Daly River, Northern Territory
E.L. 356

Report to Mines Department for Quarter ended
29th May, 1976

11.01/P23

G. Granger
R. Cotton
May 1976
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1. WORK FOR THE PERIOD

1.1. Review of exploration data

During the quarter a complete re-appraisal of all the data obtained on the Daly River prospects was completed. The review included airborne and ground magnetics, induced polarisation, auger bedrock geochemistry, and geology.

The re-appraisal of the area was made in an effort to determine the zinc-lead potential of the area, based on the experience gained in the Anomaly A and Warr's zones.

As a result of this study, it has been recommended that the Anomaly A and Warr's mineralized zones represent the best targets for continued exploration, the potential of other zones within the area explored to date being negligible. Further diamond drill hole testing is recommended for both Anomaly A and Warr's prospects. No follow-up work is recommended for any other zones already examined. Exploration of unexplored magnetic anomalies should be contingent on final geophysical interpretation of the aeromagnetic data.

1.2. Re-interpretation of geophysical data

Geophysical re-interpretation of magnetic data has been continued during the quarter. This re-interpretation is being undertaken in the light of the ground exploration information now available.

A large number (63) of diamond drill hole samples from Anomaly A and Warr's were subjected to magnetic susceptibility measurement as an aid to the geophysical study.

The results of this work are not available at present.

1.3. Warr's economic study

A preliminary assessment of the economic viability of a mining operation in the Daly River area was undertaken by consultants during the quarter. This study was commissioned to provide a basis on which to plan further exploration by indicating the approximate size, shape, and grade of orebody required to sustain an economic operation at this location.
The best diamond drilling intersection from Warr's prospect was used as the basic width-grade guideline in the study.

The general conclusion from the study was that such mineralization cannot be viable at any tonnage under present economic conditions.

1.4. **E.L. reduction**

Results from the review of exploration data undertaken during the quarter were utilized to design a reduction of E.L. 356 to be effective on 29th May 1976. Application for the reduced area was submitted to the Mines Branch during April, 1976.

1.5. **Proposed 1976 Programme**

1.5.1. **General**

During the quarter, the exploration programme for 1976 was designed and preparation for the field work is proceeding.

1.5.2. **Anomaly A**

It is proposed to drill in 1976, one diamond drill hole designed to penetrate the centre of the magnetic anomaly at about the 230m. level. The proposed length of hole is 350m.

1.5.3. **Warr's**

In 1976, it is proposed to drill two diamond drill holes at Warr's prospect. The first hole is designed to intersect a zone of chlorite-magnetite alteration about 100m. north of DDH A22. The hole length proposed is 330m. maximum.

A second deeper hole is planned to test the down plunge projection of the mineralization on the best indicated cross-section between 2100N and 2400N at the 250m. level. The maximum length required to traverse the mineralized zone will be 365m.
1.5.4. **Follow-up**

Provision has been made in the programme for follow-up testing of any positive features of interest arising from the geophysical re-interpretation of magnetic data.

The conditional provision allows up to 800m. of diamond drilling.

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2. **EXPENDITURE**

Expenditure for the quarter was:

- Previous quarter (actual): $4381
- March (actual): $1922
- April (actual): $5509
- May (estimated): $3200

**TOTAL (estimated):** $10631
Robert Needham April 11, 1971

Dear [Addressee],

Date of Rejection

15.01.1971

Robert [Signature]

This is an agreement at hand at a minor war's proposal only further.