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<td><strong>REPORT TITLE</strong></td>
<td>FINAL REPORT OF RELINQUISHED AREAS: EL 27306</td>
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FINAL REPORT OF RELINQUISHED AREAS: EL 27306

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EXECUTIVE SUMMARY

Universal Splendour Investments (USI) have taken up exploration licenses 27306, 27307, 27437 and 29453 collectively referred to as the Victoria River Project.

USI have relinquished 97 blocks of the original 115 blocks of EL27306 and the details contained within this report only cover this portion of the relinquished tenement.

To date no work has been undertaken on the relinquished portion of EL 27306 and no further work was recommended with respect to manganese exploration.

A full study for other commodities should be undertaken to fully evaluate the potential of the relinquished portion of EL 27306.
FIGURES

Figure 1: Location of the current outline of USI's Victoria River Project area southwest of Katherine. EL 27306, 27307, 27437 and 29453 are the only tenements located in the project area. 6

Figure 2: Location of relinquished portions of EL 27306 within the Victoria River Project area. .................................................................................................................................. 7

Figure 3: Regional geology from the DELAMERE and VICTORIA RIVER DOWNS 250K explanatory notes. USI's original tenements are outlined in red. ............................. 10

Figure 4: Geology map for ELs 27306, 27307 and 27437 derived from the NTGS 250K VICTORIA RIVER and DELAMERE digital data. Area of elevated stream sediment values outlined in pink. USI's original tenements are outlined in red. ......................................................... 11
1 INTRODUCTION

Universal Splendour Investments (USI) have taken up exploration licenses 27306, 27307, 27437 and 29453 collectively referred to as the Victoria River Project (Figure 1). This block of tenements currently covers an area of approximately 1,193km² and is located in the north-western portion of the Northern Territory, approximately 230km southwest of Katherine and 430km south of Darwin. USI have relinquished portion of EL27306 and the details contained within this report only cover this portion of the relinquished tenement.

1.1 Access

The main access into the project area is via Buchanan Highway (Figure 2).

Figure 1: Location of the current outline of USI’s Victoria River Project area southwest of Katherine. EL 27306, 27307, 27437 and 29453 are the only tenements located in the project area.
1.2 Relinquished Area

A total of 97 blocks of the original 115 blocks for EL 27306 have been relinquished by USI (Figure 2). The relinquished area is not considered prospective for manganese and as this is the main focus for USI no further work was planned for this area.

Figure 2: Location of relinquished portions of EL 27306 within the Victoria River Project area.
1.3 Completed Work on Relinquished Tenement

Unfortunately no work has been undertaken on the relinquished area of EL 27306. The prospective portion of EL27306 is to the west of the relinquished area and was retained by USI.

1.4 Regional Geology

The regional geological setting of the Victoria River project area (Figure 5 & Figure 6) is dominated by sedimentary rocks of the Proterozoic Victoria Basin and volcanic and sedimentary rocks of the Palaeozoic Wiso Basin. A thin veneer of discontinuous Cretaceous rock and Mesozoic cover is exposed along the plateaux margins to the east of the project area.

The Victoria Basin is underlain by the Birrindudu Basin which consists of two groups (Limbunya Group and the Birrindudu Group). Generally this basin consists of a marine succession of sublithic arenite, quartz arenite, siltstone, shale, conglomerate, stromatolitic chert, limestone and glauconitic sandstone.

Overlying the Birrindudu Basin is the Victoria Basin which contains several thousand metres of sedimentary rocks divided into the Wattie, Bullita, Tijunna and Auvergne groups although the Wattie Group does not outcrop in the project area.

The Wattie Group is a succession of mainly sandstone and siltstone, minor carbonate and rare tuffite. It is characterised by regional variations in thickness and was deposited in a shallow marine setting that was punctuated by subordinate deeper marine and evaporitic conditions (Beier et al., 2002).

The lower part of the unconformably overlying Bullita Group (Skull Creek Formation) is an assemblage of mainly carbonates and subordinate siliciclastics. These were deposited on a shoaling, shallow marine platform that included conditions that favoured extensive stromatolite deposition. Basin-wide carbonate deposition concluded with a transition to assemblages dominated by siliciclastics in the upper part of the group (Battle Creek Formation & Weaner Sandstone) (Beier et al., 2002).

Unconformably overlying the Bullita Group is the Tijunna Group. It consists of a lower unit (Wondoan Hill Formation) of glauconitic quartz sandstone, claystone, siltstone and mudstone and an upper unit (Stubb Formation) of siltstone, shale and minor sandstone. This group was deposited in predominantly shallow marine and minor low-energy deep-water conditions (Beier et al., 2002).

The Auvergne Group unconformably overlies the Tijunna Group and consists of sandstone and minor siltstone and pebbly sandstone (Jasper George Sandstone) that was deposited in a near-shore shallow marine environment during a regional transgressive phase of deposition. Progressive basement uplift moved the basin depocentre and the loci of the Auvergne Group to the west (Beier et al., 2002).

Generally the Proterozoic lithologies (Birrindudu Basin and Victoria Basin) correlate with the McArthur Basin which is the source of Mn for the deposits within the Gulf/McArthur Regions (i.e. Groote Eylandt, Rosie Creek, Brumby, etc.).

Uplift and erosion preceded the regional extrusion and deposition of Early Cambrian flood basalts (Antrim Plateau Volcanics). This was followed by Middle Cambrian deposition of the Montejinni Limestone in the Wiso Basin. The Montejinni Limestone lies to the east of the project area along with undifferentiated Cretaceous rocks (Beier et al., 2002).

Stream sediment assays from the NTGS indicate a possible source of Mn within EL 27307. The source of the Mn may be related to the Battle Creek Formation which likely outcrops in the rivers cut into the overlying Antrim Plateau Volcanics.
1.4.1 DEFORMATION

The exposed Proterozoic rocks are generally not strongly folded or faulted. The relatively undeformed Wattie and Bullita Groups outcrop in broad domes and small linear anticlines over lain by nearly flat-lying rocks of the Tijunna Group and Jasper George Sandstone (Beier et al., 2002).

A broad antiform, which is cored by the Skull Creek Formation, displays near four-way dip closures and dominates the regional structural fabric. This domed structure is flanked by arcuate outcrop of more gently dipping (~5°) younger Bullita Group strata and by nearly flat lying rocks of the Tijunna Group and Jasper George Sandstone (Beier et al., 2002).

Isolated anticlines in the Battle Creek Formation were probably topographic highs during the extrusion of the Antrim Plateau Volcanics. A northeast-trending lineament across the project area crudely separates a series of similarly axially oriented synclines and anticlines in the Proterozoic rocks. This lineament probably represents a regional feature of topographic relief (Beier et al., 2002).
Figure 3: Regional geology from the DELAMERE and VICTORIA RIVER DOWNS 250K explanatory notes. USI's original tenements are outlined in red.
Figure 4: Geology map for ELs 27306, 27307 and 27437 derived from the NTGS 250K VICTORIA RIVER and DELAMERE digital data. Area of elevated stream sediment values outlined in pink. USI’s original tenements are outlined in red.
2 MANGANESE MODEL FOR THE VICTORIA RIVER PROJECT AREA

The manganese mineralisation at Battle Creek 2 consists of irregular shaped rafts of high grade manganese within a massive fine grained crystalline limestone (micrite) with areas containing minor fossil clasts (biomicrite).

The limestone was deposited in a shallow marine environment but the relationship between the limestone and manganese mineralisation is unclear. As seen at the Groote Eylandt manganese mine in the Northern Territory, manganese mineralisation is closely associated with the oxygenation of shallow marine manganese rich anoxic water. This period of oxygenation is highest during regressive periods. Therefore a shallow marine regression may be responsible for the deposition of the manganese within the Battle Creek limestone. The discreet contact between the manganese and limestone may be due to the replacement of organic matter by manganese oxide minerals, but the lack of internal structure in the manganese is discouraging. A second possibility suggests a two phase process where the limestone is dissolved in a typical karst environment, and later in-filled by manganese oxide minerals.

Further work is required in order to better understand the depositional nature of the manganese. A greater understanding of the control on mineralisation will facilitate any future exploration in the region.
3 RECOMMENDATIONS
A full study for other commodities should be undertaken to fully evaluate the potential of the relinquished portion of EL 27306.
4 REFERENCES