

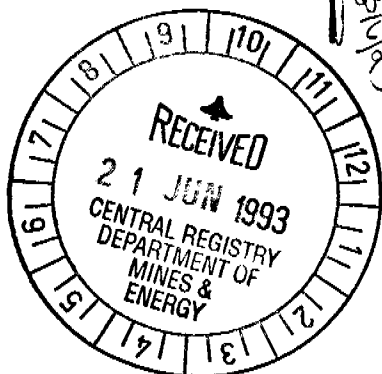


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DWS:d
16 June 1993

Principal Registrar
Titles Administration Branch
Department of Mines and Energy
GPO Box 2901
DARWIN NT 0801

OPEN FILE

ATTENTION: Mr C.P. Smith

Dear Sir

**RE: EXPLORATION LICENCE 5337-9 INCLUSIVE
REPORT ON AREA RELINQUISHED, 1993**

Dear Sir

OH
Enclosed please find a report on the area relinquished from Exploration Licence 5337-9 inclusive at the end of the Fourth Year in accordance to Section 32 of the Mining Act. This report covers work carried out on the area for the period 12 May 1992 to 11 May 1993.

t of the area retained has been sent under separate cover on 11 June 1993.

aithfully

id Sargeant

SARGEANT

CR 93 / 459

REPORT ON THE AREA RELINQUISHED
AT THE END OF THE FOURTH YEAR
EXPLORATION LICENCES
5337 TO 5339 INCLUSIVE

DALY RIVER
NORTHERN TERRITORY

12th May 1992 - 11th May 1993

1:250,000 - PINE CREEK (SD52-08)

1:100,000 - DALY RIVER (5070)

HOLDER: TROY RESOURCES NL
OPERATOR: TROY RESOURCES N.L.

JUNE 1993

DISTRIBUTION:

1. DEPT. MINES AND ENERGY
2. WESTBURY MANAGEMENT
3. D. SARGEANT

REPORT NO. WMS 93/7

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2.0 SUMMARY AND CONCLUSIONS

TROY RESOURCES N.L. (TROY) has acquired a 100 percent interest in Exploration Licences 5337 to 5339 (inclusive) covering an area of 47 graticular blocks. These tenements are part of a project which comprises 7 EL's and a number of MCN's. The project is situated approximately 120 kms south southwest of the Darwin, Northern Territory

The interest was acquired in 1992, too late for a start to carry out a comprehensive exploration programme before the onset of the wet season.

Troy decided to relinquish 17 graticular blocks as part of a reduction for the whole project area and based on information (regarding the potential of the area) that was supplied from the previous tenement holders.

This report documents exploration carried out on the area relinquished and is based on data supplied by the previous tenement holders.

3.1 LIST OF FIGURES

FIGURE 1 - TENEMENT LOCATION PLAN SHOWING AREA RELINQUISHED E5337	(1:50,000 SCALE)
FIGURE 2 - TENEMENT LOCATION PLAN SHOWING AREA RELINQUISHED E5338	(1:50,000 SCALE)
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FIGURE 7 - BLEG SAMPLE LOCATIONS	(1:100,000 SCALE)

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4.0 INTRODUCTION

This report documents work undertaken within part of Exploration Licences 5337 to 5339 (inclusive) that has been relinquished at the end of the fourth year of tenure. (Refer Figures 1 to 3)

The tenement was acquired by Troy Resources N.L. (TROY) late in 1992 from Geopeko (a division of Peko Exploration Ltd.). The acquisition was executed too late to carry out a comprehensive exploration programme during 1992 with the wet season onset imminent.

This report describes exploration work carried out for the year to mid May 1993.

In the past, exploration has concentrated on base metals due to extensive copper showings in the Daly River Mineral Field. Geological/structural features indicate some prospectivity for gold. Geopeko reported values up to 2.7g/t Au.

This licence covers an area within the the Daly River inlier. Most past exploration in the region has been carried out in the proximity to the copper mines.

The tenement is situated approximately 120 kms south south-west of Darwin, Northern Territory. (Refer Figure 4)

Access to the area is via the Stuart Highway to Adelaide River, then the Old Stuart Highway for 34 Kms, and finally along the Daly River Road which is sealed to the Daly River crossing. The licence area is centered around the turn-off to the old Litchfield Homestead.

The region is subject to a sub-tropical climate. The area comprises low flats and black soil to the west, low rubbly ground to the east, but area of good outcrop in the centre of the licence. The lower areas are usually difficult to traverse after rain. The Daly River and adjacent low lying areas are prone to flooding in the wet season.

The Daly River region is exposed to a wet season from November to April, when greater than 90% of Daly River's mean annual rainfall of 1400mm occurs. Relative humidity is usually less than 50% during the dry season with temperatures of up to 10 degrees C less than those during the wet season. Official records list monthly mean daily maxima temperatures from 31 to 44 degrees C, and monthly mean of daily minima from 12 to 24 degrees C.

The area is covered by a pastoral lease owned by Litchfield Station which is situated north westerly from the tenements and the settlement at Daly River.

5.0 TENEMENTS (Refer Figures 1- to 3)

Tenements: E 5337, E5338, E5339

Period of Tenure: To 11-5-95

Holder: TROY RESOURCES N.L.

Blocks to be relinquished: 17 Blocks

E5337; 6 blocks

E5338; 1 block

E5339; 10 blocks.

Troy acquired 100 percent of these licences from Geopeko during 1992.

During the fourth year of tenure, the area of the licences totalled 64 blocks.

The Kamu and Malak-Malak land claim directly covers the area of these tenements. Troy has been proceeding to obtain the necessary clearances and agreements over all their tenements retained as soon as acquisition had been executed.

6.0 PREVIOUS EXPLORATION

Troy are not aware of any specific previous exploration in this area prior to the grant of this tenement, except surveys of a regional nature by government such as aeromagnetics and geological mapping, and of a very general nature by companies during their exploration of nearby Daly River Copper Mine and its environs.

Although a vast amount of exploration has been carried out in the area around the Daly River Copper Mine (discovered in 1884), some programmes may have extended onto the area of this tenement, but are not reported to Troy.

Numerous diamond drill holes were completed, at prominent prospects/mines such as Knowles Farm, Daly River, Warr's, Wallaby, Wheal Danks Anomaly, and 'A' and 'C' prospects. There is no reported drilling on the area relinquished.

The area explored extensively is situated east and/or north of the blocks relinquished referred to in this report.

7.0 REGIONAL GEOLOGY (Refer to Figures 4 and 5)

The exploration Licence is situated on the western edge of the Pine Creek Geosyncline within the Daly River 1:100,000 Sheet area. The regional geology has been described by the N.T. Geological Survey in the explanatory notes (1989).

The regional stratigraphic column has been summarised and presented in table form as TABLE 1, which follows.

The Burrell Creek Formation, within the Finness River Group, is of most interest. It is early Proterozoic in age and comprises steeply dipping shales to sandy facies rocks and contains submarine felsic volcanics associated with mineralization. These are underlain by felsic volcanics and sediments and overlain by a succession which comprises metabasic volcanics and ultramafic rocks and sediments.

In the regional context, mineralization therefore appears to lie at the regional break between underlying felsics and overlying basic rock suites.

A late stage granitoid, Litchfield Granite, has partially contact metamorphosed Proterozoic sediments of the Finness River Group.

The Middle Proterozoic (Tolmer Group) lies with regional unconformity on the lower succession and has a major shift in composition, described by the N.T. Survey as comprising near-shore shallow marine sands and silts upwards into a succession including chemical sediments (salt beds).

Giants Reef Fault is a major dextral wrench fault that apparently extends from Hall's Creek in Western Australia to the south-west, to Rum Jungle area in the north, and trends at approximately 010 degrees.

Sediments in the Burrell Creek Formation tend to trend at 170 degrees and dip steeply west in the tenement area.

TABLE 1 - SUMMARY OF REGIONAL STRATIGRAPHIC COLUMN

(After Dundas, Edgoose, G.Fahey, and J.Fahey
Daly River Explanatory Notes, 1989)

TIME	UNIT	ROCK SUITE
CAMBRIAN		Dolomite, sands, basalt
	REGIONAL UNCONFORMITY	
LATE PROTEROZOIC		Glacials
	REGIONAL UNCONFORMITY	
MIDDLE PROTEROZOIC	Tolmer Group	Dolomites, calc-sands, halite
		Shallow marine sands
	REGIONAL UNCONFORMITY	
EARLY PROTEROZOIC		Granites
	Wangi Basics	Basalts, gabbros, dolerite Ultra-mafics
	Finness River Group (includes Burrell Creek and Warr's Volcanics, etc)	Sediments and felsic volcanics (mineralized)
	REGIONAL UNCONFORMITY	
	Hermit Creek Metamorphics	Mixed high grade assemblage

8.0 DISCUSSION (Refer Figures 6 and 7)

Exploration carried out on the area reported on herein was dominated by airborne magnetics and radiometrics, and stream sediment sampling using BLEG technology. The stream sediments were collected entirely on the area of E5339 being relinquished.

Digital data from an airborne geophysical survey conducted over the Daly River region, commissioned by the NT Geological Survey and undertaken by Aerodata in 1984, was acquired by Peko. This data has not been received by Troy.

Flight lines at a spacing of 500m with a terrain clearance of approximately 100m were flown. The digital data was image processed on a Sun Sparcstation 1 and viewed as shadow images and colour contours.

A more detailed low level survey including radiometrics was flown by Austirex International Ltd. in 1989. Flight lines at approximate east-west direction were spaced at 100 and 200m. Magnetometer sampling rate was 0.2 sec, and spectrometer sampling rate 1.0 sec. Mean terrain clearance was 80m. (Meade, 1990)

Whilst the magnetics recorded improved the geological understanding of the area, there were no anomalies of significance reported by Meade.

No radiometric anomalies were located within the area of this report.

An orientation survey was carried out on E5337 (but not on the area the subject of this report) in the vicinity of the Giant's Reef Fault .

13 samples were reported on the area of E5339 (the area the subject of this report) and no samples reported on E5337 and E5338. Sampling carried out further south (locations plotted on Figure 5) should have been reported previously during earlier relinquishments.

The BLEG sampling results are listed in TABLE 2, which as follows.

The results only a low order of potential. The best gold value is 5.33ppb Au. All base metal values (Cu, Pb, Zn) are below 30ppm. No follow up was required.



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O/N: D33452

Final

ANALYTICAL REPORT

SAMPLE				Cu	Pb	Zn	Au
NT 01270	-180	+75um		19	10	19	1.89
NT 01271	-180	+75um		22	16	21	5.33
NT 01272	-180	+75um		19	9	9	3.50
NT 01273	-180	+75um		18	18	27	2.40
NT 01274	-180	+75um		16	12	23	3.18
NT 01282	-180	+75um		18	7	77	1.07
NT 01288	-180	+75um		10	<4	7	0.24
NT 01289	-180	+75um		10	<4	9	0.84
NT 01290	-180	+75um		10	5	13	1.20
NT 01291	-180	+75um		12	4	6	1.04
NT 01292	-180	+75um		10	<4	8	0.76
NT 01293	-180	+75um		9	5	7	0.44
NT 01294	-180	+75um		12	4	11	0.28

UNITS
DET.LIM
SCHEME

ppm
2
AAS1

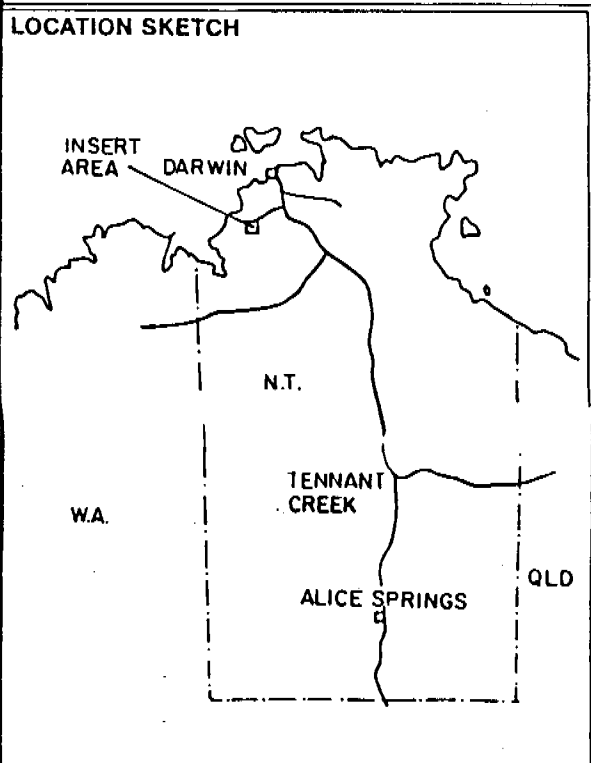
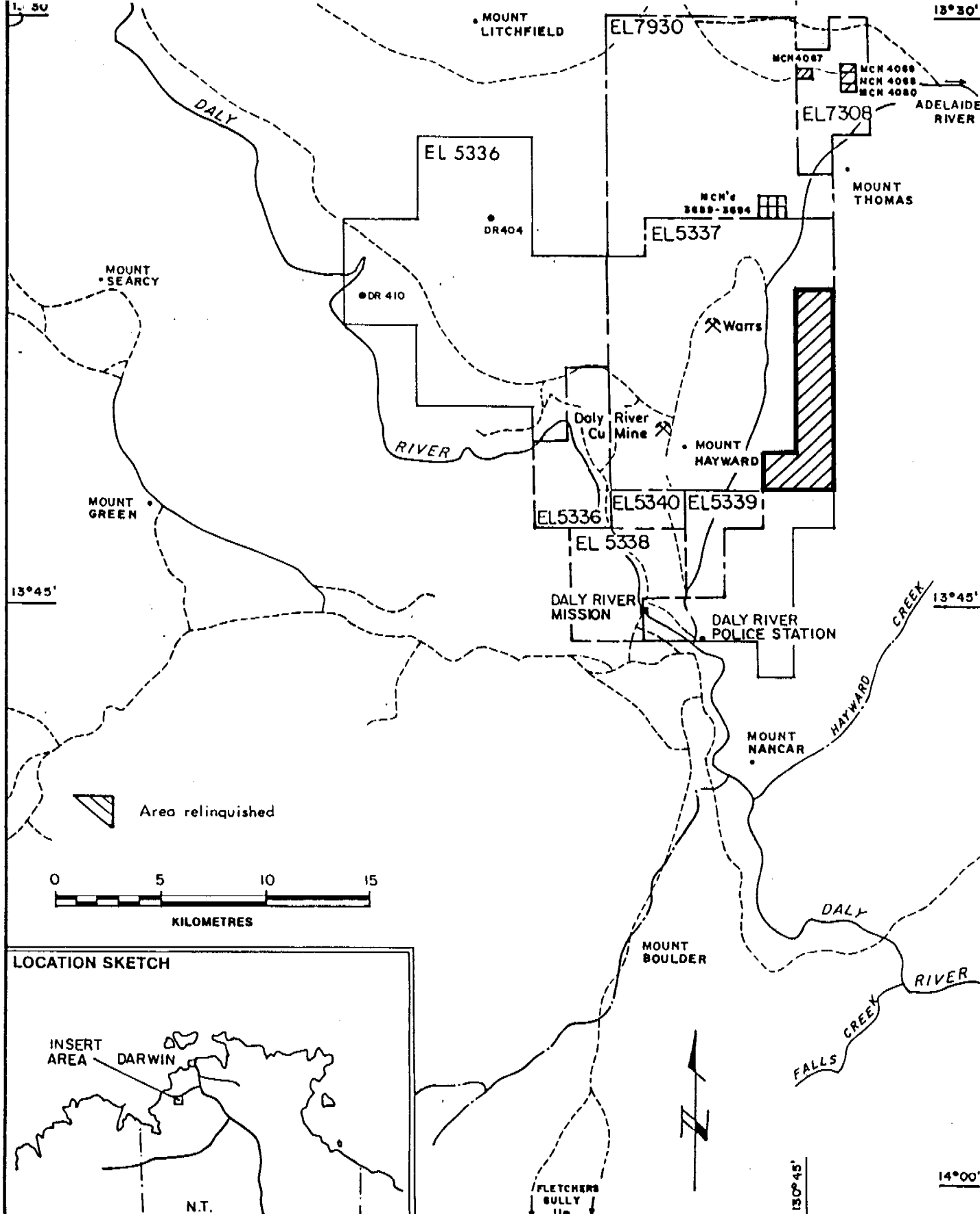
ppm
4
AAS1

ppm
2
AAS1

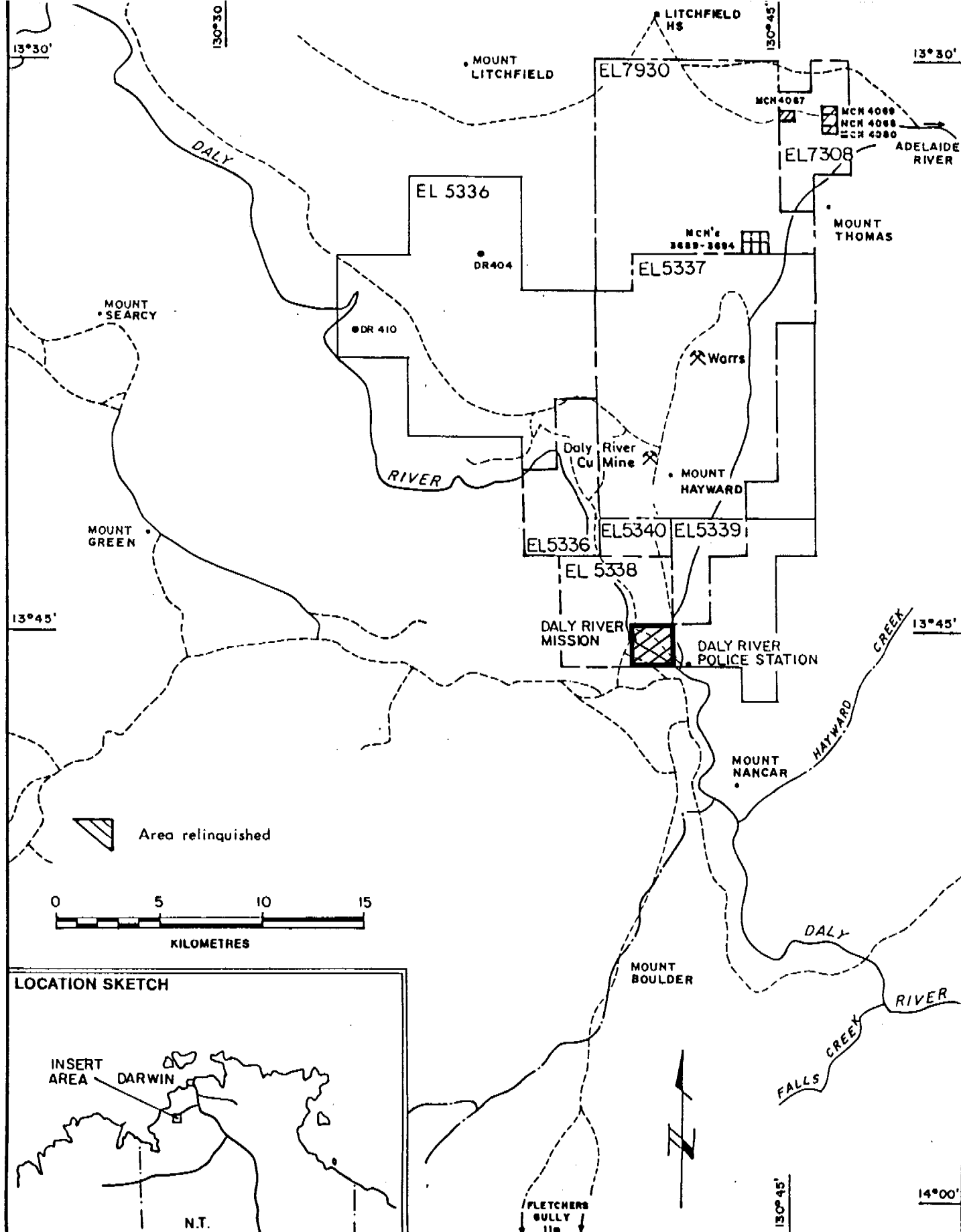
ppb
0.05
BLEED

12.0 REFERENCES

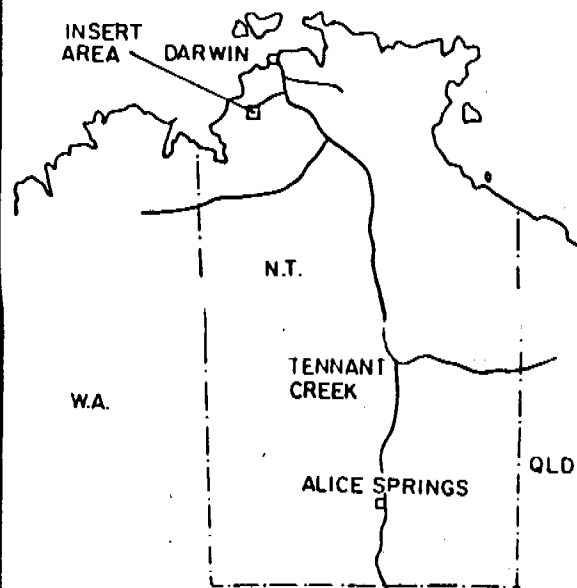
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TROY RESOURCES N.L.		
DALY RIVER PROJECT		
TENEMENT LOCATION PLAN		
SHOWING AREA RELINQUISHED		
E.L. 5337		
GEOL D.W.S	SCALE AS SHOWN	REPORT No
DRAWN V.L.	DATE JUNE, 1993	FIGURE No 1



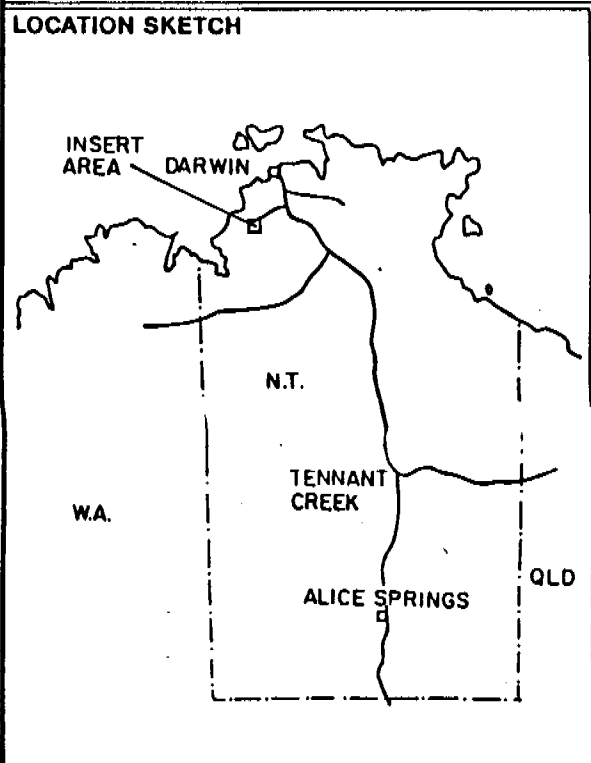
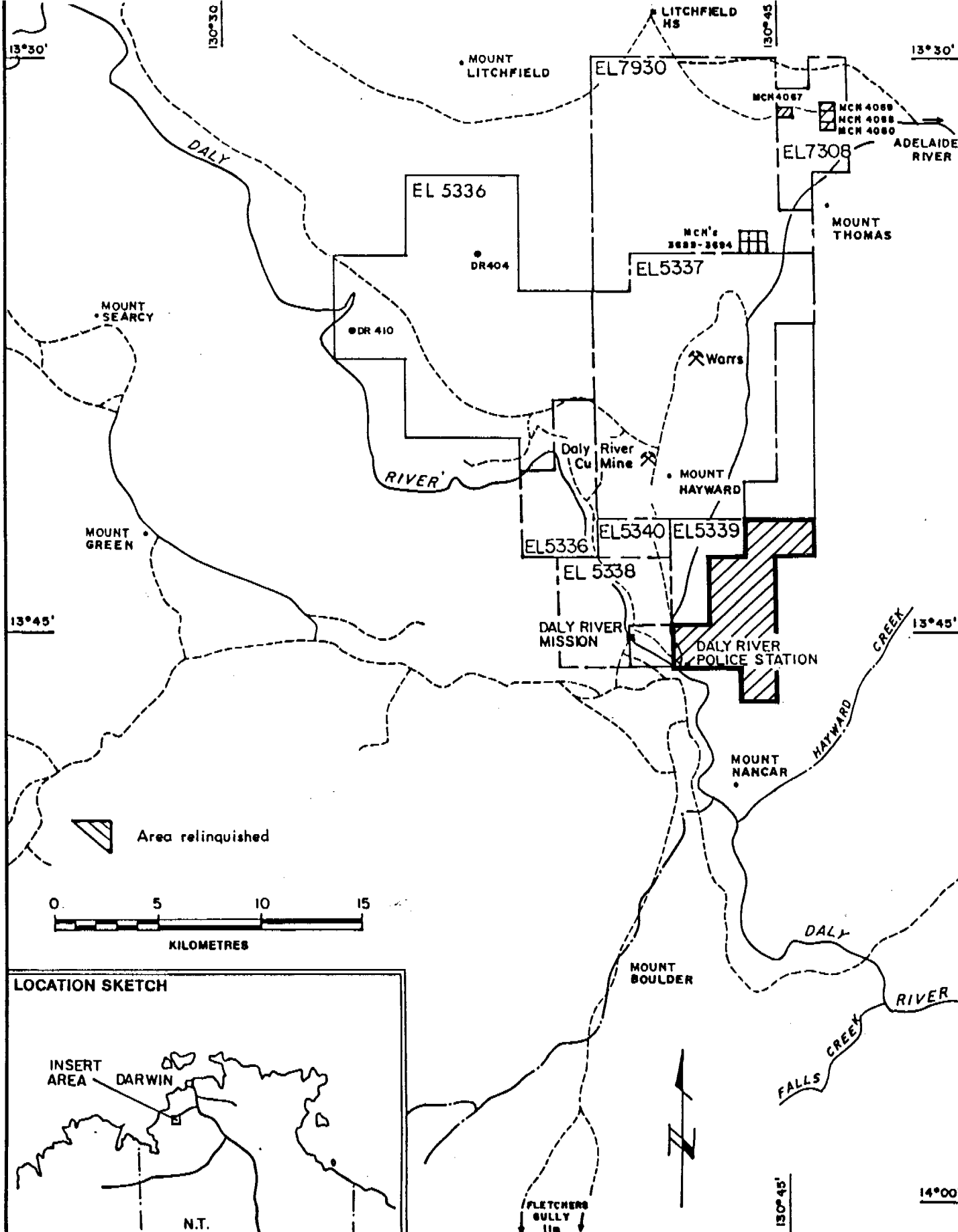
LOCATION SKETCH



TROY RESOURCES N.L.

DALY RIVER PROJECT TENEMENT LOCATION PLAN SHOWING AREA RELINQUISHED E.L. 5338

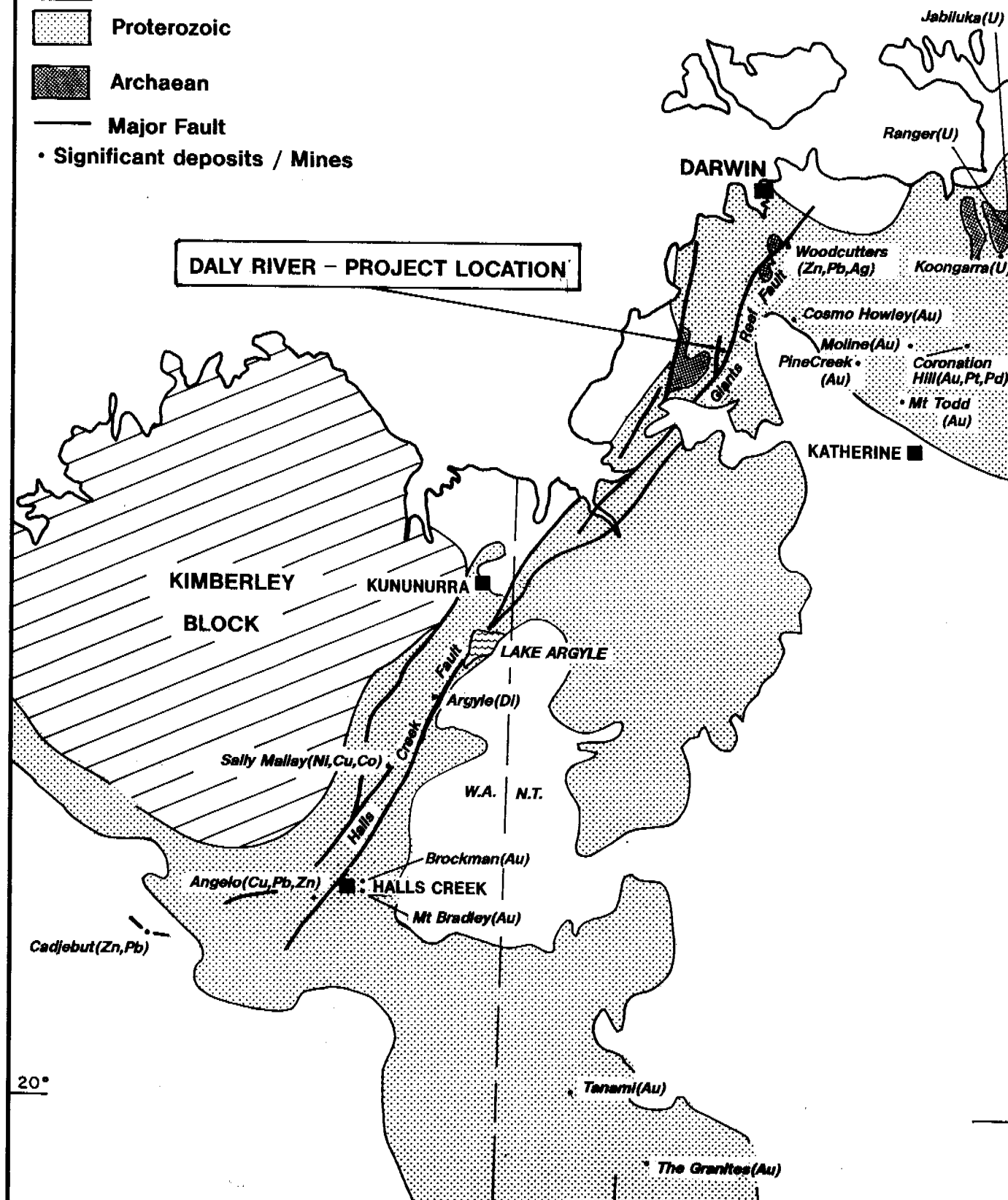
GEOL D.W.S	SCALE AS SHOWN	REPORT No
DRAWN V.L.	DATE JUNE, 1993	FIGURE No 2



TROY RESOURCES N.L.		
DALY RIVER PROJECT		
TENEMENT LOCATION PLAN		
SHOWING AREA RELINQUISHED		
E.L. 5339		
GEOL D.W.S	SCALE AS SHOWN	REPORT No
DRAWN V.L.	DATE JUNE, 1993	FIGURE No 3

Generalized Geology

-  Post Proterozoic
-  Proterozoic - Kimberley Block
-  Proterozoic
-  Archaean
-  Major Fault
- Significant deposits / Mines



Troy Resources N.L.

DALY RIVER PROJECT LOCATION

GEOL	D.S.	SCALE	REPORT No
DRAWN	A.R.	1:5,000,000	
		DATE	FIGURE No
		MAR'93	4

SYMBOLS

- ✕ Old Workings
- Known Base Metal Prospect
- ▨ Excised

130° 40'

ANOMALY "A"

Resource reported as 540 000t @ 6.6% Zn,
2.2% Cu & 19p.p.m. Ag

EL.7308

Numerous economic grade
drill intersections
warrant additional drilling

Generalized bedrock geology

- Cambrian**
- € Limestone, siltstone
- Proterozoic**
- + Granitoids
 - ▨ Basic, Ultrabasic rocks
 - Metasediments
 - Felsic volcanics
 - Outcrop
 - Inferred

— Fault

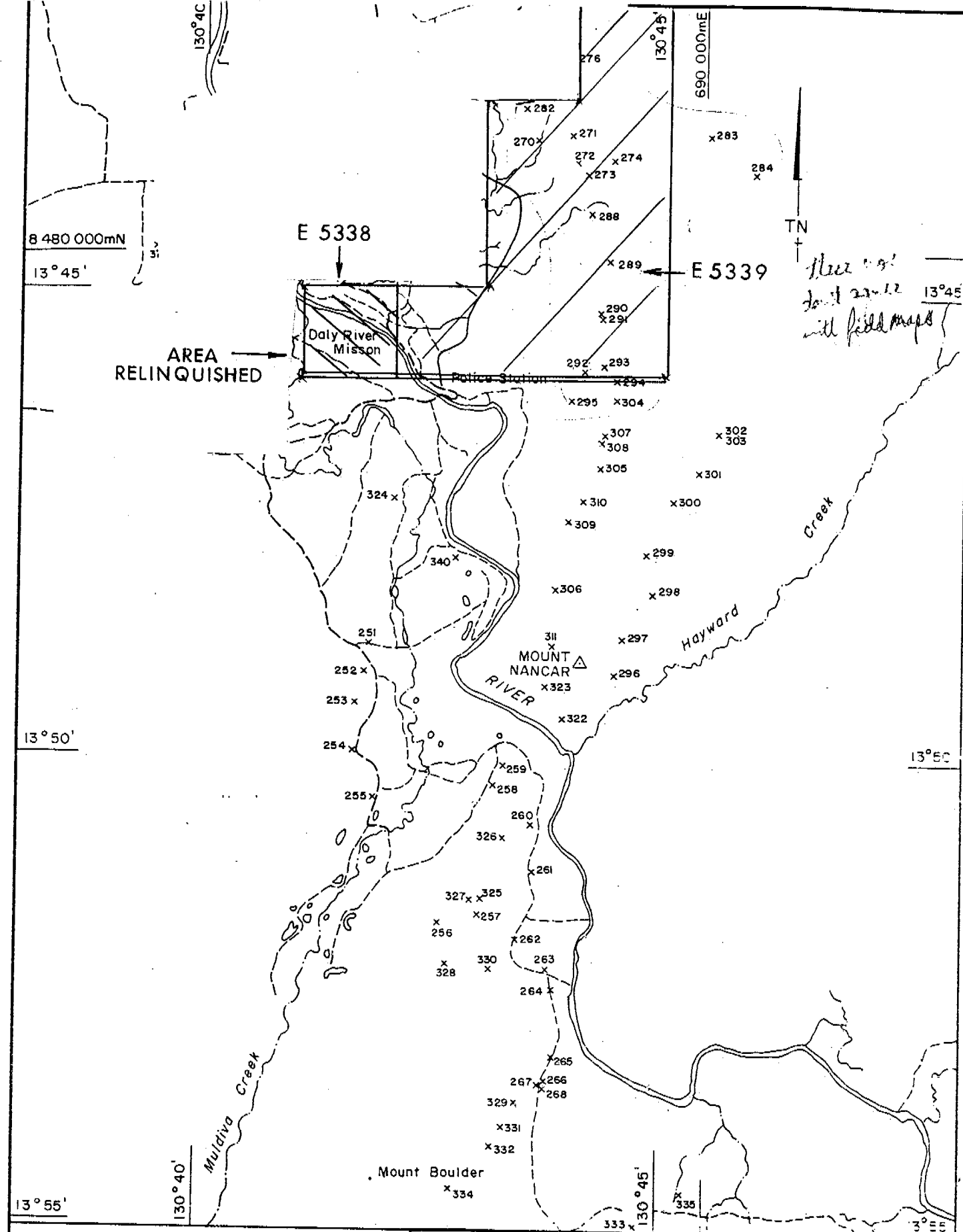
0 5 10
KILOMETRES

13° 40'

Troy Resources N.L.

DALY RIVER PROJECT REGIONAL GEOLOGY

GEOL	C.B.	SCALE	AS SHOWN	REPORT No
DRAWN	E.P.	DATE	MAR'93	FIGURE No 5



RIVER
 TRACK
 TRIG STATION
 CREEK
 MINOR ROAD

NOTE:
All BLEG sample locations to be prefixed by NT-01



Geo RAM

Drawn KAB

Checked

Date 3/8/90

GEOPEKO

A DIVISION OF
PEKO EXPLORATION LTD.
A.C.N. 000 362 550

Scale 1:100000
0 2 4 km

Map Ref. PINE CREEK SD52-8

**DALY RIVER
BLEG SAMPLE LOCATIONS**

DALY RIVER

Dwg. No NPC 001 107

Geology by P.S.	Scale 1:25,000	Report No
Drawn by A.R.	Date APRIL 1993	Drg No