

11. MAGELLAN 2 (EL 2367)

11.1 Introduction

The Magellan 2 prospect, ten kilometres south-east of the Dead Bullock Soak ore deposits, was confirmed by first pass follow up drilling in the 1990 field season as a low order gold anomaly. The lithologies of the district were previously regarded as part of the Madigan Beds metaturbidites and, as such, of slight economic interest. This season's field work indicated, however, that they were a strike continuity of Schist Hills lithologies (Davidson Beds) but perhaps of a lower metamorphic facies and with thinner beds of the iron-rich silicified units.

Intense lithologically directed drilling verified that one banded "chert" horizon is the source of the southern geochemical anomaly "corridor". The most prospective two and a half kilometres strike-length of this corridor was investigated, but it was determined that, in this sector, the unit does not harbour any near surface mineralisation.

11.2 Work Undertaken

Surveying

A 1600m x 2400m grid was established over the core area of the Magellan 2 prospect. The grid lines were spaced between 200 and 300 metres apart and positioned so they lay within 50 metres of previously tested traverses. Pegs were placed at 50 metre intervals.

Geophysics

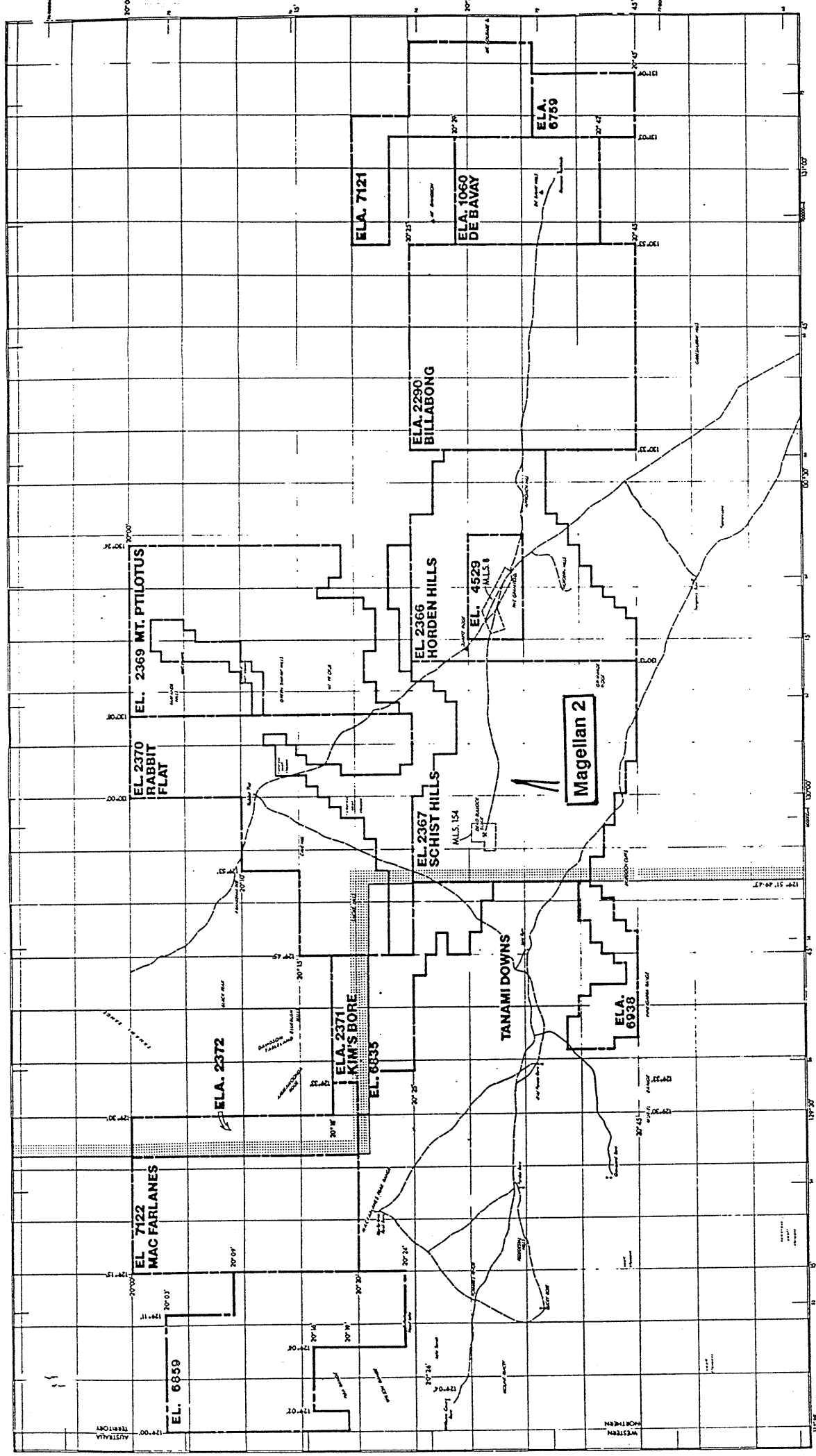
Ground Max-Min EM and magnetics were carried out over 11 traverses for a total of 19.9 line kilometres (see table over leaf). The program was designed to trace prospective lithologies under cover and provide targets for RAB drilling.

Geochemistry - Rockchip Sampling

39 rock chip samples were collected. The bulk of the material was taken from outcrop of limonitic/manganiferous and quartz-rich lithologies.

RAB Drilling

94 RAB holes were drilled on 8 traverses for a total of 1999 metres and 612 samples. The target lithology was an iron-rich quartz veined horizon at Hill MG3 and its strike extension.



NFM NORTH FLINDERS MINES LIMITED
 Tanami Reconnaissance : Northern Territory

EL LAYOUT
 1:250 000

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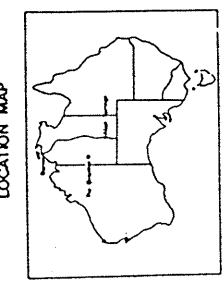
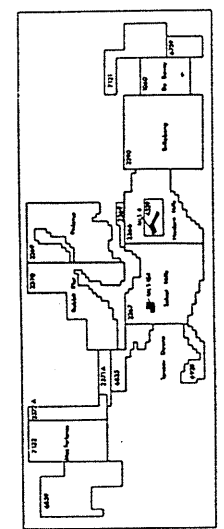
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FIGURE 11

Dwg. No. 20-1

LEGEND

- Road
- Water
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A summary of work undertaken is shown below.

Traverse Local Grid	RAB No. of DH	Meterage	No. of Samples DH CRC		HLEM & Magnetics line Km
28450E	ND	NA	NS	NS	1.1
28650	ND	NA	NS	NS	1.6
28950	6	81	25	8	1.5
29150	9	153	48	5	1.6
29350	12	231	73	2	1.6
29550	10	193	61	NS	1.8
29750	7	187	60	2	1.9
30000	8	202	67	4	2.0
30200	11	204	91	3	1.6
30450	27	503	106	2	1.6
30900	ND	NA	NS	NS	2.0
2KM NW	ND	NA	NS	13	NA
TOTAL 12	94	1999	612	39	19.9

11.3 Results

Geophysics

The strong Max-Min EM anomalies were interpreted as being caused by graphitic schists (or metapelites). Anomalies were correlated from line to line using the flow of stratigraphy defined by the magnetic data. They indicated a uniform sequence of graphitic schists, with the gold enriched horizon lying within one of these units.

Geochemistry - Rockchip Sampling

Selective sampling from limonitic/manganiferous quartz veined horizons resulted in assays with peak values of only 0.08ppm Au above a background of 0.015ppm Au.

Indicative of the poor gold potential of the chert horizon at this locality is the arsenic content, which is generally at or below the detection limit (10ppm), only registering a single anomalous peak of 430ppm.

RAB Drilling

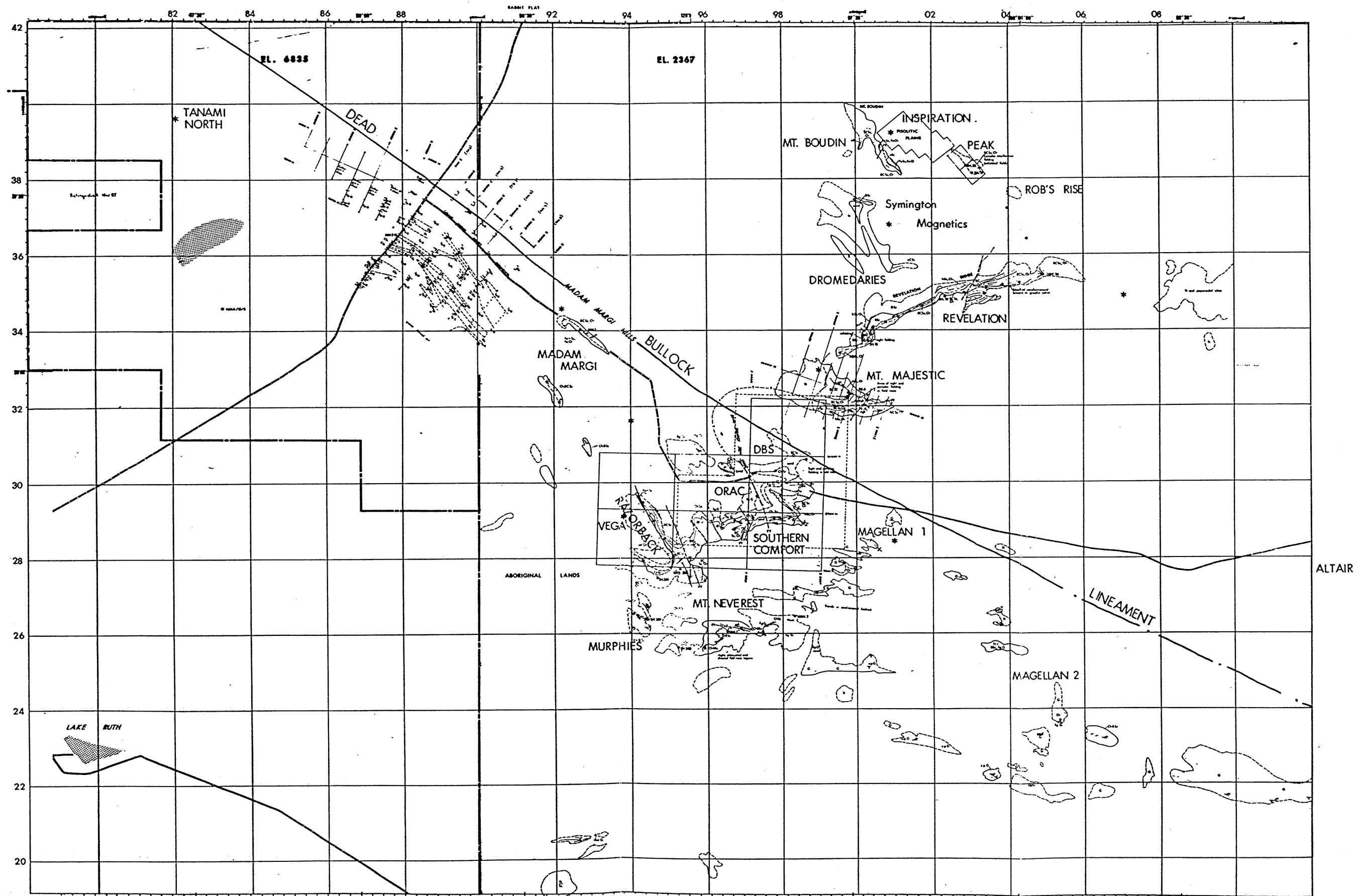
Prior to the drill testing of the Magellan 2 area, it was anticipated that the prospectivity of the mildly elevated geochemical anomalies were enhanced by their association with lithologies known to host gold mineralisation in the Tanami. However, the assay results from the RAB drilling were unimpressive. The best intersections are listed below:-

Traverse	Drillhole M2RB	Mineralised Intersection	
		Au(ppm)	As (ppm)
29750E	049	3mT @ 0.28	45
	053	1.5mT @ 0.07	ND
30000E	007	6mT @ 0.06	60
	008	17mT@ 0.07 [incl 1.5mT @ 0.23]	60
30200E	045	1.5mT @ 0.37	ND
30450E	022	3mT @ 0.26	120

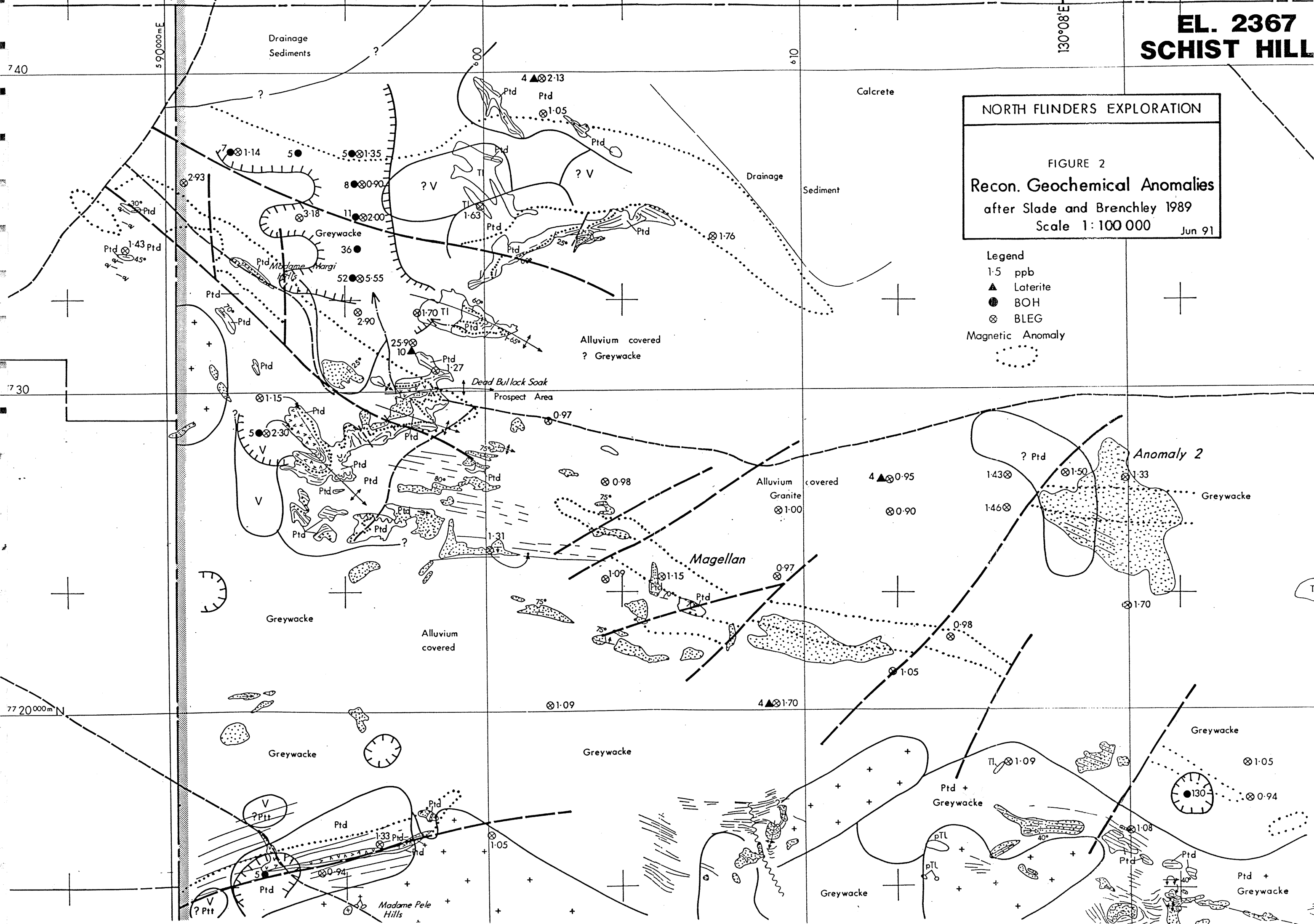
Because of extensive colluvium and sand cover, the siting of many drillholes was reliant on the interpretation of the EM profiles. Target selection was achieved by applying methods used at the DBS prospect, i.e. selecting comparatively resistive intervals within conductive packages.

11.4 Plans

<u>Drawing No</u>	<u>Title</u>	<u>Scale</u>
2000-1182 to 1185	BOH Geochem & Geology	1:5000
2000-1205	BLEG & CRC Sampling	1:5000
2000-1207 to 1208	BLEG & CRC Sampling	1:5000
2000-1271	RAB Cross-Sections 28950	1:500
2000-1272	RAB Cross-Sections 28150	1:500
2000-1273	RAB Cross-Sections 28350	1:500
2000-1274	RAB Cross-Sections 28550	1:500
2000-1275	RAB Cross-Sections 28750	1:500
2000-1276	RAB Cross-Sections 28000	1:500
2000-1277	RAB Cross-Sections 28200	1:500
2000-1278	RAB Cross-Sections 28450	1:500
2000-1279	RAB Cross-Sections 28650	1:500



MADAM MARGI HILLS AND SCHIST HILLS - FACT GEOLOGY AND ANOMALOUS PROSPECTS



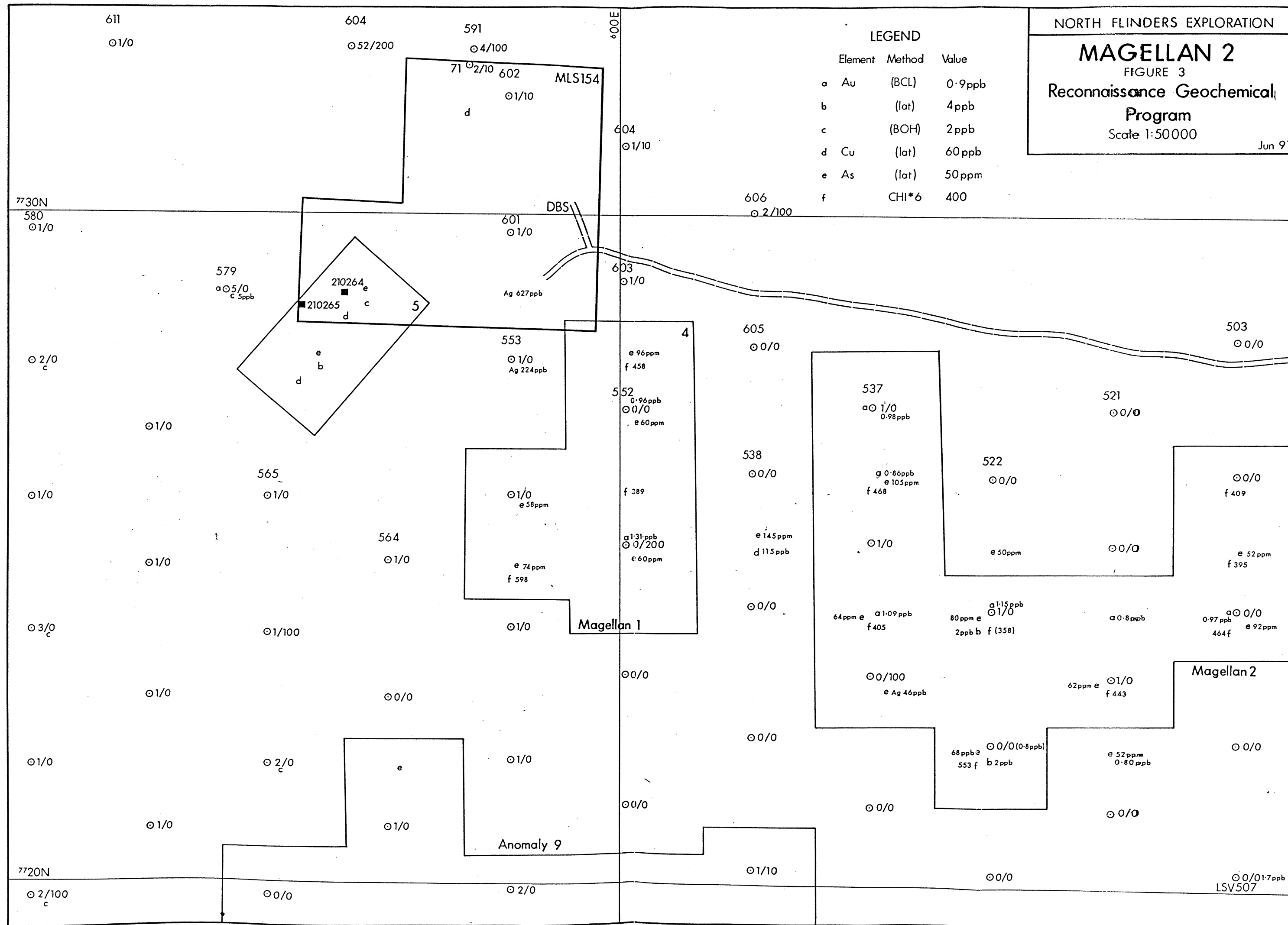
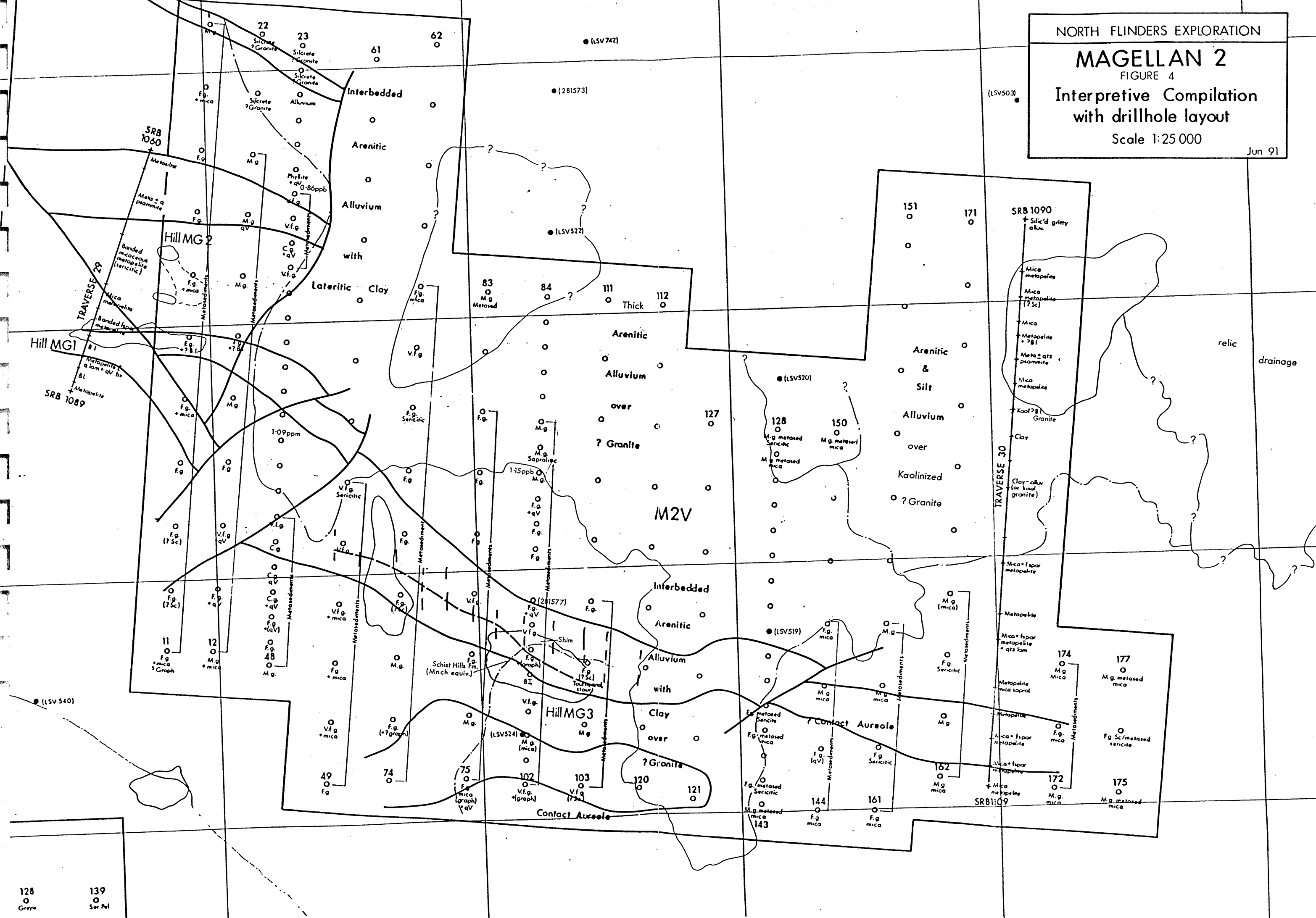


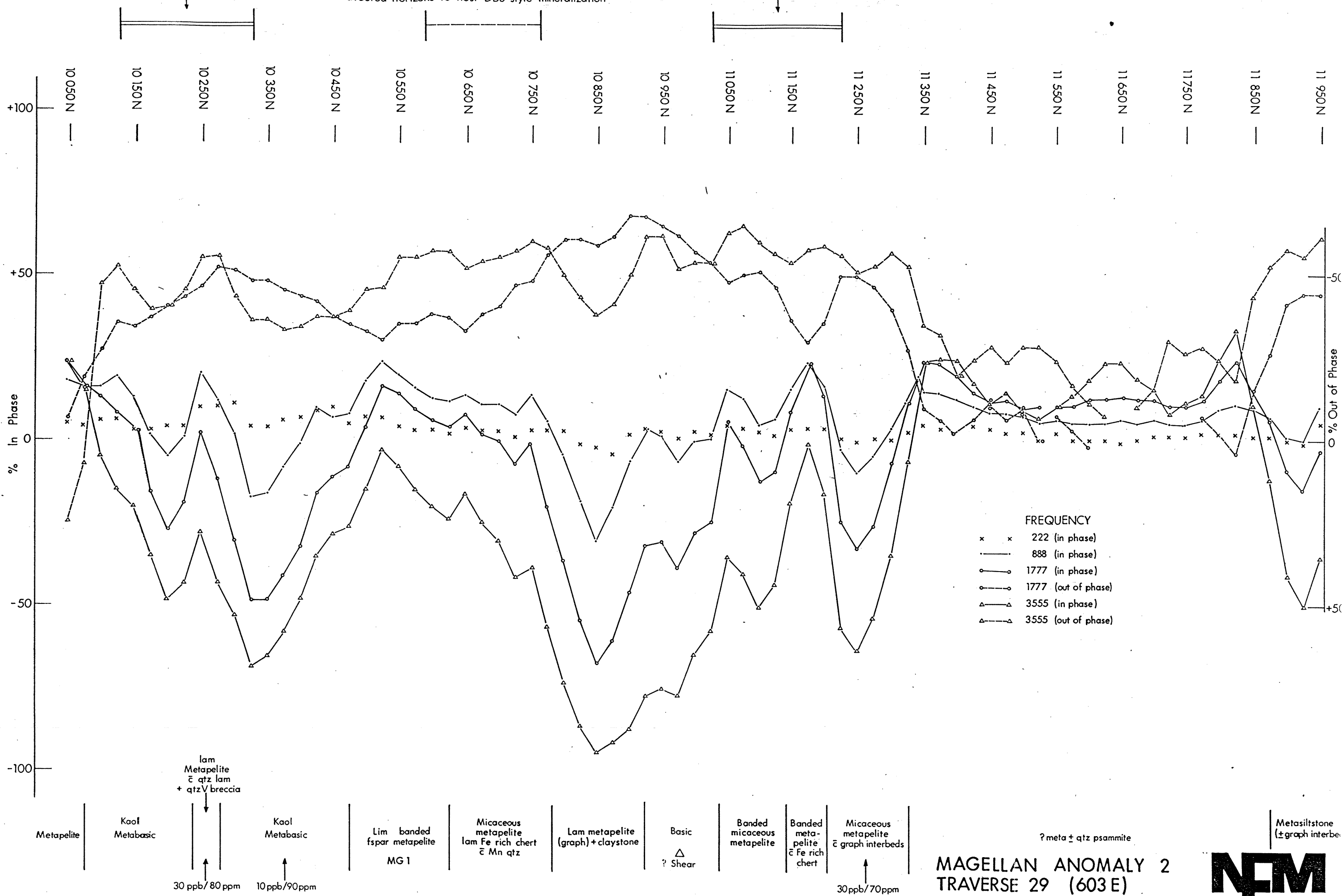
FIGURE 4

Interpretive Compilation with drillhole layout

Scale 1:25 000

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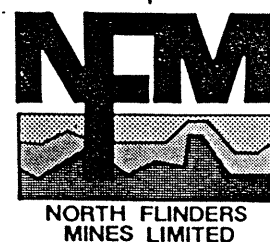
NOTE ; Anomalous drill assays Au (ppb) / As (ppm)

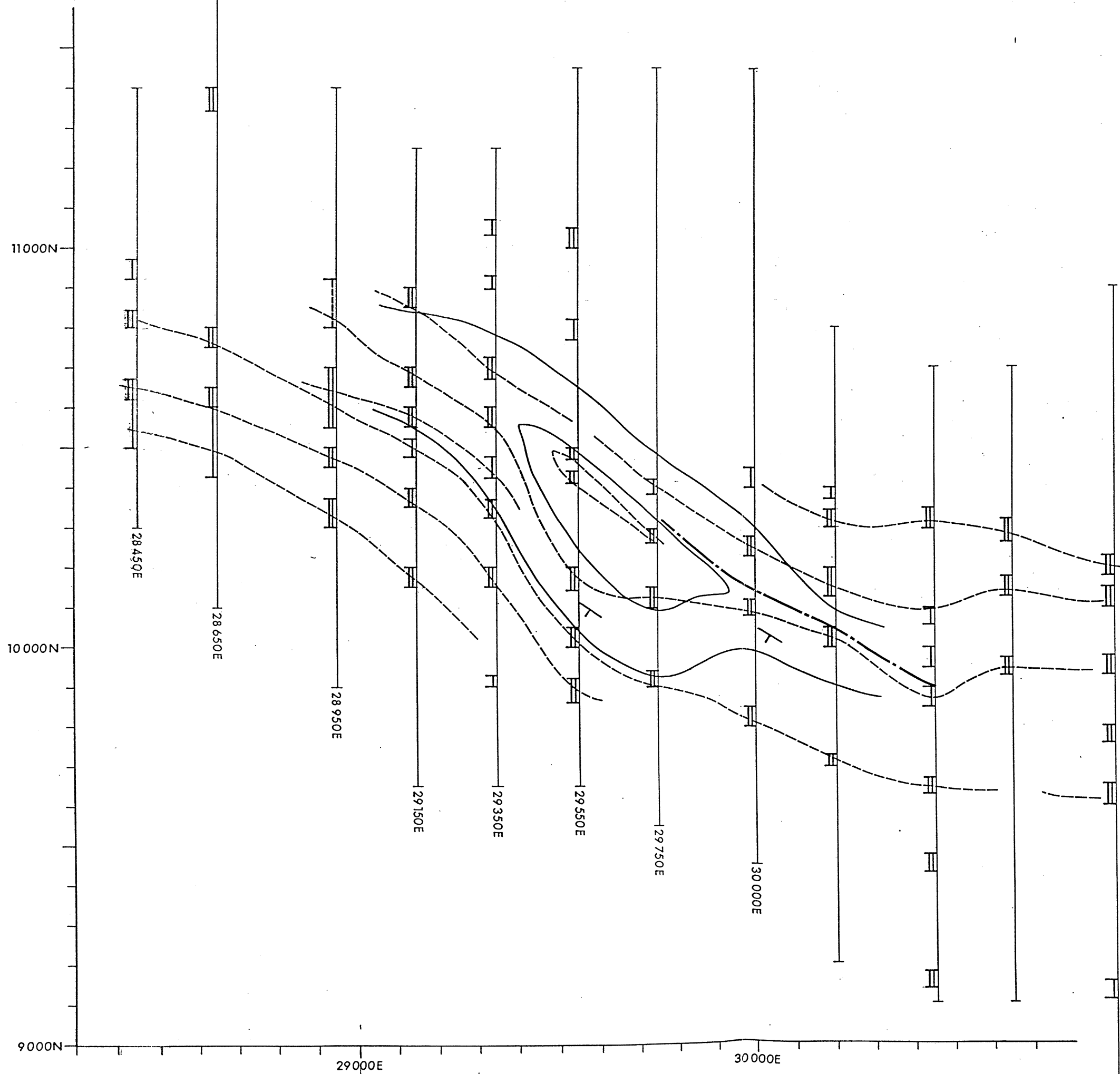
MAGELLAN ANOMALY 2 TRAVERSE 29 (603 E)

MAX - MIN PROFILE (HLEM)

SCALE : 1:5000

INSTRUMENT SPACING : Tx - Rx ≈ 100m





LEGEND

- Source of magnetic anomaly
- Good: Max-Min Conductors
- Medium
- Poor
- Possible relationship of conductors.
- Iron-rich quartz horizon (gold anomalous)

NORTH FLINDERS EXPLORATION

MAGELLAN 2

FIGURE 5

Interpretation of Ground
Magnetics and Max - Min Data

Scale 1:10000

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MAGELLAN 2

FIGURE 6

Interpretive Geology
with drillhole layout

Scale 1:5000

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