ANNUAL REPORT

TRUE BLUE PROSPECT

TENNANT CREEK

MCC 342

Adelaide Petroleum NL
Level 27
44 St. George's Tce
Perth WA 6000

Tel 09 325 8866

February 1989
TRUE BLUE PROSPECT

Location/Access/Title

The True Blue prospect lies nine kilometres north east of Tennant Creek town, and is readily accessible by the main graded track to the Lone Star, Mammoth, Black Cat prospects (refer Figure 3). Topography at the prospect is dominated by an ironstone capped hill, elongate east west that is surrounded by flat lying to gently undulating, spinifex and mulga country.

Title to the True Blue is held by Quadric Pty Ltd under MCC342 covering 17.25 ha. The area is subject to joint venture conditions whereby Sabminco NL and Adelaide Petroleum can earn 85% and W & L Appel holding 15%.

Previous Work

Geological mapping, sampling, ground magnetometer surveys and a wagon drilling program were carried out by Australian Development NL in the 1960’s. Best drilled interval was 1.22 metres of 3 g/t Au at a hole depth of 10.36 metres in drill hole SWDH 500 (refer Figure 4).

Sampling of three dumps at True Blue in 1987 by National Gold gave one value of 5.3 g/t Au.

Geology and Mineralisation

The True Blue Mine is located on an east-west trending ridge of semi-continuous quartz-hematite outcrop. This ironstone is underlain by hematitic fine grained sediments which show bedding and cleavage dip generally to the north.

Quartz filled fractures and minor quartz reefs probably representing faulting, are present in the lease area.

Gold is reported to have been limited to a bed of brecciated ferruginous sandstone where intersected by northeast-southwest fracturing.

Drilling Results

In December 1987, an RC drilling program was carried out by operator Adelaide Petroleum. Three holes were drilled at 60° declination into the zone of ironstone workings and probable NE-SW fracturing. Due to access difficulty SATB 2 and 3 were drilled at modified locations to those which were originally planned. Hole SATB 4 was not drilled.
All three RC holes intersected hematitic shales/siltstones with SATB 1 drilling 18 metres of specular hematite from 15 metres to 33 metres hole depth. Evidence of faulting was not seen in drill cuttings, however, quartz/specular hematite veining in all three holes indicates that fracturing and intrusion of quartz/hematite occurred over several narrow drilled intervals.

Gold fire assay of composite two metre samples were not encouraging with the highest value from drill hole SATB 1 with 0.08 ppm gold at 11-12m in hematitic siltstone near the contact with ironstone.

Conclusions/Recommendations

The three hole RC drilling program at True Blue did not result in any significant gold bearing lodes being defined. An aim of the drilling was to determine the extent and continuity of a surface gold bearing lode in a north-north-east trending zone. This lode was not intersected in drilling although some evidence of minor fracturing/shearing was found. Assays of composite chip samples did not provide any encouragement to carry out further drilling work on the prospect. It is recommended that no further work is warranted on the prospect.