Chapter 5 Conclusion and Recommendation

5-1 Conclusion

Judging from the geophysical survey result, there are two possible situations on the geological structure and mineralized zone in the MJTK-IP-1 district as follows.

Case 1

Geological structure and Mineralized zone

High density and high magnetism igneous body, possibly rhyolite disseminated by pyrrhotite, is distributed centering the IP survey line No.8 in the central district. Some mineralized zones exist around there.

IP anomaly

IP anomaly (high chargeability zone) is distributed in the northern rim of igneous body, and is correlated to some mineralized zone associated with the igneous rock.

Resistivity

Igneous body has high resistivity in deep. Low resistivity zone is distributed around the rim of the igneous body at 147 meters depth.

Magnetic distribution

Paired positive and negative anomaly in the central district is correlated to the igneous body.

Gravity distribution

High gravity zone in the central district is correlated to the igneous body.

Case 2

Geological structure and mineralized zone

Steep dipping, massive to stratiform, large-scale sulfide deposit exists in the central district. Presumed that the footwall rhyolite on the south side, and the hanging-wall muddy rock on the south side.

IP anomaly

IP anomaly (high chargeability zone) is not surely corresponded with ore deposit, but it is distributed around ore deposit.

Resistivity

In a tendency of relatively high resistivity zone surrounds ore body at shallow part. At deep part, correlation between ore body and resistivity distribution is not clear.

Magnetic distribution

Paired positive and negative anomaly zone in the central district is correlated with ore body.

Gravity distribution

High gravity zone in the central district is well-corresponded with ore body.

It is supposedly said that both "Case 1" and "Case 2" are of ore existence. Ore deposits in the district are possibly related to the sulfide ore deposit containing pyrrhotite, therefore, the igneous body is possibly correlated with the footwall rhyolite. Fig.I-5-1 shows models of the above-mentioned concepts.

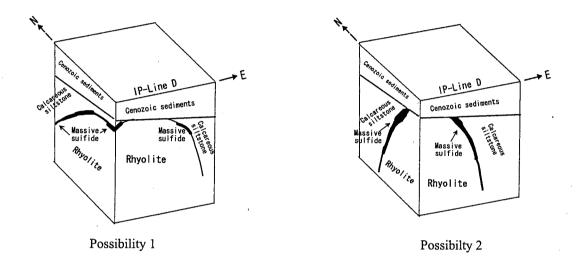


Fig.I-5-1 Geological and mineralization model of MJTK-IP-1 area

5-2 Recommendation for next stage survey

The "Case 1" and "Case 2" mentioned in the preceding part are based on the premise of ore existence, and both cases are possible at present stage.

Accordingly, it is recommended to perform following drilling survey to clarify subsurface geological setting and the state of mineralized zone

Table I-5-1 Proposed Drilling

| MJTK-1 | |
|-------------|---|
| Location | No.14 point of IP survey line B |
| Direction | Vertical |
| Main Object | IP anomaly (high chargeability) and low resistivity zone noted in the east wing |
| | of the supposed rhyolite body in "Case1". Potential for sulfide ore deposit or |
| | mineralized zone. |
| MJTK-2 | |
| Location | No.8 point of TP survey line C |
| Direction | To the south, dip 70 degree |
| Main object | Intense magnetic and gravity anomaly in the north wing of the supposed |
| | rhyolite body in "Case 2" |

Figure I-5-2 shows the proposed drill holes on the model drawing.

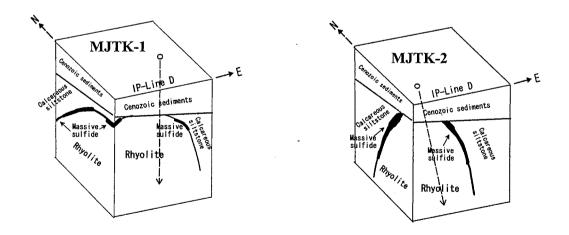


Fig. I-5-2 Concept of MJTK-1 and MJTK-2

It is expected that MJTK-1 can reaches some mineralized zone correlated with the high IP anomaly and the footwall rhyolite, after the young sediments and Paleozoic muddy rock.

MJTK-2 can expect to reach some ore body correlated with the magnetic and gravity anomaly, after the young sediments and short length of Paleozoic muddy and calcareous siltstone.

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