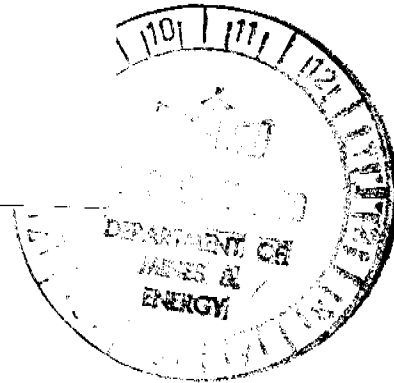


OPEN FILE



TITLE FIRST AND FINAL REPORT
EXPLORATION LICENCE 5872
VICTORIA RIVER AREA, NORTHERN TERRITORY

PERIOD 13 MAY 1988 TO 5 JULY 1989

TENEMENT HOLDERS & OPERATORS AUSTRALIAN ENERGY & GOLD NL
11TH FLOOR
28 THE ESPLANADE
PERTH

AUTHOR M G MULRONEY

DATE OCTOBER 1989

1:250,000 Limbunya SE52-7
1:100,000 Napier 4762

COPY NO: 1
REP.035

CR89/639

DISTRIBUTION:

1. Department of Mines & Energy, NT
2. Australian Energy and Gold NL - Darwin
3. Australian Energy and Gold NL - Perth

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SUMMARY

Exploration Licence 5872 was granted on 13 May 1988. Work completed during the first year of tenure involved a complete review of the conceptual model proposed and the previous exploration completed. In light of the current economic conditions, the project was found to be outside of the Company's current priorities and was surrendered on 5 July 1989.

1. INTRODUCTION

Exploration Licence 5872 was granted on 13 May 1988 to J W Shield and A R Quartermaine and subsequently transferred to Australian Energy and Gold NL on 3 August 1988. The area was taken up as part of a conceptual exploration project. Work completed during the first year of tenure involved a literature review of previous work to assess the potential of the area.

2. LOCATION AND ACCESS

The Exploration Licence is located in the Limbunya region, approximately 630 kilometres south-southwest of Darwin, close to the WA/NT border. Access is via the Stuart Highway south from Darwin to Katherine and then via the Buchanan Highway to Inverway Homestead. Access to the tenement is via station tracks.

3. TENURE

<u>Tenement Number</u>	<u>Date Granted</u>	<u>Area</u>	<u>Period</u>
EL5872	13-5-88	171km ² (36 blocks)	6 years

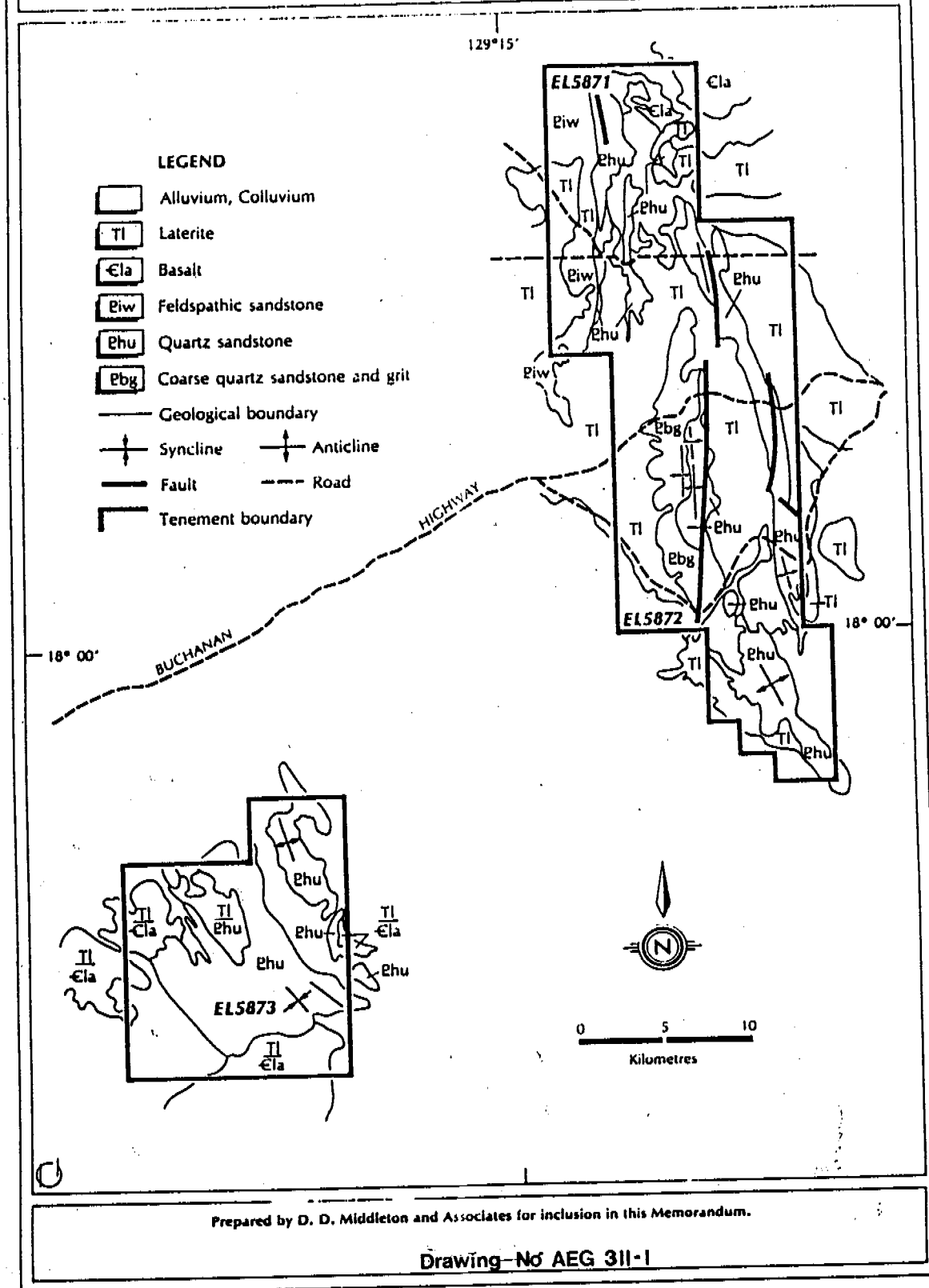
The Exploration Licence 5872 was surrendered on 5 July 1989.

4. REGIONAL GEOLOGY

The tenement is underlain by early Proterozoic sediments which include quartz sandstone, coarse grained grits and conglomerate. The sediments are tightly folded around north-south trending axes and are overlain unconformably by the flood basalts of the Cambrian Antrim Plateau Volcanics. The area contains the remnants of an extensive Tertiary laterite cover.

BIRRINDUDU PROSPECT

Tenement Location and Simplified Geology



Prepared by D. D. Middleton and Associates for inclusion in this Memorandum.

Drawing No AEG 311-1

5. WORK COMPLETED

The area was taken up using an exploration concept broadly based on the "Pine Creek type" gold deposits. The concept involved selecting areas where coarse-grained sediments were contained within tight anticlinal features. The coarser grained lithologies were thought to provide suitable host rocks for disseminated gold deposits. Further potential was thought to exist for Proterozoic palaeo-placer gold deposits in conglomerates similar to those that occur in the Westmorelands formation in northwest Queensland.

A review of all available literature and reports was undertaken to assess the potential of the area to host significant gold deposits. No recorded previous production for any commodity is known from within the tenement area, however there are recent unconfirmed reports of some nuggets been recovered by metal detecting.

The area has been explored in the early 1970s by Union Oil Corporation for uranium, base metals and diamonds on a reconnaissance basis. This exploration did not locate any significant mineralisation and no evidence of gold mineralisation was noted. No further exploration is known to have been undertaken within this area.

6. DISCUSSION

The area represents a conceptual grass roots exploration project. The geological concept behind the acquisition of the tenement has technical merit, however this needs to be tempered by the fact that reconnaissance exploration in the past has not located evidence of significant gold deposits. This is of some importance as given the remote location of the tenement, any gold deposit would need to be of considerable size to be viable.

These factors, coupled with the current economic climate indicated that this project was outside the current scope of Australian Energy and Gold NL's priorities and the area was recommended for surrender.

REFERENCES

MIDDLETON DD & ASSOCIATES

Java Black Mining NL, Memorandum for the Information of Shareholders
20 June 1988.

EXPENDITURE FOR EXPLORATION LICENCE 5872

MAJOR ACTIVITY	STAFF SALARIES	STAFF WAGES	CONSULT/ CONTRACTORS FEES	VEHICLES	TRAVEL OTHER	ACCOMMODATION	FIELD ACCOMMODATION	FIELD EQUIPMENT	OFFICE EQUIPMENT	OTHER	SUB TOTALS
GEOLOGY	\$429		\$1,500							\$34	\$1,963
GEOCHEMISTRY											
GEOPHYSICS											
ACCESS											
GRIDDING											
DRILLING - diamond - other											
DRAFTING											
METALLURGY											
ENGINEERING											
ENVIRONMENTAL											
OTHER			\$20								\$20
SUBTOTALS	\$429		\$1,520							\$34	\$1,983

TOTAL \$1,983
 LOCAL OFFICE OVERHEADS \$525
 HEAD OFFICE OVERHEADS \$502

 GRAND TOTAL \$3,010

NORTHERN TERRITORY GEOLOGICAL SURVEY - GEOSYSTEM DATA SHEET

REPORT NO. _____ SECURITY _____
 REPORT TITLE FIRST AND FINAL REPORT EXPLORATION LICENCE 5872, VICTORIA RIVER AREA NT
 AUTHOR (S) M. MULRONEY
 PUBLISHER _____
 PLACE OF PUB'N _____ DATE OF PUB'N _____
 DATA TYPE _____ PAGES OF TEXT 4
 ACCOMPANIMENTS _____
 DRILL CORE ? _____
 LICENCE NO. EL 5872
 PROJECT YEAR (S) 1
 LICENSEE (S) AUSTRALIAN ENERGY AND GOLD NL
 JOINT VENTURE (S) _____
 OPERATOR (S) AUSTRALIAN ENERGY AND GOLD NL
 1:1 000 000 _____
 1: 250 000 LIMBUNYA SES2-7
 1: 100 000 NAPIER 4762
 1: 50 000 _____
 PROSPECT NAME _____
 SITE LOCATION LAT: 18°00' LONG: 129°15'
 EAST: _____ NORTH: _____
 TECTONIC UNIT _____

MAJOR TERM PETROLEUM GEOL. METALLIFEROUS MINERALS
 NONMETALLIFEROUS MINERALS

MINOR TERMS

- | <u>DRILLING</u> | <u>GEOPHYSICS</u>
<u>AERIAL SURVEYS</u> | <u>GEOCHEMISTRY</u>
<u>SAMPLING</u> | <u>GENERAL</u> |
|-------------------------------------------|--------------------------------------------|----------------------------------------|----------------------------------------|
| <input type="radio"/> DIAMOND | <input type="radio"/> MAGNETIC | <input type="radio"/> STREAM SEDIMENT | <input type="radio"/> GEOL. MAPPING |
| <input type="radio"/> PERCUSSION | <input type="radio"/> RADIOACTIVITY | <input type="radio"/> SOIL | <input type="radio"/> PHOTOGEOLOGY |
| <input type="radio"/> AUGER | <input type="radio"/> E.M. SURVEYS | <input type="radio"/> ROCK CHIP | <input type="radio"/> GRIDGING |
| <input type="radio"/> ROTARY | | <input type="radio"/> WATER | <input type="radio"/> METHODS |
| | | | <input type="radio"/> REGIONAL GEOLOGY |
| | | | <input type="radio"/> LOCAL GEOLOGY |
| | | | <input type="radio"/> STRATIGRAPHY |
| | | | <input type="radio"/> RECONNAISSANCE |
| | | | <input type="radio"/> LOGGING |
| <u>GROUND</u> | <u>GEOCHEMISTRY</u> | | |
| <input type="radio"/> E M SURVEY METHOD | <input type="radio"/> DRAINAGE TESTING | | |
| <input type="radio"/> I P SURVEY METHOD | <input type="radio"/> DRILL CORE ANALYSIS | | |
| <input type="radio"/> SEISMIC SURVEYS | <input type="radio"/> ASSAYING | | |
| <input type="radio"/> RESISTIVITY SURVEYS | <input type="radio"/> GEOCHEMICAL ANOM | | |
| <input type="radio"/> GEOPHYSICAL ANON | | | |
| <input type="radio"/> GRAVITY | | | |

NOTES _____

ABSTRACT ATTACH _____

INDEXED BY/DATE _____

CHECKED BY/DATE _____