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EXPLORATION LICENCE 9890

YAMBLA

NORTHERN TERRITORY

PARTIAL SURRENDER REPORT

21 BLOCKS SURRENDERED

20 MAY 2004

By E Becker and P Hogarth

June 2004

Distribution

Department of Business Industry and Resource Development (CD / pdf)
Paladin Resources Ltd (2)

Report No: GR-9240-3

Accession No: 1918

File: EL9890_2004_P_01_ReportBody.pdf

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1 Introduction

Exploration Licence 9890 is located at Yambla in the northeast Arunta Province of the Northern Territory. Exploration targets include multi-element PGE, Cu, Au, Ag and U mineralisation in the Central Australian Proterozoic Basement Complex. Uranium as well as Cu, Ag, Pb, Zn mineralisation was found by PNC Exploration (Australia) Pty Ltd in the early 1990's in altered Amphibolite host rocks. The locations of recorded mineralised occurrences in and around EL 9890 are shown in *Figure 1*.

2. Location And Access

EL 9890 is located 140 kilometres north east of Alice Springs in the Harts Range of Central Australia on the Illogwa Creek SF53-15 1:250,000 Map Sheet. Geographical co-ordinates of the centroid of EL 9890 are 23° 15' S, 135° 05' E.

Access from Alice Springs is east via the all-weather Ross Highway for 70km to the Ross River turnoff, then via gravel road for 45km to Claraville homestead. From there it is a further 45km to the project area via the Claraville to Hardings Spring track.

3. Tenure and Land Status

Application for EL 9890 was lodged in May 1997 by Paladin Energy Minerals NL and Brightstar Power Corporation Pty Ltd, each holding 50%. Paladin Energy Minerals NL is a wholly owned subsidiary of Paladin Resources Ltd. Brightstar withdrew from its joint venture with Paladin in June 1999 and Paladin Energy Minerals NL now holds EL 9890 in its sole name.

The licence was granted for a six year term on 21 May 2002. The underlying land is part of the Ambalindum pastoral lease and native title is taken not to have been extinguished although application has not been made to register a native title claim.

The area applied for and granted was 43 graticular blocks or about 142 square kilometres. In accordance with the terms of the Mining Act 21 graticular blocks were relinquished from EL 9890 at its second anniversary on 20 May 2004. The 22 blocks retained and 21 blocks relinquished are shown in *Figure 1*.

4. Geology and Mineralisation

The Yambla Exploration Licence is located in the Proterozoic Arunta Block. The Arunta comprises mainly Precambrian metamorphosed and deformed igneous and sedimentary rocks. It differs from other Australian Proterozoic inliers in the marked intensity and frequency of its deformation and the high grade metamorphism that has affected these rocks.

In the early 1990's exploration by PNC Exploration (Australia) Pty Ltd located a 1,400m long radiometric anomaly (Yambla Prospect) within the Yambla Amphibolite, a typical hornblende-feldspar rock, which is part of the regional Riddock Amphibolite. It is 10-50m thick, and in the prospect area dips about 15° west. Metamorphic grade is amphibolite facies.

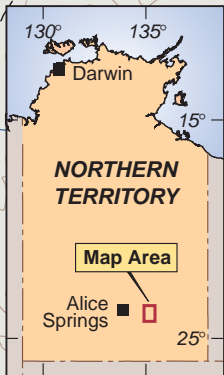
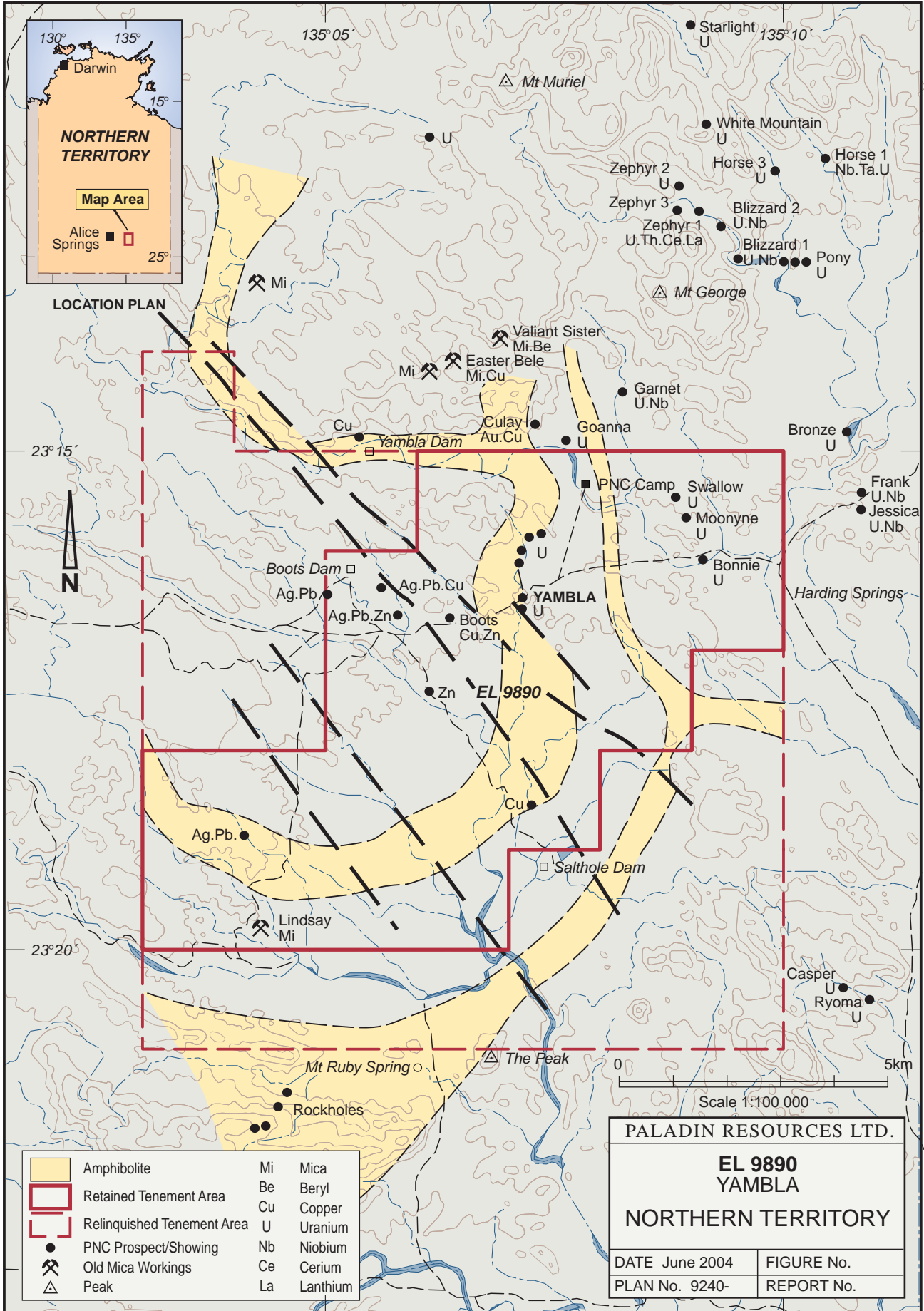
The amphibolite occurs within a sequence of garnet-biotite gneiss, meta-dolerite and sillimanite-garnet-biotite gneiss.

Additional to the Yambla Prospect, Cu, Ag, Pb and, Zn occurrences were also identified on the tenement. The Culy Cu-Au prospect is located nearby within RO 1369, an area reserved from occupation under the Mining Act in May 1997 covering the old Valiant Sisters Mica Mining Area.

Regional prospecting and geological mapping showed that the upper Riddock Amphibolite contact is generally gradational into biotite rich felsic gneiss; there is often a narrow sillimanite rich unit above this gradational contact. The sequence grades further upwards into more felsic and garnetiferous biotite gneiss with sporadic and discontinuous lenses of marble and hessianite bearing calc-silicate gneiss.

5. Work Completed

Other than a brief reconnaissance inspection Paladin did not undertake any field work within the 21 graticular blocks relinquished on 20 May 2004. Work was confined to research and interpretation of the PNC database generated in the early 1990's.



LOCATION PLAN



23° 20'

23° 15'

130°

135°

135° 05'

135° 10'

23° 20'

23° 15'

130°

135°

135° 05'

135° 10'

	Amphibolite	Mi	Mica
	Retained Tenement Area	Be	Beryl
	Relinquished Tenement Area	Cu	Copper
	PNC Prospect/Showing	U	Uranium
	Old Mica Workings	Nb	Niobium
	Peak	Ce	Cerium
		La	Lanthium

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EL 9890
YAMBLA
NORTHERN TERRITORY

DATE June 2004	FIGURE No.
PLAN No. 9240-	REPORT No.

