

ALJAWARRA PROJECT
EXPLORATION LICENCE 22507
ANNUAL REPORT FOR THE
PERIOD OF 23 MAY 02 TO 22 MAY 03

DE BEERS

A DIAMOND IS FOREVER

PROJECT: ALJAWARRA PROJECT EL22507
TITLE: ALJAWARRA PROJECT
EXPLORATION LICENCE 22507
ANNUAL REPORT FOR THE
PERIOD OF 23 MAY 02 TO 22 MAY 03

AUTHOR: K J Pittard
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1:250,000 Sheet Name/s & No/s: Elkedra (SF53-07)

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KEYWORDS: NT, aerial magnetic surveys.

ABSTRACT:

Diamond exploration conducted by De Beers Australia Exploration Limited over exploration licence 22507 involved the interpretation of the NTGS 1999 Elkedra survey. A field visit was made to the licence to assess the area. Covenants were met for this licence.

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DE BEERS AUSTRALIA EXPLORATION LIMITED

15 HANWELL WAY BASSENDEAN WESTERN AUSTRALIA 6054 AUSTRALIA

TEL +61 (8) 9378 0000 FAX +61 (8) 9378 0020

SUMMARY

Exploration Licence: 22507
Date Granted: 23/05/02
Total Area: 24 Blocks (77 km²)
Managing and Registered Co. : De Beers Australia Exploration Limited
Commodities Sought: Diamonds
Exploration:

Diamond exploration conducted by De Beers Australia Exploration Limited over the Aljawarra project area involved the interpretation of regional government magnetic data and a field visit and inspection.

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1. INTRODUCTION

Exploration licence EL22507 lies within the Aljawarra Project in the Northern Territory. The licence is located on the Elkedra 1:250 K mapsheet, within the Georgina Basin.

The NTGS Elkedra Survey (made publicly available in 1999) covers the exploration licence. Interpretation of this survey yielded no anomalies of interest.

2. TENURE

Tenure details for EL22507 are outlined in Table 1 and the location of the licence is displayed in Map 1.

TABLE 1: TENURE DETAILS

TENEMENT	GRANT	EXPIRY	AREA	BLOCKS	COMMIT	EXP
	DATE	DATE	(KM2)			
EL22507	23/05/2002	22/05/2008	77	24	\$10,000	\$10,064

De Beers Australia Exploration Limited is the sole managing and registered company for the exploration licences.

3. ABORIGINAL WORK AREA CLEARANCE AND LIAISON

The ground which is the subject of EL22507 is also subject to Native Title claim DC01/69. The claimants are represented by the CLC. Soon after the application for EL22507 was lodged the claimants lodged an objection and negotiations began with the CLC. Negotiations were positive and progressed to such a stage that the CLC withdrew their objection and the tenement was granted on the 23 May 02. Unfortunately, a few delays occurred and an Exploration Agreement was only signed by all parties in May 2003; subsequently a clearance survey has been undertaken and completed in June 03. The way is now clear for ground exploration to commence in June 03.

4. GEOLOGY

The Aljawarra Block forms part of the North Australian Craton, with an assumed basement age, based on tectonic models and zircon inheritance, to be 3+Ga (Archaean). The block is covered by Cambrian and Ordovician sediments of the southeastern section of the Georgina Basin. The basement is considered to consist of a composite terrain of amalgamated continental blocks possibly accreted at least 1800Mya; the Aljawarra craton is believed to be an older nucleus of Palaeoproterozoic or Archaean age. Skippy seismic data suggests an anomalously thick lithosphere – some 200 km. The basement is also characterised by relatively low heat flow and low crustal temperatures consistent with the presence of thick cratonic style lithosphere.

5. EXPLORATION ACTIVITIES

5.1 Aeromagnetic Anomalies Investigation

Diamond exploration conducted by De Beers Australia Exploration Limited over the Aljawarra project area involved the interpretation of regional government magnetic data and a field visit and inspection.

5.2 Results

No anomalies of interest were selected over EL22507 from the 400 m line spaced data.

5.3 Field Visit

A field visit was made to tenement EL22507 to assess the terrain and surface geology, in order to determine the suitability of the area to aeromagnetic surveys and future sampling programmes.

5.4 Expenditure

Expenditure from De Beers Australia Exploration Limited for the first year of tenure of exploration licence EL22507 totalled \$10,064 (see Table 2 below).

Expenditure	EL22506
Geological Salaries and Wages	\$3,200
Transport and Travel	\$3,100
Specialist Services – computing, drafting, tenement management	\$2,200
Rent	\$264
Overheads, office costs (15%)	\$1,300
TOTAL	\$10,064

TABLE 2: EXPENDITURE DETAILS

Covenants were met for the exploration licence.

6. PROPOSED EXPLORATION – YEAR 2

6.1 Sampling

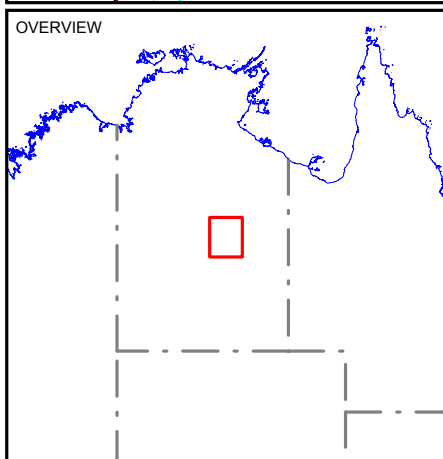
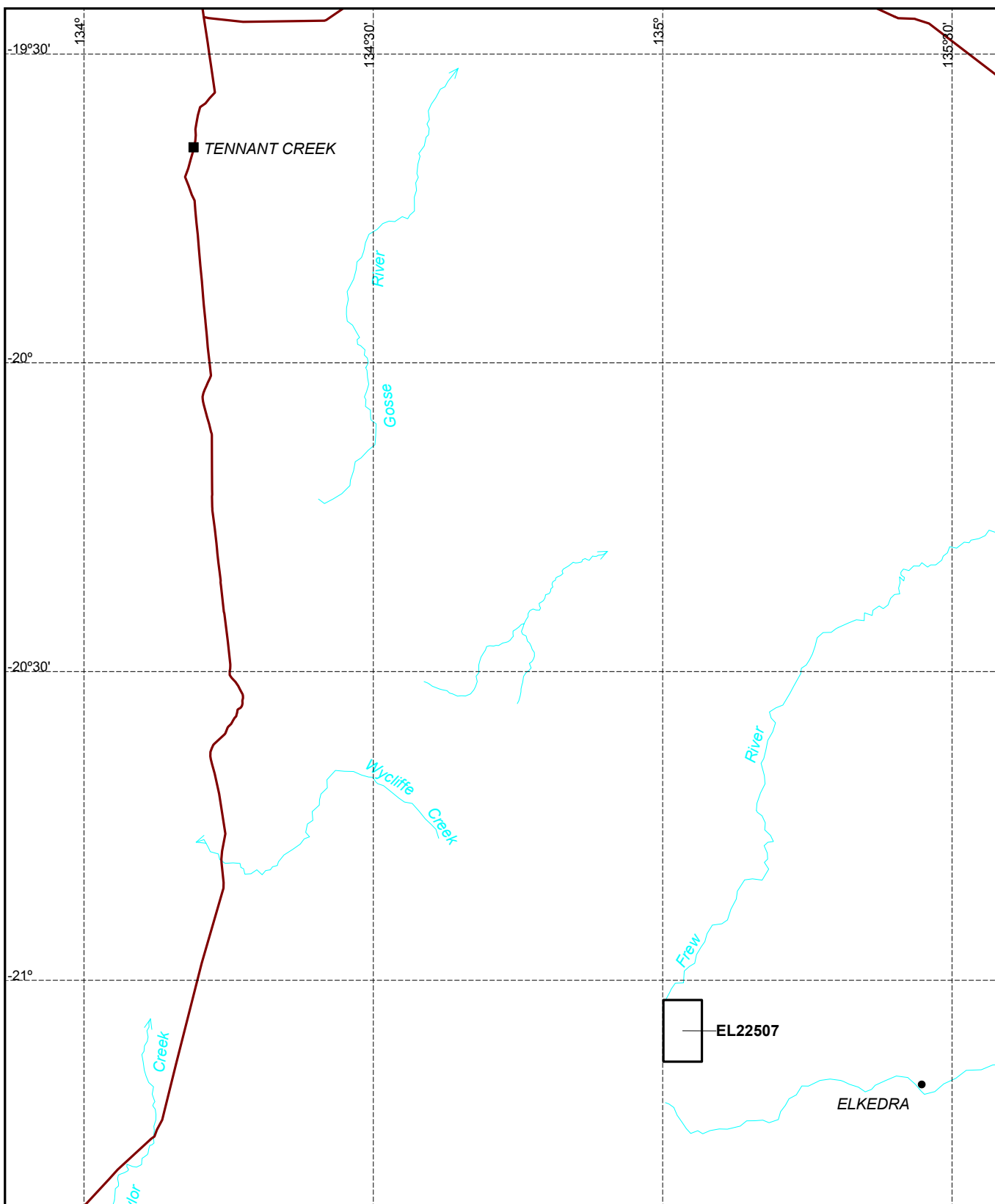
A sampling programme is planned for 2003 which will involve the collection of approximately 30 stream samples over tenement EL22507.

6.2 Proposed Expenditure

Expenditure	EL22506
Geological Salaries and Wages	\$2,000
Transport and Travel	\$2,000
Sampling costs	\$10,000
Specialist Services – computing, drafting, tenement management	\$3,000
Overheads, office costs (15%)	\$3,000
TOTAL	\$20,000

7. SUMMARY

Diamond exploration conducted by De Beers Australia Exploration Limited over the Aljawarra project area included the interpretation of regional government magnetic data (the Elkedra Survey). A field visit was also made to the exploration licence to assess the area.



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MAP 1

DE BEERS AUSTRALIA EXPLORATION LIMITED

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EL22507
LOCATION MAP

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