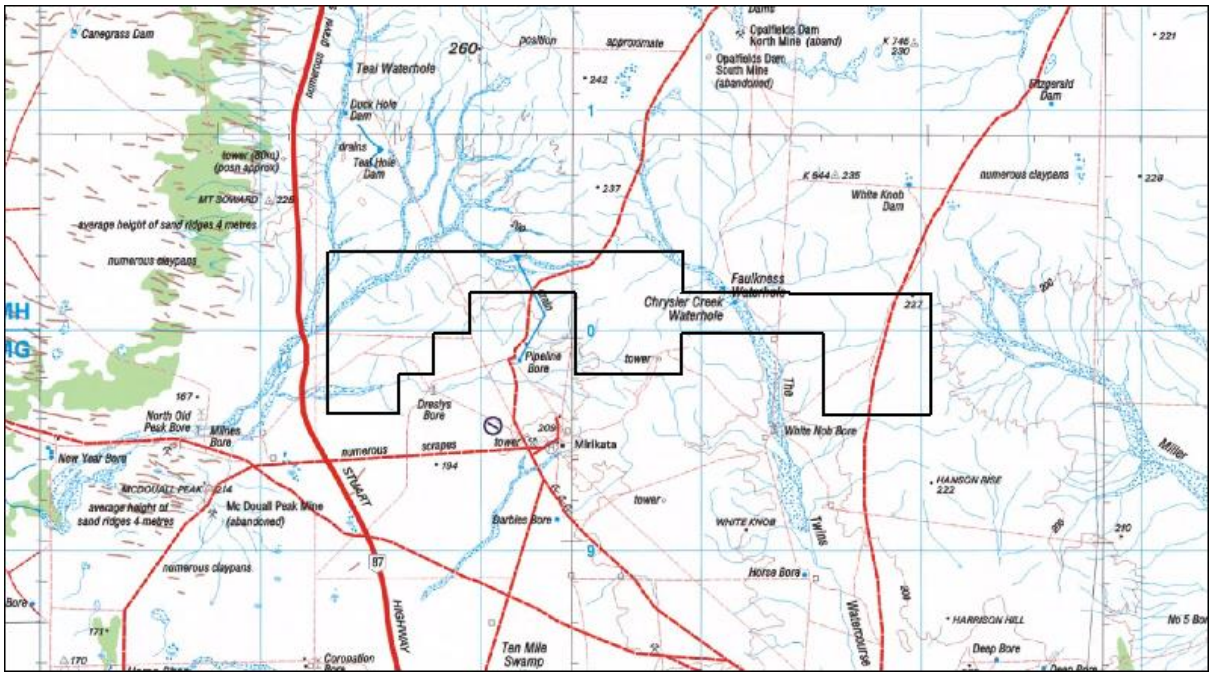


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# 3. Tenure

## 3.1 Tenement Details

Exploration Licence 5075 covers an area of 113 square kilometres. EL 5075 was granted to WPG Resources on the 24th of October 2012 for a period of 2 years.

## 3.2 Landowners

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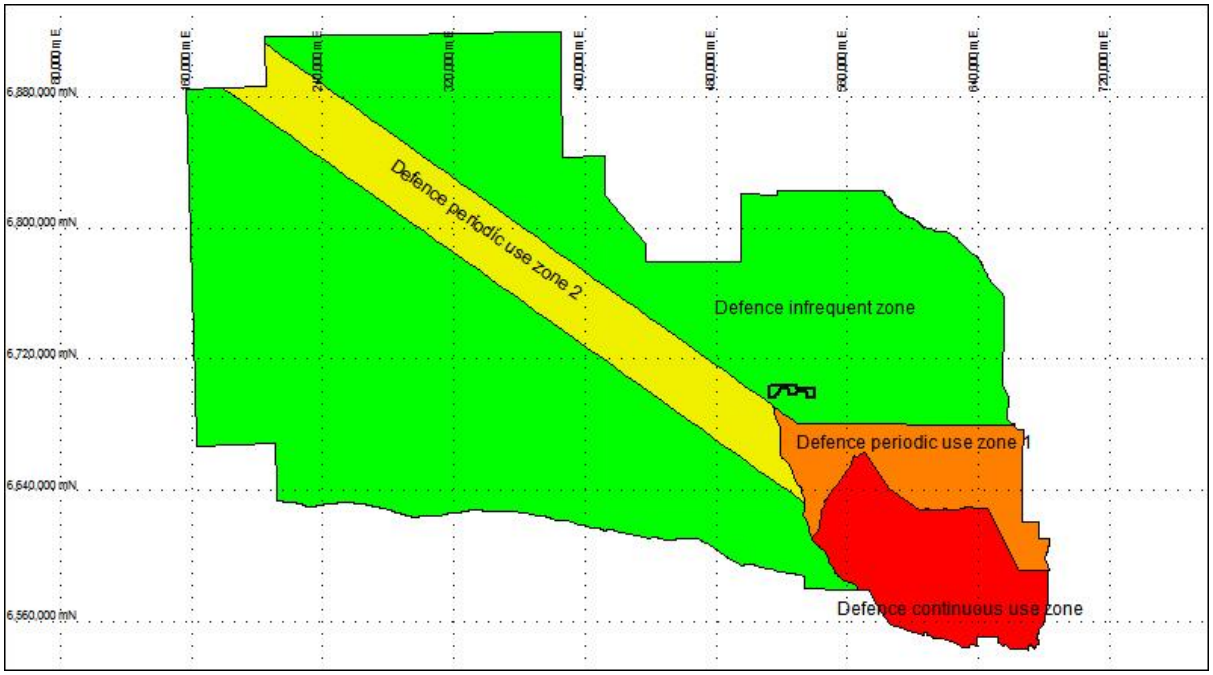


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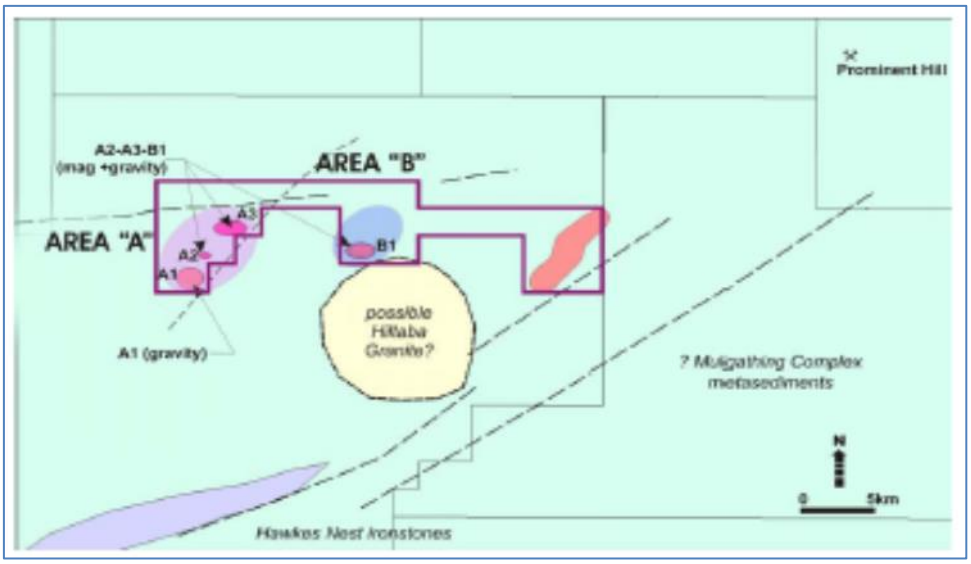


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At the conclusion of the drilling program, Newcrest withdrew from the JV based on the lack of copper and gold results received. No further field work was completed by PlatSearch on the tenement until it was relinquished in 2011.

# 6. Work Completed

## 6.1 Literature Review

WPG has completed a comprehensive data review of open file reports on previous exploration the results of which are summarised in Section 5 above. All previous drilling data has been digitised and incorporated into a GIS data base.

## 6.2 Field Work

No field work was completed on the Mirikata tenement during the two year period due to priority being given to other projects, the prohibitive depth of cover creating significant drilling difficulties and budgetary constraints.

## *7. Expenditure*

**Expenditure for EL 5075 from 24th October 2013 to 15th July 2014**

| | |
|---|---|
| Consultants: Geological | $2,154.00 |
| Motor Vehicle expenses | $68.18 |
| Native Title expenses | $4,000.00 |
| Office Costs | $3,338.86 |
| Tenement expenses | $245.00 |
| **Total** | **$9,806.04** |

**Expenditure for EL 5075 for entire tenure period**

| | |
|---|---|
| Consultants: Geological | $13,842.96 |
| Legal fees | $506.64 |
| Motor Vehicle expenses | $428.00 |
| Native Title expenses | $4,000.00 |
| Office Costs | $5,240.19 |
| Tenement expenses | $1,581.80 |
| **Total** | **$25,599.59** |

**Final Expenditure for EL 5075**

| EL # | From | To | $ |
|---|---|---|---|
| EL 5075 | 24 Oct 12 | 23 Oct 13 | 15,793 |
| EL 5075 | 24 Oct 13 | 15 Jul 14 | 9,806 |
| | **Total** | | **25,599** |