BILLITON AUSTRALIA
THE METALS DIVISION OF THE
SHELL COMPANY OF AUSTRALIA LIMITED

EXPLORATION LICENCE 4793 SPRING HILL
RELINQUISHMENT REPORT

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Exploration Licence 4793, Spring Hill was granted to Territory Resources NL on the 5th October, 1987 for a period of three (3) years. Ross Mining NL purchased Exploration Licence 4793 from Territory Resources in September 1988. A Joint Venture (Spring Hill Joint Venture) over the tenement between Ross Mining NL and The Shell Company of Australia Limited commenced on the 1st of October 1988. Shell is manager and operator of the Joint Venture.

The tenement originally covered four blocks situated some 27 kilometres north-northwest of Pine Creek.

Exploration Licence 4793 was reduced by one block on the 5th October, 1989 in accordance with NT Department of Mines and Energy relinquishment requirements.

As the exploration potential of the area was thought favourable the relinquished block was subsequently pegged with a group of nine (9) MCN’s, i.e., MCN’s 3708-3711 and MCN’s 3715-3719.
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1.0 INTRODUCTION

Exploration Licence 4793, Spring Hill was granted to Territory Resources NL on the 5th October, 1987 for a period of three (3) years. Ross Mining NL purchased Exploration Licence 4793 from Territory Resources in September 1988. A Joint Venture (Spring Hill Joint Venture) over the tenement between Ross Mining and The Shell Company of Australia Limited commenced on the 1st of October 1988. Shell is manager and operator of the Joint Venture.

Exploration Licence 4793 was reduced by one sub-block on the 5th October, 1989 in accordance with NT Department of Mines and Energy relinquishment requirements.

2.0 LOCATION & ACCESS

The relinquished block is situated about 27 kilometres north-northwest of Pine Creek.

Access to the area is from the Stuart Highway via Spring Hill Road or via the Mt Wells – Pine Creek Road. The Spring Hill Road accesses south east corner of the tenement whilst the Pine Creek Road and adjacent North Australia Railway and Electrical Power lines provide access to the northeast corner of the tenement. Graded tracks pass from both roads into the licence area providing reasonable access throughout.

3.0 WORK COMPLETED ON RELINQUISHED BLOCK

3.1 Stream Sediment Sampling

Some 13 Bulk Cyanide Leach (BCL) gold and four -80# silver, lead, zinc, copper and arsenic stream sediment samples were taken throughout the relinquished area.

BCL gold samples were obtained by sieving sediment to -8# to obtain 5 kilograms, and a 200 gram - 80# fraction of sediment was obtained for AAS base metal analysis.

BCL gold results delineated a number of relatively anomalous stream catchment areas, the highest values obtained being 8.9 ppb, 8.0 ppb, and 9.3 ppb Au. Detailed follow-up of these anomalous catchment area has as yet to be undertaken.

Base metal results were consistently low with only background results being obtained.
3.2 Aeromagnetics

Detailed aeromagnetic data has been obtained over the relinquished area in Exploration Licence 4793 from Aerodata Holdings. This forms part of a large multi-client survey with the following specifications:

- Line Spacing 200m
- Sensor Height 70m
- Tie Line Spacing 5000m

The results from the aeromagnetic data were relatively negative. No discrete aeromagnetic targets were delineated. Magnetic signature clearly traces lithological variations within Burrell Creek Form and also the contact between rocks of the Burrell Creek Formation and those of the South Alligator Group which are marked by distinct aeromagnetics.

4.0 CONCLUSIONS

To date exploration work carried out on the relinquished block of Exploration Licence 4793 has been relatively encouraging with a number of gold anomalous stream catchment areas being delineated.

As the exploration potential of the area was thought favourable, the relinquished block was subsequently pegged with a group of nine (9) MCN's, i.e. MCN's 3708 - 3711 and MCN's 3715 - 3719.