

OPEN FILE

**FINAL REPORT
EXPLORATION LICENCE 6646
ADELAIDE RIVER AREA**

31 JANUARY, 1990 TO NOVEMBER, 1991

By

P.A. VERBEEK

Of

AZTEC MINING COMPANY LIMITED

For

NICRON RESOURCES LIMITED

CR 92 / 022

Batchelor 5171
PINE CREEK SD52-3



Darwin, N.T.
November, 1991

TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	PREVIOUS EXPLORATION WORK	4
3.	EXPLORATION ASSESSMENT 1990-91	6
4.	EXPENDITURE	7

LIST OF FIGURES

Figure 1.	Location from Burnside Map Sheet 14/2-II	1:50 000
Figure 2.	The J25 Prospect Topographic Plan	
Figure 3.	Geological Plan	

LIST OF ENCLOSURES

Enclosure 1.	Drilhole Locatoin Plan, WMC.
--------------	------------------------------

LIST OF APPENDICES

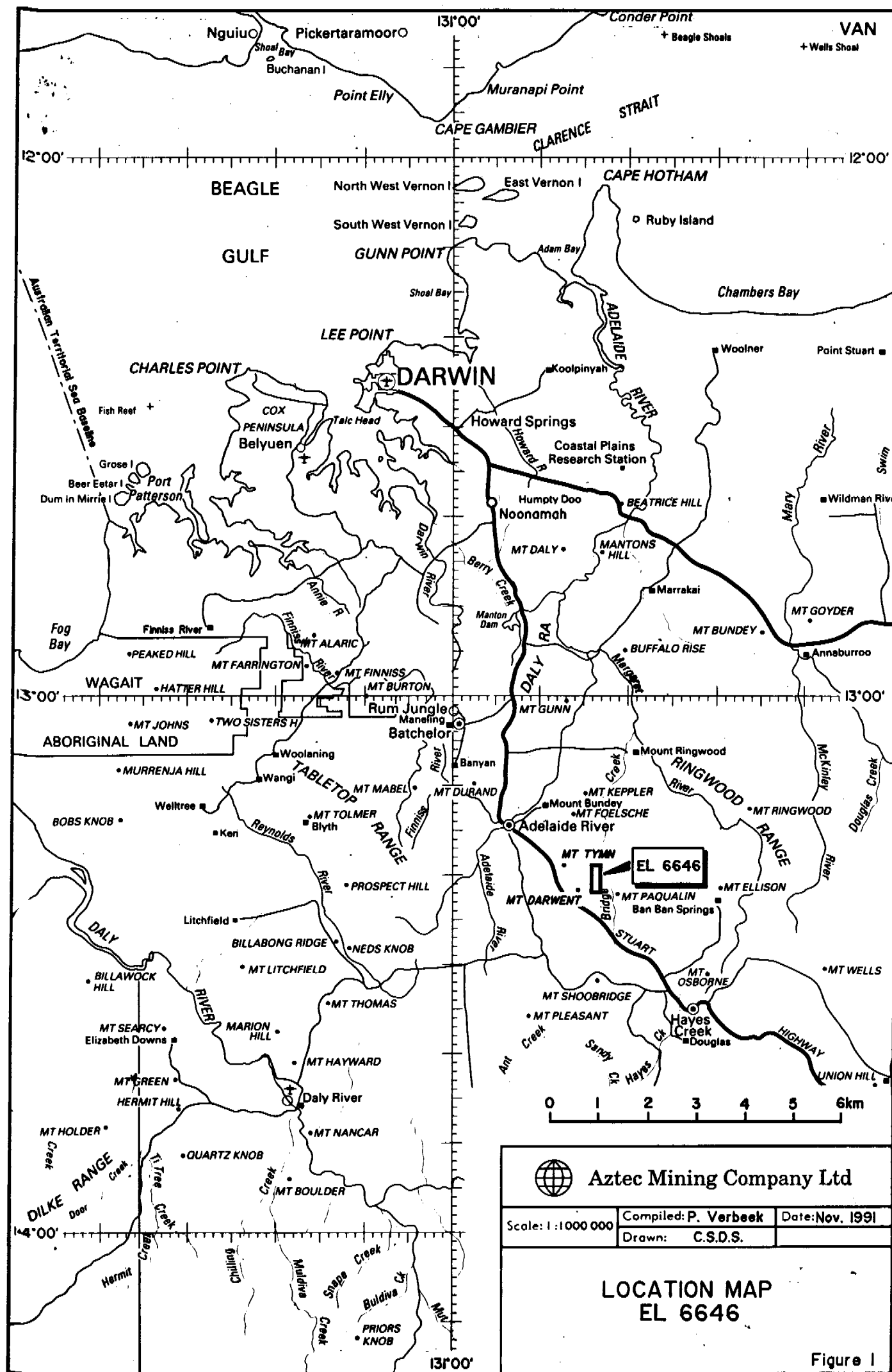
Appendix I	Base metal assays of selected WMC drill chips.
------------	--

1. INTRODUCTION

Exploration Licence 6646 is located 25 kilometres south-east of Adelaide River and comprises three (3) graticular blocks (Figure 1). The licence was granted on 31 January, 1990 to Nicron Resources Limited (87.5%) and Lachlan Zinc NL (12.5%). Access to the licence is by Fisher Road, the main access road to the Goodall gold mine, and then south along station tracks running parallel to Bridge Creek.

The principle interest in this tenement is the J25 gold prospect previously discovered by W.R. Grace (Australia) Ltd. This prospect was evaluated by Western Mining Corporation, under joint venture, to the stage of wide spaced reverse circulation drilling but was found to be unviable. Nicron Resources Limited acquired the tenement to test the same prospect for its base metals potential.

This report reviews the work completed by Nicron Resources Limited which has led to the decision to relinquish the ground.



2. PREVIOUS EXPLORATION WORK

The majority of exploration work carried out on the area has been undertaken by W.R. Grace on EL 2477 and EL 4777 and subsequently by Western Mining Corporation on EL 5322. The J25 prospect was the only area of interest located within the ground currently held by Nicron Resources Limited.

The J25 prospect was discovered by helicopter born rock-chip sampling by W.R. Grace and subsequently followed up by detailed evaluation work. This comprised:-

- 1) Grid establishment
- 2) Systematic soil and rock chip sampling
- 3) Geological mapping at 1:2500 scale
- 4) Ground magnetics
- 5) Gradient Array IP surveys
- 6) Costean mapping and channel sampling
- 7) Reverse circulation drilling

The above work demonstrated the existence of a quartz stockworked zone within greywacke and interbedded siltstone and shale. The stockwork zone forms the back of a prominent ridge line which is central to a line of hills forming a distinct topographic feature within otherwise flat black soil plains. The stockwork zone is identified over 600 metres strike length and varies in width between 10 to 40 metres. The veins are generally concordant with stratigraphy and are in placed intensely gossanous with up to 50% scorodite boxwork. Selective rock chip sample also revealed gold values up to 9.9 g/t.

Follow-up investigations in the form of costeaning and reverse circulation drilling failed however to demonstrate any continuity in the gold mineralisation. The channel samples in the costeans were reported to have no significant results and the reverse circulation drilling which tested approximately 400 metres of strike only detected sporadic low grade intersections. A summary of the significant drilling intersection is presented below:-

Hole No.	From - To	Interval & Assay	Comment
REEC 1			No significant assays
REEC 2			No significant assays
REEC 3			No significant assays
REEC 4			No significant assays
REEC 5			No significant assays
REEC 6	57 - 58	1.0m @ 2.43 g/t	
	33 - 34	1.0m @ 1.79 g/t	
REEC 7	56 - 57	1.0m @ 1.59 g/t	
REEC 8			No significant assays
REEC 9	0.0 - 1.0	1.0m @ 3.68 g/t	
	30.0 - 31.0	1.0m @ 4.60 g/t	
REEC 10	8.0 - 9.0	1.0m @ 4.96 g/t	

All holes inclined at -60° Grid East.

Based on the drill data Western Mining Corporation relinquished the ground. The J25 prospect was recognised as a mineralised splay structure off the Mt. Shoobridge Fault, by Western Mining, but of no economic potential (Figure 2).

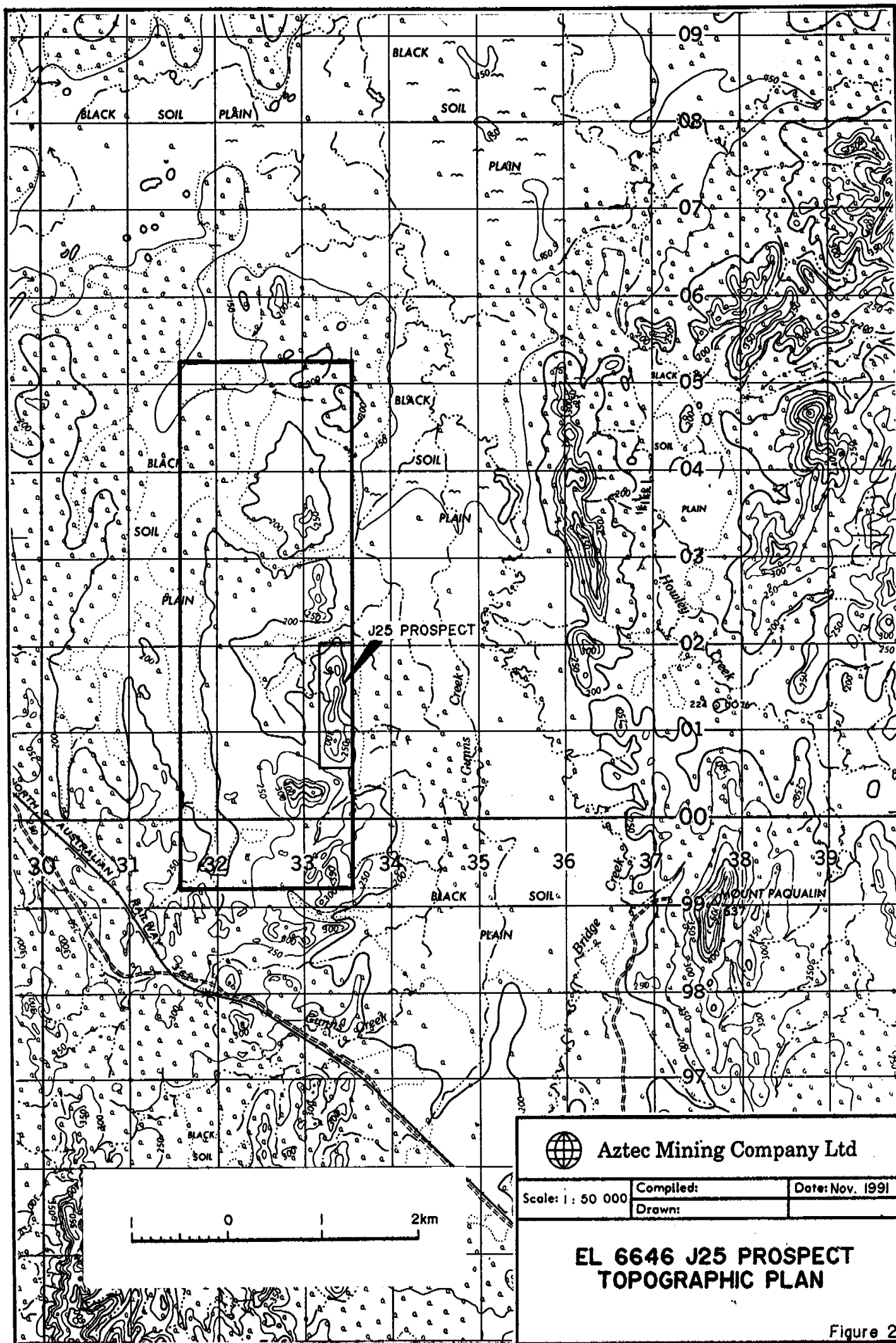


Figure 2

3. EXPLORATION ASSESSMENT 1990-91

Exploration in the first year of tenure consisted of literature research, field investigation of the prospect and a review of all the available geophysical data. A selection of the samples from the Western Mining reverse circulation drilling were also assayed for their base metal potential.

The base metal analysis (Appendix I) failed to highlight any significant intersections. Anomalous values for Pb (maximum 2150 ppm) are not considered significant and reflect sporadic base metal distribution in conjunction with the abundant arsenopyrite and pyrite. The structural setting of the stockwork zone and the apparent lack of a favourable carbonate or iron rich unit downgrade the potential for an economic base metal deposit.

With respect to the gold potential it was originally considered possible to upgrade the prospect by testing within cross-cutting structures interpreted from the published aeromagnetics. However upon further consideration it was realised that any additional discovery could only be of limited size to fit within the relatively barren Western Mining drill traverses. The position of the drill holes and costeans with respect to each other preclude the existence of any near surface economic mineralisation. The original high grade rock chip samples can be attributed to sporadic nuggetty gold distributions as a result of supergene enrichment.

The remainder of the licence is entirely covered by black soil plains and in the absence of a significant deposit in the vicinity is not considered prospective enough to undertake further exploration work.

In conclusion the base metal and gold potential of this licence was been fully evaluated without any success and the licence can therefore be relinquished.

4. EXPENDITURE

Expenditure incurred on EL 6646 up to October 1991 is:

Geological consultants	\$3,100
Vehicle	\$920
Food & supplies	\$150
Assay	\$600
Reporting and drafting	\$400
Geophysical data acquisition	\$500
Tenement Administration	\$400
Aerial Photographs	\$100
Administration 15%	\$925

TOTAL:	\$7,095
	=====



Figure 3

APPENDIX I
BASE METAL ASSAYS OF SELECTED
WMC DRILL CHIPS.



CLASSIC LABORATORIES LTD

Job: ODN1840

O/N:

Final

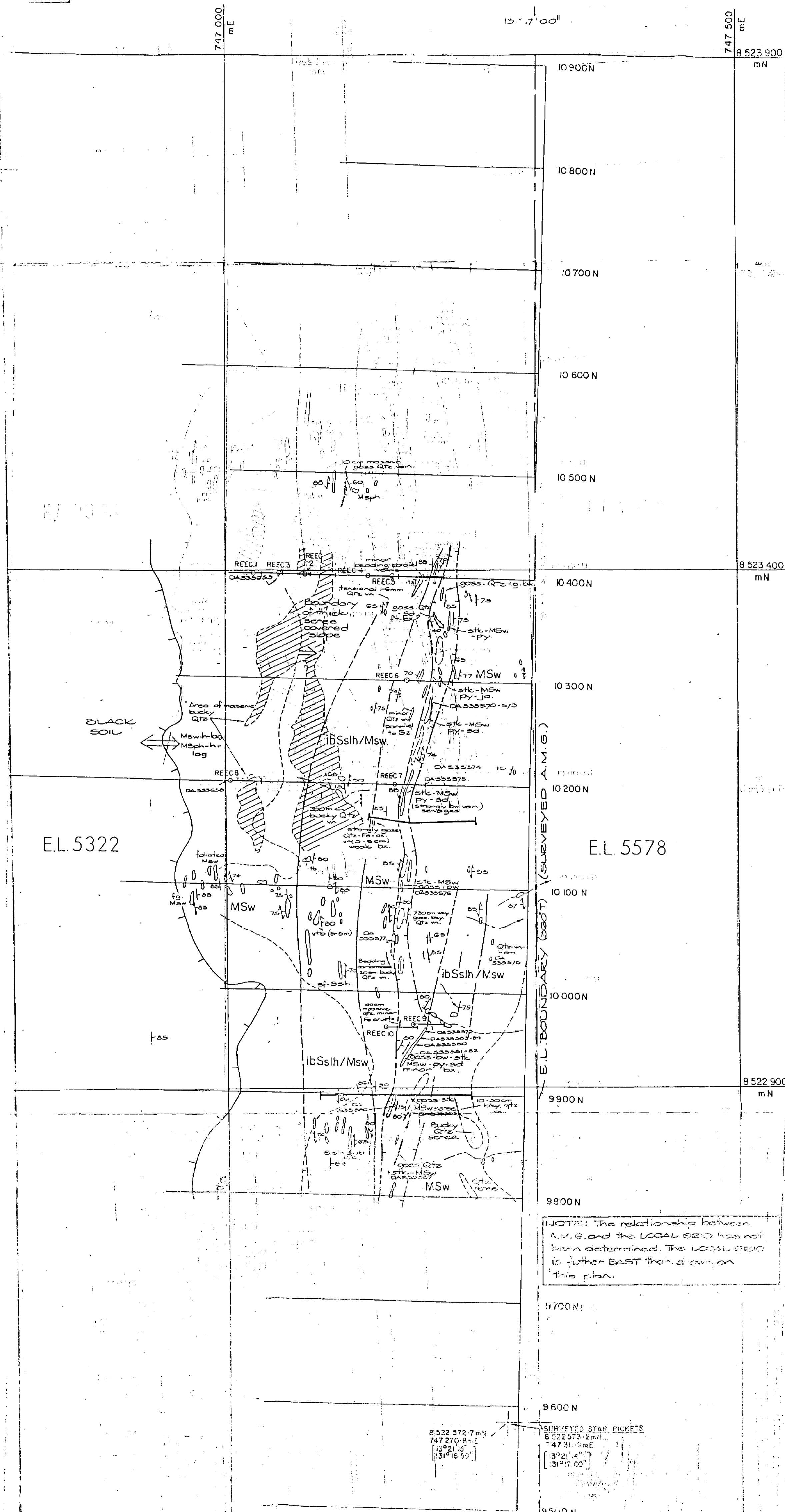
ANALYTICAL REPORT

From Reports
WMC CR89/367

	SAMPLE	Cu	Pb	Zn	Au
	Int.				
REEC1	0-1 DA 524668	44	74	42	---
	DA 524669	37	64	26	---
	2-3 DA 524670	34	33	46	---
	40-41 DA 524708	20	16	32	---
	DA 524709	23	7	54	---
REEC1	DA 524710	21	11	46	---
	DA 524711	16	15	44	---
	44-45 DA 524712	14	23	50	---
	30-31 DA 524873	74	11	140	---
	DA 524879	55	8	180	---
REEC4	DA 524880	13	<4	150	---
	DA 524881	13	<4	130	---
	DA 524882	14	5	92	---
	35-36 DA 524883	65	<4	120	---
	44-50 DA 535837	140	5	130	---
	DA 535838	280	7	170	---
	DA 535839	330	10	150	---
REEC3	DA 535840	340	5	170	---
	DA 535841	140	7	390	---
	54-55 DA 535842	82	<4	140	---
	DA 535843	L.N.R.	L.N.R.	L.N.R.	---
	DA 524985	L.N.R.	L.N.R.	L.N.R.	---
	DA 524986	L.N.R.	L.N.R.	L.N.R.	---
	DA 524987	L.N.R.	L.N.R.	L.N.R.	---
	93-94 DA 524988	84	98	40	---
	DA 524989	110	200	61	---
	DA 524990	18	46	37	---
REEC5	DA 524991	54	120	63	---
	DA 524992	48	88	180	---
	DA 524993	18	48	63	---
	99-100 DA 524994	39	43	42	---
	56-57 DA 536050	140	280	11	---
	DA 536051	200	520	19	---
	DA 536052	260	2150	29	---
	DA 536053	34	270	7	---
	DA 536054	31	210	7	---
REEC6	DA 536055	33	120	6	---
	DA 536056	35	470	7	---
	DA 536057	67	460	9	---
	DA 536058	37	380	6	---
	DA 536059	52	680	10	---
	66-67 DA 536060	35	88	7	---
	48-49 DA 536133	39	35	87	<0.01
	DA 536134	200	110	67	<0.01
	DA 536135	280	230	84	0.55
REEC7	DA 536136	35	170	72	0.10
	DA 536137	85	1200	130	0.25
	DA 536138	120	840	72	0.05
	DA 536139	55	490	52	0.02
	55-56 DA 536140	250	1280	150	0.70

UNITS
DET.LIM
SCHEME

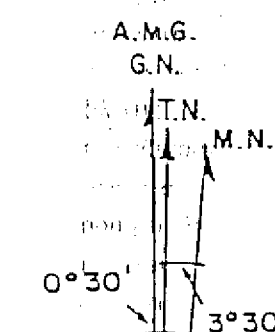
ppm ppm ppm ppm
2 4 2 0.01
AAS1 AAS1 AAS1 FA1



LEGEND

- MSw. Meta - Greywacke.
- Sslh. Siltstone - Shale
- Outcrop Boundary
- Boundary of intense scree
Scree proximal to outcrop
- Massive quartz vein/outcrop.
- Boundary of Quartz stockwork zone
- Lithological contact.
- Lithological contact inferred.
- Costean.
- 85 Bedding
- 65 Foliation
- 65 Quartz vein.
- Creek
- stk. Qtz. stockwork.
- bw. boxwork.
- bd. boudinaged
- bx. brecciated.
- Fe. ferruginous.
- Py. pyritic.
- sd. scoradite
- hem. hematite
- g. goethite
- ja. jarosite

DA 535570 W.M.C. Rockchip (1988)



SHEET INDEX

1	2	3	4
NW			NE
5	6	7	8
52-74-8520			
9	10	11	12
SW			SE
13	14	15	16

0 50 100 150 200 250

THE RELATIONSHIP BETWEEN ANY CO-ORDINATES AND LOCAL GRIDS SHOWN ON THIS PLAN IS APPROXIMATE. LOCAL GRID HAS BEEN MATHEMATICALLY PLOTTED AND NOT MEASURED.

REVISIONS

Revised by	Date	Revised by	Date
Geology Department	12 8 85		
Surveying Department	16 2 86		

Figure 4

NOTES: For original GRIDS/LOCAL GRID and Results Refer to Plan 7/205E/3.