EL 9595

HARTS RANGE REGION, N.T.
NORTHEAST EDGE - ALICE SPRINGS [SF 53-14] 1:250,000
NORTHEAST EDGE - RIDDCH [5851] 1:100,000

RELINQUISHMENT REPORT

TO N.T. D.M.E

LICENCE HOLDER:
INMINERALS PTY LTD

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1 SUMMARY

Initial creek sampling in this EL indicated that sections of Florence Creek contained potentially economic garnet bearing alluvial and detrital deposits. Initial ground traverses indicated that localised outcrops of the Irindina Gneiss appeared to be suitable targets for extraction of coarse-grained hard-rock garnet.

A number of the hard-rock targets were re-examined in light of a better understanding of the garnet sand market, in light of evolving and increasingly tighter and more technical product specifications. Without exception, the more garnetiferous parts of the Irindina Gneiss are localised but almost randomly scattered; each such locality was considered small, with low potential tonnages. Additionally, the realisation that crushing source rocks may yield lower coarse-grained garnet tonnages than is desirable, plus a re-evaluation of the costs of proper rehabilitation, have led to the abandonment of thoughts over hard-rock mining of garnet. Consequently, only those blocks traversed by the major creek system were examined.

2 INTRODUCTION

EL9595 was taken up to prospect for industrial minerals and metallic mineral deposits. The principal focus for exploration is garnet, chiefly in alluvial and detrital deposits. [Partly weathered to fresh garnetiferous [source] rocks also comprised initial exploration targets as additional sources of coarser-grained garnet, since there is a ready market for this material, and it attracts a higher price]. Other surface and near-surface deposits were also considered, as the exploitation of these is in synergy with the proposed operations of Inminerals Pty Ltd [Inminerals].

EL9595 was granted to Chambigne Garnet Pty Ltd [Chambigne] on 14/11/2003, and comprised 11 graticular blocks. An application to transfer this EL to Inminerals was lodged on 15/8/2004 under the terms of the Chambigne / Inminerals Agreement.
3 LOCATION AND ACCESS

EL9595 is situated approximately 165km northeast of Alice Springs, in the Harts Range area; it lies some 18km south of the Harts Range Police Station. EL9595 lies entirely within the northeast part of the Riddoch 1:100,000 sheet, and similarly, on the Arltunga-Harts Range Region 1:100,000 Geological Special [1st edition, 1984]. These maps comprise the northeastern quadrant of the Alice Springs [SF53-14] 1:250,000 geological map [2nd edition, 1983].

The terrain is quite rugged throughout the EL, and a 4WD is required to navigate the access tracks.

Access to the EL from Alice Springs is north via the Stuart Highway (~ 50km), then east along the Arltunga Tourist Road, to The Garden Homestead, and thence via Ambalindum Homestead to Claraville Homestead. From here, take the northern track some 3km, turning east onto the Paradise Well and McLeish Yard track, which roughly skirts the northern side of the Hale River, and gives access to the southern part of the EL.

From Claraville, take the northern track for some 9km, turning east onto the Muller Bore track, but staying on the southern arm, to Brumby Dam and Brumby Bore; this track crosses Florence Creek some 4km south of its junction with Maud Creek, and gives access to the EL.

4 GEOLOGY OF EL9595

The geological-lithological distribution of rocks within the EL are shown in the Arltunga-Harts Range 1:100,000 special geological map, [1984]. The older rock sequence in the EL comprises the Division One Bungitina Metamorphics [Strangways Metamorphic Complex] of the Oonagalabi Dome in the northern part of the EL, and also in the southern part, skirting the Hale River. The remainder or central part of the EL comprises outcrops of the younger Division Two Irindina Gneiss, and its Riddock Amphibolite and Naringa Calcareous Members [Harts Range Group]. The nomenclature, and lithological and structural subdivisions follow those of Shaw, R.D., Stewart, A.J., and Rickard, M.J., 1984 *Arltunga-Harts Range Region - 1:100,000 Geological Map Commentary*, Bureau of Mineral Resources, Geology and Geophysics.

No purely geological mapping was carried out in any part of the EL in this reporting period. The geological syntheses and summaries are taken directly from the abovementioned reference, and so are not presented here.
5 EXPLORATION

Since the exploration effort in the EL concentrated on the availability of alluvial, residual and hard-rock garnet, actual fieldwork comprised ground surveys, and discrete sampling of the major creek system.

Several days were spent examining the feeder rocks, concentrating on the Irindina Gneiss, which is the major source for the garnet grains in the creek system. (No other forms of economic mineralisation were observed; minor aplite and pegmatite appeared barren). As elsewhere, the Irindina Gneiss in this EL is generally garnetiferous, but garnet modes range from 0 to about 30%. Areas with high garnet concentrations are almost randomly distributed, and the volume of high-garnet rock in any specific area is low.

The main thrust of exploration was focussed on the creek sands. Since the Irindina Gneiss is for the most part difficult to access, and because the costs and consequences of excavating and crushing, as well as rehabilitation, would be relatively high, it was decided to abandon all thoughts over mining hard-rock garnet, even though the coarser grains that would ensue from such a venture would have attracted a premium.

LICENCE SURRENDER

Application was made on 28th September 2005 to surrender all blocks within this licence.