FINAL REPORT

DESERT CREEK (EL28799)

13/01/2012 to 05/03/2013

Title Holder: NATURAL RESOURCES EXPLORATION PTY. LTD.
Operator: Natural Resources Exploration Pty. Ltd.
Tenement Manager: Nicole Munro, Natural Resources Exploration Pty. Ltd.
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Author(s): Nicole Munro
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Summary

Section 94 of the *Mineral Titles Act* requires the submission of reports prepared by the titleholder for each Exploration Licence about the authorised activities conducted under the title and other matters relating to the title. The purpose of the following Final Report for Exploration Licence (EL) 28799 is to provide a summary of the activities carried out over the entire area of EL 28799 up to the time when the title ceased to be in force, including any results produced by those activities.

Natural Resources Exploration’s (‘NRE’) has carried out a detailed geological assessment of its Desert Creek Prospect, Exploration Licence (EL) 28799. To delineate prospective areas for phosphate, uranium and diamond mineralisation and define the next phase of exploration, NRE carried out extensive office-based studies including desktop reviews of all previous exploration across EL28799 and its surrounding tenures which form the group project area known as the ‘Barkly Project’. NRE also attended the Darwin Core Facility with a view to analysing water bore cuttings held at the library. NRE carried out both XRF and ALS Analysis of water bores located within EL28799 and within the region.

Under section 102 of the *Mineral Titles Act* and Regulation 63 of the *Mineral Titles Regulations*, NRE made application to the Department to amalgamate EL28799. All future exploration activities conducted on this area will be reported under the replacement exploration licence number 29722.
1. Introduction

Natural Resources Exploration (‘NRE’) has carried out a detailed geological assessment of its Desert Creek Prospect, Exploration Licence (EL) 28799.

To delineate prospective areas for phosphate, uranium and diamonds mineralisation and define the next phase of exploration, NRE carried out extensive office-based studies including desktop reviews of all previous exploration across EL28799 and its surrounding tenures which form the group project area known as the ‘Barkly Project’. Natural Resources Exploration (‘NRE’) is exploring for phosphate, uranium and diamonds in the Northern Territory’s Barkly Sub-basin within the central Georgina Basin.

Investigations were intended to locate any outcropping of any mineralisation and any indicators of any sub-surface any mineralisation within the tenement.

2. Tenure

NRE’s exploration licence (EL) 28799, is more commonly known by NRE as its ‘Desert Creek Prospect’. EL28799 was granted to NRE on 13 January 2013 consisting of 44 sub-blocks over the Barkly Tablelands.

*Table 1* lists the pertinent tenement details.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Tenement Name</th>
<th>Title No. (EL)</th>
<th>Sub-blocks</th>
<th>Status</th>
<th>Grant Date</th>
<th>Term (Yrs)</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barkly</td>
<td>Desert Creek</td>
<td>28799</td>
<td>44</td>
<td>Granted</td>
<td>13-Jan-13</td>
<td>6</td>
<td>12-Jan-18</td>
</tr>
</tbody>
</table>

Under section 102 of the *Mineral Titles Act* and Regulation 63 of the *Mineral Titles Regulations*, NRE made application to the Department to amalgamate EL28799. All future exploration activities conducted on this area will be reported under the replacement exploration licence number 29722.

Native Title Claims

There is currently one Native Title Claim over the area, namely Dalmore Downs (DC01/30). The Native Title Claim is identified below in *Figure 1.*
2.1 Location and Access

EL28799 is located in the Barkly Tablelands approximately 315 kilometres to the northwest of Mount Isa.

Access is from Mt Isa via the sealed Barkly Highway or Darwin via the sealed Stuart and Barkly Highways. Alternatively, EL28799 can be accessed by helicopter. The location and access to the project is identified in Figure 2.
Pastoral Leases

NRE’s EL28799, Desert Creek Prospect overlies two (2) Perpetual Pastoral Leases namely, ‘Alroy Downs’ NT Portion 651 PPL 985 and ‘Alexandria’ NT Portion 1 PPL 913. These Perpetual Pastoral Leases have been identified in Figure 3.
2.2 Topography and Drainage

The Barkly Tableland is a vast terrain of flat to very gently undulating black soil plains. The tenure is flat lying with clays soils and sheet wash. There are three lakes in the southern part of the tenure and minor outcrops of quartz sandstone and dolostone in the north eastern part of the tenure. The topography of the Desert Creek Prospect is depicted in Figure 4 below.
3. Geology

3.1 Regional Geology

EL28799 and the surrounding tenures within NRE’s Barkly Project lie centrally within the Georgina Basin, straddling the boundary between the Barkly and Undilla Sub-basins (Figure 5). Together with the Wiso and Daly Basins, which lie to the west and northwest respectively, the Georgina Basin constitutes an extensive (360,000 square kilometres) remnant of the NeoProterozoic and Palaeozoic, sedimentary sequence that was originally deposited across an intra-continental platform that covered a large part of central Australia.
The Georgina Basin comprises rocks ranging in age from Neoproterozoic to Devonian and covers an area of approximately 325,000 square kilometres. The Basin is elongated north west to south east and regional magnetic data can be used to infer a north west – south east structural grain with ridge and depression sub-basin topography.

**Stratigraphy and sedimentology**

Shergold and Druce (1980) subdivided the Basin sequence into three tectono-stratigraphic units or “tectotopes”.

- **Tectotope 1** is Neoproterozoic to Early Cambrian in age and consists of glacial, siliciclastic sediments overlain by marine and marginal marine or continental siliciclastic sediments.

- **Tectotope 2** is distributed widely across the Basin, is of Middle Cambrian to Ordovician in age and comprises sequences dominated by carbonates with some early siliciclastic units.
Tectotope 3 is Ordovician to Devonian in age, dominated by siliciclastic rocks and occurs only in the south.

The significant phosphate deposits of the Georgina Basin occur in the Middle Cambrian and consequently the relevant part of the stratigraphy belongs to tectotopes 1 and 2. The sedimentology across the Basin is complex and consequently the stratigraphy developed by many people working in specific relatively localised areas includes a plethora of units and stratigraphic names.

As Cook (1989) noted that no single stratigraphic column can be provided for the Georgina Basin. Figure 6 is an attempt to reconcile localised stratigraphic interpretations for the Early and middle Cambrian, which is most relevant to the discussion of phosphate mineralisation. The following outline of the geological history of the Georgina Basin from Neoproterozoic to Late Cambrian times is taken largely from Cook (1989). Sedimentation in the Georgina Basin was initiated in the Neoproterozoic in grabens formed by regional north east-south west extension. Tholeiitic basalts and felsic volcanic rocks were emplaced in the centre and north during the earliest Cambrian; these lie unconformably on Proterozoic basement and include the Helens Springs and Peaker Piper Volcanics. Elsewhere, the basal units of the Georgina Basin comprise conglomerates, sandstones, shales and glacial and fluvial sediments (e.g. Mount Birnie, Riversdale and Mount Hendry Formations).

Figure 6. Stratigraphic Summary of the Georgina Basin
Ongoing extension and subsidence were accompanied by a marine transgression and by the Middle Cambrian, the Basin was covered by a shallow intra-continental sea, rich in marine life. Extensive limestone and dolomitic sequences (e.g. Thorntonia Limestone and Gum Ridge Formation) were deposited. These also contain evidence for shallow, intertidal and highly saline conditions (e.g. algal structures and pseudomorphs of halite and gypsum crystals).

Following a short break in sedimentation, subsidence continued with the deposition of a sequence of siltstone and sandstones around the Basin margins and carbonate shoals in deeper water. Cook (1989) noted that this was a time when the Basin was characterised by a complex interplay of sedimentary environments, ranging from shallow marine, through intertidal and estuarine to lagoonal. It was also the time when the major phosphatic units (e.g. the Beetle Creek and Wonarah Formations and Anthony Lagoon and Burton Beds) and the phosphorites were deposited.

Formation of the phosphatic units of the Georgina Basin was followed by deposition of black organic-rich shales (Inca Formation) in near shore areas and shallow carbonates throughout most of the Basin. Carbonate sedimentation continued until uplift and erosion associated with the Delemarian Orogeny occurred in the Late Cambrian.

Howard (1990) used bore hole and drillhole, aeromagnetic and gravity data to define a phosphatic lithofacies within the Middle Cambrian of the Georgina, Wiso and Day Basins. The phosphatic horizon has an average width of 32 km and a thickness of between 10 and 190 metres. The strike length exceeds 2000 km. The phosphate deposits in the southeast are slightly younger than those found elsewhere. The dominant lithology of the phosphatic lithofacies is siltstone and the phosphatic horizon occurs either at basin margins, adjacent to Proterozoic basement (e.g. in the eastern Undilla sub-basin and Burke River outlier) or above structural basement highs (e.g. Barkly subbasin).

### 3.3 Permit Geology

EL28799 sits across the Barkly Tableland and overlies the Georgina Basin. The Barkly Tableland coincides closely with the north-central and northern parts of the Neoproterozoic to Palaeozoic Georgina Basin. Exposures of the basinal sediments in the area are rare, but where present, are typically composed of weakly deformed middle Cambrian carbonate sedimentary rocks. Locally overlying the Palaeozoic rocks are thin deposits of flat lying late Palaeogene limestone. Thin deposits of Cretaceous marine sediments also locally occur in the northern margin of the Barkly Tableland. The permit geology is illustrated in Figure 7.
4. NRE’s Exploration Activities over EL28799

In order to define the next phase of exploration, NRE’s exploration program for its Desert Creek Prospect consisted of extensive desktop studies and a historic review of previous exploration over the tenure area as well as its surrounding tenures which form the group project area known as the ‘Barkly Project’.

Our office-based studies have allowed us to delineate prospective areas for phosphate mineralisation. From these studies, NRE has begun modelling the phosphate horizon in the region with the view of conducting a future limited drilling program.

4.1 Previous Exploration Studies

NRE has conducted an extensive review of historic exploration over EL28799. Historic exploration in this region has largely been for phosphate and diamond exploration with some uranium exploration. Encouraged by IMC’s success in locating high grade phosphate in the late 1960’s, a number of explorers have continued to search for phosphate in the region.
The Barkly region was part of the Australian Diamond Exploration Joint Venture regional programme to search for kimberlitic pipes. Results varied across the region with microdiamonds recovered, and intrusive pipes located. Recent exploration has favoured base metal mineralisation. A number of historic tenements have covered areas overlapping NRE’s tenures and these are shown in Figure 8 below.

Figure 8. Historic tenements over EL28799

![Historic tenements over EL28799](image)

NRE has reviewed a number of previous companies’ exploration reports overlapping EL28799, including those listed in Table 2 below.

Table 2. Historical Reports Reviewed by NRE

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Period</th>
<th>Company Reports</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 22983</td>
<td>2002-2003</td>
<td>CR2004-0044</td>
<td>De Beers Australia Exploration</td>
</tr>
<tr>
<td>EL 22979</td>
<td>2002-2003</td>
<td>CR2004-0044</td>
<td>De Beers Australia Exploration</td>
</tr>
<tr>
<td>EL 22982</td>
<td>2002-2003</td>
<td>CR2004-0044</td>
<td>De Beers Australia Exploration</td>
</tr>
<tr>
<td>EL 3536</td>
<td>1982-1988</td>
<td>CR1983-0151</td>
<td>CRA Exploration</td>
</tr>
<tr>
<td>AP 1802</td>
<td>1967-1968</td>
<td>CR1968-0030</td>
<td>IMC Development</td>
</tr>
</tbody>
</table>

### 4.2 Water Bore Cuttings Analysis

NRE attended the Northern Territory’s Alice Springs Core Facility and conducted XRF Assaying of all water bore chips available within EL28799 as well as its surrounding tenures which form the group project area known as the ‘Barkly Project’.

This exploration activity was completed in order to define any mineral potential within EL28799. The XRF Assaying of water bore chips at the Darwin Core Facility involved:

- Delineation of all water bores drilling in the project areas;
- Compilation and data entry of all relevant information recorded at the time of drilling, including geology intersected and water chemistry;
- Determination of water bore chips available for XRF analysis held at the Darwin Core Facility;
- Assessment and correlation of XRF results and geological data within each hole and across the project areas.

The XRF Analysis of water bore chips held at the Northern Territory Department of Resources’ (‘the Department’) Darwin Core Facility has proved to be valuable to NRE in determining the mineral prospectivity of each of its project areas and specifically, in respect of each tenement.

After compilation and detailed interrogation of all currently available data within each tenement with the XRF results, NRE was provided with valuable insight into the mineral potential of EL28799, its surrounding tenements and the region in general. The Department
kindly allowed NRE to set-up in the Darwin Core Facility where NRE’s geologists undertook analysis of the water bore cuttings using a hand-held XRF device.

NRE lodged an Exploration Report with the Northern Territory Department of Resources’ Geoscience Division on 7 June, 2011. This report was required in respect of the XRF and ALS Assaying of Water Bore Chips at the Darwin Core Facility. The Exploration Report was titled ‘XRF & ALS Assaying of Water Bore Chips – Core Facility: Darwin’.

5. Reports lodged during the reporting period

NRE believes that no other reports were required to be lodged during this reporting period.

6. Conclusions

Natural Resources Exploration’s exploration activities over EL28799 have been focused on determining the mineral prospectivity of the area, modelling phosphate horizons present in EL28799 and its surrounding tenements as well as delineating targets and developing a limited drilling program. NRE believes that the region is prospective for fairly shallow phosphate mineralisation.

Under section 102 of the Mineral Titles Act and Regulation 63 of the Mineral Titles Regulations, NRE made application to the Department to amalgamate EL28799. All future exploration activities conducted on this area will be reported under the replacement exploration licence number 29722.
7. Bibliography


Note many more references are also located in the References section of the Alroy, Brunette Downs, Mt Drummond and Ranken 1:250,000 geological map series explanatory notes.
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This document and its content are the copyright of Natural Resources Exploration Pty. Ltd. The document has been written by Natural Resources Exploration Pty. Ltd. for submission to the Northern Territory Department of Mines and Energy as part of the tenement reporting requirements of the Minerals Titles Act.

Any information included in the report that has been originated or sourced from historical open file reports or other sources is listed in the “Exploration Studies - Historic” section within the document.

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