TANAMI JOINT VENTURE

ZAPOPAN N.L.
KUMAGAI GUMI CO. LTD.
KINTARO METALS PTY. LTD.

EXPLORATION LICENCE 6446

TANAMI DOWNS STATION
GRANITES-TANAMI AREA
NORTHERN TERRITORY

SECOND ANNUAL REPORT

1991

THE GRANITES 1:250,000 SHEET

MAY 1991
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Figure 1 - Plan of Licence Area
1. **INTRODUCTION**

Exploration Licence 6446 is located on Tanami Downs Pastoral Lease approximately 50km south of the Tanami Mine. The EL covers 164 sq km (51 blocks) and was granted to Zapopan N.L., Kumagai Gumi Co. Ltd., and Kintaro Metals Pty. Ltd. ("Tanami Joint Venture") on 31st March 1989.

Previous geological work and a brief description of the local geology are to be found in the first years Annual Report for the licence.

EL 6446 holds great potential for "Granites" - style and "Dead Bullock Soak" - style gold mineralization, ie. stratabound mineralization within banded iron-rich rocks. However, Tanami Joint Venture has given the area a low priority due to a cover of Antrim Plateau Volcanics on the target formation. Another complicating factor is that there are 30 Mineral Claims (MCS 124-MCS 153) contained within the boundary of EL 6446 partly on the target formation.

Tanami Joint Venture has been able to negotiate an option agreement with the holders of the Mineral Claims to explore them before December 1991. Due to the remoteness of the area the Tanami Joint Venture has wanted to explore the area (EL 6446 + Mineral Claims) at the same time. Delays were experienced in finalizing the agreement with the Mineral Claim holders and hence exploration was delayed on EL 6446. The option agreement was registered in the Department on 18th April 1991.

In March 1991 a request for a deferral of reduction of the licence area was made to the Department of Mines & Energy. Approval for this deferral has been given until 30th March 1992.

2. **Work Completed**

Due to reasons outlined in the introduction the proposed forward programme for the licence was not carried out. The biggest cost in the programme was for ground magnetic surveys and this would have been impossible to complete without access to the Mineral Claims. Two site visits were carried out during the year to familiarize new staff but no sampling or ground magnetic surveying was undertaken.

Office work comprised studies into regional geology and structural analysis of available open-file airborne magnetic data.
3. **Expenditure**

Expenditure for Year 2 of the licence totalled $12,628.00 as against a commitment of $25,000.00.

4. **Forward Programme**

In order to explore the target areas within EL 6446 adequately, it is necessary to carry out concurrent exploration within MCS 124- MCS 153.

A programme of up to eight reverse circulation drillholes, targeting magnetic anomalies, is envisaged with probably half within EL 6446. Prior to drilling reconnaissance ground magnetics will be carried out to target anomalies more accurately.

The proposed forward programme for 1991/1992 is as follows:

<table>
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<tbody>
<tr>
<td>Drilling</td>
<td>10,000</td>
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<tr>
<td>Assaying</td>
<td>1,000</td>
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<tr>
<td>Salaries and wages</td>
<td>6,000</td>
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<tr>
<td>Vehicles, consumables, site costs</td>
<td>8,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>25,000</strong></td>
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The expenditure commitment sought for the third year of EL 6446 is $25,000.