Charley Creek – Hamilton 155

Arunta Region

Partial Cancellation Report for EL 28155 for the period 2 February 2011 to 24 August 2016

Tenement Holders: Crossland Nickel Pty Ltd

Paul Melville
September 2016
Summary

EL 28155, consisting of 14 blocks was granted to Crossland Nickel Pty Ltd on 2 February 2011 for a period of 6 years. The subject licence is one of 19 tenements that comprise the Charley Creek Rare Earth Element (REE) Project. Crossland Strategic Metals Limited (Crossland) is Operator of the project.

Due to non-compliance of the licence’s exploration expenditure covenant, NTDME penalised the company and cancelled 6 blocks on the 19th July 2016. Crossland applied for a variation of that penalty and requested a compulsory surrender of three blocks. This was accepted by the department.

One stream sediment sample was collected in the surrendered area for the period covered by this report.
Bibliographic Data

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<td><strong>Tenement Number</strong></td>
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<td><strong>Tenement Holder</strong></td>
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Appendix 1 : Stream sediment sample analytical results
1 Introduction

Exploration Licence (EL) 28155 is centred approximately 80 kilometres west northwest of Alice Springs. The tenement lies within the Macdonnell 1:100,000 and Hermannsburg 1:250,000 geological map sheets. The location is illustrated in Figure 1. Access is via the sealed Tanami Highway, which is located just south of the property. Off-road access is provided by Station tracks and fence lines.

The tenement is one of nineteen licences that comprise Crossland’s Charley Creek Rare Earth Project. The project is a joint Venture between Crossland and Essential Mining Resources Pty Ltd (EMR). This joint venture was formed in late 2015, EMR having purchased the interest previously held by Pancontinental Uranium Corporation of Canada.

In recent years the primary target has been Rare Earth Elements (REE).

This report deals with three sub-blocks that were cancelled by NTDME under Section 105 (1) (b) of the Act. The cancellation was necessitated due to a shortfall in the required exploration expenditure within the subject tenement.

2 Tenure Details

EL 28155 was granted to Crossland Nickel Pty Ltd on 2nd February 2011 for a period of six years. The licence comprised 14 sub-blocks, an area of approximately 32.68 km$^2$. Crossland Nickel Pty Ltd is a wholly owned subsidiary of Crossland Strategic Metals Limited. A percentage share in this and other licences is currently in the process of being transferred to EMR.

On 19 June 2016, Crossland received a Partial Cancellation Notice for the licence (Loss of Block Penalty). The penalty was for six sub-blocks to be surrendered, however Crossland sought to have the penalty reduced to three sub-blocks, which was accepted by the department.

Crossland nominated the following sub-blocks for cancellation:

Map Sheet : Alice Springs 1:1,000,000

Block / Sub-block :

3037 / x

3110 / h, j

Total Number Of Sub-Blocks: 3

Total Area Of Surrender: 1.3 km$^2$. The three surrendered sub-blocks all bordered, and were mostly within the West Macdonnell National Park. That area of the sub-blocks within the park was not included as part of the original grant.

Datum: GDA94
Figure 1  Google Earth Image. Location of EL 28155.

Figure 2  Google Earth image of EL 28226 illustrating Surrendered (black infill) and Retained area
3 Geology

The project area lies within the Central Province of the Arunta Block on the southern margin of the North Australian Craton. The southern margin of this block is marked by a high strain zone, the Redbank Thrust Zone (RTZ), which contains several mapped units. Most of the Central Province is granulite facies metamorphic grade with some retrograde zones of amphibolite facies. The oldest rocks are dated as Lower Proterozoic.

Much of the available tenement lies on an extensive series of alluvial outwash fans emanating from the foothills. These fans consist of coarse gravels, sand and clay, grading northwards into sandy ephemeral streams. Very little outcrop is contained within the accessible areas of the licence; the rock types indicated by the 1:250,000 sheet include migmatitic quartzofeldspathic gneiss, paragneiss and amphibolite. These have been retrogressed and mylonitised where affected by the RTZ.

4 Previous Exploration

There is no indication of any previous exploration activities on the area covered by the surrendered blocks.

5 Work Completed

Within the licence, Crossland has carried out stream sediment sampling, Aircore drilling and Airborne magnetic-radiometrics. The only activity within the surrendered area is the collection of one stream sediment sample (Figure 3). Analytical results are in Appendix 1.
6 Conclusions

The surrendered ground has no potential for the occurrence of economic concentrations of alluvial REE mineralization. Much of the area contained within the sub-blocks is within the national park and consists only of rugged rocky outcrop.

7 References
