ANNUAL REPORT 1992
MINERAL CLAIMS ETC.
"DEANES MINE"    Au.Ag.

LOCATION : 7 Km N.W. of Adelaide River.
CLAIM NO. : MCN 423,4464
AMG      : N.42000
AMG      : E.24700
LATITUDE : S.13° 10.8'
LONGITUDE : E.131° 04.4'
DISCOVERED : 1873 ? George P. Deane ?

"DEANES NORTH"    Au.Ag.

LOCATION : 7 km N.W. of Adelaide River
CLAIM NO. : MCN 4313
AMG      : N.42520
AMG      : E.25100
LATITUDE : S.13° 10.5'
LONGITUDE : E.131° 04.6'
DISCOVERED : 1873 ? George P. Deane ?

"GOOD HOPE"    Au.Ag.

LOCATION : 7 Km N.W. of Adelaide River.
CLAIM No. : MCN 4313,4463
AMG      : N.42920
AMG      : E.25220
LATITUDE : S.13° 10.3'
LONGITUDE : E.131° 04.7'
DISCOVERED : 1874 ? Unknown.

These gold mines were worked from 1875-1878.
Old records show that 372 tons of ore were milled for a return of
382 oz. of gold. The ore was mined from 16 pits and shafts and
carted to the Battery at the "Virginia" mine for milling.

The reefs strike generally N.E. for about 1500 metres and dip
steeply to the S.E. They average about 300 mm. in width but wider
sections were mined. The "N.T. Times & Gazette" of 20th of March 1875
reports that the ore, fifteen feet down the "Good Hope" shaft,
was a "little short of five feet (1.5m) wide, and shows gold freely."

Cont.
"DEANCES MINE"..."DEANES NORTH"..."GOOD HOPE"...Cont.

No serious prospecting has been done on the reefs for over 110 years. Most of the shafts have collapsed and cannot be sampled. We will clean them out this year.

Our recent sampling has given fire assay results of 18 g/t and 15 g/t from the two old ore dumps at "Deanes North." Our own 7kg samples, milled and panned, agree with the old results at about 1 oz/t. The gold is usually very fine, although coarser gold is present in the richer ore.

The ore is grey quartz with a greasy lustre. It contains various amounts of pyrite, arsenopyrite, sericite, chlorite and occasional galena. The footwall rocks are fine grained purple and cream siltstones of the Burrel Creek formation. The hanging wall rocks are very fine grained, finely banded red and cream "ribbonstones" of the same formation. These contain some auriferous stockworks before changing into a micaceous sandstone about 10-15 metres east of the reefs.

The reef in the northern end of the "Deanes Mine" pit, is 300mm wide and shows visible gold in rich ore. We have put in some ironwood stulls and cleaned out the bottom of the pit. A sample from the pit floor gave an estimated result of 1m @ 5 g/t. We have traced the reef for about 350 metres to the south of "Deanes Mine" and our southern most trench shows a quartz reef 1.4 m wide at an estimated grade of 5 g/t. with stockworks extending 10 metres to the east.

Numerous other samples along strike, showed higher grades in narrower widths.

A dozed access track and a small dam have been constructed, so that we can commence bulk sampling this year.

We have been approached by Northern Gold N.L. and Reynolds Metals LTD. to enter into a joint venture agreement. We have agreed to discussions with them. They are the holders of the "Virginia"... "Terrible" strike to the N.W. of "Deanes Mine." These reefs appear to be very similar.

Drilling along both reef systems may start this year.

The area is part of the Finnis River land claim recently granted to the Kungarakan and Warai people. No objections to these claims were received.

Cont...
Because of the good grades and length of the reefs, we believe the area has very good potential for open pit and underground mining operations.

We have written to the Northern Land Council and hope to commence negotiations with the traditional owners in the near future.
MCN 4313, 4323 and EL 7798(A)
Proposed SUBSTANTIAL DISTURBANCE
13 JULY 1992

PHOTOS OF GENERAL AREA

MCN 4313 - 13/7/92 - D. Langlely (Front) S. Brockington - ‘Allevant’ (L/H side) N. Manhire ‘Lincii’ (R/H Side)

MCN 4313 - General type of vegetation before proposed Costean/Sampling Program.
Your ref McNs 4313, 4323, 4464

David J Langley
To NT Gold Hwy Ltd
P.O. Box 609
Humphry, Poo 0836
A. 891520

The Principal Registrar
Dept. Mines & Energy
P.O. Box 2901
Darwin, N.T. 0801

ATTN. CRISTEL MACKNEY

Dear Ms. Mackney,

RE: ANNUAL REPORTS McNs 4313, 4323, 4464

Please find the attached plan & assay results etc as requested.

Expenditure on these tenements has been $20,867 to date. This includes expenditure on clearing out the shafts at 'James Mine' (1) and 'Good Hope' (2), plus dozen hire, wages, assays etc.

We are currently negotiating a T.V. agreement with Northern Gold Hwy and Agnolds Metals Trust Ltd. This will include expenditure of $60,000 on sampling & drilling during the next twelve months.

Yours Faithfully

[Signature]
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PHOTO OF GENERAL AREA

MCN 4323 - Dam site location (proposed)
PHOTOS OF GENERAL AREA

MCN 4313 - 13/7/92 - D. Langley (Front) S. Brockington - 'Allearth' (L/H side) N. Manhire 'LincEnt' (R/H Side)

MCN 4313 - General type of vegetation before proposed Costean/Sampling Program.