



## **Final Surrender Report**

### **Exploration Licence 25122**

17<sup>th</sup> November 2006 to 20<sup>th</sup> November 2013  
Northern Territory, Australia

***Holder:*** Merlin Diamonds Limited

***Operator:*** Merlin Diamonds Limited

***Reporting Period:*** 17<sup>th</sup> November 2006 to 20<sup>th</sup> November 2013

***Sheet Reference:*** Bauhinia Downs 1:250,000 (SE53-03)

***Due Date:*** 24<sup>th</sup> January 2014

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Figure 1 "Nqecvkp'O cr '\*cv'f tcv+

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**SUMMARY**

*This Final Surrender Report outlines exploration activities undertaken by Merlin Diamonds Limited on Exploration Licence 25122 between the 17<sup>th</sup> November 2006 and 20<sup>th</sup> November 2013.*

*Exploration Licence 25122 is situated on the Bauhinia Downs (SE53-03) 1:250,000 geological mapsheet and the Glyde (6164) 1:100,000 topographic mapsheet in the Northern Territory. Access to the Licence is via a 64 kilometre formed gravel access track from the Carpentaria Highway to the Merlin Diamond Mine, the turn-off is approximately 6 kilometres south-west of the McArthur River Mine turn-off.*

*The Licence has been subjected to mineral exploration since the 1960's when the Carpentaria Exploration Company explored for base metals. Historic diamond exploration including airborne geophysics and ground exploration was undertaken by CRA during the 1980's and Ashton Mining during the 1990's. Several microdiamonds were recovered in stream samples however no primary source (i.e. kimberlite) was discovered.*

*During the tenure period a number of samples were collected with limited positive results. It has been concluded to allocate funds and resources to more prospective areas and therefore EL25122 has been surrendered.*

*Expenditure for the reporting period amounted to a total of \$243,561.97.*

## 1.0 INTRODUCTION

This Final Surrender Report outlines exploration activities undertaken by Merlin Diamonds Limited on Exploration Licence 25122 between the 17<sup>th</sup> November 2006 and 20<sup>th</sup> November 2013.

## 2.0 LOCATION AND ACCESS

Exploration Licence 25122 is situated on the Bauhinia Downs (SE53-03) 1:250,000 geological mapsheet and the Glyde (6164) 1:100,000 topographic mapsheet in the Northern Territory. Access to the Licence is via a 64 kilometre formed gravel access track from the Carpentaria Highway to the Merlin Diamond Mine, the turn-off is approximately 6 kilometres south-west of the McArthur River Mine turn-off. A Licence location map is provided as Figure 1.

## 3.0 LICENCE DETAILS

EL25122 originally consisted of 119 blocks (391 sq km) and was granted to North Australian Diamonds Limited (NADL) on 17<sup>th</sup> November 2006 for six years. On the 4<sup>th</sup> December 2012 NADL changed its name to become Merlin Diamonds Limited.

A 50% reduction occurred at the end of Year 2 in November 2008. A further 50% reduction occurred at the end of Year 3 in November 2009. A further 50% reduction occurred at the end of Year 4 in November 2010. At the end of Year 6 the Licence comprised 15 sub-blocks.

A Licence renewal application was submitted in November 2012. The application was to renew a total of 4 blocks for a further 2 year period.

*Table 1: Licence Details for EL25122 at end of Year 6.*

Name	Status	Grant Date	Expiry Date	Blocks	Holder
EL25122	Granted	17/11/2006	16/11/2012	4	Merlin Diamonds Ltd

#### **4.0 PHYSIOGRAPHY**

EL25122 is located within the geomorphic region referred to as the Bukalara Ranges that consists of high level, dissected rocky plateau and ridges of resistant sediments. The Licence also contains sand covered plateaux.

The oldest rocks that crop out over the Licence are Palaeoproterozoic sediments of the McArthur Group. These occur within the south-western portion of the Licence and also as inliers within the unconformably overlying Neoproterozoic Bukalara Sandstone in the central parts of the Licence. Isolated outcrops of Cretaceous age, plant fossil-bearing silicified sandstone may occur on plateaux within the Licence. Youngest sediments include surficial deposits of gravel, silt, sand and ferricrete and occur within numerous drainages and on several plateaux within the Licence.

#### **5.0 PREVIOUS EXPLORATION**

The Licence has been subjected to mineral exploration since the 1960's when the Carpentaria Exploration Company explored for base metals. Historic diamond exploration including airborne geophysics and ground exploration was undertaken by CRA during the 1980's and Ashton Mining during the 1990's. Several microdiamonds were recovered in stream samples however no primary source (i.e. kimberlite) was discovered.

#### **6.0 EXPLORATION COMPLETED DURING REPORTING PERIOD**

##### **2006-2007**

Field work completed during the reporting period was limited to geological mapping and ground investigations of the positive sample sites and potential sites and access for bulk stream gravel samples.

##### **2007-2008**

Field work completed during the reporting period was limited to continued geological mapping and ground investigations for potential sites and access for bulk stream gravel samples.

##### **2008-2009**

Field work completed during the reporting period consisted of 6 follow up stream samples.

Additional work undertaken during the current reporting period included an internal review of diamond and base metal potential of the Licence.

**2009-2010**

Field work completed during the reporting period consisted of the collection of 17 stream and 19 loam samples. The samples were collected in the numerous stream channels over the tenement and were sent to the company laboratory for processing. Results were negative.

**2010-2011**

Field work undertaken during the current reporting period included the collection of 4 gravel samples and 1 loam sample. Samples 11-007-001, 11-007-006, 11-007-007 and 11-007-008 are located in areas of EL25122 that were relinquished during the current reporting period. The two chromites recovered in 11-008-001 were described as possibly kimberlitic and worthy of further investigation.

**2011-2012**

Work completed during the reporting period included application for renewal of a reduced area of EL25122. The tenement was reduced from an original 119 blocks to 4 blocks in the renewal application. No field work was completed during the reporting period.

**2012-2013**

No field work was completed during the reporting period. The tenement was not considered a high priority and as a result no field work was completed and the tenement was recommended for surrender.

**7.0 EXPENDITURE STATEMENT**

Expenditure for the total reporting period amounted to \$243,561. The final Expenditure Report for 2012-2013 accompanies this Report.

<b>Year</b>	<b>Amount</b>
Year 1 2006-2007	\$33,760
Year 2 2007-2008	\$35,238
Year 3 2008-2009	\$70,241
Year 4 2009-2010	\$73,033
Year 5 2010-2011	\$18,920
Year 6 2011-2012	\$6,340
Year 7 2012-2013	\$6,029.97
<b>Total</b>	<b>\$243,561.97</b>

## **8.0 CONCLUSION**

During the tenure period a number of samples were collected with limited positive results. It has been concluded to allocate funds and resources to more prospective areas and therefore EL25122 has been surrendered.

## **9.0 REFERENCES**

Kammermann, M. (2007) Annual Report for EL25122 Year 1, 17<sup>th</sup> November 2006 to 16<sup>th</sup> November 2007 NADL Ref: 08-013.

Reddicliffe, T.H. (2008) Annual Report for EL25122 Year 2, 17<sup>th</sup> November 2007 to 16<sup>th</sup> November 2008, NADL Ref: 08-044.

Reddicliffe, T.H. (2009) Annual Report for EL25122 Year 3, 17<sup>th</sup> November 2008 to 16<sup>th</sup> November 2009, NADL Ref: 09-040.

Reddicliffe, T.H. (2010) Annual Report for EL25122 Year 4, 17<sup>th</sup> November 2009 to 16<sup>th</sup> November 2010, NADL Ref: 10-063.

Kammermann, M. S. (2011) Annual Report for EL25122 Year 5, 17<sup>th</sup> November 2010 to 16<sup>th</sup> November 2012, NADL Ref: 11-074.

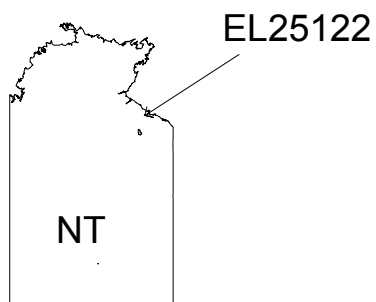
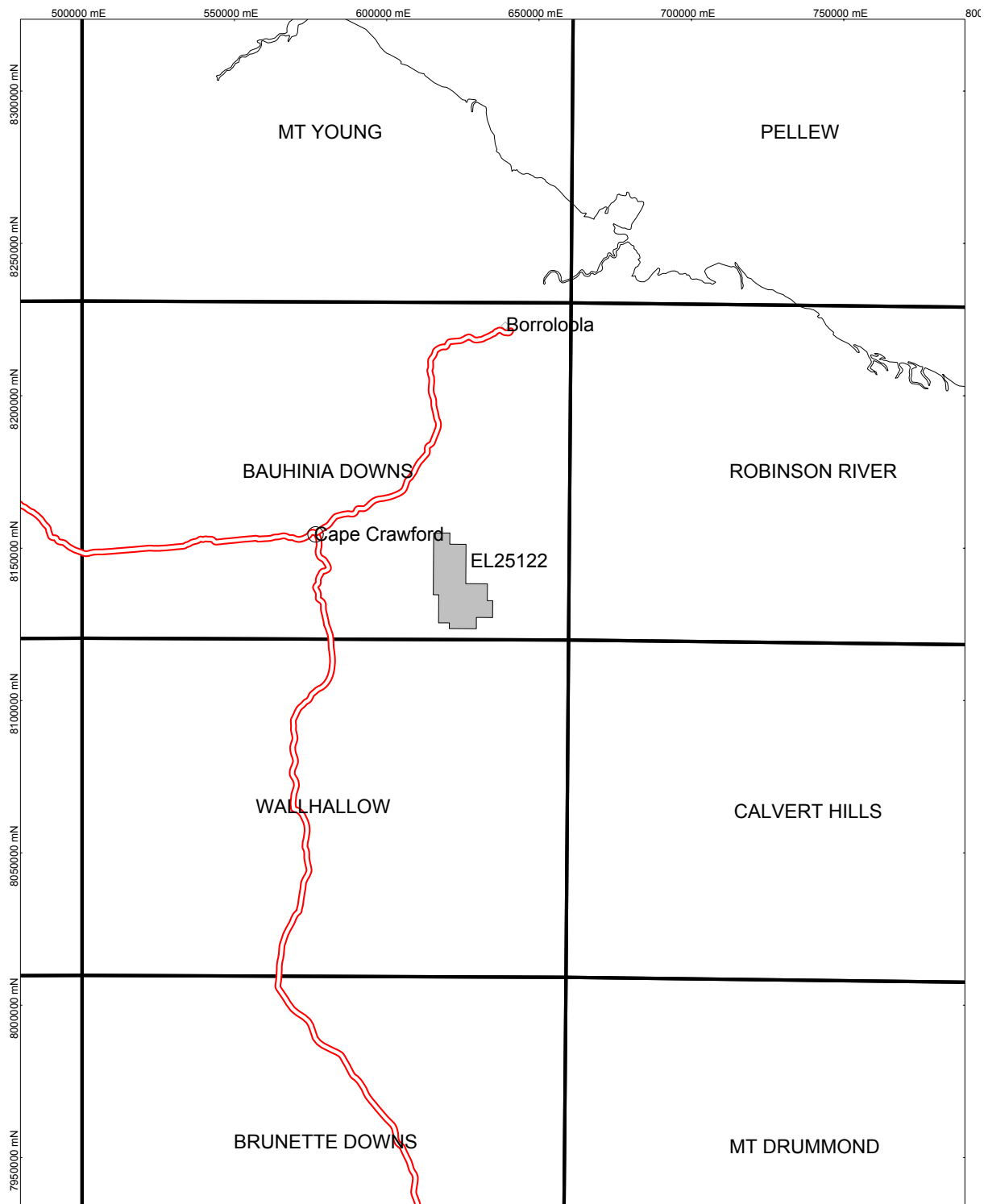
Kammermann, M. S. (2012) Annual Report for EL25122 Year 6, 17<sup>th</sup> November 2011 to 16<sup>th</sup> November 2012, NADL Ref: 12-069.



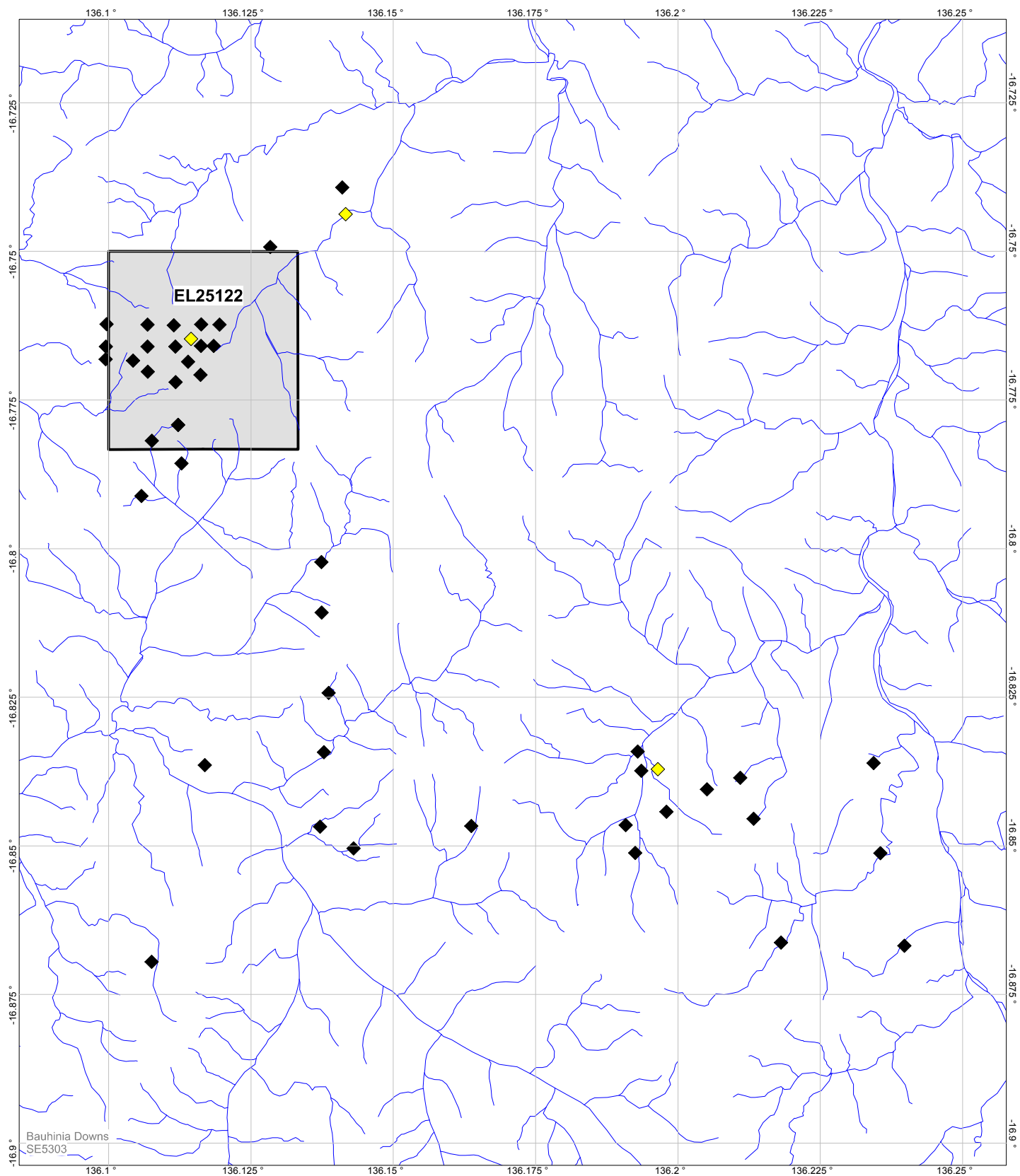
Table 2. Sample Data

SAMPLE	TYPE	EASTING	NORTHING	DATUM	ZONE	RESULTS	DIAMOND	CHROMITE
2009-001	STREAM	627042	8136523	GDA94	53	NEGATIVE	0	0
2009-002	STREAM	626868	8137043	GDA94	53	NEGATIVE	0	0
2009-003	STREAM	627631	8137285	GDA94	53	NEGATIVE	0	0
2009-004	STREAM	629018	8137909	GDA94	53	NEGATIVE	0	0
2009-005	STREAM	628394	8137701	GDA94	53	NEGATIVE	0	0
2009-006	STREAM	629260	8137147	GDA94	53	NEGATIVE	0	0
10-228-001	LOAM	617202	8146423	GDA94	53	NEGATIVE	0	0
10-228-002	LOAM	617967	8146409	GDA94	53	NEGATIVE	0	0
10-228-003	LOAM	618460	8146395	GDA94	53	NEGATIVE	0	0
10-228-004	LOAM	618975	8146409	GDA94	53	NEGATIVE	0	0
10-228-005	LOAM	619316	8146402	GDA94	53	NEGATIVE	0	0
10-228-006	LOAM	619204	8146006	GDA94	53	NEGATIVE	0	0
10-228-007	LOAM	618968	8146006	GDA94	53	NEGATIVE	0	0
10-228-008	LOAM	618488	8145999	GDA94	53	NEGATIVE	0	0
10-028-009	LOAM	617967	8145999	GDA94	53	NEGATIVE	0	0
10-028-010	LOAM	617188	8146006	GDA94	53	NEGATIVE	0	0
10-028-011	LOAM	617181	8145769	GDA94	53	NEGATIVE	0	0
10-028-012	LOAM	617695	8145741	GDA94	53	NEGATIVE	0	0
10-028-013	LOAM	617967	8145533	GDA94	53	NEGATIVE	0	0
10-028-014	LOAM	618725	8145714	GDA94	53	NEGATIVE	0	0
10-028-015	LOAM	618954	8145470	GDA94	53	NEGATIVE	0	0
10-028-016	LOAM	618488	8145338	GDA94	53	NEGATIVE	0	0
10-028-017	LOAM	618530	8144538	GDA94	53	NEGATIVE	0	0
10-028-018	LOAM	617977	8134552	GDA94	53	NEGATIVE	0	0
10-028-019	LOAM	632069	8134765	GDA94	53	NEGATIVE	0	0

10-229-001	STREAM	631631	8136490	GDA94	53	NEGATIVE	0	0
10-229-002	STREAM	631513	8138171	GDA94	53	NEGATIVE	0	0
10-229-003	STREAM	629759	8134838	GDA94	53	NEGATIVE	0	0
10-229-004	STREAM	623977	8137043	GDA94	53	NEGATIVE	0	0
10-229-005	STREAM	621320	8139537	GDA94	53	NEGATIVE	0	0
10-229-006	STREAM	620275	8147841	GDA94	53	NEGATIVE	0	0
10-229-007	STREAM	618530	8144538	GDA94	53	NEGATIVE	0	0
10-229-008	STREAM	618036	8144246	GDA94	53	NEGATIVE	0	0
10-229-009	STREAM	618592	8143822	GDA94	53	NEGATIVE	0	0
10-229-010	STREAM	621631	8148943	GDA94	53	NEGATIVE	0	0
10-229-011	STREAM	617838	8143220	GDA94	53	NEGATIVE	0	0
10-229-012	STREAM	621198	8141973	GDA94	53	NEGATIVE	0	0
10-229-013	STREAM	621198	8141034	GDA94	53	NEGATIVE	0	0
10-229-014	STREAM	621225	8138435	GDA94	53	NEGATIVE	0	0
10-229-015	STREAM	621144	8137047	GDA94	53	NEGATIVE	0	0
10-229-016	STREAM	621769	8136639	GDA94	53	NEGATIVE	0	0
10-229-017	STREAM	618994	8138206	GDA94	53	NEGATIVE	0	0
11-007-001	STREAM GRAVEL	621689	8148442	GDA94	53	POSITIVE	0	2
11-007-006	STREAM GRAVEL	627100	8138413	GDA94	53	NEGATIVE	0	0
11-007-007	STREAM GRAVEL	627163	8138051	GDA94	53	NEGATIVE	0	0
11-007-008	STREAM GRAVEL	627475	8138082	GDA94	53	POSITIVE	0	2
11-008-001	LOAM	618782	8146140	GDA94	53	POSITIVE	0	2



MERLIN DIAMONDS LIMITED	
Date: 16/4/2008 Author: Office: Drawing:	Figure 1 Licene Location Map
Scale: 1:2000000      Projection: AMG Zone 53 (AGD 66)	



### Legend

- Current Tenement Shape
- Historical Negative Sample Locations
- Chromite Positive Samples

Merlin Diamonds Limited

Date: 14/1/2014

Author:

Office: Perth

Drawing:

Scale: 1:100000

Projection: Longitude / Latitude (Australia GDA94)

### Figure 2 Sample Locations Plan

