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Mine / Project Details	Finniss Valley
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# **TERRITORY RESOURCES LTD**

**A.C.N. 100 552 118**

**Finniss Valley**

**EL29442**

**ANNUAL EXPLORATION REPORT FOR THE PERIOD**

**4<sup>TH</sup> DECEMBER 2012 TO 3<sup>RD</sup> DECEMBER 2013**

**Pine Creek SD52-08 & Darwin SD52-04 1:250,000 Sheets  
Bynoe 5072 & Reynolds River 5071 1:100, 000 Sheets  
NORTHERN TERRITORY**

**A. Burgess  
February 2014**

## ***SUMMARY***

The following report describes work completed on tenement EL29442 by Territory Resources Ltd from 4<sup>th</sup> December 2012 to 3<sup>rd</sup> December 2013. The activities on EL29442 during the reporting year consisted of:

- A detailed desktop study and review was undertaken for the tenement, consisting of a summary of all available Open File reports pertaining to the area. Previous reports show that various commodities were sought, especially precious metals and base metals, and indicate that haematite mineralisation was not a priority. However, references are made from diamond drilling logs that document haematite, goethite and partially hematized dolostone, including zones of brecciation and cavities.
- A reconnaissance visit was planned for the tenement; this trip was postponed until the next years reporting period.

Total expenditure for the 2012-13 reporting year was **\$12,440**.

## **CONTENTS**

### **SUMMARY**

<b>1. INTRODUCTION</b>	<b>2</b>
<b>2. LOCATION AND ACCESS</b>	<b>2</b>
<b>3. TENURE</b>	<b>2</b>
<b>3.1 MINERAL RIGHTS</b>	<b>2</b>
<b>3.2 ABORIGINAL HERITAGE AND NATIVE TITLE</b>	<b>2</b>
<b>4. DISTRICT GEOLOGY AND MINERALISATION</b>	<b>5</b>
<b>5. EXPLORATION ACTIVITIES– REPORTING YEAR 2012-13</b>	<b>7</b>
<b>5.1 Background Desktop Study &amp; Review</b>	<b>7</b>
<b>5.2 Reconnaissance Field Visit</b>	<b>7</b>
<b>6. EXPLORATION EXPENDITURE</b>	<b>7</b>
<b>7. CONCLUSIONS &amp; RECOMMENDATIONS</b>	<b>8</b>

### **FIGURES**

<b>Figure 1</b>	<b>EL29442 Tenement Location Overview</b>	<b>3</b>
<b>Figure 2</b>	<b>EL29442 Geology over EL29442</b>	<b>4</b>

### **APPENDICES**

**Appendix 1: Territory Resources Ltd: Desktop Study of all available Open File Data for tenement EL29442 (Internal Company Report)**

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## ***1. INTRODUCTION***

This report details exploration activities conducted by Territory Resources Ltd during the period 4th December 2012 to 3<sup>rd</sup> December 2013 on exploration tenement EL29442. The location of the tenement is shown below (*Figure 1*).

## ***2. LOCATION AND ACCESS***

EL29442 is located approximately 10 km NW of the township of Batchelor in the Rum Jungle Mineral Field and 60 km SSE of the city of Darwin in the Northern Territory. The Browns polymetallic base metal deposit hosted in black metapelites of the Whites Formation is located approximately 5km east of EL29442 at the intersection of White and Rum Jungle Mine Roads. All weather road access is approximately 10km via the Litchfield Park road; then 1.3km along the gravel Road for 1.3km in a northerly direction.

## ***3. TENURE***

### ***3.1 MINERAL RIGHTS***

Territory Resources Ltd applied for tenement EL29442 on 14<sup>th</sup> March 2012. Following native title, landholder notification, and advertising, the tenement was granted on 4th December 2012 for a term of 6 years to 4<sup>th</sup> December 2018. The tenement consists of 4 square blocks (13.39 sq km). Territory Resources holds 100% of the mineral rights.

### ***3.2 ABORIGINAL HERITAGE SURVEY AND NATIVE TITLE***

No search of the Aboriginal Areas Protection Authority's sacred site digital register was carried out on EL29442, due to no ground disturbing activities being required by Territory Resources Ltd during the period of grant.

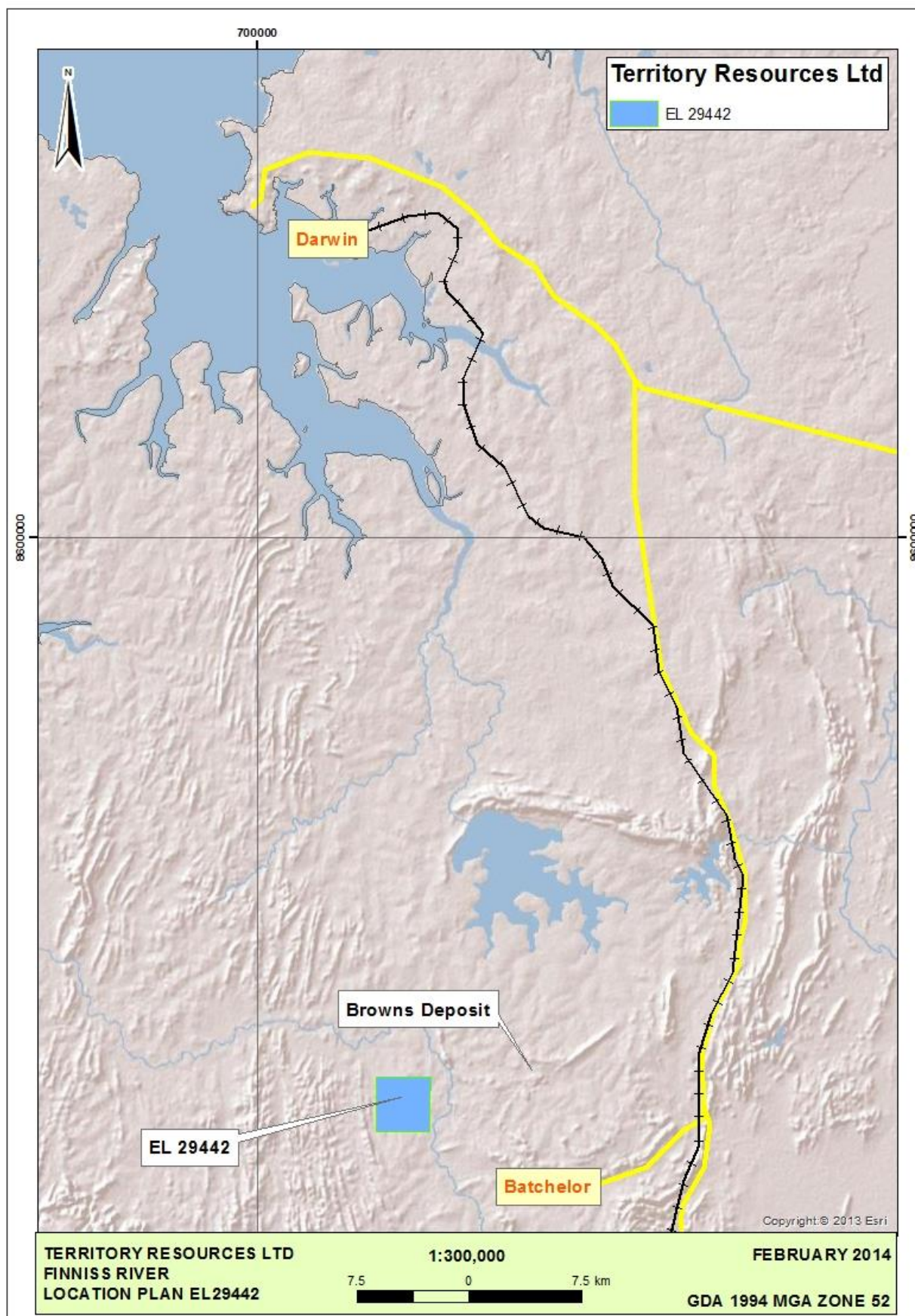


Figure 1: EL29442 Overview of tenement location

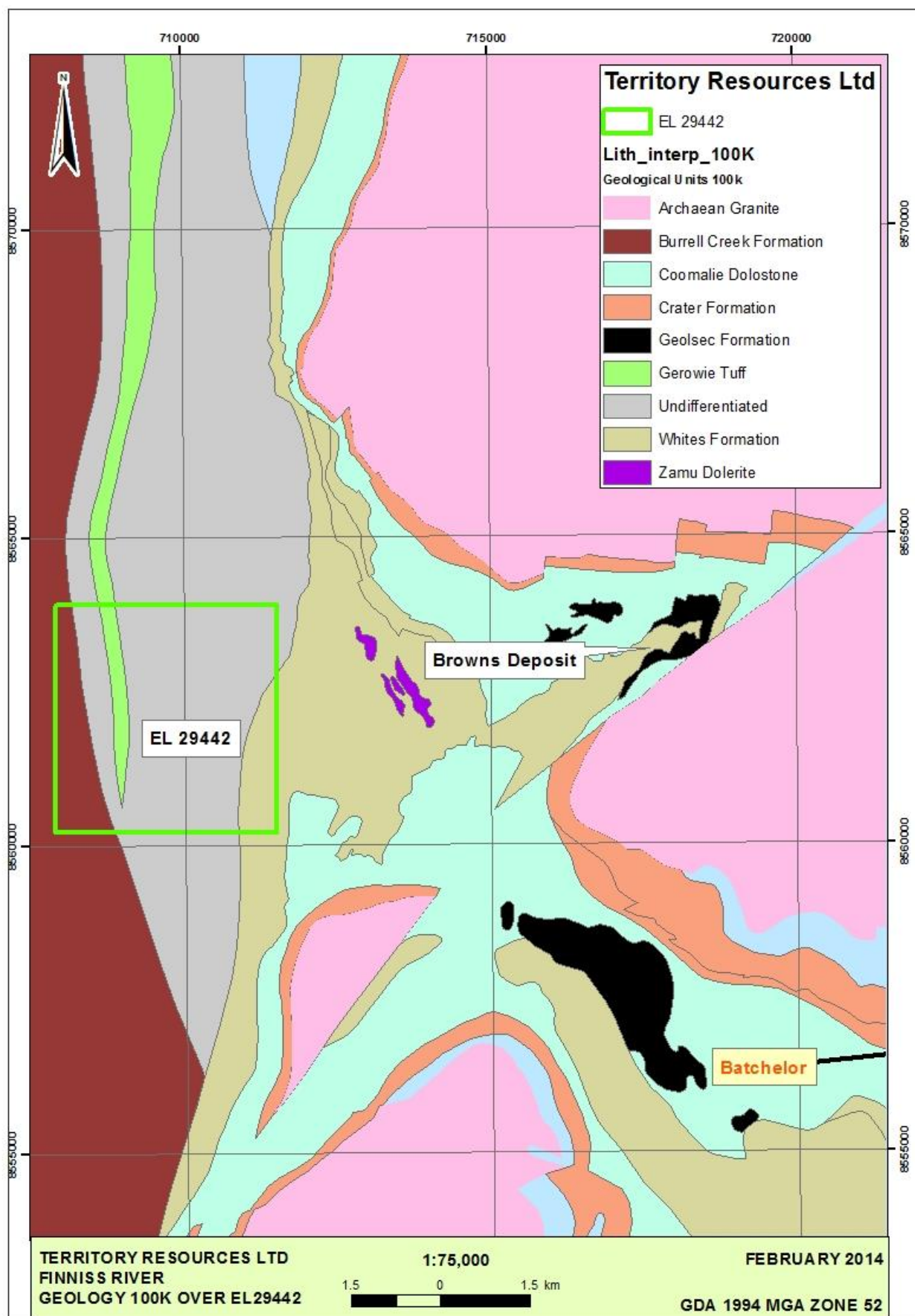


Figure 2: EL29442 Tenement Location over 100k Geology

#### ***4. DISTRICT GEOLOGY & MINERALISATION***

Mapping at 1: 100,000 scale and reinterpretation of the Rum Jungle Mineral Field by the Northern Territory Survey (NTGS) published by Lally (2004) has clarified the stratigraphy, structure and mineralisation of this region. The regional geological setting over the tenement is shown below in Figure 2.

The Rum Jungle Mineral Field forms the NW sector to the Pine Creek Geosyncline which contains palaeo Proterozoic basin-fill sediments that unconformably overlie domed late Archaean granite-gneiss basement domes. The Geosyncline contains a wide spectrum of mineral commodities including U, Cu, Co, Ni, Pb, Zn, Au, Fe magnesite and phosphate.

The Archaean Rum Jungle Complex comprises schist, granite gneiss, banded iron formation and granite, and is exposed in two domal inliers in the centre of the map area. Rocks in the cores of both Domes are poorly exposed, but have been subdivided into different units by mapping and from their geophysical characteristics. The basement complex is unconformably overlain by a sedimentary succession comprising the Manton, Mount Partridge, South Alligator and Finniss River Groups of the Pine Creek Orogen. Dolerite and gabbro sills and plugs of the Zamu Dolerite intruded these sediments.

Multiple folding and faulting events affected Pine Creek Orogen rocks from 1880-1760 Ma. Early northwest-directed thrusts were overprinted by tight to isoclinal north-trending folds, accompanied by upper greenschist facies metamorphism. Open folding and kinking was the distal expression of granite emplacement to the east and southeast. Retrograde lower greenschist facies metamorphism accompanied regional-scale, northwest-trending strike-slip faulting. Eight deformation events have been recognized in the Rum Jungle Mineral field.

Significant U, Pb Zn, Ag, Cu, Ni, Co and Au mineralisation has been mined in the Rum Jungle Mineral Field. Sub economic occurrences of phosphate, magnesite and iron ore have been reported from the Rum Jungle region. Iron deposits in the Rum Jungle area were not described in the explanatory notes by Lally (2004), although they were annotated on the NTGS 1:100,000 Interpreted Geology Special Map published in 2003.

Compass Resources Ltd / HNC Resources Pty Ltd is developing the Browns polymetallic base metal deposit hosted in black metapelites of the Whites Formation and located approximately 5km east of EL29442 at the intersection of White and Rum Jungle Mine Roads.

Exposed sequences within Exploration Licence 29442 include members of the Mount Partridge Group, South Alligator Group, Gerowi Tuff and the Burrell Creek Formation. A basal member of the Mount Partridge Group, Coomalie Dolostone, has not been mapped in the tenement area. Sills of the Zamu Dolerite are recorded at the Mount Partridge Group – South Alligator Group unconformity. Rum Jungle Complex Granites are mapped 3 km from the tenement boundary.

Territory Resources Ltd view EL29442 as prospective for iron mineralisation. References have been made by previous explorers to haematite and goethite being present in the area.

## ***5. EXPLORATION ACTIVITIES – REPORTING YEAR 2012-13***

### ***5.1 Background Desktop Study & review***

Exploration License 29442 was acquired owing to the perceived potential for iron mineralization within the vicinity of the Giants Reef Fault. A detailed desktop study was undertaken to be used as a basis for subsequent planning.

The study consisted of summarizing all available Open File reports pertaining to the area. This has been summarised in an internal report and is included in *Appendix 1*.

These previous reports show that various commodities were sought, especially precious metals and base metals, and indicate that iron mineralisation was not a priority. However, references from diamond drilling logs document hematite, goethite and partially hematized dolostone, including zones of brecciation and cavities are present in the area.

Results of the desktop study suggest potential exists for the discovery of economic iron mineralisation, consistent with Territory Resource's current objectives.

### ***5.2 Reconnaissance Field Visit***

Territory Iron Exploration staff planned to undertake a reconnaissance visit to the tenement to ground truth the area. The reconnaissance visit has been postponed until the next reporting period.

## ***6. EXPLORATION EXPENDITURE***

Exploration expenditure for the reporting period is **\$12,440**.

## ***7. CONCLUSIONS & RECOMMENDATIONS***

Territory Resources concludes that there is potential for the discovery of economic iron mineralisation within tenement EL29442. It is recommended to undertake follow-up exploration activities within EL29442 based on the findings from the desktop study and review.

Territory Iron is planning to undertake follow-up detailed exploration activities within EL29442 for the 2013-2014 reporting period based on this year's results. This work consists of:

- Reconnaissance to the tenement to locate and sample all ironstone lenses within the tenement. This includes geological mapping and rock-chip sampling of indentified haematite outcrops.
- Drillhole design for subsequent first pass Aircore (AC) drilling (pending successful field visits)

The covenant for the 2013-2014 reporting period is **\$12,000**.

**APPENDIX 1:**

*Territory Resources Ltd:*

*Desktop Study of all available Open File Data for tenement EL29442*

*(Internal Company Report)*