MCs 38
2001 ANNUAL REPORT
GHEKO PROSPECT
NORTHERN TERRITORY

CENTRAL PACIFIC MINERALS N.L.

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1. **INTRODUCTION**

The copper, lead and zinc gossan of the Gheko Prospect is located approximately 50 kilometres northeast of Alice Springs, in the Northern Territory (Figure 1). The summit of Bald Hill is the nearest topographic feature, about 1.6km to the north. The mineralisation was discovered in 1969 as a result of stream sediment geochemical sampling in the area of former Authority to Prospect 1721 (Clarke, 1969).

![Figure 1: Gheko Prospect Locality Plan](image)

2. **TENURE**

The area was initially held as part of AP 1721. MCs 38 (formerly MC 463H) of 33 hectares was granted to Central Pacific Minerals NL on 22nd March 1984. An application for renewal of MCs 38 for a further 10 years was lodged with the N.T. Department of Minerals & Energy in September 1993 with renewal granted to 31 December 1999.

A renewal was lodged with the NTDME on 29 June 2000 and notification of the renewal of MCs 38 for a period of 5 years ending 31 December 2004 was received from the NTDME on 22 October 1999.
3. GEOLOGICAL SETTING

The rocks of the prospect area consist of crystalline basement assigned to Early Proterozoic? Division Two rocks of the Arunta Block near the northeastern margin of the Late Proterozoic to Late Palaeozoic, Amadeus Basin (Alice Springs 1:250 000 Geological Sheet SF 53-14). On a more local scale the prospect is located in the central part of the Ankala Block adjacent to the Bald Hill Fault (Figure 2). Gneiss, schist, amphibolite, marble and cale-silicates of the Sliding Rock metamorphics are the principal rock types. The metamorphic grade is as high as the almandine-amphibolite facies. Small pegmatite and microdiorite intrusions are common but no large igneous intrusions are present. A retrograde schist zone, possibly related to similar more widespread zones to the north, transects the Prospect.

![Figure 2: Glieko Prospect – Regional Geological Setting (background geology from the 1:100 000 Geology of the Strangways Region, 1984)](image)

Further to the north the two lowermost formations of the Amadeus Basin, the Late Proterozoic Heavitree Quartzite and the Bitter Springs Formation, are in-folded into the Arunta Block to form the Arlunga Nappe Complex.
4. GENERAL GEOLOGY OF THE GHEKO PROSPECT

Low-grade, lead-zinc mineralisation is associated with gossans flanking lenticular developments of garnetiferous metaquartzite. The metaquartzite occurs along the contact of a sequence of biotite gneiss with a sequence of fine-grained, even-textured amphibolite (Figure 3). Extremely complex and tight folding, particularly in the northeast corner of the mapped area complicates this relatively simple lithological relationship. The similarity of both the position of the gossan and the presence of similar gneiss and amphibolite with equivalent units at Rankin's Prospect mine (7 kilometres to the west-northwest) strongly suggests that the Gheko Prospect mineralisation occurs on the same stratigraphic horizon.

The lead-zinc mineralisation is inferred to be principally sphalerite, with some galena and chalcopyrite associated with magnetite and quartz. The mineralisation appears to be stratigraphically controlled as it occurs in gossanous haematite-actinolite rocks marginal to garnetiferous quartzite with the actinolite rocks presumably replacements of former calcareous lenses. At surface, gossanous ironstones in quartz-haematite and quartz-magnetite rocks represent the mineralisation. The ironstones display a form of folded layering which suggests that they have undergone deformation and metamorphism with the country rocks. The garnet quartzite is intensely recrystallised; no quartz grain boundaries can be discerned and the quartzite superficially resembles a garnetiferous quartz vein. In several places decomposed amphibole and pyrite occur in the quartzite.

5. MINERALISATION

The percussion drilling in 1971 intersected several sulphide zones that were recorded principally as pyrite and chalcopyrite. The presence of sphalerite and galena is inferred from the assays that reached 7.8% zinc and 8.5 g/t silver over a 1.5 metre interval (PH2) and 1.42% lead and 37 g/t silver over a 1.5m interval (PH3). Copper reached 0.5% in PH3. No significant concentrations of other elements were found although checks were done for cobalt, cadmium, bismuth, silver, vanadium, tungsten and molybdenum.
Figure 3: Gheko Prospect - Geology and Drillhole Locations
6. CURRENT PROGRAMME

Regional Geophysical Data

Regional geophysical datasets for the Alcoota/Alice Springs Geophysical Survey flown in 1997 covered the region surrounding the Gheko Prospect. Data from this survey covering the region and the Laughlen 1:100 000 sheet area have been obtained from the NTDME Geological Survey. The prospect occurs on the northern margin of more the magnetically active terrain of the Sliding Rock Metamorphics south of the Bald Hill Fault. No additional work has been completed on potential for mineralisation similar to the Gheko Prospect in the region using the regional magnetic and radiometric data.

Figure 4: Gheko Prospect – Local regional 1VD Image
Potential

The potential of the Prospect was kept under review during 2001-2002. However, the location and small size of the currently known mineralisation coupled with the prevailing metal prices of the commodities involved is such that the property is to continue for the time being on a care and maintenance basis.

Copper, lead and zinc price trends are shown in Figures 5 to 7 in both Australian and US dollars. The price trend for all three commodities has been steady to slightly in decline (particularly for zinc) in US$ terms. The price trend in copper and lead, and to a greater extent zinc, in A$ terms has been magnified by an appreciating A$-US$ exchange rate, particularly in the last few months (Table 1).

Informal contact has been made in the past with the holders of other surrounding Exploration Licence holders however no interest was shown in pursuing exploration on MCs 38 as the commodities represented in the tenement were not being explored as a target.
Figure 7: Zinc price changes for the 12 month period to 14 June 2002 (price data from Kitco)

Table 1: Overall Price Movements for 2001 – 2002 (15 June 2001 to 14 June 2002)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>2001-2002</th>
<th>% Change ($US)</th>
<th>% Change ($A)</th>
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<tr>
<td>Copper</td>
<td>7.2</td>
<td>-13.5</td>
<td></td>
</tr>
<tr>
<td>Lead</td>
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<td>-7.3</td>
<td></td>
</tr>
<tr>
<td>Zinc</td>
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<td>-21.2</td>
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<tr>
<td>A$/US$</td>
<td></td>
<td></td>
<td>6.3</td>
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</table>
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