

## **Manchego Prospect, Musgraves WA: Drilling Intersects Copper Mineralisation**

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### **Summary:**

- Initial RC drilling at the Manchego Prospect in the Musgraves of WA has been completed with nine holes drilled for a total of 1,142 metres.
- Sulphides have been observed over significant intervals of up to 44 metres.
- Assay results available to date (from 11 grab samples only) include one sample with greater than 1% Cu and another sample with 0.3% Cu, 0.25% Ni and 0.6 ppm Pt+Pd+Au. Assays are still awaited on all other samples.
- All drill samples will be analysed and these results will be released when they become available and have been assessed.



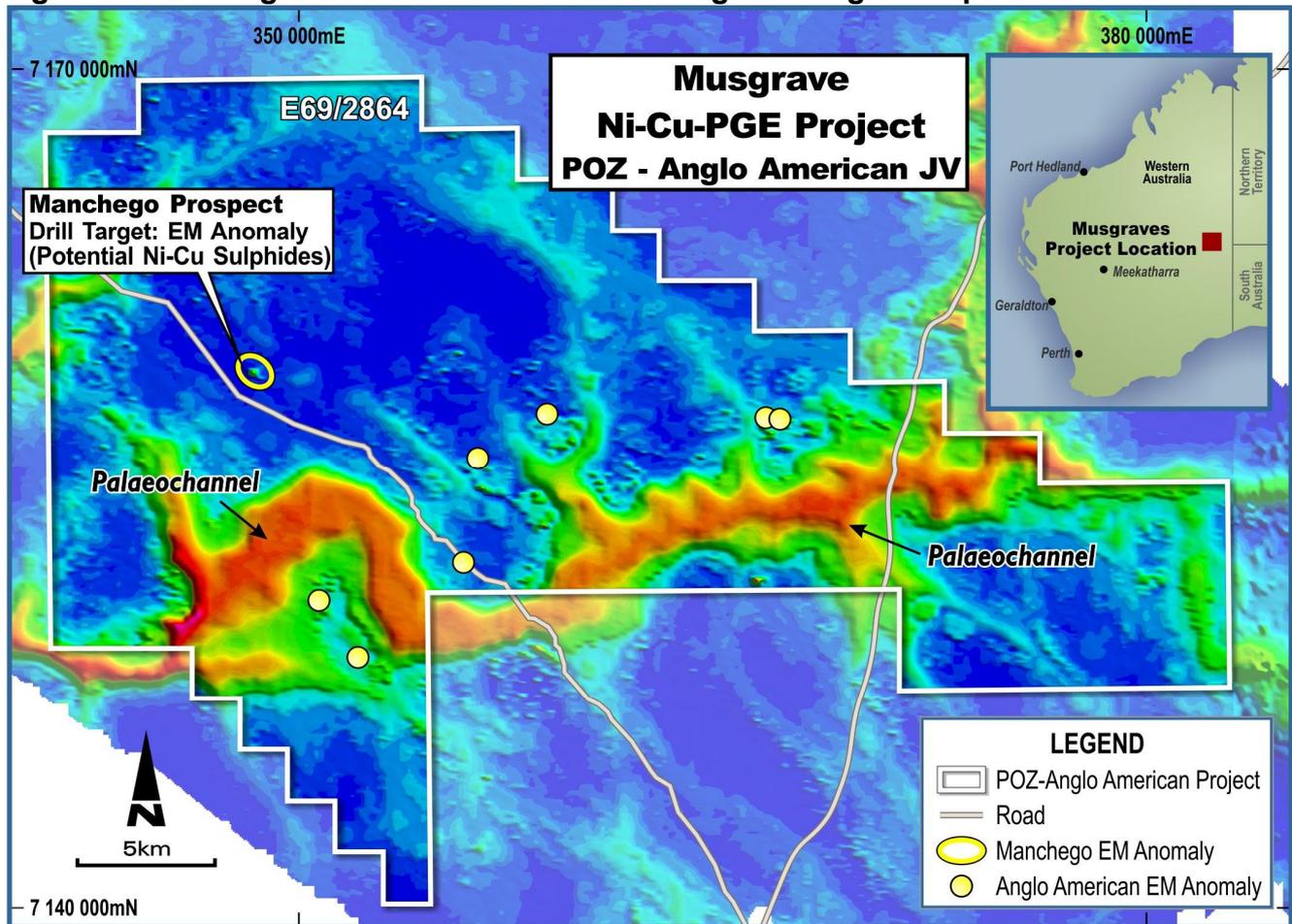
**Manchego Drilling:** POZ Chairman Jim Richards at the Manchego Drillsite

### 1.0 Musgrave Ni-Cu Project, WA - Farm-in and Drilling Program

Phosphate Australia Limited (POZ) has a Farm-In agreement with Anglo American Exploration (Australia) Pty Ltd (Anglo American), a wholly owned subsidiary of Anglo American Plc; one of the world's largest mining groups.

The Farm-In covers exploration licence E69/2864 (an area of 619km<sup>2</sup>) in the Musgrave region of Western Australia (Figure 1).

**Figure 1: POZ-Anglo American JV Area including Manchego Prospect**



### 1.1 Geology

The Farm-In area is mainly underlain by the Giles Complex (~1,075 million years), one of the largest layered mafic-ultramafic complexes in the world. Similar large intrusive complexes elsewhere host magmatic Ni-Cu-PGE deposits (e.g. Voiseys Bay, Canada).<sup>1</sup>

## 1.2 Manhego EM Anomaly: High Priority Drill Target

In 2012 Anglo American flew an airborne electro-magnetic (AEM) survey over the Farm-In area using its proprietary SPECTREM system. This AEM survey identified a number of anomalies (Figure 1).

One of these anomalies, named Manhego, was ranked as a high priority target and recommended by Anglo American for follow up drilling. It is the preliminary assay results from the drilling of Manhego that are included in this report.

## 2.0 Manhego Drilling

Anglo American recently completed an initial program of Reverse Circulation (RC) drilling at the Manhego Prospect; nine holes were drilled for a total of 1,142 metres. Drill hole diameter was 5.25 inches. This announcement covers eleven grab sample laboratory assay results taken for the purposes of assessing Cu, Ni and PGE potential.

Further laboratory assay results will follow and will be reported once received and assessed.

### 2.1 Visible Sulphides

Significant amounts of visible sulphides were observed whilst logging the RC drill chips. These sulphides consisted of varying amounts of pyrrhotite, pyrite and chalcopyrite as shown in Table 1.

**Table 1: Intervals with >1% Combined Sulphides**

Drill Hole	From metre	To metre	Interval metre	Sulphides >1%
MRC0040	34	72	38	+1% visible sulphides
MRC0041	41	43	2	+1% visible sulphides
MRC0041	97	141	44	+1% visible sulphides
MRC0042	66	92	26	+1% visible sulphides
MRC0043	41	50	9	+1% visible sulphides
MRC0043	54	65	11	+1% visible sulphides
MRC0043	69	72	3	+1% visible sulphides
MRC0043	80	90	10	+1% visible sulphides (mineralised to EOH)
MRC0044	64	69	5	+1% visible sulphides
MRC0044	126	155	29	+1% visible sulphides
MRC0045	104	107	3	+1% visible sulphides
MRC0046	54	60	6	+1% visible sulphides
MRC0046	63	71	8	+1% visible sulphides
MRC0047	Collar failed prior to target depth			No Visible Sulphides
MRC0048	90	120	30	+1% visible sulphides
MRC0048	126	146	20	+1% visible sulphides



**RC Drill Chips from MRC 040 (74-75m)  
showing sulphide mineralisation within  
gabbro-norite host**

### 3.0 Assay Results for Grab Samples

Eleven grab samples of RC chips were sent to Perth for immediate laboratory assay. These sampled intervals were chosen based upon high visible sulphide content. Samples were taken as grab samples from the top of the drill spoil pile.

Sample MRC 042 71-72 metres returned greater than 1% copper (limit of detection for this assay type) and sample MRC 042 75-76 metres returned 0.6ppm PGE & Au plus 0.30% Cu plus 0.25% Ni (Table 1).

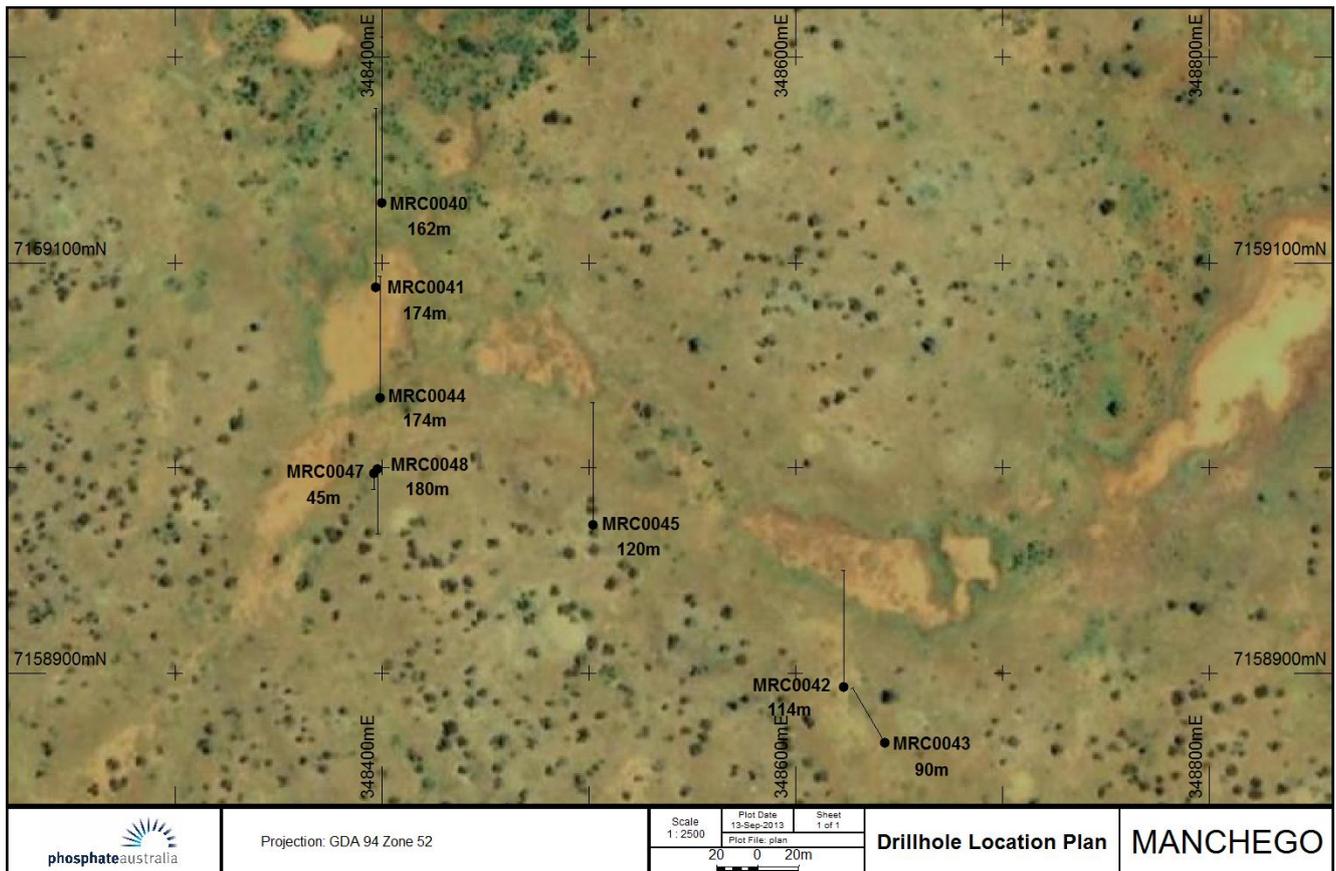
All drill samples will be analysed at a laboratory and these results will be released when they become available and have been assessed.

**Table 2: RC Chip Grab Sample Assay Results (Lab Analysis on eleven samples only)**

Drill Hole	From metre	To metre	Cu %	Ni ppm	Pt+Pd+Au ppm	Au ppm	Pt ppm	Pd ppm	Fe %	Co ppm	S %	Ti %	V ppm
MRC040	76	77	<b>0.532</b>	<b>296</b>	<b>0.12</b>	0.018	0.043	0.058	14.6	90	6.16	1.2	392
MRC040	77	78	<b>0.261</b>	<b>720</b>	<b>0.23</b>	0.056	0.078	0.100	16.9	97	>10.0	0.58	236
MRC040	83	84	<b>0.226</b>	<b>404</b>	<b>0.14</b>	0.021	0.017	0.106	14.6	107	>10.0	0.17	243
MRC041	117	118	<b>0.271</b>	<b>273</b>	<b>0.07</b>	0.012	0.01	0.044	12.6	65	8.91	0.35	236
MRC041	122	123	<b>0.24</b>	<b>220</b>	<b>0.12</b>	0.016	0.008	0.100	11.8	46	7.46	0.3	198
MRC042	71	72	<b>&gt;1</b>	<b>701</b>	<b>0.23</b>	0.030	0.049	0.146	19.4	149	6.25	1.57	368
MRC042	75	76	<b>0.30</b>	<b>2530</b>	<b>0.59</b>	0.037	0.121	0.430	35.5	417	>10.0	0.57	178
MRC043	44	45	<b>0.111</b>	<b>200</b>	<b>0.09</b>	0.010	0.023	0.052	13.1	67	0.14	1.38	357
MRC043	48	49	<b>0.13</b>	<b>235</b>	<b>0.18</b>	0.023	0.059	0.096	9.8	53	0.59	0.99	316
MRC044	136	137	<b>0.127</b>	<b>261</b>	<b>0.16</b>	0.008	0.025	0.124	14.9	75	9.04	0.41	188
MRC044	145	146	<b>0.068</b>	<b>88</b>	<b>0.18</b>	0.006	0.046	0.124	8.0	47	7.24	0.25	128

Laboratory: ALS Chemex Procedure, PGM-ICP23 & ME-ICP61

**Figure 2: Manchego Drilling Plan View**



#### 4.0 Summary

Preliminary drill results at Manchego indicate nickel, copper and PGE mineralisation is present.

The Company awaits further laboratory assays before making a more detailed assessment of Manchego. We would like to thank our Musgrave Project JV Partner and Operator, Anglo American for the professional and thorough manner in which they continue to conduct the joint exploration efforts.

Jim Richards  
Executive Chairman

*Enquiries: Mr Jim Richards, Executive Chairman, 08 9422 9555*

<sup>1</sup> Neumann, N, Fraser, G 2007, Geochronological Synthesis and Time Space plots for Proterozoic Australia: AGSO Record p208.

The information in this report that relates to Exploration Results, Mineral Resources or ore reserves is based on information compiled by Mr Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Richards is a Director of POZ. Mr Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Richards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## Appendix A Manchego Drilling Collar File

Hole_ID	HoleType	HoleSize	Grid	Easting	Northing	Dip	Azmiuth	Depth
		Inches				Deg	Deg	Metres
MRC0040	RC	5.25"	MGA94_52	348400	7159129	-60	360	162
MRC0041	RC	5.25"	MGA94_52	348397	7159088	-60	360	174
MRC0042	RC	5.25"	MGA94_52	348623	7158893	-60	360	114
MRC0043	RC	5.25"	MGA94_52	348643	7158866	-70	330	90
MRC0044	RC	5.25"	MGA94_52	348399	7159034	-70	360	174
MRC0045	RC	5.25"	MGA94_52	348502	7158972	-60	360	120
MRC0046	RC	5.25"	MGA94_52	348613	7158904	-80	315	84
MRC0047	RC	5.25"	MGA94_52	348396	7158997	-80	180	44
MRC0048	RC	5.25"	MGA94_52	348398	7158999	-80	180	180
							<b>Total</b>	<b>1142</b>

Survey by hand held GPS