EXPLORATION LICENCE 7995 - VICTORIA RIVER

ANNUAL REPORT TO THE NORTHERN TERRITORY DEPARTMENT OF MINES & ENERGY FOR THE PERIOD 13 MAY 1994 - 12 MAY 1995

Recd 25/7/95

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Exploration Licence 7995 - Victoria River.

Annual Report to the Northern Territory Department of Mines and Energy for the Period ending May 12 1995.

Period:	May 13, 1994 - May 12, 1995.
Submitted:	June 1995.
Author:	G. Byrne.
Licensee/ Operator:	G.W. Byrne 33.33% T.D. Edwards 33.33% W.H. Heatherington 33.33%
Location:	Mouth of Victoria River.
Distribution:	Department of Mines & Energy (1) Partners (3) File (1)

1994 - 1995 ACTIVITIES

Work for the year on EL 7995 consisted mainly of reviewing data gathered during the two field trips conducted in 1993-94. Due to the considerable expense of exploration in this remote area, the partners decided to actively seek a Joint Venture Partner.

Mr. T. Edwards flew to Darwin in January 1995, where he held talks with John Shields, who is a mining consultant. He also met with principals of Stockdale Mining on 24th January.

In addition, more background research on the EL area was carried out at the Department of Mines & Energy. Unfortunately, no J.V. was forthcoming as a result of the Darwin trip.

Other companies, including Nuigini Mining,Western Mining, Cambridge Gulf and Zappapan were also approached

A caveat, D6176, was lodged on 18th January,1995, by Mr. M. Lovell. This caveat is still in force, and has hampered efforts to find a JV Partner.

A review of data was prepared by Geologist, Mr. John Nethery, and has been included in this report.

EL 7995

BREAKDOWN OF EXPENDITURE FOR YEAR 2 (MAY 1994-MAY 1995)

	$
Administration	550.00
Rent	400.00
Report Nedex Pty Ltd	2,000.00
Legal Fees (Caveat)	100.00
Phone	275.00
Fax	80.00
Travel/Air Fare	800.00
Mapping	725.00
Accommodation	240.00
Vehicle Hire	150.00
Total	5,320.00

EL 7995

PROPOSED PROGRAM / EXPENDITURE MAY 1995 - MAY 1996

Due to limited resources of the partners, a Joint Venture with an exploration company is hoped to be negotiated. To the present, response from the major companies that have been approached re a J.V. has been disappointing. However, the partners still feel confident that a base metal deposit could be found on the EL.

EL 7995 now only consists of 20 blocks, but still covers all the known mineralisation areas that have been found to date.

If a Joint Venture partner is not found in the first half of the year, the partners plan to surrender the EL.

Expenditure for the year would be Approx. $3,000.00 to $4,000.00.

Yours faithfully,

Graham Byrne.

NEDEX PTY LTD
1 Eastern Street, Chillagoe, Qld. 4871.
Phone: (070) 947 128 AH: (070) 947 165 Fax: (070) 924 705

FACSIMILE TRANSMISSION **A.C.N. 003255276**

TO: Gavin Thomas **FROM: John Nethery**

COMPANY: NML **FAX: 02.2518585**

DATE: July 19, 1994 **PAGES: 4**

REVIEW OF DATA

VICTORIA RIVER PROSPECT, NORTHERN TERRITORY

EXPLORATION LICENCE 7995 - GRAHAM BYRNES AND OTHERS

SUMMARY

* 12km long zone, contains 8 enigmatic FeOx rich mounds associated with high acidity, to 150m diameter, with small associated siliceous breccias.

* Geochemical response to date is negative.

* Origin remains enigmatic but possible sources are:
(1) meteoric water mobilisation and redeposition of detrital FeOx from host sandstones,
(2) root systems to Sorby Hills type sulphide bodies,
(3) upper levels of lamproite diatremes.

INTRODUCTION

The prospect is held under EL 7995 by G.W.Byrnes, T.D.Edwards, and W.H. Hetherington, and was introduced to Niugini Mining Limited through contact between one of the vendors, Graham Byrnes, a miner from Herberton, who has worked as a contractor to Red Dome, and Mike Christie. Byrnes et al are seeking someone to fund and manage exploration, while they retire to a small carried interest.

The location of the centre of the prospect, which extends over a 12km strike length is longitude 129° 42', latitude 15° 03'. A total of 8 "ironstone" occurrences and associated siliceous breccia zones, were defined by the

titleholders and these extend over the 12km length of the River Peak Range which straddles the zone between the estuaries of the Fitzmaurice River (Keyling Inlet), and Victoria River (Queens Channel) on the coast of the Joseph Bonaparte Gulf in the Northern Territory.

Access to the area is limited as the area is entirely deserted and is not grazed because of the ruggedness, lack of fresh water, and isolation. The nearest property is Bradshaw Station, a distance of 85km further up the Victoria River towards Timber Creek. Bradshaw is apparently a well run station with a number of small mustering helicopters (e.g. Robertsons), and the manager Ian McBean is apparently very helpful and willing to hire out helicopter support.

REGIONAL SETTING

Stratigraphy

Fitzmaurice Group comprises shallow marine conglomerate, sandstone, and siltstone. The Legune Formation, the host to mineralisation, does not differ markedly from the remainder of the group.

The Legune Formation is overlain unconformably by the host to Sorby Hills style mineralisation, the Late Devonian Cockatoo Group and the Early Carboniferous Langfield Group. The nearest outcrop of Carboniferous rocks is 30km to the WSW.

Structure

The prospect occurs within the Fitzmaurice Mobile zone, which is adjacent to the Sturt Block, a stable platform. The boundary between these zones is the Victoria River fault, a steep oblique slip thrust, some 30km SE from the prospect area. The Fitzmaurice Mobile Zone is the northern continuation of the Halls Creek Mobile Zone. The entire mobile belt was a zone of sinistral wrench throughout the Palaeozoic. All the prospects lie within 2km W of the Indian Hill Fault, a major thrust which splays from the Victoria River Fault, some 50km to the SSW. The Legune Formation, of the Fitzmaurice group, which hosts the prospects is very complexly folded in contrast with the overthrust Fitzmaurice group to the SE of the Indian Hill Fault, which dips gently to the SSE at between 10° and 20°. It is inferred that some 2000m of overthrusting has occurred on the basis that Legune Group is juxtaposed with Moyle River Formation across the fault, and an intervening stratigraphic thickness involving the Laingang Formation (1400m) and Goobaleri Formation (600m) are not present in that position.

Mapping of this part of the Auvergne 1:250,000 Sheet was by air photograph interpretation, and it is clear that all the prospects coincide with either interpreted fault trends or topographic linears that may be faults. It should be noted also that all the deposits are situated in the zone between 0 and 30m ASL, and this coincidence suggests leaching along fault zones perhaps at the water table.

The deposits comprise raised mounds of iron rich red breccia, with associated but subordinate white siliceous breccias. Creeks downstream are frequently choked with limonite and jarosite for a kilometre or so.

PREVIOUS EXPLORATION

No previous exploration is known in the area.

RECONNAISSANCE EXAMINATION

The mounds were first noticed by a friend of Byrnes who was Barrumundi fishing at the time, and went looking for fresh water.

Two reconnaissance trips have been completed. The first by Byrnes and his partners, was achieved, with some difficulty, by boat from Bradshaw Station, and involved a 100km trip down the Victoria River. Byrnes took a number of photographs, both panoramic and close enough to see textures. Samples (17) were initially submitted to Tableland Analytical, however spurious results indicated contamination, which lead to submittal to Red Dome Mine Laboratory. The Red Dome results failed to show anything of significance.

The second trip involved very brief helicopter reconnaissance involving Byrnes and John Gaskell from Savage Resources. According to Byrnes, Gaskell did not bother to walk the periphery of the zones nor define any structural controls. A total of 27 rock chip samples and 21 -40# stream sediment samples were submitted to AMDEL and these failed to detect any significant Au, Cu, Pb, Zn, Ni, Co, or Ag, except 1 sample with 1290ppm Pb. Gaskell attributed the Fe concentrations to leaching of the sandstone downwards to an impervious shale layer. This does not explain the white siliceous breccias, and Byrnes is adamant that the FeOx mounds show a breccia texture.

CONCLUSIONS & RECOMMENDATIONS

Descriptions of the "ironstone", and associated siliceous breccias by Graham Byrnes, and his collection of photographs suggest 3 possible scenarios for the formation of the iron rich mounds:

(1) Stratiform Detrital Hematite deposits - Sub-economic iron ore occurs as coarsely granular sandy hematite at Pompey's Pillar, near Argyle, and at Bandicoot Range 12km west of Kununurra Fe, in the Carr Boyd Group, which is equivalent in age and depositional history to the Fitzmaurice Group. These are similar style deposits, though probably of a younger age, to the Yampi Member of the Kimberley Group, which contains stratiform concentrations of detrital hematite, at the Cockatoo Island and Koolan Island mines. All of these are interpreted as beach or shallow water concentrations. Ground water leaching of such deposits and redeposition could conceivably create FeOx mounds.

(2) Mobilised sulphide gossan. - The nearest mining camp is Sorby Hills, 100km SW in Western Australia, which is a Mississippi Valley type Pb Zn deposit (16mt @ 5.2% Pb, 0.6% Zn and 56g/t Ag), and occurs in mid-Devonian to lower Carboniferous carbonates overlying the Fitzmaurice Group. The only possible connection between this style of mineralisation and the Indian Hills prospect is that the Sorby Hills prospect metalliferous brines are thought to be derived from the underlying Proterozoic sequence and moved upwards to suitable structural / lithological traps via major faults. The extension of the Indian Hill Fault to the S of the prospect borders the Palaeozoic sequence. These splays from the Indian Hill Fault may hosts sulphide root zones to a former Sorby Hills type of deposit, now eroded.

(3) Upper levels of a lamproite diatreme - Sediments of the Fitzmaurice group may well be stratigraphic equivalents to the Carr Boyd Group, host to the Argyle Pipe. Photographs of the mounds certainly suggest a broadly circular shape. Graham Byrnes who has worked at Red Dome, claims that the mounds contain breccia of very similar apppearance to the red breccia at Red Dome. Certainly alluvial diamonds draining from the Victoria River have been found by Cambridge Gulf Exploration, and microdiamonds were found previously within 50km to 100km (ADE JV).

Alternative (1) above does not explain the large amount of jarosite and limonite deposited around the perimeter and downstream from the mounds, and the high pH of the water. These suggest a high primary sulphide content. The white siliceous breccias are not explained by this process.

Alternative (2) would explain the high primary sulphide content and hence the high jarosite, limonite and acidity, and would also explain the fact that all are close to sea level. i.e. these mounds represent mobilised gossans. However this does not explain the highly siliceous breccias evident in the photographs from several of the prospects, the extremely low base metal contents (particularly Pb), nor does it explain the broadly circular shape, and raised topographic mound.

Alternative (3) is consistent with the fault control, the shape, the nature of the breccia as reported, but it is not considered normal that a lamproitic diatreme would have such an apparent high sulphide content.

In summary the origin of these mounds remains enigmatic. The critical issue is whether to outlay somewhere in the vicinity of $5000 to investigate further. This general region is generally very prospective, as described above, so that my inclination is to recommend further investigation. On the other hand there is no indication of gold in these deposits.

John Nethery

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TABLELAND ANALYTICAL

P O BOX 259
HERBERTON
N Q 4872

PH 070 962 185
FAX 070 962 587

ASSAY REPORT

Client: [illegible] Byrne

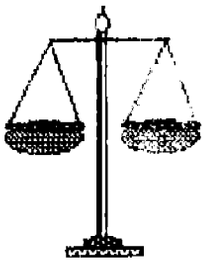
Date: 22nd February 1993

Sample		Au g/t	Cu	Pb	Zn ppm	As	Ni	Co
RP	1	1.71	5	4	27	67	<2	2
	2	1.20	7	5	30	66	<2	<2
	3	0.46	12	6	60	71	<2	<2
	4	0.84	20	6	52	72	<2	<2
	5	0.2[illegible]	28	17	15	128	<2	<2
	6	0.0[illegible]	5	2	3	17	<2	<2
	7	0.11	33	21	42	96	<2	<2

RP 1. Bottom sample of deposit.
2 next up
3 "
4 Top line
5 5m wide Breccia
6 Reef 50m to RHS.
7 3 rocks gossan air strip hill

A King

CR95/627



ASSAY

Client: Syme

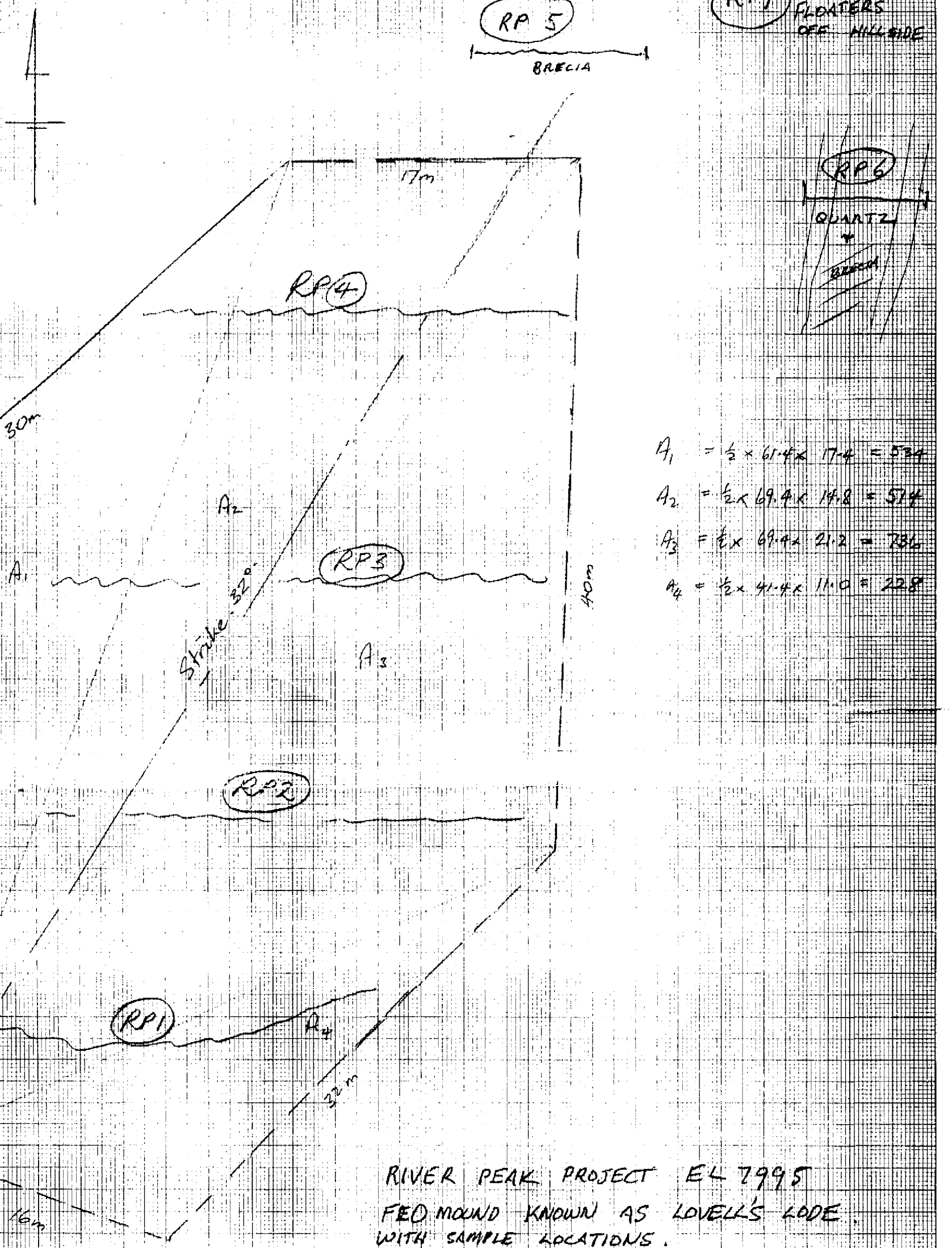
Date: 22nd February 1993

Sample	Au g/t	Cu ppm	Pb ppm
1	0.71	5	4
2	1.23	7	5
3	0.43	12	6
4	0.81	20	6
5	[illegible]	28	17
6	[illegible]	[illegible]	2
7	6.	33	21

RP. 1. Bottom sample of deposit.
2 Next up
3 "
4 Top line
5 5m wide Breccia
6 Reef 50m to RHS.
7 3 rocks gossan air strip hill

CR95/627

RIVER PEAKS DEPOSIT.



$A_1 = \frac{1}{2} \times 61.4 \times 17.4 = 534$

$A_2 = \frac{1}{2} \times 69.4 \times 14.8 = 514$

$A_3 = \frac{1}{2} \times 69.4 \times 21.2 = 736$

$A_4 = \frac{1}{2} \times 41.4 \times 11.0 = 228$

RIVER PEAK PROJECT EL 7995
FEO MOUND KNOWN AS LOVELL'S LODE.
WITH SAMPLE LOCATIONS.
Exposed body approx = 2000 m².

60m × 30m.

Scale 1:250

RED DOME PTY. LTD.

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RED DOME LABORATORY

ASSAY REPORT

DATE 18-12-93.

LOCATION RIVER PEAK NT.

SAMPLE No.		Au.			
GRAHAM BYRNE		0·03			
SAMPLE RP18.					
RESULTS IN PPM UNLESS OTHERWISE STATED.					

CR95/6277

RED DOME LABORATORY
ANALYTICAL DATA REPORT

EL 7995
CHECK ASSAYS TO AMDEL RP-01-47.
URP 2-17.

REF. NUMBER GBY[illegible]NE1

REPORT DATE 14-Feb-[illegible]

SAMPLE #	Au (1)	Au (2)	Cu (1)	Cu (2)	Ag (1)	Ag (2)	Zn (1)	Zn (2)	Pb (1)	Pb (2)	As (1)	As (2)
RP-1	0.06											
RP-2	0.04											
RP-3	0.02											
RP-5	<0.01											
RP-6	<0.01											
RP-7	0.04											
URP-2	0.02	0.04										
URP-5	<0.01											
URP-6	<0.01											
URP-10	<0.01											
URP-11	<0.01											
URP-12	<0.01	<0.01										
URP-13	<0.01											
URP-14	<0.01											
URP-15	<0.01	<0.01										
URP-16	<0.01	<0.01										

Results in ppm unless otherwise specified
SNR = sample not received
IS = insufficient sample

NOTE No responsibility is given or implied as to the accuracy of sample identification or quality of sample preservation prior to receipt of the sample by this laboratory

AUTHORISED OFFICER _____

Pg 5 of 27

RED DOME [illegible]
ANALYTICAL [illegible]

EL 7995
CHECK ASSAYS TO AMDEL RP-01-47.
URP 2-17.

REF.
NUMBER GBY3NE1

SAMPLE #	Au (1)	Au (2)	Cu (1)	Cu (2)	Ag
RP-1	0.06				
RP-2	0.04				
RP-3	0.02				
RP-4	<0.01				
RP-6	<0.01				
RP-7	0.04				
URP-2	0.02	0.04			
URP-5	0.01				
URP-6	0.01				
URP-10	0.01				
URP-11	< 0.01				
URP-12	< 0.01	<0.01			
URP-13	< 0.01				
URP-14	< 0.01				
URP-15	< 0.01	<0.01			
URP-17	< 0.01	<0.01			

Results in ppm [illegible]
SNR = Sample [illegible]
IS = Insuffi[illegible]

CR95/627

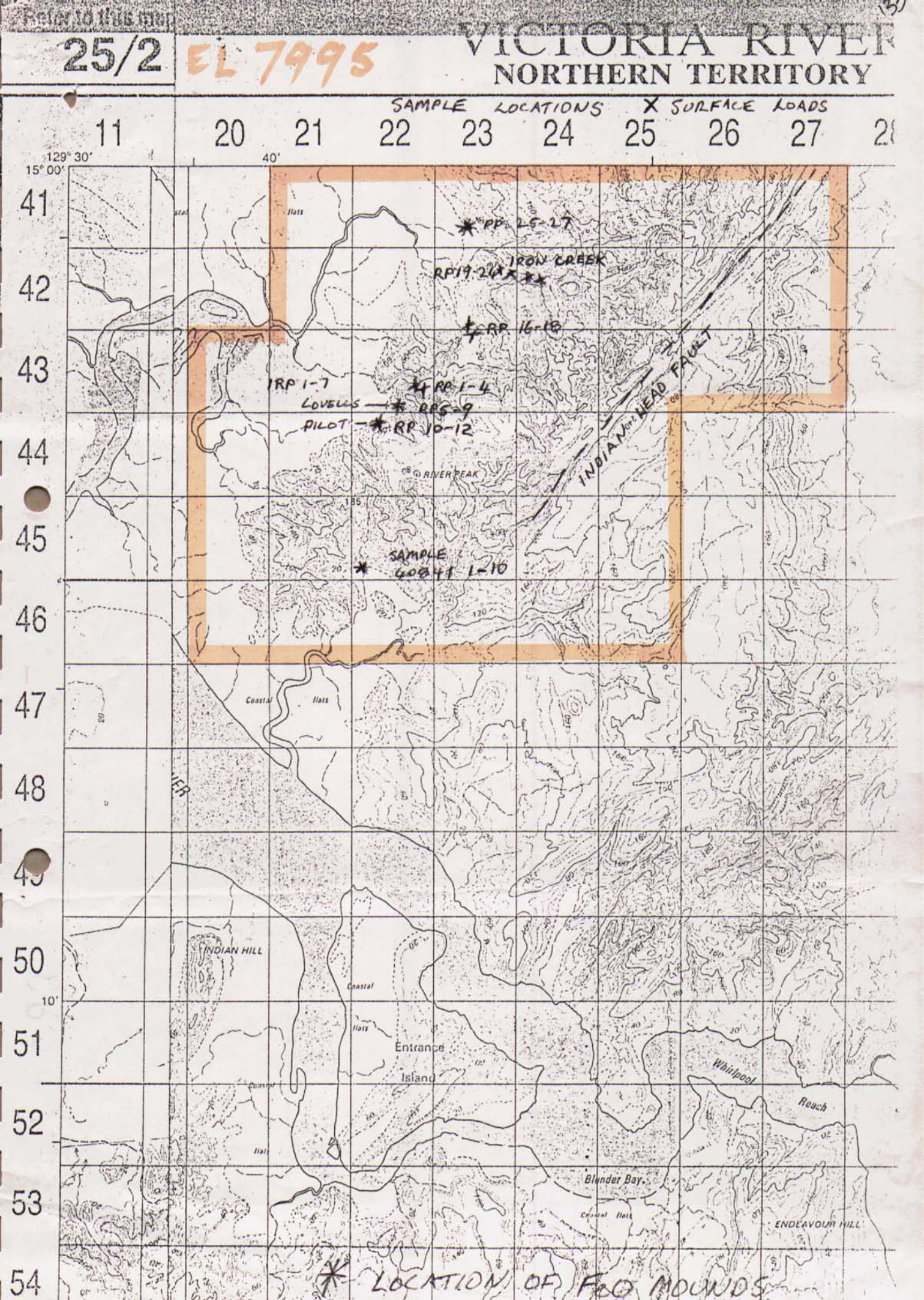
Refer to this map

25/2

EL 7995

VICTORIA RIVER
NORTHERN TERRITORY

SAMPLE LOCATIONS X SURFACE LOADS



* LOCATION OF FOO MOUNDS

amdel

EL 7995
STREAM SEDS

Job: 3DN1201
O/N: 134063

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Final

ANALYTICAL REPORT

SAMPLE	Au	AuDpl
12401 -40#	<0.01	--
12402 -40#	<0.01	--
12403 -40#	<0.01	--
12404 -40#	<0.01	--
12406 -40#	<0.01	--
12407 -40#	<0.01	--
12408 -40#	<0.01	--
12410 -40#	<0.01	--
12411 -40#	<0.01	--
12412 -40#	<0.01	--
12413 -40#	<0.01	--
12421 -40#	<0.01	--
12423 -40#	<0.01	--
12424 -40#	<0.01	--
12425 -40#	<0.01	<0.01
12426 -40#	<0.01	--
12427 -40#	<0.01	--
12428 -40#	<0.01	--
12429 -40#	<0.01	--
12431 -40#	<0.01	<0.01
12432 -40#	<0.01	--
12405	<0.01	--
12409	<0.01	--
12422	<0.01	--
UNITS	ppm	ppm
DET.LIM	0.01	0.01
SCHEME	FA1	FA1

amdel

EL 7995

Job: 3DN1167
O/N: 134060

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Final

ANALYTICAL REPORT

SAMPLE	Au	AuDp1
RP 01	<0.01	--
RP 02	<0.01	--
RP 03	<0.01	--
RP 04	<0.01	<0.01
RP 05	<0.01	--
RP 06	<0.01	--
RP 07	<0.01	--
RP 08	<0.01	--
RP 09	<0.01	--
RP 10	<0.01	<0.01
RP 11	<0.01	--
RP 12	<0.01	--
RP 13	<0.01	--
RP 14	<0.01	--
RP 15	<0.01	<0.01
RP 16	<0.01	--
RP 17	<0.01	--
RP 18	<0.01	--
RP 19	<0.01	--
RP 20	<0.01	<0.01
RP 21	<0.01	--
RP 22	<0.01	--
RP 23	<0.01	--
RP 24	<0.01	--
RP 25	<0.01	<0.01
RP 26	<0.01	--
RP 27	<0.01	--
UNITS	ppm	ppm
DET.LIM	0.01	0.01
SCHEME	FA1	FA1

amdel

Job: 3DN1167
O/N: 134060

Final

ANALYTICAL REPORT

SAMPLE	Cu	Pb	Zn	Ni	Co	Ag
RP 01	15	<4	81	<4	<4	<1
RP 02	17	9	37	<4	<4	<1
RP 03	57	7	50	<4	<4	<1
RP 04	170	30	40	<4	4	<1
RP 05	14	15	6	4	<4	<1
RP 06	8	<4	6	<4	<4	<1
RP 07	13	14	<2	12	4	<1
RP 08	7	<4	14	4	<4	<1
RP 09	11	11	34	6	<4	<1
RP 10	14	10	28	4	<4	<1
RP 11	5	11	2	<4	<4	<1
RP 12	7	11	36	<4	<4	<1
RP 13	29	10	155	13	8	<1
RP 14	25	10	36	<4	<4	<1
RP 15	16	<4	<2	8	<4	<1
RP 16	13	9	28	<4	<4	<1
RP 17	15	41	9	<4	<4	<1
RP 18	88	1290	130	11	8	<1
RP 19	12	19	35	<4	4	<1
RP 20	11	13	55	<4	4	<1
RP 21	7	11	8	<4	4	<1
RP 22	9	10	7	<4	<4	<1
RP 23	8	6	51	<4	<4	<1
RP 24	7	<4	67	<4	<4	<1
RP 25	9	7	8	<4	<4	<1
RP 26	13	13	8	<4	<4	<1
RP 27	16	16	10	4	<4	<1
UNITS	ppm	ppm	ppm	ppm	ppm	ppm
DET.LIM	2	4	2	4	4	1
SCHEME	AA1	AA1	AA1	AA1	AA1	AA1

amdel

Job: 3DN1201
O/N: 134063

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Final

ANALYTICAL REPORT

SAMPLE	Cu	Pb	Zn	Ni	Co	Ag
12401 -40#	2	8	15	<4	<4	<1
12402 -40#	4	15	21	4	9	<1
12403 -40#	2	12	17	<4	13	<1
12404 -40#	2	11	7	<4	4	<1
12406 -40#	<2	4	5	<4	<4	<1
12407 -40#	2	5	5	<4	<4	<1
12408 -40#	3	9	4	<4	<4	<1
12410 -40#	6	15	6	<4	<4	<1
12411 -40#	<2	6	5	<4	8	<1
12412 -40#	2	6	6	<4	5	<1
12413 -40#	2	5	6	<4	<4	<1
12421 -40#	4	19	6	23	4	<1
12423 -40#	4	21	7	<4	6	<1
12424 -40#	3	16	6	<4	5	<1
12425 -40#	3	13	5	<4	6	<1
12426 -40#	2	12	13	25	6	<1
12427 -40#	4	13	15	30	4	<1
12428 -40#	3	14	26	6	9	<1
12429 -40#	2	8	4	7	8	<1
12431 -40#	3	13	6	<4	6	<1
12432 -40#	2	12	7	<4	<4	<1
12405	7	23	4	<4	8	<1
12409	14	39	2	<4	7	1
12422	8	46	17	<4	9	<1
UNITS	ppm	ppm	ppm	ppm	ppm	ppm
DET.LIM	2	4	2	4	4	1
SCHEME	AA1	AA1	AA1	AA1	AA1	AA1