

Northern Gold NL

ACN: 009 620 937 Lot 128 Finlay Rd, ADELAIDE RIVER, N.T. 0846 Phone: 08 89767023 Fax: 08 89767025

EL 8161 FINAL REPORT

to 9th July, 1997

Pine Creek 1:100,000 Map Sheet

Title Holders:- Territory Goldfields N.L. Managed by:- Northern Gold N.L.

Author:- L. Cahir

NTDME

Northern Gold N.L., Adelaide River Northern Gold N.L., Perth Office

SUMMARY

EL 8161 is located approximately 100 kilometres south - east of Darwin, on the Pine Creek 1:100,000 scale map sheet and the Union Reef (14/6-1) 1:50,000 scale map sheet.

The licence is dominated by Lower Proterozoic rocks of the Mt Bonnie Formation and Gerowie Tuff with minor Burrell Creek Formation sediments in a north - west plunging anticlinal fold structure.

The licence was granted to Northern Territory Gold Mines N.L. on the 20th of September 1993 for a period expiring on the 14th of September 1999. EL 8161 is now held by Territory Goldfields N.L. and managed by Northern Gold N.L.

Landsat Imagery, SPOT Imagery and AGSO mapping were obtained and used in conjunction with aerial mapping to determine the best method of gold exploration to be used on the licence.

A regional soil sampling program was conducted over five lines, 500 metres in length, with a line spacing of 400 metres. A total of 26 samples, including duplicates, were collected.

The results were disappointing, with the highest value returned being 1.6 ppb Au.

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1.0 INTRODUCTION

EL 8161 is located approximately 100 kilometres south - east of Darwin and 26 kilometres north of Pine Creek on the Union Reef (14/6-1) 1:50,000 scale and Pine Creek 1:100,000 scale map sheets.

The licence consists of one graticular block, 3 square kilometres in area, lying between latitudes 13°36' south and 13°37' south and longitudes 131°48' east and 131°49' east (Figure 1). EL 8161 is situated within Perpetual Pastoral Lease No. 1111, Ban Ban Springs, held by Ban Ban Springs Station Pty. Ltd. and Pastoral Lease No. 815, Mary River West, held by Equest Pty. Ltd.

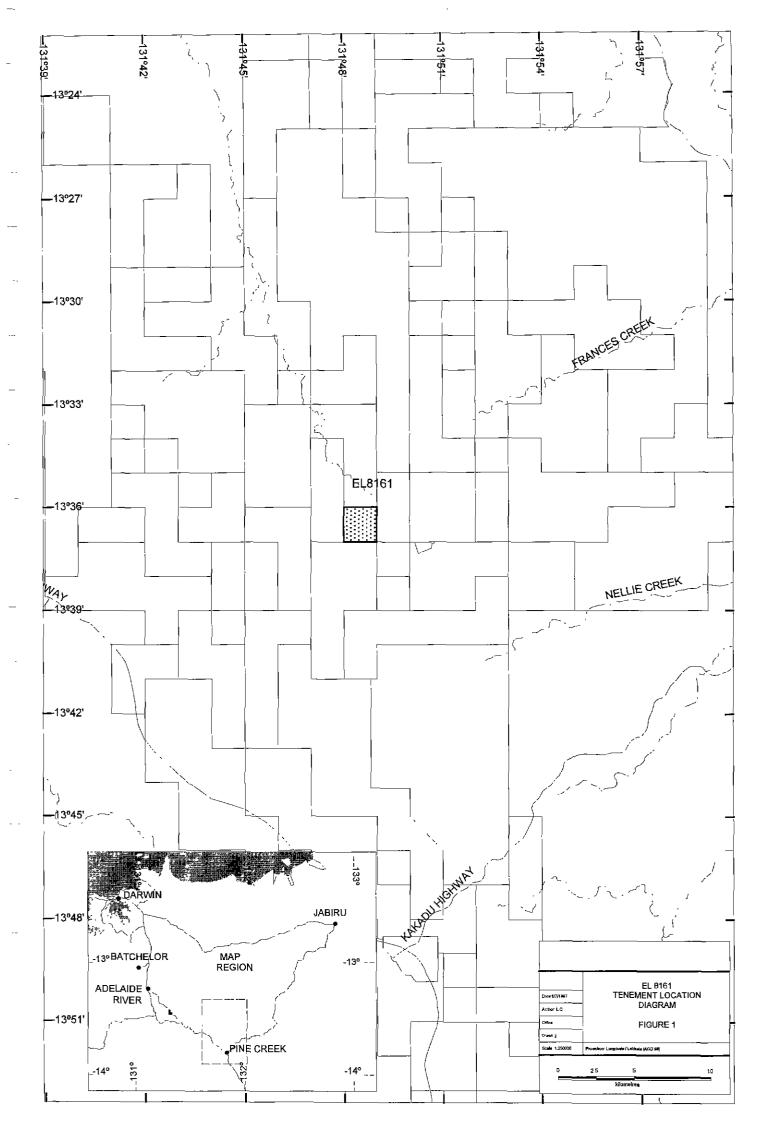
Access is via the Stuart Highway to Pine Creek then via the Frances Creek Road and pastoral tracks.

The tenement was granted to Northern Territory Gold Mines N.L. on 20th September 1993 for a period expiring on the 14th of September 1999. Territory Goldfields N.L., which is now managed by Northern Gold N.L., acquired the tenement in 1995.

Landsat Imagery, SPOT Imagery and AGSO mapping were obtained and used in conjunction with aerial mapping to determine the best method of gold exploration to be used on the licence (Socic 1996).

A regional soil sampling program was conducted over five lines, 500 metres in length, with a line spacing of 400 metres. A total of 26 samples, including duplicates, were collected.

The results were disappointing, with the highest value returned being 1.6 ppb Au.



2.0 GEOLOGY

2.1 Regional Geology

EL 8161 is situated within the Pine Creek Geosyncline, a tight to isoclinally folded sequence of mainly pelitic and psammitic Lower Proterozoic with interlayered tuff units. All rocks in the area have been metamorphosed to low, and in places medium grade, metamorphic assemblages. For the purposes of this report the prefix "meta" is implied, but omitted from the rock names and descriptions.

The sequence has been intruded by pre-orogenic sills of the Zamu Dolerite and a number of late syn-orogenic to post-orogenic Proterozoic granitoids. Largely undeformed Middle and Late Proterozoic, Palaeozoic and Mesozoic strata as well as Cainozoic sediments and laterite overlie the Pine Creek Geosyncline rocks.

2.2 Local Geology

EL 8161 consists predominantly of sediments of the Mt Bonnie Formation which occupies the majority of the central and eastern portion of the licence area. The overlying Burrell Creek Formation occupies a small portion of the licence along its western boundary. Gerowie Tuff is present in the south - east portion of the tenement in the axis of an anticline.

The main lithologies present include metamorphosed shale, siltstone, greywacke, chert, banded iron formation, vitric and lithic tuffs.

The rocks have undergone tight to isoclinal folding about north - northwest to south - southeast axes that are subhorizontal and plunge mainly to the north.

3.0 PREVIOUS EXPLORATION

The highlights of previous exploration activities are summarised below. In this work, the results of 1:100,000 scale geological mapping by the BMR have been used as the starting point by most previous explorers for large amounts of stream-sediment, soil and rock geochemistry, followed by limited drilling in some cases. While low-order geochemical anomalies have been quite commonplace in the past, none has led to intensive drill testing, except for prospects to the north of Mount Porter (Fawcett, 1995).

The multi-client, high resolution, airborne geophysical survey flown by Aerodata in 1988 (with additions in 1991 and 1992) covers only a small portion of the total area (Fawcett, 1995).

EL 4752 - R.G.C. Exploration Pty. Ltd.

- extensive program completed in Mount Porter locality involving detailed geological mapping, rock chip sampling, costeaning, and drilling (percussion and core).
- encouraging surface and costean sample results were not confirmed by core drilling.
- Mount Porter and Western anticlines were the principal foci of the exploration.

EL 4759 - Kable Resources Pty. Ltd. and Dominion Mining Ltd.

- extensive costeaning to north north west and south south east of old Watts
 Creek alluvial diggings by Kable plus follow-up mapping, sampling and reverse
 circulation drilling by Dominion of low-grade, stockwork-type Au mineralisation
 (Hosking, 1994).
- Southern Stockwork Zone (SSZ), Watts Creek North and Watts Creek South prospects.

EL 5064 - Western Gulf Oil and Mining Ltd.

- · rock chip and soil (eluvial) sampling along selected traverses
- initial anomalous values not enhanced by follow-up sampling
- best values from initial sampling of 0.94g/t Au and 4.35% As (Fawcett, 1995)

EL 6222 and EL 6335 - Billiton Australia

- discouraging results from stream sediment (including BCL type), soil and rock chip sampling, geological mapping, ground magnetic surveying and interpretation of aeromagnetic data (Hosking, 1994).
- most significant results obtained were:

EL 6222

- 1.29g/t Au (rock chip sampling)
- 0.4ppb Au (BCL stream sediment sampling)
- magnetic anomalies due to presence of pyrrhotite and magnetite in hornfels adjacent to granite.

EL 6335

- 0.1g/t Au (rock chip sampling)
- 0.13ppb Au (BCL stream sediment sampling)

EL 6653 - Robert Johnston

discouraging results from geochemical sampling and geological mapping.

EL 6702 - Rosequartz Mining N.L.

- geological reconnaissance and rock chip sampling completed, with emphasis on gossanous quartz stockworks and breccias.
- only one small area located with slightly anomalous gold values which were deemed to be insignificant.

EL 7316 - Northern Gold N.L.

 discouraging results from stream sediment and soil sampling plus geological mapping, with no anomalies defined for follow-up work.

EL 8056 - Territory Goldfields N.L.

 research of available geological and exploration-related data, acquisition and digitising of colour aerial photography and establishment of a Geographic Information System (Fawcett, 1995). The principal findings of past mineral exploration programs within and/or close to the present licence areas are, (Fawcett, 1995):-

- a close association of tin and gold has been demonstrated in quartz and quartz-haematite (ex-sulphide) veins which are invariably related to faulting or shearing.
- 2. the Koolpin Formation and to a lesser extent, the Zamu Dolerite, have received much exploration for syngenetic, stratiform-stratabound and epigenetic, discordant (structurally controlled) types of Au mineralisation respectively, mostly for bulk-tonnage, low grade deposits.
- 3. past exploration detected subeconomic Au mineralisation using BLEG, silt and pan-concentrate types of stream sediment and/or soil samples.
- 4. tourmaline is a common accessory in known tin-gold mineralisation
- 5. higher gold values in the ferruginous cappings of quartz-sulphide veins and sulphidic metasediments point to a considerable degree of surficial enrichment during oxidation and weathering.
- sulphidic-carbonaceous units are common throughout the South Alligator Group, with the greatest concentrations being in the Mundogie Sandstone and Koolpin Formation.

4.0 1995/96 EXPLORATION COMPLETED

During the 1995/96 field season Northern Gold N.L. carried out a work program based on digital data studies and a regional soil sampling program.

4.1 GIS and Remote Sensing Studies

Northern Gold N.L. completed a work program involving digital data acquisition and manipulation. Landsat Imagery, SPOT Imagery and AGSO mapping were obtained and used in conjunction with aerial mapping and site visits to determine the best method of exploration to be used on the licence.

GIS and satellite imagery were used to log soil types, indicating that the region comprises mainly lateritised lower saprolite (Socic 1996).

4.2 Regional Soil Sampling Program

During the 1995/96 year of tenure, Northern Gold N.L. completed a regional soil sampling program over EL 8161. The soil sampling program consisted of five 500 metre long by 400 metre spaced lines. Samples were collected at 25 metre intervals and composited to 100 metres. A total of 26 samples (Sample Nos. 144331 - 144356), including duplicates were collected and sieved to -6 millimetre

fraction. All samples were submitted to Assaycorp, in Pine Creek, for BLEG assay technique and analysed for Au, As, Pb, Cu and Zn.

The regional soil sampling program sample locations are shown in Appendix 1.

4.2.1 Regional Soil Sampling Results

The results from the regional soil sampling program were generally disappointing with the highest value returned being 1.6 ppb Au (Sample No. 144353, 8494520N : 803356E). The results for all other elements analysed were poor.

The assay results for Au, As, Cu, Pb, and Zn are given in Appendix 1.

4.2.2 Statistical Analysis of the Regional Soil Sampling Results

Summary statistics for each element analysed in the soil sampling program are as follows:-

Table 1 Summary Statistics for the Regional Soil Sampling Program

	<u>Au</u>	<u>Cu</u>	<u>Zn</u>	<u>As</u>	Pb
Samples	26	26	26	26	26
Minimum	0.200	14.000	30.000	1.000	13.000
Maximum	1.600	26.000	105.000	19.000	173.000
Class Int.	0.200	2.000	10.000	1.500	10.000
Median	0.600	19.000	56.000	4.000	27.000
Mean	0.715	19.692	54.808	6.000	33.769
Variance	0.141	8.781	443.681	24.800	951.145
Std. Dev.	0.375	2.963	21.064	4.980	30.841
95th Percentile	1.500	24.500	86.000	12.500	69.000
99th Percentile	1.650	27.500	108.000	15.650	151.000

Both histograms and log probability plots were calculated for Au, Cu, Zn, As, and Pb.

The histograms for each of the elements, indicate that the populations are log normal. However at least two populations can be defined for all the elements analysed.

This is supported by the log probability plots. The data plot as two separate populations, indicating anomalous zones, deviating at a point of inflection. It is inferred that the lower population represents the natural background for each element for the Pine Creek Geosyncline.

Deviations from the line in the upper 1% of the Au, Cu, As and Zn, and upper 4% of the Pb, and in the lower 4% of the Au and 12% of the As probability plots, may be the result of problems with accurately plotting data or may represent a deviation from the interpreted population.

Histograms and log probability plots for Au, Cu, As, Pb, and Zn are given in Appendix 2.

5.0 REFERENCES

- FAWCETT, C., (1995). EL 8161 Watts Creek South, Annual Report, Year Two of Tenure, 20.09.94 14.09.95. Unpublished report by Territory Goldfields N.L. for the NTDME.
- HOSKING, A. J., (1994). Northern Territory Gold Mines NL, Exploration Licences 8056/8161, Watts Creek. First Annual Report for Year Ending 14/09/93. Unpublished company report to the NTDME.
- SOCIC, N., (1997). EL 8161, 1996/97 Annual Report, 20.09.95 19.09.96.

 Unpublished report by Northern Gold N.L. for the NTDME.

APPENDIX 1

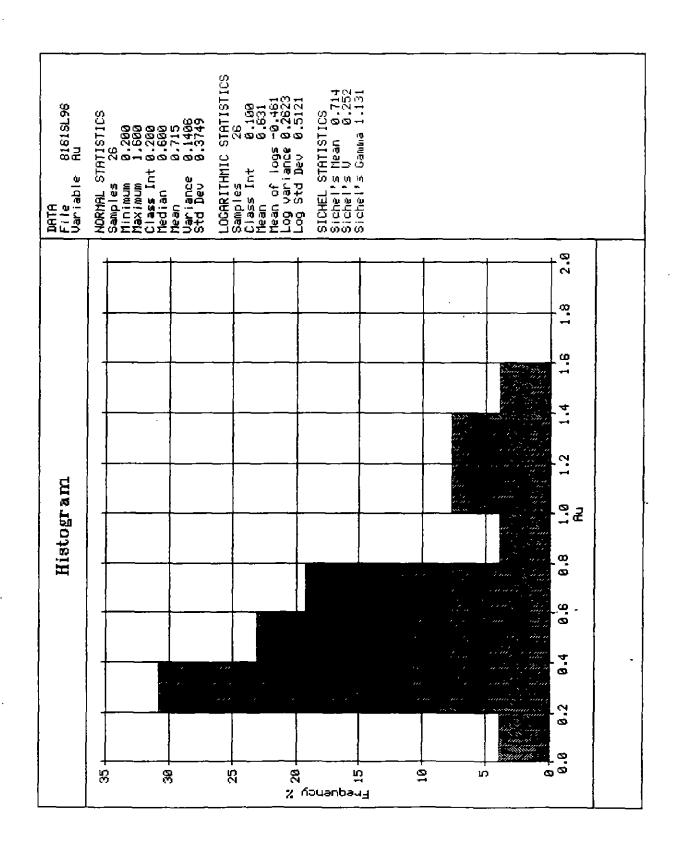
Regional Soil Sampling Program Sample Locations and Assay Results

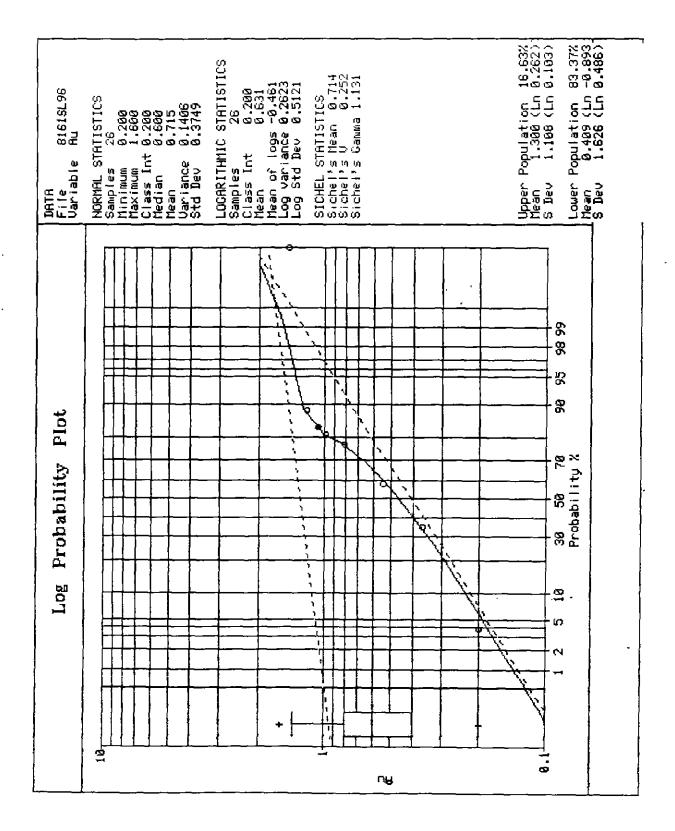
EL 8161 Soil Sampling Results

SAMPLE	EASTING	NORTHING	Au	As	TYPE	Сц	Pb	Zn
144331	803440	8492919	1.4	14	BLEG	26	62	92
144332	803340	8492920	0.2	8	BLEG	24	55	60
144333	803240	8492921	0.4	9	BLEG	17	26	30
144334	803140	8492922	0.8	9	BLEG	23	27	64
144335	803040	8492923	1	17	BLEG	25	33	84
144336	803444	8493319	0.4	6	BLEG	19	25	56
144337	803344	8493320	0.4	4	BLEG	17	28	61
144338	803244	8493321	0.4	3	BLEG	17	19	36
144339	803144	8493322	8.0	4	BLEG	18	28	69
144340	803044	8493323	1.2	13	BLEG	23	38	84
144341	803044	8493323	0.8	19	BLEG	24	40	83
144342	803448	8493719	1.2	4	BLEG	16	26	43
144343	803348	8493720	0.5	3	BLEG	14	26	35
144344	803248	8493721	0.6	9	BLEG	20	17	56
144345	803148	8493722	0.4	5	BLEG	18	18	33
144346	803048	8493723	0.8	7'	BLEG	19	24	60
144347	803452	8494119	0.4	4	BLEG	20	46	64
144348	803352	8494120	0.6	2	BLEG	21	29	47
144349	803252	8494121	0.4	_ 3	BLEG	18	31	34
144350	803152	8494122	0.4	1	BLEG	19	14	37
144351	803052	8494123	0.6	1	BLEG	21	_ 18	36
144352	803456	8494519	0.5	1	BLEG	19	29	46
144353	803356	8494520	1.6	3	BLEG	17	173	105
144354	803256	8494521	0.8	3	BLEG	20	18	40
144355	803156	8494522	1.4	2	BLEG	18	15	36
144356	803056	8494523	0.6	2	BLEG	19	13	34

Appendix 2

Summary Statistics Histograms and Log Probability Plots for the Regional Soil Sampling Program





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