

ASX Release 2009

ABN 51 105 991 740

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#### **Directors/Officers**

Geoff Wedlock Paul Murray Andrew Bell Priyank Thapliyal Andrew Zhou

Greg Durack Robert Benussi Charles Guy

# **Issued Capital:**

Shares: 240,385,875 Unlisted Opts: 15,100,000

ASX Symbol: JMS

# **Currently Exploring for:**

Iron Ore

Manganese

# Jupiter Mines Limited June 2009 Quarterly Report



#### Corporate

- Corporate office relocated from Sydney to Perth
- Strategic Investment and Off-take Agreement secured with POSCO Australia Pty Ltd
- POSCO representative to join Jupiter's Board
- Carrying value of assets under review
- Strong cash position of \$6.25M at the end of the quarter

# **Central Yilgarn Iron Project**

- Mt Alfred data reviewed and initial field trip undertaken
- Heritage Survey and Desk Top environmental studies completed on Mt Alfred
- Field sampling and mapping program continued at Mt Ida
- High grade Magnetite rock chip channel samples returned from Mt Ida

# **Oakover Manganese Project**

- The remaining three (3) exploration licenses were granted to the vendors
- Historical exploration data sets collected, review commenced

# **Non-Core Assets**

- No work was undertaken on Gold, Nickel, Base Metals and Uranium Projects during the quarter
- Divestments of the non-core assets commenced

# **Overview**

During the June 2009 Quarter, Jupiter Mines Limited (ASX:JMS) conducted field trips to the Central Yilgarn Iron Project undertaking field sampling and mapping at Mt Ida, and evaluation of generated gravity targets at Mt Alfred.

The remaining three Exploration Licenses on the Oakover Manganese Project were granted to the Vendors. Jupiter collected historical data sets on the project and commenced reviewing the data.

On the Corporate front Jupiter secured a strategic investment and off-take Agreement with POSCO Australia Pty Ltd. POSCO will invest \$7.81 million to acquire 48million shares in Jupiter for a 16.65% stake, which will be subject to shareholder approval.

Also during the quarter Jupiter's corporate office and staff were relocated from Sydney to Perth.



# **CENTRAL YILGARN IRON PROJECT (CYIP)**

Mt Mason (M29/408), Mt Ida (E29/560), Mt Hope (E30/296), Walling Rock (E30/326) and Mt Alfred (E29/581) are all located in the Central Yilgarn - see figure 1.



Figure 1. Central Yilgarn Iron Project Location Map



#### Mt Ida

At quarter end a field channel sampling and mapping program commenced with the objective of evaluating the magnetite potential at Mt Ida. This program is ongoing with mapping continuing at 1:5000 scale.

The channel rock chip sampling confirmed high-grade iron mineralisation from the Magnetite Banded Iron Formation (BIF) (table 1) (Figure 2) at Mt Ida. Mt Ida forms part of Jupiter's Central Yilgarn Iron Project (CYIP) in Western Australia.

# • Significant high grade magnetite channel samples results returned from the Mt Ida sampling and mapping program included:

	Start E	Start N	RL	Finish E	Finish N	RL	Transect Interval (m)	Average Fe (%)	Average Al <sub>2</sub> O <sub>3</sub> (%)	Average P (%)	Average SiO <sub>2</sub> (%)	Average LOI (%)
CH01	247815	6764288	581	247780	6764270	565	40	33.60	0.19	0.07	50.07	1.31
CH02	247825	6764292	583	247816	6764290	583	10	35.74	0.24	0.05	47.36	1.00
CH03	247737	6764879	544	247728	6764877	533	16	30.59	0.22	0.03	54.31	1.47
CH04	247916	6765526	554	247893	6765522	546	28	38.15	0.18	0.04	42.18	2.83
CH05	247832	6765583	540	247821	6765584	533	10	37.22	0.18	0.04	45.60	0.66
CH06	247877	6765847	539	247863	6765872	529	26	33.07	0.31	0.06	50.07	1.92
CH07	247900	6763935	563	247887	6763933	554	18	33.04	0.19	0.08	50.10	2.11
CH08	248239	6766257	548	248232	6766271	534	16	36.96	0.61	0.04	45.17	1.02
СН09	248388	6766896	538	248375	6766890	530	12	34.48	0.25	0.01	48.02	2.18
CH010	249083	6761454	539	249072	6761449	522	16	31.53	0.50	0.04	51.24	2.70
CH011	248766	6762334	527	248752	6762328	509	20	32.50	0.20	0.07	51.09	1.91
CH012	248547	6763061	542	248539	6763064	532	15	34.50	0.56	0.04	47.21	2.57
CH013	249189	6762293	526	249180	6762295	524	10	40.36	0.53	0.03	39.74	1.71
CH014	248380	6764052	566	248378	6764050	547	12	32.93	0.35	0.06	50.62	1.44
CH015	247857	6765262	552	247849	6765254	543	15	36.95	0.13	0.03	45.16	1.65
CH016	247780	6764183	552	247762	6764170	536	23	31.89	0.30	0.04	51.62	2.10

#### Table 1 Channel Sample results with average grades

-All sample locations in GDA 94 ZONE 51

-ALS CHEMEX - ME- XRF Iron ore by Fusion/XRF

-No cut off grades were used to calculate the weighted average of each transect

-The surface channel samples were continuous rock chip samples with two metre and one metre sample intervals across the escarpment where the BIF units were exposed.

The potential quantity and grade of the any potential resource at Mt Ida are conceptual in nature and are for exploration purposes only. There has been insufficient exploration and valuation to define a mineral resource and it is uncertain if future exploration will result in the determination of a mineral resource.





Figure 2. Channel sampling and magnetite drill hole location map



The BIF units outcrop with a generally north-south trend extending over 6km, forming the Mt Ida ridge line which is, at it highest point, over 100m higher than the plains to the west (Figure 3). The central area has been mapped at a 1:5000 scale. The mapping project is on going.

The mapping and channel sampling program recently completed Mt Ida Prospect (E29/560) has further enhanced the magnetite potential. The channel sampling program demonstrated that the multiple flat lying (dipping 20-40 degrees) BIF units at Mt Ida consistently returned assays greater than 30% Fe iron over the 6km of prospective BIF horizons (Figure 2). In all, 145 channel samples were collected over 287m forming 16 transects (Table 1).



Figure 3. Mt Ida BIF UNIT forming steep escarpment (Typical surface that was channel sampled)



In 2008, Jupiter intercepted magnetite mineralisation in excess of 70m from drill hole 08RCMI989 at its Mt Ida Prospect which was previously announced. Davis Tube Recovery (DTR) test work produced an excellent concentrate at an acceptable recovery rate (Table 2).

	Sample	Davis Tube Recovery Product				
Sample ID	Fe (tot)%	Fe (tot)%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI%	DTR% weight
Magnetite 1 08RCMI989 67-76m	34.07	70.8	2.06	< 0.01	-3.12	44.4
Magnetite 2 08RCMI989 76-85m	29.31	70.4	1.92	0.01	-3.1	37.2
Magnetite 3 08RCMI989 85-94m	35.41	71.2	1.32	< 0.01	-3.3	47.5

#### Table 2 Davis Tube Recovery Results

Davis Tube testing is used to separate ferromagnetic and non-magnetic fractions in small samples of approximately 20g at a time. This method is ideally suited to establishing the recoveries likely from a magnetic separation process.

The DTR test work has produced quality high-grade magnetite concentrates, with iron grades above 70% and DTR iron recoveries varying from 37.2 to 47.5% at a grind size P80 of 35 um.

Holes 08RCMI986, 988, 989, 990, and 987 were drilled on 50m spacing in 2008, giving over 250m of coverage, with the deepest hole being 94m. All holes intercepted high-grade magnetite mineralisation. Best results were returned from holes 08RCMI988, 989 and 990 returning 70m at 32.3% Fe, 66m at 33.9% Fe and 70m at 33.6% Fe respectively. This work confirmed that the zone of mineralisation is over 250m wide and open at depth (Figure 4).



Figure 4. Magnetite BIF intersections at the Mt Ida Prospect



The Central Yilgarn area remains a key focus for Jupiter and these new results are further evidence of the area's significant iron exploration potential. When Jupiter's mapping program is complete at Mt Ida the gravity and magnetic data sets will be analysed to develop conceptual targets for DSO (hematite) at Mt Ida.

#### **Mt Alfred**

The Mt Alfred project is located within the Archean Yilgarn Craton with the local geology comprising a sequence of interlayered greywacke, BIF, mafic and acid volcanic rocks along with mafic and ultramafic intrusive rocks. Granite rocks bound the western and eastern margins of the project area.

The BIF units are present in the eastern and far northern portion of the project striking roughly north-south, forming a prominent ridge line. The BIF units are reportedly between 15 to 100 m wide, dipping from 70° of strike length within the license. The BIF units are covered by alluvial sediments along the eastern margin of Lake Barlee. Banding within the BIF alternates between iron rich units (magnetite/hematite/goethite), and siliceous units (chert) on a millimetre to centimetre scale.

Field trips were conducted during the quarter evaluating high priority targets that were generated from a gravity survey previously completed by the project vendors. A Heritage Survey was completed as well as Desktop Flora and Fauna Environmental studies.

Planned activities for Mt Alfred in the next quarter are to conduct field sampling and mapping over the target areas, and to generate a first pass drill program. A program of works will be submitted to the Department of Mines and Petroleum, and a drill program will be undertaken once all the necessary approvals are received.

#### **OAKOVER MANGANESE PROJECT**

The last three Oakover Project tenements were granted to the Vendors in June 2009. The Project covers over 700 km2 of the Pilbara Manganese Province (Table 3). The Project area is located approximately 200km from Port Hedland with public access to world class bulk port facilities. The Project area also encompasses the Ripon Hill Manganese mine (excised) and is approximately 60 km north of the Woodie Woodie Manganese mine.

#### Table 1: Tenement Summary

Status	Area km 2
Granted*	244
Granted	90
Granted*	157
Granted*	224
TOTAL	735
	Status Granted* Granted Granted* Granted* TOTAL

The three Exploration Licences have now been granted to the Vendors who will now proceed with the transfer process through the Department of Mines and Petroleum to Jupiter under Phase 2 of the Transaction from the Pallinghurst and Red Rock Resources Proposal.

Currently Jupiter is collecting and reviewing all the historical data sets on the Oakover Project tenements and constructing a GIS database. The first field trip will occur in July in order to prepare and plan the field sampling and mapping programs. The field programs will be undertaken in the second half of the year, with the objective of developing initial drill targets for testing.





Figure 5. Location Map

The main manganiferous sedimentary rocks of the Oakover Project are the Carawine Dolomite and the overlying Pinjian Chert. These units will be the target lithologies for high-grade cavity fill manganese mineralisation. Woodie Woodie, Mt Sydney, Ripon Hills, and Shaw River Baramine Project are all located in the Carawine Dolomite and Pinjian Chert. (Figure 5).

Tenement E45/2639 has experienced 12 shallow RAB holes with the deepest being 16m (Figure 6). The holes are only partially sampled over 1m sample intervals. Attachment 1 is a complete assay data set for these holes. The RAB holes have intercepted grades of economic interest. None the RAB holes in this program tested the adjacent structures for mineralisation at depth.





Historical data sourced from Open file report – Valiant Consolidated Limited. a50605-February 1997

Manganese potential of E45/2638, E45/2640 and E45/2641 is highlighted by the elevated manganese values in the historical stream sediment sampling program. Stream sediments are a regional exploration tool used to delineate zones for further exploration. Note that elevated manganese samples south of Ripon Hills Mining Centre with similar elevated values (34,000 ppm Mn) are recorded within Jupiter's land holdings (Figure 7). This bulk stream sediment sampling program covered large areas of the current drainage system and will be used to target areas of interest.







# **OTHER PROJECTS**

Other projects within Jupiter's portfolio that are now non-core to Jupiter's strategy are:

- Widgiemooltha Nickel Project
- Klondyke Gold Project
- Leonora Gold Project
- Corunna Downs and Klondyke East Base Metals Project
- NT Uranium Projects

The divestment of these projects commenced in the quarter and is ongoing with a number of interested parties.



CORPORATE

# **POSCO Australia Pty Ltd Investment**

On the 1<sup>st</sup> July, Jupiter secured a strategic Investment and off-take Agreement with POSCO Australia Pty Ltd. POSCO will subscribe for 48 million ordinary shares in the capital of Jupiter at 16.266 cents per share. The placement will raise \$7.81 million and is subject to shareholder approval. Upon completion of the transaction POSCO will hold approximately 16.65% of the expanded capital in Jupiter, and Jupiter will have in excess of \$14.8 million in cash to accelerate exploration and development activities on its Central Yilgarn Iron Project, and the Oakover Manganese Project.

POSCO has agreed to an arms-length off-take agreement for up to 50% of DSO grade iron ore production. POSCO also upon completion of the transaction has the right to appoint a representative to the Board of Jupiter.

# **Operational and Strategy Update**

The company's strategic focus is on developing the iron ore and manganese assets, consequently the balance of projects within Jupiter's portfolio of Gold, Nickel, Uranium and Base Metals are now non-core assets in process of being divested. With the rationalisation of the non-core assets in conjunction with downward pressures on commodities and project valuations completed as part of the Pallinghurst and Red Rock Resources "Proposal", due diligence on the carrying value of these assets is currently under review. It is likely that there will be significant non-cash write downs in the 2009 Financial Accounts. The estimated write-down in the carrying cost of the exploration projects for the period January 1<sup>st</sup> 2009 to June 30<sup>th</sup> 2009 will be approximately \$7.3 million. This figure is based on the recent independent valuation of Jupiter's exploration assets conducted by Snowden Mining Industry Consultants Pty Ltd for the recent EGM held on March 9<sup>th</sup> 2009 to consider the Proposal. The Snowden report was a component of the Notice of Meeting and Explanatory Memorandum and the 'Preferred" valuation method has been adopted by the Board.

During the quarter the Sydney Corporate office and staff were relocated to Perth.

In early July Mr Geoffrey Wedlock changed his role to non-executive Chairman of the Company

# **Cash Position**

At the end of Quarter the company had a cash balance of \$6.25M.

Yours Faithfully Jupiter Mines Limited

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Greg Durack Chief Executive Officer

#### **Exploration Manager: Charles William Guy Competent Person**

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Charles William Guy who is a Member of the Australian Institute of Geoscientists and a full- time employee of Jupiter Mines Limited. Charles William Guy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Charles William Guy consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. Charles William Guy holds the position of Exploration Manager with Jupiter Mines Limited.