EXPLORATION LICENCES: EL23390

"BARROW CREEK PROJECT"

ANNUAL REPORT

FOR THE PERIOD

24 APRIL 2003 TO 23 APRIL 2004

BY

C.A. WASHBURN
TENEMENT REPORT INDEX

OPERATOR: Astro Mining NL
PROJECT: Barrow Creek
TENEMENTS: Exploration Licences: EL23390
JOINT REPORT PERIOD: 23 April 2003 to 22 April 2004
DUE DATE:

AUTHOR: C. A. Washburn
STATE: Northern Territory
LATITUDE: S22° 05’ – S22° 25’
LONGITUDE: E134° 52’ – E135° 23’
MGA mN: 7520400 - 7557600
mE: 488000 - 538200
1 : 250,000 SHEET: SF53-10 Alcoota, SF53-11 Huckitta
1 : 100,000 SHEET: 5853 Utopia, 5953 McDonald Downs
MINERAL FIELD:

COMMODITY: Diamonds
KEYWORDS: Diamonds, aeromagnetic survey, Landsat Interpretation, data review, geology
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1 SUMMARY OF EXPLORATION ACTIVITIES

Exploration carried out over the EL23390 during the reporting period included the acquisition of geological, topographic and geophysical data, GIS compilations and data reviews, compilation of openfile data.

2 TENEMENT STATUS

Astro Mining NL applied for EL23390 on 2 October 2001, the tenement was granted on 23 April 2003 covering an area of 1,048km².

3 LOCATION AND ACCESS

Exploration Licence 23390 covers the Alcoota and Huckitta 1:250,000 map sheets. Access to the area is via the Sandover Highway, which turns off the Stuart Highway 80 km north of Alice Springs, and runs to the north of EL23390.

4 GEOLOGY

The oldest units in the area are comprised of metamorphic and igneous rocks of the Arunta Inlier of Early-Middle Proterozoic age. Late Proterozoic sediments are essentially flat-lying except near faults where they may be upturned.

The southwestern extremities of the Late Proterozoic to Paleozoic Georgina Basin are exposed in the eastern portion of the Barrow Creek 1: 250,000 geological map. The basin is one of several sedimentary basins that developed over older Proterozoic basement in central Australia.

Block faulting along major northwest trending faults in the basement controlled the deposition of the basin in this area. Paleocurrent directions in the basal units indicate consistent flow from the west and northwest.

Deposition of the Dulcie Sandstone followed in the Devonian. The fault influence has persisted with northwest trending contacts and axes of shallow folds. The youngest sediments are restricted to silcretes, ferricretes, and colluvium of Cainozoic age.

4.1 LOCAL GEOLOGY

The tenements dominantly cover Paleozoic basin sediments with a slight overlap of Late Proterozoic sediments in the south. The Paleozoic sediments represented are the Cambrian Tomahawk beds followed by Dulcie sandstone.

The Tomahawk beds consist of medium to coarse grained, cross-bedded quartzarenite with thin interbeds of micaceous siltstone, shale and minor quartz-rich dolostone in the north. There is
increasing dolostone and limestone in the south of the Dulcie Range. These outcrops consist of medium to thick beds of limestone or dolostone, commonly with poorly sorted quartz sand, accessory glauconite and traces of tourmaline.

The Dulcie Sandstone consists of prominently cross-bedded, medium to very thick-bedded quartz arenite, with rare beds of orthoconglomerate and calcareous silty quartz sandstone.

Significant portions of the northern part of the tenements are covered by aeolian sand plains and dunes, also trending to the northwest. Numerous discreet round outcrops and subcrops are preserved above the sand along these trends.

5 EXPLORATION

5.1 DATA REVIEW

The areas selected for exploration are based on a regional diamond prospectivity review carried out by Astro (Wright 2000), and in areas of moderate to high prospectivity, available open ground was covered by exploration licence applications. Open file exploration data were obtained from the Northern Territory Geological Survey (NTGS), a division of the NT Department of Business, Industry and Resource Development (DBIRD), formerly the NT Department of Mines and Energy (DME).

Available exploration data comprised open file reports of past exploration activity, NTGS and company open file airborne geophysical survey data and Landsat 7 thematic mapper (TM) data. The data was available on CD-ROM by request to the NTGS.

Open file exploration reports were examined and diamond exploration sampling data entered into Excel and a GIS database. Topographic and geological maps at a scale of 1:250 000 were acquired in raster format as a base for the plotting of the data (Figure 3).

The NTGS supplied the available geophysical data as located data files and processed grid images. Astro has acquired approximately 1 million line kilometers of geophysical over the Northern Territory. Stacked magnetic profiles of the first vertical derivative of the residual magnetics were processed from the located data and imported into the GIS. Images of total magnetic intensity and vertical derivatives were supplied by the NTGS. The stacked profiles were used to select pipe-like targets that may represent kimberlite or lamproite intrusives (Figure 4).

Geophysical processing was conducted in-house and a number of anomalies defined. The examination of stacked profiles is considered essential in searching for pipe-like targets as the gridding routines used to prepare images, smooth the data and hence hide small targets. A pipe response may only occur on one line when using regional data and would be missed if only images are used.

Magnetic targets were numbered using the abbreviated 1:100 000 map sheet name and a sequential number, however no targets were defined fro EL23390. The line spacing of these regional surveys ranges from 300 to 500 m, and has been used to detect pipe-like responses on one or more lines. The aim is to detect a pipe field by finding at least one pipe with the regional
data, and then to acquire more detailed geophysics to identify other pipes in the field.

Landsat TM data was processed in-house using ERMapper and RGB colour images were produced comprising channels 321, 531, 741 and principle components (PC) 123. Thirty-three Landsat scenes have been acquired from the NTGS over the Northern Territory, covering all of the tenement areas.

5.2 PREVIOUS WORK

Elkedra Diamonds hold tenements immediately east of the Barrow Creek Project area and have confirmed the occurrence of indicator minerals reported in the open file reports, as well as locating a microdiamond.

Work conducted by CRA Exploration on EL 6117 which almost entirely covers the current tenement area included reconnaissance and in-fill drainage gravel samples and loam samples for kimberlitic indicator minerals and microdiamonds. Only three of the samples that fall within the current tenement returned any chromite, although several chromite samples were collected from the north and east of the tenement. CRA Exploration also held EL 2789 which partially covers the southern part of EL23390, however no sampling was undertaken in this part of the tenement.

Track Minerals explored EL5902 for Gold, Silver and Copper, this tenement covers the southern part of EL23390, however no sampling was carried out in that area. Stream sediment and rock chip sampling carried out in the rest of EL 5902 did not return any anomalous results.

5.3 GEOPHYSICS

Three aeromagnetic surveys cover the project area; the Barrow Creek survey flown in 1981, the Alcoota – Alice Springs survey flown in 1997, and the Elkedra survey flown in 1999. Survey specifications are shown below.

<table>
<thead>
<tr>
<th>Survey</th>
<th>Direction (degrees)</th>
<th>Line Spacing (m)</th>
<th>Height AGL (m)</th>
<th>Sample Interval (m)</th>
<th>Resolution (nT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrow Creek</td>
<td>180</td>
<td>500</td>
<td>100</td>
<td>50</td>
<td>0.1</td>
</tr>
<tr>
<td>Alcoota – Alice Springs</td>
<td>180</td>
<td>400</td>
<td>60</td>
<td>7</td>
<td>0.001</td>
</tr>
<tr>
<td>Elkedra</td>
<td>180</td>
<td>400</td>
<td>60</td>
<td>7</td>
<td>0.001</td>
</tr>
</tbody>
</table>

The stacked magnetic profiles processed from the Barrow Creek survey were noisy compared to the survey data from the Alcoota – Alice Springs and the Elkedra surveys. A number of magnetic features were identified as being related to cultural features, e.g. bores. The location of magnetic targets from the Barrow Creek survey are only approximate due to the survey being controlled only by Doppler assisted aerial photography navigation. The other surveys are controlled by real time DGPS. No target areas were determined.

5.4 LANDSAT7 TM

Landsat TM data was processed in-house using ERMapper and RGB colour images were produced comprising channels 321, 531, 741 and principle components (PC) 123. Thirty-three
Landsat scenes have been acquired from the NTGS over the Northern Territory, covering all of the tenement areas.

5.5 **PROPOSED EXPLORATION**

Examination of the Landsat TM data indicates a number of circular features in the area of the chromite occurrences, and these along with discreet circular outcrop occurrences require follow up.

Follow up of the chromites is considered high priority, and grains should be recovered for further microprobe analysis.
6 BIBLIOGRAPHY
