00673

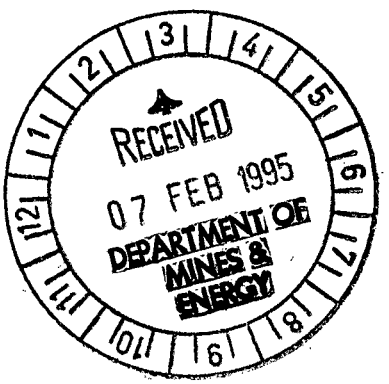
ANNUAL REPORT

ON

6/2

EL 8369

JANUARY 1994 - DECEMBER 1994



MARKARANKA SELECTED SEED CO PTY LTD

JANUARY, 1995

CR 95/140

CONTENTS

ANNUAL REPORT ON EXPLORATION

Period:	01.01.94 - 31.12.94
Tenement:	Exploration licence 8369
Mineral:	Gold
Location:	Margaret River 14/2 - I Batchelor 14/2 - IV Burrell Creek 14/2 - III 1 : 50 000 sheet situated within Mt Keppler Station and Mt Ringwood Station.
Author:	W R JETTNER
Date:	January, 1995

SUMMARY

Regional geochemical appraisal of the tenement area involved a combination of rock chip sampling and soil sampling.

Amongst areas of interest were H23, G103 and G101. The most significant prospect H23 yielded rock chips to 4.18 g/t over a distance exceeding 400 m. Prospect G103 displayed continuous gold values over 300 m but were of only low values, the best 0.7 g/t.

NORTHERN TERRITORY OF AUSTRALIA

Mining Act

EXPLORATION LICENCE

EL No. 8369

Markaranka Selected Seed Company Pty Limited, ACN 007 615 018 are hereby licensed, for a period of three [3] years from the date hereof, to explore in accordance with the provisions of the Mining Act, the regulations thereunder and the terms and conditions specified in the First Schedule, all the area of land delineated in the Second Schedule, excluding therefrom all land vested in the Commonwealth and all radio repeater sites held by the Australian Telecommunications Commission.

C P SMITH
Principal Registrar
as Delegate of the Minister for Mines and Energy

DATE 30/12/93

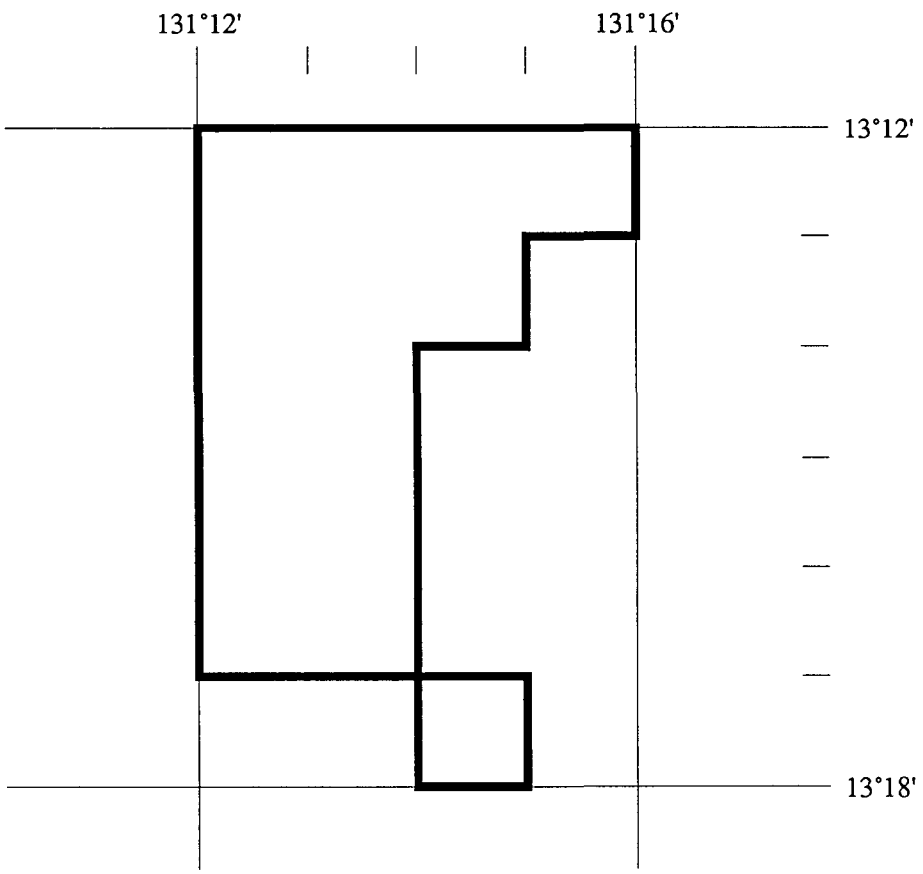
FIRST SCHEDULE

1. The licensee shall ensure that a minimum amount of $9 000 is expended in carrying out exploration on the licence area during year one (1) of the licence.

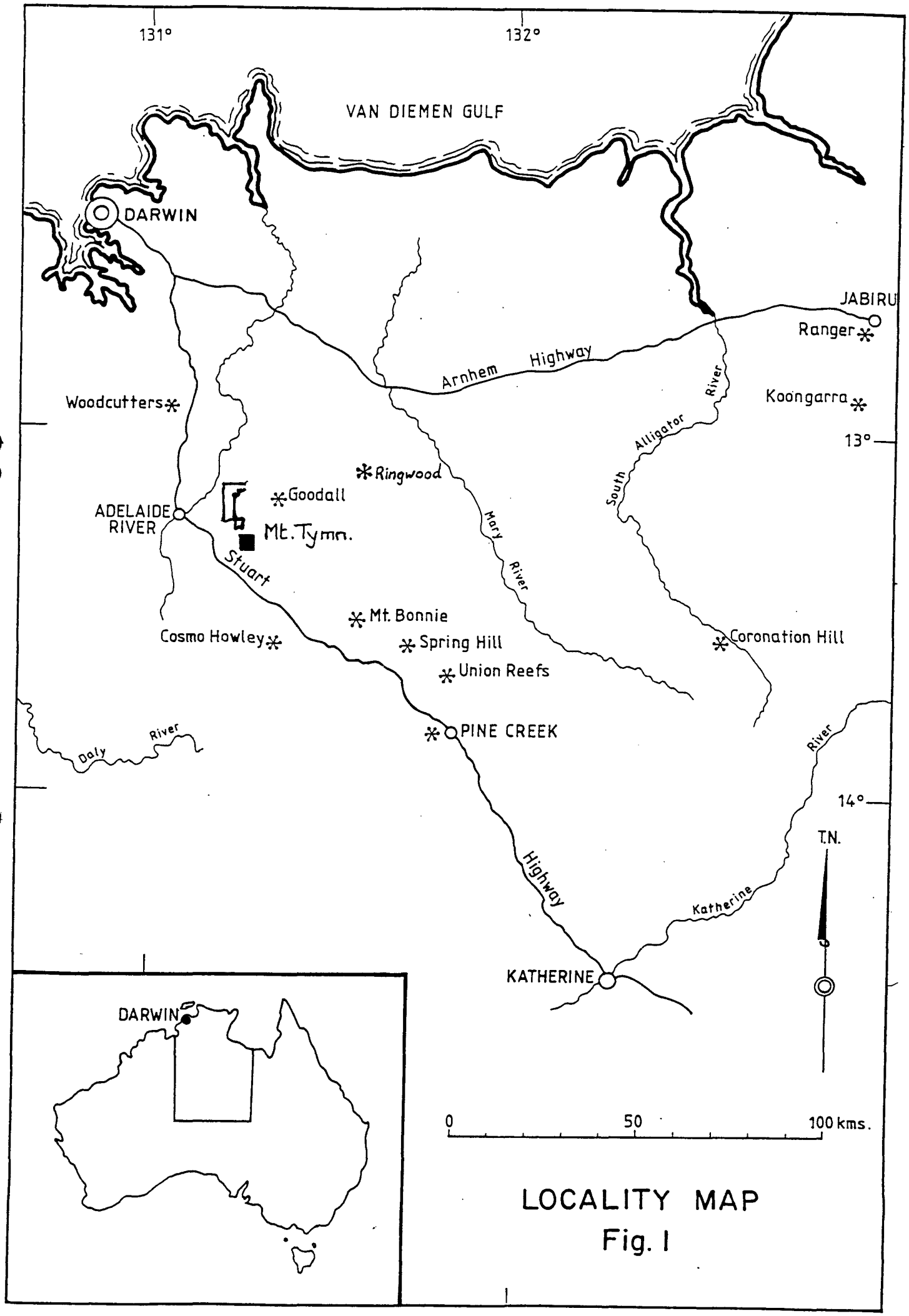
2. The licensee shall comply with the provisions of and directions lawfully given under this Act and all other laws in force in the Territory as are applicable to his/their activities on the licence area.

3. Not later than one (1) month after the expiration of each 12 month period of this licence, the holder shall submit in writing a statement specifying the details of the exploration programme reflecting expenditure for the next year of the licence.

SECOND SCHEDULE
(Plan of Area)



EL8369
14 BLOCKS
45 sq kms



LOCALITY MAP

Fig. 1

INTRODUCTION

This report details exploration carried out in the first year of EL8369. The work was carried out by Markaranka Selected Seed Co Pty Ltd.

The licence is located at the conjunction of the Batchelor, Margaret River and Burrell Creek on 1 : 50 000 Tenement Sheets and consists of 14 blocks. Good access is afforded the southern section of the tenement via the road to the former Goodall Mine formerly called Fisher Road but now controlled by Mt Ringwood Station. The northern section can be accessed via the Mt Keppler C Yards access road then the main Tortilla Road.

The licence covers part of the Western Pine Creek Geosyncline and is underlain by dominantly siltstone, shales and wackies, with minor ferruginous shale/banded iron formation. These rocks are assigned to the Mount Bonnie and Burrell Creek formations.

Quartz and gossanous quartz veining occurs mainly in a line from just west of Mt Foelsche southwards towards Mt Tymm. Some fault and fault breccias have associated gold and arsenic mineralisation.

A prominent quartz vein, some two kilometres south west of Mt Foelsche at Prospect denoted H23, extensive gold mineralisation occurs. Part of this area is excluded from the EL8369 as MCN4277.

PREVIOUS EXPLORATION

Previous work by WR Grace Australia Limited and Western Mining Corporation over sections of EL8369 indicated gold potential south west and north of Mt Foelsche at Prospect H23. Extensive soil surveys, rock chip sampling and nine drill holes confirmed the existence of medium to high gold assays but fairly variable over the entire prospect. A major part of this work is located within MCN4277, excluded from EL8369.

However, extension of the quartz stockwork north of MCN4277 also gave results of gold mineralisation which was examined in the current exploration programme. Drill hole six assayed up to 4 g/t.

Further south towards Mt Tymm, areas designated G103 and G101 were explored by Western Mining Corporation and more recently by Aztec Mining, both confirming low grade gold mineralisation.

1994 EXPLORATION PROGRAMME

8.1 Introduction

Work carried out included research into the previous exploration programme administered by Western Mining Corporation and WR Grace Australia Limited. Additional exploration by Aztec Mining over the southern section of EL8369 was also studied.

8.2 Regional Rock Chip Survey

Generally rock chips were collected over ten metres along the quartz stockwork north of MCN4277 and an area was examined south of MCN4277 for potential extension of the same reef.

Further south about two kilometres, rock chip sampling of a hill in lines 30 m apart and 15 m between each sample were collected and assayed.

Rock chip sampling of G103 and G101 was carried out at 25 m intervals and assayed.

8.3 H23

Previous geological mapping of this area delineated a northerly trending, gossanous stockwork of quartz veins contained within a sequence of grey wacke dominated turbidite units together with, a similarly trending quartz reef which recorded rock chip assays up to 18.1 g/t. The one drill hole within the area gave results up to 4.18 g/t at 20 m deep.

The decision was made to rock chip sample the main surface expressions of the quartz stockwork and these results are included in this report. The best result was 4 g/t. This area, like most of the Mt Foelsche area is very isolated from station tracks and require track improvement to the southern boundary track of Mt Keppler Station before moving in machinery for sub-surface explorations.

The area immediately south of MCN4277 gave encouraging soil assays from previous exploration but is heavily grassed and timbered and will require surface clearing machinery before further controlled sampling can take place. Both north and south of MCN4277 will require grid control of sampling etc early in the dry season of 1995.

8.4 R I

This area is just south of the Mt Keppler Station boundary and about two kilometres south, south east of H23. It is a prominent hill with intense quartz veining through out. . Rock chip sampling was carried out in lines 30 m apart and 15 m between each sample site. All results failed to indicate any gold mineralisation. Former soil sampling indicated gold mineralisation north of this area.

8.5 G103 and G101

Sampling was not completed along G101 due to a severe early season storm completely isolating this area.

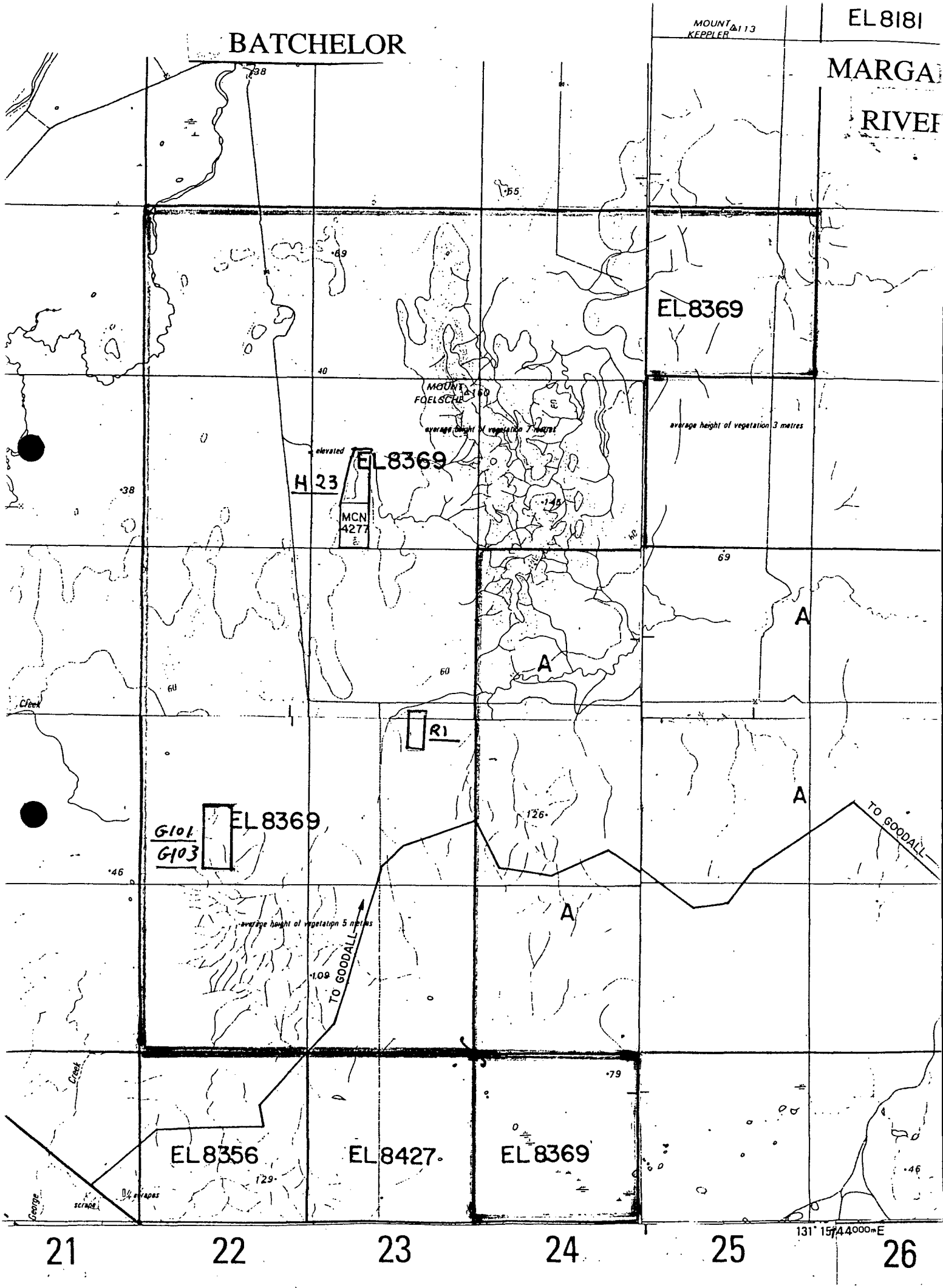
Rock chip sampling at G103 gave very little indication of any economical gold values and the area of G101 sampled likewise. However, no attempt has been made for any sub-surface sampling to date. This will be studied after completion of sampling at G103 and surrounding areas as previous results show an extensive area of continuous low grade values with maximum of 1.1 g/t.

EXPLORATION EXPENDITURE

	$
Tenement Expenses	490.00
Base Support Costs	400.00
Stores	410.00
Administration	2 100.00
Field Work 15 days @ $150 per day	2 250.00
Vehicle 15 days @ $120 per day	1 800.00
Data Base Search and Collation	810.00
Assay and Tests	620.00
Reports	600.00
Insurance	300.00
	$ 9 700.00

1995 EXPLORATION PROGRAMME

1.	Establish grid on Prospect H23 both North and South of MCN4277 and costean selected areas.	$ 3 000.00
2.	Complete rock chip sampling on Prospects G101 and G103.	1 000.00
3.	Costean selected areas on G101 and G103.	3 000.00
4.	Rock chip along quartz veins North and South of Mt Foelsche.	2 000.00
		$ 9 000.00


BATCHELOR
MOUNT KEPPLER
EL 8181
MARGA
RIVE
EL8369
MOUNT FOELSCHE
average height of vegetation 7 metres
average height of vegetation 3 metres
elevated
EL8369
H 23
MCN 4277
A
A
A
R1
G101
G103
EL 8369
TO GOODALL
TO GOODALL
average height of vegetation 5 metres
EL8356
EL8427
EL8369
Creek
George
scrape
131° 15' 44000mE
21
22
23
24
25
26

ASSAYCORP PTY LTD
A.C.N. 052 982 9
174 Ward Street, Pine Creek, N.T. 084
P.O. Box 41, Pine Creek, N.T. 084
Telephone (089) 76 126
Facsimile (089) 76 131

ASSAY CODE: AC 15339

Sample		Au (ppm)	Au(R) (ppm)
H23	4623	0.66	0.69
H23	4624	1.47	1.45
H23	4625	0.23	
H23	4626	0.18	
H23	4627	0.14	
H23	4628	0.07	
H23	4629	4.18	3.79
H23	4630	0.61	
H23	4631	0.05	
H23	4632	0.07	
H23	4633	0.02	0.03
RI	4634	<0.01	
RI	4635	0.01	
RI	4636	<0.01	
RI	4637	<0.01	
K2	4650	0.08	
K2	4651	1.23	1.03
K2	4652	2.60	1.91
K2	4653	0.22	
K2	4654	8.50	6.15
K2	4655	1.09	
K2	4656	0.50	
K2	4657	0.05	
K2	4658	0.03	
K2	4659	0.01	

ASSAYCORP PTY LTD
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Facsimile (089) 76 1310

ASSAY CODE: AC 15339

Sample		Au (ppm)	Au(R) (ppm)
H21	4685	0.83	0.87
H21	4686	0.10	0.08
RI	4685	<0.01	
RI	4686	<0.01	
RI	4687	0.01	
RI	4688	<0.01	
RI	4689	<0.01	
RI	4690	<0.01	
RI	4691	<0.01	
RI	4692	<0.01	
RI	4693	<0.01	
RI	4694	<0.01	<0.01
RI	4695	<0.01	
RI	4696	<0.01	
RI	4697	<0.01	
RI	4698	<0.01	
RI	4699	<0.01	
RI	4700	<0.01	
H21	4701	5.93	5.59
H21	4702	0.45	
H21	4703	0.57	
H21	4704	0.48	0.57
H21	4705	0.42	0.32
H21	4706	0.53	
H21	4707	0.57	

ASSAYCORP PTY LTD
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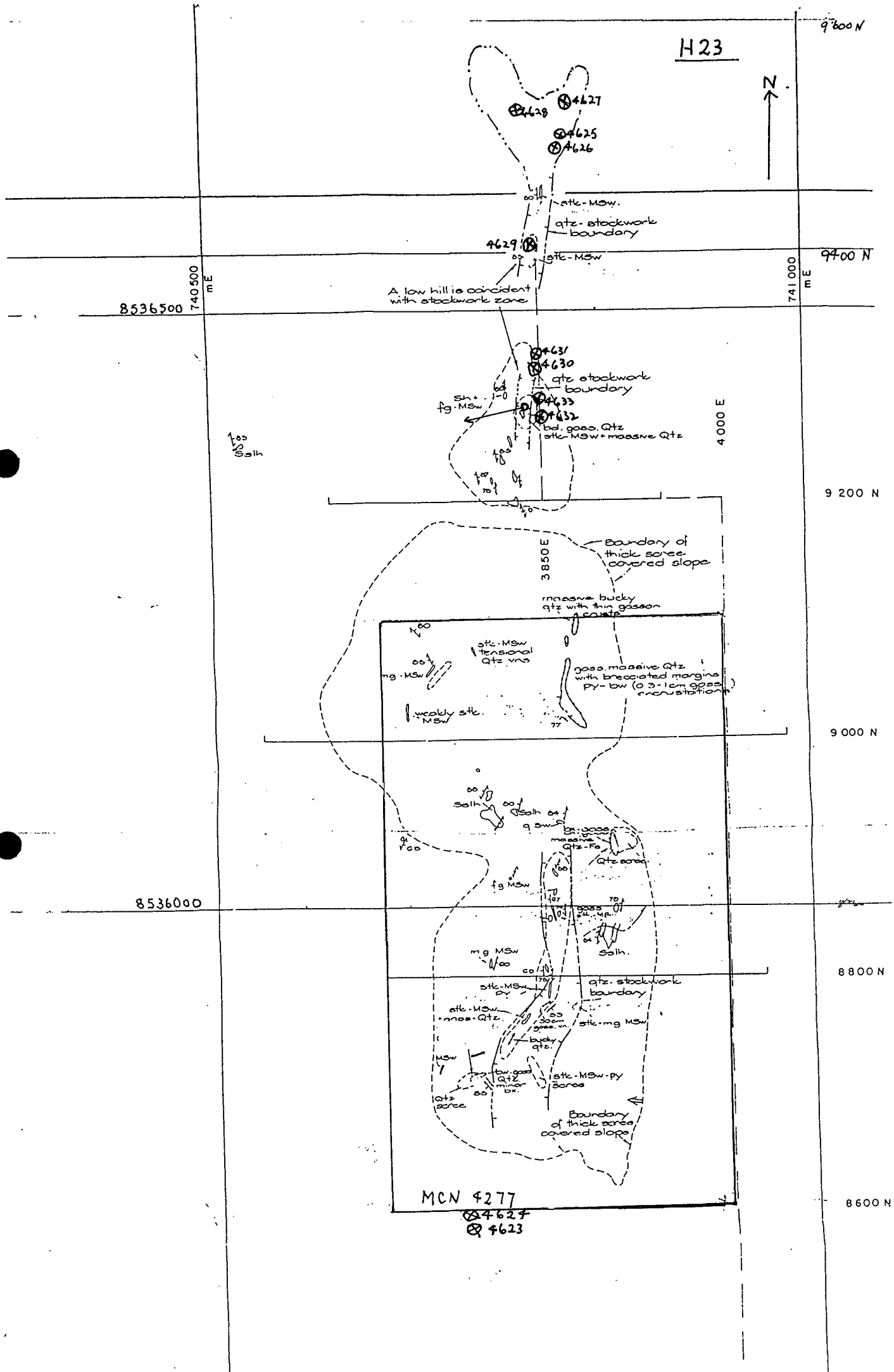
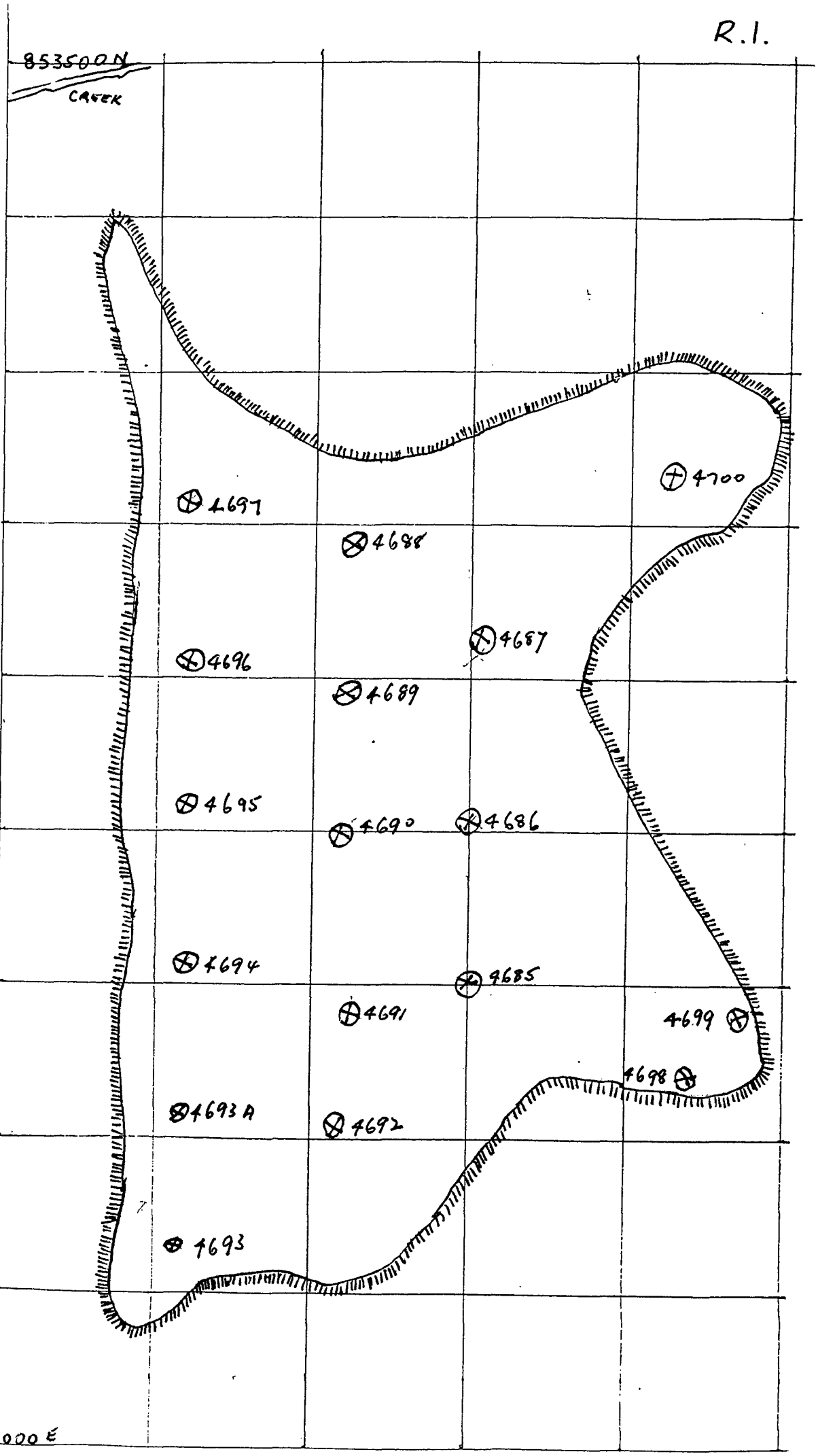
P.O. Box 41, Pine Creek, N.T. 08-
Telephone (089) 76 12(
Facsimile (089) 76 13

ASSAY CODE: AC 15339

Sample		Au (ppm)	Au(R) (ppm)
H23	4660	0.13	
H23	4661	0.11	
H23	4662	1.34	1.21
H23	4663	0.39	
H23	4664	0.99	
H23	4665	46.1	49.3
H23	4666	0.33	0.23
H21	4667	0.25	
H21	4668	0.88	
H21	4669	0.72	
H21	4670	0.08	
H21	4671	0.41	
H21	4672	1.63	1.80
H21	4673	0.40	
H21	4674	0.16	
H21	4675	0.24	
H21	4676	0.04	
H21	4677	0.36	
H21	4678	0.94	0.87
H21	4679	0.06	0.04
H21	4680	0.04	
H21	4681	0.04	
H21	4682	0.41	0.41
H21	4683	<< Sample not received >>	
H21	4684	0.30	


H23
N
9600 N
9400 N
9200 N
9000 N
8800 N
8600 N
740 500 mE
741 000 mE
8536500
8536000
4000 E
3850E
4627
4628
4625
4626
4629
4631
4630
4633
4632
stk-MSw.
qtz-stockwork boundary
stk-MSw
A low hill is coincident with stockwork zone
sh+fg MSw
bd. goss. Qtz stk-MSw + massive Qtz
Salh
Boundary of thick scree covered slope
massive bucky qtz with thin gossan coate
stk-MSw tensional Qtz vns
mg-MSw
goss. massive Qtz with brecciated margins py-bw (0.3-1cm goss encrustations)
weakly stk. MSw
Salh
fg MSw
goss massive Qtz-Fe
Qtz scree
mg MSw
stk-MSw py
qtz. stockwork boundary
stk-MSw + mass Qtz.
stk-mg MSw
bucky qtz.
stk-MSw-py scree
Qtz scree
Boundary of thick scree covered slope
MCN 4277
4627
4623

	P.P.M.
4623	0.66
4624	1.47
4625	0.23
4626	0.18
4627	0.14
4628	0.07
4629	4.18
4630	0.61
4631	0.05
4632	0.07
4633	0.02


R.1.
853500N
CREEK
4700
4697
4688
4687
4696
4689
4695
4690
4686
4694
4685
4691
4699
4698
4693A
4692
4693
741000E
N.
R.1.

R.1

	P.P.M.
4685	.01
4686	.01
4687	.01
4688	.01
4689	.01
4690	.01
4691	.01
4692	.01
4693	.01
4694	.01
4695	.01
4696	.01
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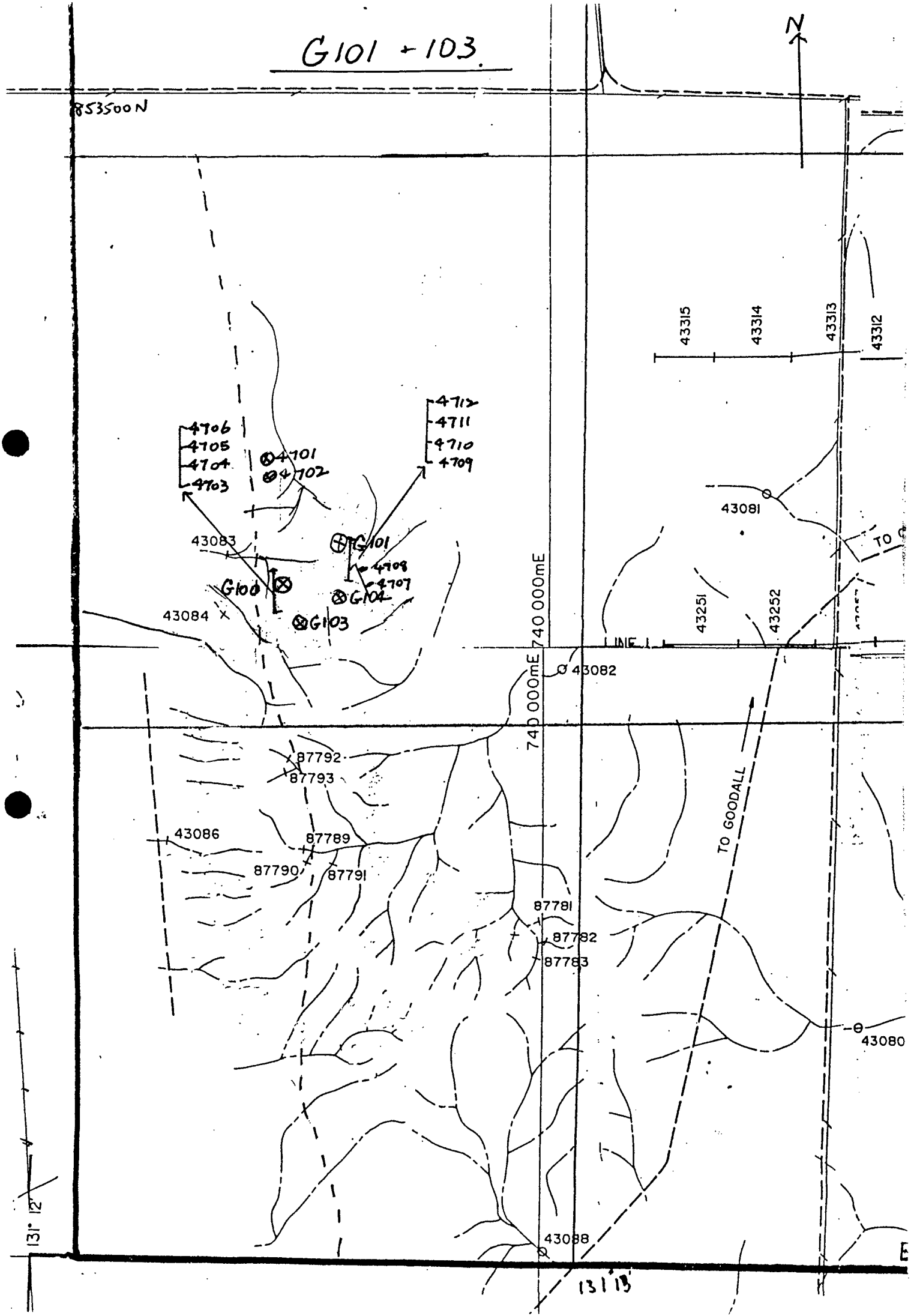
4700	.01
4634	.01
4635	.01
4636	.01
4637	.01


G101 + 103
N
853500N
4712
4711
4710
4709
4706
4705
4704
4703
4701
4702
43083
G101
4708
4707
G100
G104
43084
G103
43315
43314
43313
43312
43081
TO
740 000mE
43251
43252
43082
87792
87793
43086
87789
87790
87791
87781
87782
87783
TO GOODALL
43080
43088
131° 12'
131 19

G101 and 103

	P.P.M.
4801	0.04
4802	0.17
4803	0.04
4804	0.11
4805	0.3
4807	0.02
4808	0.01
4809	0.03
4810	0.12
4811	0.08
4812	0.01