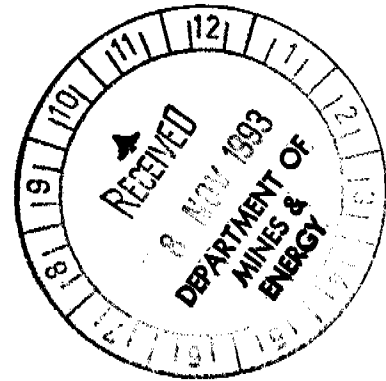


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FINAL REPORT
ON
EXPLORATION LICENCE 3421
"KUKALAK"
ARNHEM LAND, NORTHERN TERRITORY

COVERING THE PERIOD
14 SEPTEMBER 1987 - 13 SEPTEMBER 1993

COMPILED BY
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OCTOBER 1993

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CR 93/683

(i)

SUMMARY

EL 3421 was granted 14 September 1987 and expired 13 September 1993. This report gives a summary of all work done and expenditures for the period of tenure and lists the annual reports which give full details of all work done.

(ii)

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1. INTRODUCTION

EL 3421 was granted to Uranerz Australia Pty Ltd (Uranerz) on behalf of the Alligator Rivers Joint Venture (ARJV) on 14 September 1987 after an agreement had been signed on 10 September 1987 with the Northern Land Council (NLC) representing the Aboriginal owners of the land. The ARJV was a 50:50 partnership between Uranerz and Kumagai Gumi Co. Ltd (Kumagai).

Afmeco Pty Ltd (Afmeco) became manager of the ARJV after a farm-in agreement had been signed on 19 September 1991. Uranerz was sold to Noble Resources NL (Noble) earlier in the year and its name was changed to UAL Pty Ltd (UAL) in September 1992. Afmeco withdrew their interest in EL 3421 as of 30 April 1993 and the project reverted to the ARJV partnership, with UAL as manager. Kumagai Gumi Co Ltd withdrew its interest in EL 3421 in July 1993 and UAL now retain 100% interest in the property.

The tenement comprises 125 blocks totalling 403km² and is bounded by latitudes 12°25'S and 12°40'S and longitudes 133°25'E and 133°35'E.

The northern portion of EL 3421 was worked from a base camp on the southern bank of Tin Camp Creek in EL 3418, with an outcamp on the Goomadeer River within EL 3421 providing a base for work on the southern portion.

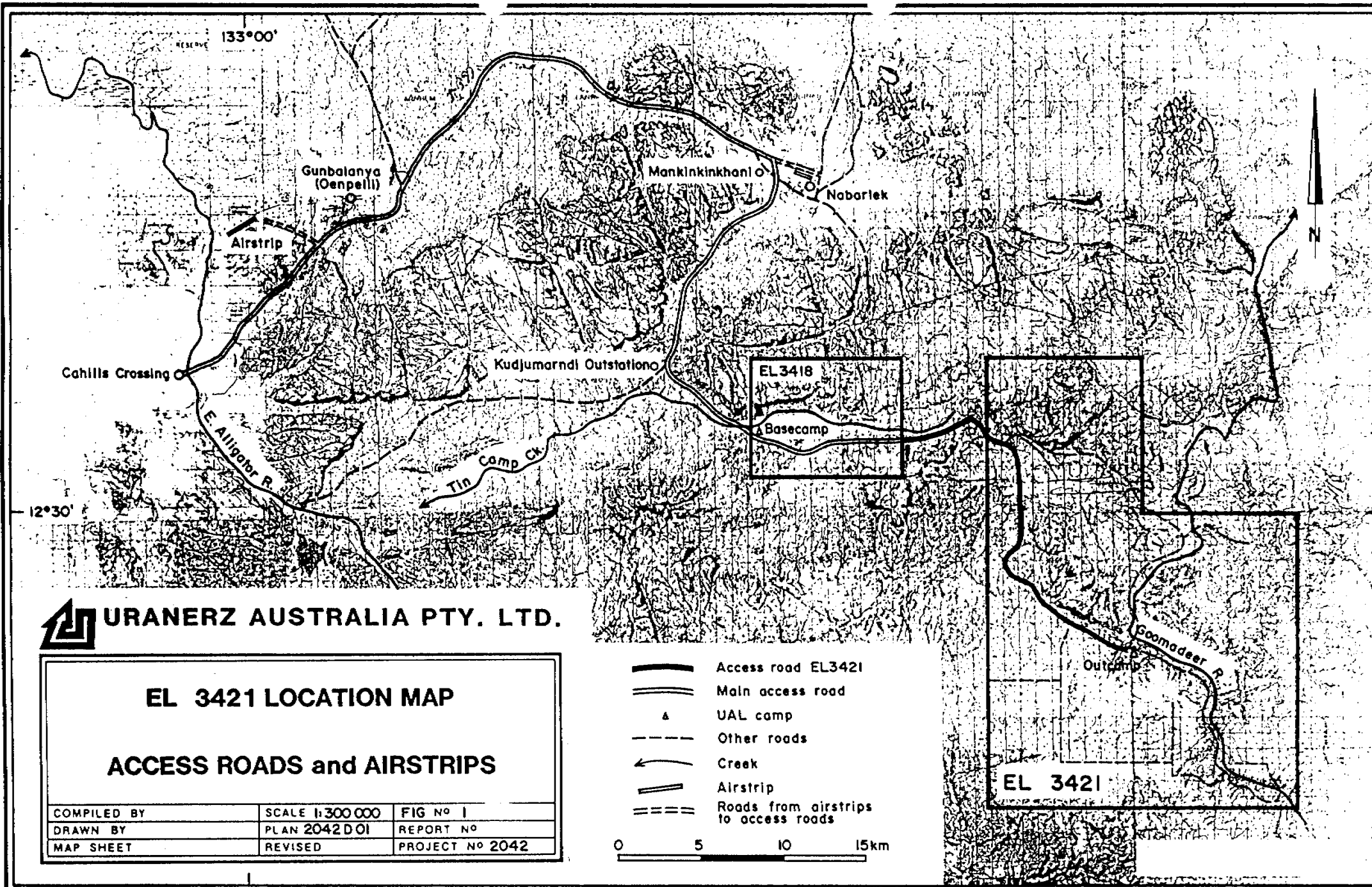
This report details all work carried out during the six years of tenure.

2. LOCATION

EL 3421 lies approximately 50kms ESE of Oenpelli, in Western Arnhem Land. It is located on the ALLIGATOR RIVER 1:250,000 map sheet SD53-1 and the OENPELLI, HOWSHIP and LIVERPOOL 1:100,000 map sheets 5573, 5573 and 5672 (Figure 1).

3. GEOLOGY

The majority of the licence area (90%) is covered by the Middle Proterozoic sandstones of the Kombolgie Formation. Significant exposures of the early Middle Proterozoic Oenpelli Dolerite occur both in the Caramal East Inlier and in the Goomadeer Valley (curvilinear fault controlled feature) surrounded by Kombolgie Formation. Dolerite is also exposed in a prominent fault-bounded valley at the eastern extremity of the Caramal East Inlier. The Goomadeer Valley trends SE and cuts diagonally across the tenement to its SE corner. The dolerite displays intrusive contacts with the Kombolgie Formation. Northeast of the Goomadeer Valley are extensive exposures of the Nungbalgarri Volcanic member and the Upper Kombolgie sandstone. The lower sandstone is exposed in two broad anticlines. Remnants of lateritised Nungbalgarri Volcanics are preserved on the lower sandstone. This surface represents the top of the lower member and is commonly hornfelsed and silicified and marked by load casts varying in diameter from 1 to 100m. The




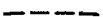





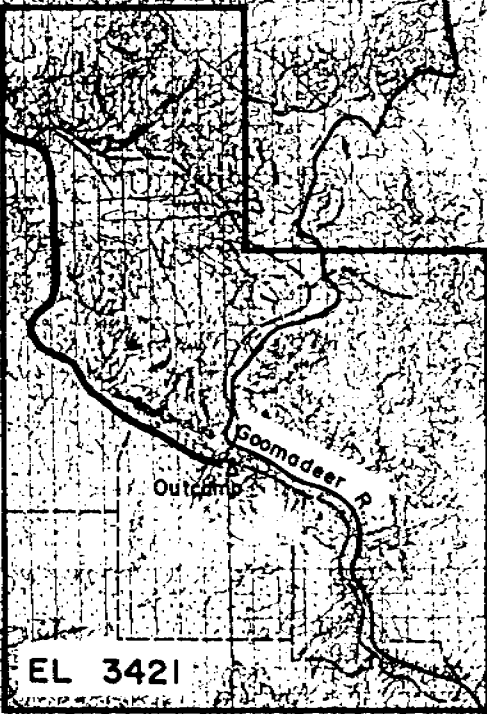
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EL 3421 LOCATION MAP

ACCESS ROADS and AIRSTRIPS

COMPILED BY	SCALE 1:300 000	FIG NO 1
DRAWN BY	PLAN 2042 D 01	REPORT NO
MAP SHEET	REVISED	PROJECT NO 2042

-  Access road EL3421
 -  Main access road
 -  UAL camp
 -  Other roads
 -  Creek
 -  Airstrip
 -  Roads from airstrips to access roads
- 0 5 10 15km



thickness of this lower Kombolgie sandstone unit is in the order of 150-200m. The Nungbalgarri Volcanics and Upper Sandstone represent an additional 10-150m of cover.

4. WORK DONE

The exploration season on EL 3421 is governed by the onset and severity of the 'wet'. This has generally resulted in conditions being suitable for exploration during the months of May to November. The anniversary date of EL 3421 is 14 September and the licence year therefore straddles two field seasons. Work statistics tabled in this report are for calendar years and will differ from those quoted in the individual annual reports.

Uranerz was the original manager of the ARJV and carried out all of the field work on EL 3421 from September 1987 to October 1990. Details are as follows:

1987

Field work commenced from the base camp on Tin Camp Creek in EL 3418, immediately the tenement was granted. This involved an airborne magnetic and radiometric survey, air photography, helicopter gravity, ground gravity and magnetic follow-up, reconnaissance geological mapping and geochemical sampling. The field season was from 14 September 1987 to 20 November 1987 (1987-1988 Annual Report).

1988

Tracks covering most of the accessible portions of the tenement were laid in at the start of the 1988 season and much of the southwestern portion of the tenement gridded. Gravity, scintillometry, EM and radon alpha track surveys were carried out over the gridded areas. Reconnaissance geological mapping, in conjunction with soil, sandstone, stream sediment and grab sampling was carried out over the whole tenement area. Drilling was also carried out later in the season with 29 shallow RAB/percussion holes and 8 deeper diamond/percussion holes. The field season ran from 29 April to 03 November 1988 (1987-1988, 1988-1989 Annual Reports).

1989

Tracks were upgraded at the start of the field season and new drill access tracks dozed in, after prior archaeological clearance by the NLC. Gravity, alpha track surveys and geochemical sampling were carried out in addition to the drilling of 14 percussion/diamond holes. The field season extended from 12 May to 30 October 1989 (1988-1989, 1989-1990 Annual Reports).

1990

Track repair at the start of the season was carried out as usual on the northern portion of the licence area and stream sediment and soil sampling surveys were conducted, with gold as the principle target, over several anomalous areas. A field inspection was carried out in mid-June with NLC representative Andrew Jackson, to discuss rehabilitation requirements for the road network on EL 3421. This rehabilitation program was carried out from 24 September to 01 October 1990 using CVC contractors, the local Aboriginal earthmoving company who had done much of the annual track maintenance (1989-1990, 1990-1991 Annual Report).

1991

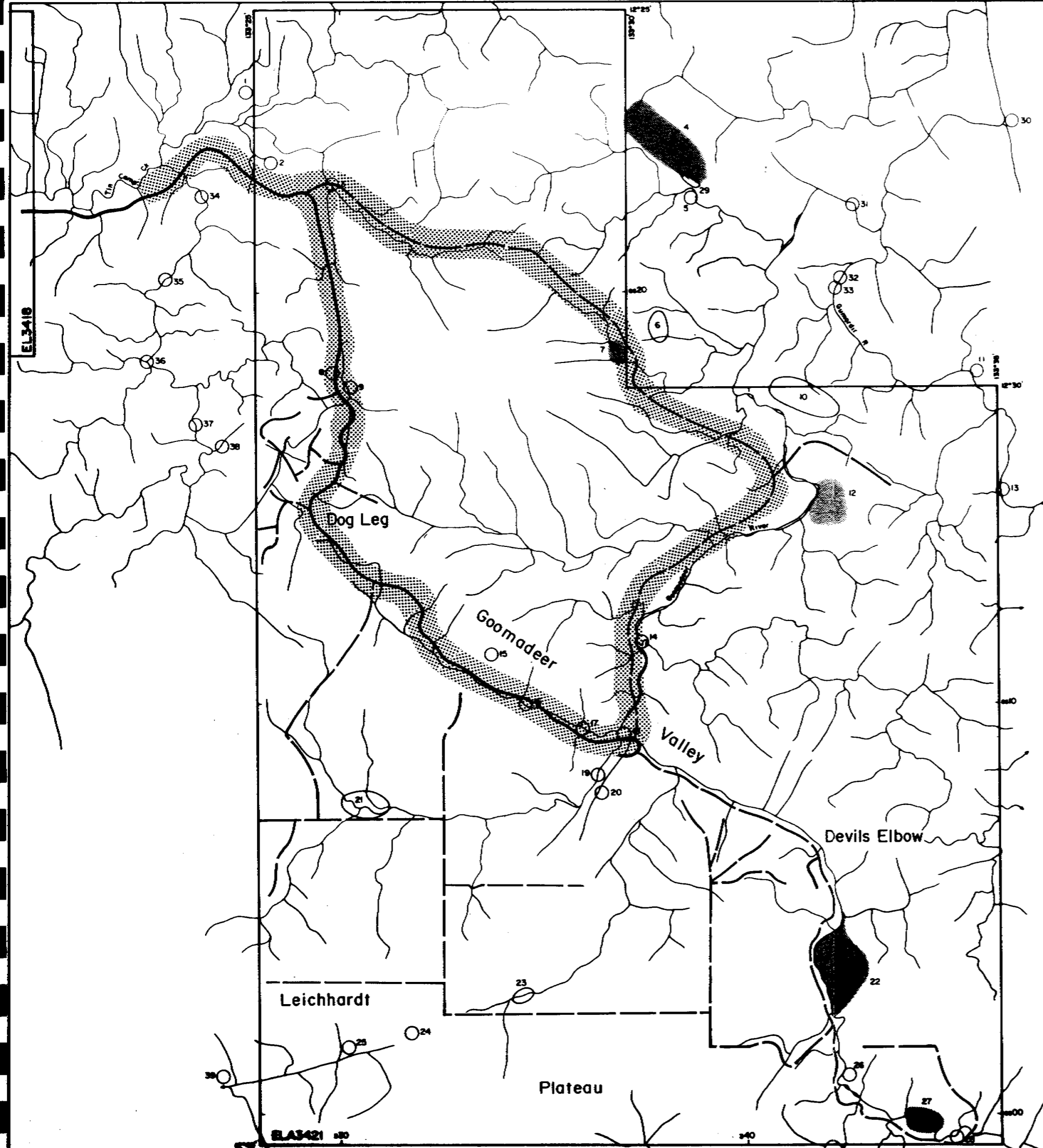
Afmeco signed a farm-in agreement and took over as manager on 19 September 1991. Exploration was confined to examination and sampling of existing diamond drill core, which was stored at the Base Camp in EL 3418 (1991-1992 Annual Report).

1992

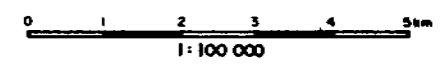
Work carried out by Uranerz was reviewed and re-evaluated by Afmeco. No field work was done on EL 3421 (1991-1992 Annual Report).

1993

In January 1993 Afmeco advised the ARJV partners that it was withdrawing from EL 3421 as of 30 April 1993. UAL became manager as of this date and commenced talks with parties interested in exploring the tenement for diamonds, in addition to further exploration for uranium and other metals.



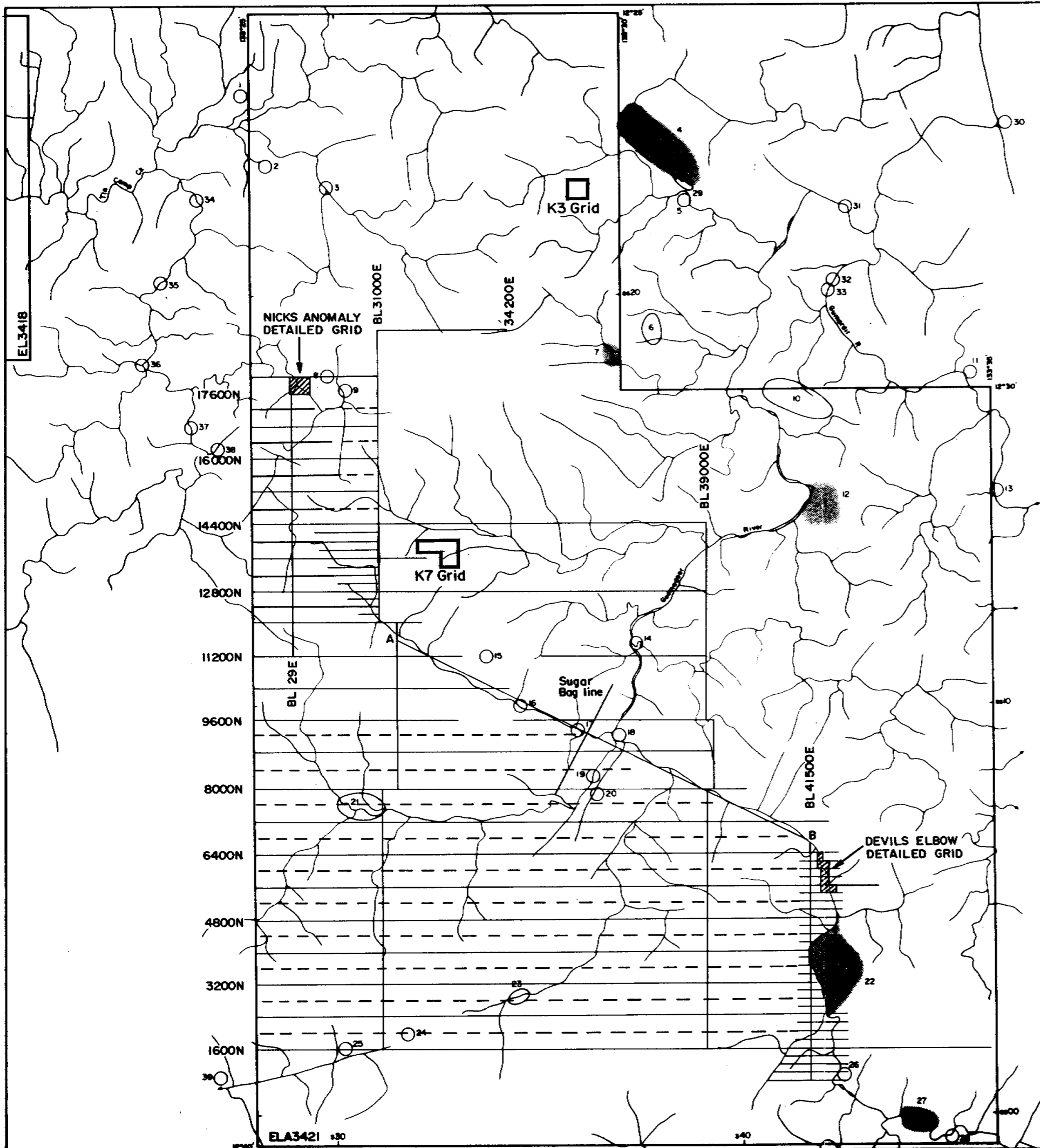
- Tracks constructed to June 89
- ▨ Tracks reopened in 1990
- Sites excluded from company access, exploration and mining
- Sites subject to clearance
- N.B. Ground verification of sites required
- Main access track
- - - Other tracks


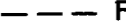




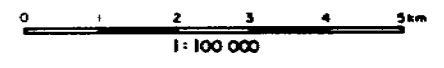
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EL3421 KUKALAK		
TRACKS		
COMPILED BY JH Mar 89	SCALE 1:100000	FIG N° 2
DRAWN BY	PLAN 2042D06	REPORT N°
MAP SHEET	REVISED	PROJECT N°

EL3421



-  1990 gridding
-  Flagged lines
-  Sites excluded from company access, exploration and mining
-  Sites subject to clearance
- N B Ground verification of sites required
- A-B Baseline Goomadeer Valley



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EL3421 KUKALAK		
GRID LOCATION		
COMPILED BY	SCALE	FIG NO
DRAWN BY	PLAN	REPORT NO
MAP SHEET	REVISED	PROJECT NO

Table 1

WORK STATISTICS FOR 1987 - 1990

	1987	1988	1989	1990	Total
Roads/Tracks:					
New (km)	26.0	73.0	34.2	-	132.20
Upgraded (kms)	-	26.0	50.0	85.0	161.0
Gridding (line-kms)	-	437.7	23.8	0.7	462.2
Gravity:					
Helicopter (stn)	162	-	-	-	162
Ground (stn)	177	2173	347	-	2697
Scintillometry (line-km)	-	8.7	-	-	8.7
Radon:					
Alpha Track (stn)	-	8641	984	-	9625
Alpha Tube (stn)	83	170	-	-	253
EM:					
EM 37 (line-km)	-	36	-	-	36
Sirotem (line-km)	-	-	-	-	-
Geochemistry:					
Whole Rock	71	36	34	-	141
Routine	32	193	145	-	370
Sandstone	112	264	345	-	721
Stream Sediment	129	17	343	-	489
Waters	17	55	-	-	72
Soil			339	499	838
Au Pt Pd				55	55
Drilling - Shallow:					
No. of Holes	-	29	-	-	29
RAB (m)	-	149	-	-	149
Percussion (m)	-	350	-	-	350
Drilling - Deep:					
No. of Holes	-	8	14	-	22
Percussion (m)	-	717.1	802.7	-	1519.8
Diamond (m)	-	1079.7	1595.3	-	2675.0
Geological Mapping (km ²)	30	50	10	3	93
Thin Sections	53	62	45	-	160
Density Determinations	9	89	261	-	359
Magnetic Susceptibility Readings	133	-	144	-	247
Airborne Survey:					
Fixed Wing (line-km)	2387	-	-	-	2387
Helicopter Spectrometry (Hr)	-	15	4	-	19
Input EM (line-km)	-	-	-	-	-
Trenches	-	13	-	-	13
Levelling:					
Gravity (line-kms)	-	219	34.7	-	253.7
Helicopter (stns)	-	162	-	-	162

Table 2**EXPENDITURE STATISTICS
1987 - 1993**

Period	Manager	Expenditure \$
14 September 1987 - 13 September 1988	Uranerz	1,111,330
14 September 1988 - 13 September 1989	Uranerz	1,305,604
14 September 1989 - 13 September 1990	Uranerz	131,248
14 September 1990 - 13 September 1991	Uranerz	131,248
14 September 1991 - 13 September 1992	Afmeco	16,691
14 September 1992 - 13 September 1993	Afmeco	10,032
Total		\$3,183,021

REFERENCES**ANNUAL REPORTS LODGED WITH THE
NT DEPARTMENT OF MINES & ENERGY**

Period	Compiled by	Manager
September 1987-September 1988	J. Rich/R.M. Easdown	Uranerz
September 1988-September 1989	K.S. Taylor	Uranerz
September 1989-September 1990	K.S. Taylor	Uranerz
September 1990-September 1991	K.S. Taylor	Uranerz
September 1991-September 1992	J.C. Rippert	Afmeco
September 1987-September 1993	K.S. Taylor	Afmeco/UAL