ANNUAL REPORT

ON

EXPLORATION LICENCE 2419

FOR THE PERIOD

3RD DECEMBER 1980 - 2ND DECEMBER 1981

BY

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ABSTRACT: (200 words or less)

Exploration, primarily for diamonds but also for base metals was carried out over the licence area. Emphasis was placed on stream sediment sampling with a 40 kg sample programme and a 2 tonne sample programme being carried out. In addition, an airborne magnetic and radiometric survey was flown and a colour aerial photography survey was completed at a scale of 1:25,000.

No diamonds or kimberlitic indicator minerals were found in any of the samples. Magnetic and radiometric anomalies were followed up in the field but none of these relate to kimberlitic intrusions. Photo features were also examined with no encouraging results.

It is concluded that no obvious potential exists for diamonds or base metal mineralisation in the licence area.
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7. Sample Localities: Millik Monmir Sheet (SD52-15C-GC0301-227)  Scale 1:100,000

8. Sample Localities: Victoria River Sheet (SD52-15B-GC0301-231)  Scale 1:100,000
INTRODUCTION

Exploration Licence 2419 covering 362.48 square miles was granted on the 3rd December, 1980 and this in the Annual Report for the 1st year of tenure.

This Licence is part of a regional exploration programme, mainly for diamonds, comprising Exploration Licences 2411, 2412, 2417, 2418, 2419, 2420, 2421, 2504, 2513, 2514, 2515, 2584 and 2585 which are the subject of a joint venture between Design and Construction Pty Limited, BP Australia Limited and Peko-Wallsend Operations Ltd, where Peko-Wallsend, through Geopeko, are the operators. The joint venture commenced on 1st May, 1981.

Because of recent successful exploration for kimberlites in Western Australia, the recognition of a potential kimberlite province in the Kimberleys, and possible influence of the Hall's Creek Fault on emplacement of the Argyle diamondiferous kimberlite, the Fitzmaurice Mobile Zone and Sturt Shelf in the vicinity of the Victoria River Fault must also be considered prospective for diamonds.

Potential for stratiform base metal deposits in the sediments of the Victoria River Basin was also recognised and samples were taken for geochemical analysis. Sample density was inadequate and was controlled by the sample density used in the diamond search.

LOCATION

Coolibah Station, Pastoral Lease 597 on the Port Keats/Auvergne 1:250,000 sheets (SD52-11, SD52-15).

TARGET

Diamonds were the primary exploration target with stratiform base metal deposits a secondary target.
SUMMARY

Most of the rocks exposed in the area covered by the Auvergne-Port Keats 1:250,000 Geological Series sheets are Proterozoic. They form part of the Victoria River Basin and consist of sedimentary sequences of sandstone, siltstone, grit and conglomerate which developed on the stable Sturt Block and in the adjacent Fitzmaurice Mobile Zone.

Exploration work carried out included the following:-

(i) Flying the area for colour photography and selection of photo features indicative of ultrabasic intrusion for field checking.

(ii) Airborne magnetometer and radiometric surveys.

(iii) Ground follow-up of radiometric anomalies.

(iv) Ground follow-up of magnetic anomalies.

(v) Collection of 40kg, +0.6mm fraction samples from trap sites in streams.

(vi) Collection of a -80 mesh sample for geochemical analysis.

(vii) Collection of bulk gravel samples.

(viii) Heavy mineral separation and identification.

Results achieved to date are not encouraging.
GEOLOGY

Extracts from Auvergne and Port Keats 1:250,000 Geological Series - Explanatory Notes.

Most of the rocks exposed in the area covered by the Auvergne-Port Keats 1:250,000 sheets are Proterozoic. They form part of the Victoria River Basin and consist of sedimentary sequences which developed on the stable Sturt Block, and in the adjacent Fitzmaurice Mobile Zone.

The relative age of the Pre-Cambrian rocks on the Sturt Block and in the Fitzmaurice Mobile Zone is unknown; possibly the latter are older. The ages of the Palaeozoic sediments are accurately known from comprehensive palaeontological examinations.

The Fitzmaurice Group is a thick sequence of sandstone, siltstone, grit and minor conglomerate. The formations all contain some or all of these four rock types. The group crops out in a major north-northeast trending synclinorium (Figure 2). On the southeast limb of this structure the three lower formations total about 3000 metres. On the northwest limb, however, they are at least 12,000 metres thick. Most contacts between the constituent formations are conformable and gradational.

Sandstone, siltstone and dolomite of the Auvergne Group were laid down on stable block and are only mildly deformed. The Jasper Gorge Sandstone was laid down during a marine transgression over an erosional surface of Bullita Group rocks. Ripple marks in the Angalarri Siltstone indicates shallow water deposition. The Saddle Creek Formation is a transition between the Angalarri Siltstone and the Pinkerton Formation, which is a mature sandstone deposited in shallow water. The oolitic dolomites, infraformational conglomerates,stromatolitic growths, and holite casts in the Lloyd Creek Formation, Spencer Sandstone and Shoal Reach Formation indicate an active shallow marine environment with intermittent subaerial and lagoonal conditions.
GEOLOGY (cont.)

Three tectonic units are distinguished: the Fitzmaurice Mobile Zone, the Sturt Stable Block and the Bonaparte Gulf Basin (Figure 2).

The Fitzmaurice Mobile Zone consists of thick, moderately folded and intensely faulted sediments, the Fitzmaurice Group. Within this group, north of the Victoria River are windows of Lower Proterozoic and Archean rocks.

The Sturt Stable Block is a sequence of Adelaidean or Carpentarian sediments, the Auvergne Group, which were deposited on a stable cratonic area and are subsequently gently deformed.

The Bonaparte Gulf Basin is a deep structural and sedimentary basin containing Palaeozoic and Mesozoic sediments.
WORK DONE

Aerial Photography

The area delineated in Figure 3 was flown and photographed in colour by Quasco Pty Ltd. Prints were produced at a scale of 1:25,000. The photographs were studied in stereo with the objective of selecting photo features indicative of ultrabasic intrusions. The only features observed were of minor interest and easily explained upon field inspection. No ultrabasics were discovered.

Geological Mapping

No formal mapping programme was carried out other than brief field observations at sample sites.

Geophysical Surveys

Airborne magnetic and radiometric surveys were flown over the area delineated in Figure 3. Specifications are detailed on Table I. Analogs were produced for uranium, thorium and potassium counts along flight lines plus an analog of total counts. Three radiometric anomalies, No.s 1, 2A and 2B, were recorded (analog - Fig. 4) and investigated in the field (Map 1).

Radiometric Ground Follow-up:

Anomaly 1 is a narrow twice background uranium anomaly. The highest ground reading was 180 counts per second (total count). Outcrop in the anomalous area consists of interbedded brown shales and green-grey sandstones. Beds are contorted and contain quartz veins on a meso and macro scale. Analytical results (XRF) from a sample taken at the anomaly were U 8 ppm, Th 50 ppm, Fe 1.5%, Mn 0.02%, Mg 1.27%.
Anomaly 2A
Total counts, three times background over 500 metres, were recorded on one flight line. This anomaly is coincident with a heavy vegetated spring-fed swamp.

Anomaly 2B
This anomaly coincides with the outcrop of a medium grained micaceous and ferruginous sandstone. The average ground reading was 150 counts per second (total count) which varied little through the sequence. XRF analysis of samples taken from the outcrop gave U less than 3 ppm, Th 25 ppm, Fe 5.38%, Mn 0.02%, Mg 0.97%. This outcrop is part of interbedded sandstone and shales found at the site of anomaly 1.

Aeromagnetic data was contoured using an interval of 2 nanoTeslas at a scale of 1:50,000. Survey specifications are given in Table I, and contoured data shown on Maps 2 and 3. One anomaly warranted ground follow-up (Fig. 4).

Ground Magnetics:
Anomaly 4 is located on the southern boundary of the Licence (Map 5). This anomaly is a linear feature striking NNE parallel to local folding. Two ground magnetic traverses were completed almost perpendicular to the strike. The top of the feature covering the anomaly is estimated to be approximately 300 metres below the surface.
A total of 5 shallow auger holes were drilled, all of which bottomed in siltstones.

Stream Sediment Sampling
Gravel Samples:
1. Sample sites were selected in the office to give a sample density of one 40kg sample representing 10 km² and one 2,000kg sample representing 100 km².
2. The sample area was reached by helicopter and the streams were flown along to aid selection of the best possible trapsites for heavy minerals.

3. Gravel from the trapsites were sieved by hand to give the required fraction (0.6mm - 4mm) and weight of sample.

4. Samples were transported by helicopter to the base camp for processing.

5. Here the samples were sieved into three fractions; 0.6mm - 1.0mm, 1.0mm - 2.0mm, 2.0mm - 4.0mm.

6. Each fraction was put over a Plietz jig and the heavy mineral concentrates removed, dried and bagged.

7. These concentrates were despatched to Geopeko, Perth, for mineral identification by a trained observer.

Results:
Sample localities are given on Maps 6 to 8. The results of the heavy mineral identification are given in Appendix 1. Neither diamonds nor kimberlitic indicator minerals were observed.

Geochemical Samples:
Three hundred grams (300g) of sample were taken from each 40kg sample and despatched to Analabs, Perth, for analysis. The elements assayed for by X.R.F. were Cu, Pb, Zn, Fe, Co, Sn, W, Cr, Ni, Nb, Mg and the mineral barite. Only the -80 mesh fraction was used.

Results:
Details of all results are given in Appendix 2.
EXPENDITURE

As this licence is part of a regional programme, expenditure has been allocated according to its areal percentage.

Total allocated expenditure from 3rd December, 1980 to 30th November, 1981 was $87,874.
Figure 1.1
Exploration Licence No. 2419
Tenement Locality Plan

Area: 362.48 Square Miles
938.83 Square Kilometres

Scale: 1:250,000
FIGURE 3
DIAGRAMATIC WORK CHART

- AREA COVERED BY SAMPLING
- AREA COVERED BY AERIAL PHOTOGRAPHY
- AREA COVERED BY AEROMAGNETICS/RADIOMETRICS
AERBORNE SPECTROMETER SURVEY
VICTORIA RIVER AREA
ANOMALY 1 & 2

THORIUM

URANIUM

POTASSIUM

TOTAL COUNT
TABLE 1
SURVEY SPECIFICATIONS

VICTORIA RIVER
AIRBORNE GEOPHYSICAL SURVEY
TOTAL MAGNETIC INTENSITY

SURVEY SYSTEM
- AIRCRAFT: NOMAD 228 VH-CPX
- DOPPLER: DECCA 72
- COMPASS: SPERRY GM9
- TRACKING CAMERA: GEOCAM 755D
- NAVIGATION COMPUTER: DECCA TANS 9447D
- MAGNETOMETER: VARIAN V85
  Stinger installation
- ACQUISITION SYSTEM: SONOTEK IGSS1

RECORDING SPECIFICATION
- FIDUCIAL: 1
- ACQUISITION TIME: 0.0001 second
- HEADING: 1 minute
- DOPPLER: 3 cm
- CLOCK TIME: 1 second
- ALTITUDE: 0.1 metre
- MAGNETOMETER: 0.1 nanoTesla

FLIGHT SPECIFICATION
- TRAVERSE LINE INTERVAL: 300 metres
- TRAVERSE LINE DIRECTION: 50 degrees
- TIE LINE INTERVAL: 3000 metres
- TIE LINE DIRECTION: 140 degrees
- TERRAIN CLEARANCE: 100 metres
- SPEED: 50 metres/sec
- ACQUISITION INTERVAL: 0.8 second
- NAVIGATION: Aerial photography
  Doppler assisted

DATA PROCESSING
- REGIONAL FIELD: IGRF Model 1975 removed
- GRID CELL SIZE: 75 metres
- 20 LOW PASS FILTER
  Cut off wavelength: 750 metres
  Termination wavelength: 1125 metres
### TABLE 2

STREAM SEDIMENT SAMPLING

<table>
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<th>No. of Samples</th>
<th>Weight</th>
<th>Type</th>
<th>Fraction</th>
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<tr>
<td>93</td>
<td>40kg</td>
<td>gravel sample</td>
<td>0.6mm - 4mm</td>
</tr>
<tr>
<td>93</td>
<td>300g</td>
<td>geochemical sample</td>
<td>-80 mesh</td>
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<tr>
<td>2</td>
<td>250kg</td>
<td>gravel sample</td>
<td>0.6mm - 4mm</td>
</tr>
<tr>
<td>2</td>
<td>500kg</td>
<td>gravel sample</td>
<td>0.6mm - 4mm</td>
</tr>
<tr>
<td>3</td>
<td>1000kg</td>
<td>gravel sample</td>
<td>0.6mm - 4mm</td>
</tr>
<tr>
<td>2</td>
<td>2000kg</td>
<td>gravel sample</td>
<td>0.6mm - 4mm</td>
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