EXPLORATION LICENCE: 25288

ANNUAL REPORT - YEAR 2

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Manganese
The area containing manganese floaters that was sampled in year one was again investigated. More floaters were found along strike. I hand dug three shallow trenches adjacent to the largest floaters but no outcrop was discovered. I also carried out a magnetometer traverse over the area but no significant magnetic signature was recorded. I also carried out a scintolometer traverse but no significant changes in radiation were noticed.

A request was received from OM (Manganese) Ltd to visit and sample the area. This was agreed to and I took one of their Geologists to the area. He walked the whole of the strike length (1.8 km) and took several samples. We later received an offer for an option agreement from OMM Ltd but we decided not to proceed until we have more knowledge of the size and grade of the deposit. The price and demand for manganese ore has also declined.

A request to inspect the area was also received from local earthmoving company CDE Capital. Three of their senior men were taken to inspect the area. They then expressed interest in trenching the area to ascertain tonnage and grade. They also expressed their interest in mining the deposit if it proved to be economic. I have worked as a surveyor on a large earthmoving project of theirs and was impressed by their efficiency. I also have an interest with this company in EL26952 application in the Marrakai area.

A request to inspect the area was also received from Auvex Resources Ltd. They are mining manganese in Western Australia. Two of their Geologists were taken to inspect the area. They expressed their interest in again visiting the area after trenching and sampling have been completed.

We then decided to make an Application for Substantial Disturbance for trenching and sampling the area, however because of difficulties with the electronic application form and early rain in the area we decide to postpone trenching until next dry season. An application for substantial disturbance will be submitted before the coming dry season.

Four assay results were received from OMM Ltd but no coordinates were provided. The highest assay result was 48.7% Mn. No assay results have been received from Auvex Resources but we are not concerned as they would be of little importance at this stage of exploration.

We would welcome a visit by any of the Mines Dept. geologists who wish to visit the area. We would be particularly interested in their opinions regarding the structure of the local geology and especially the possible origin & structure of the manganese and gold deposits in the area. Cont...
GOLD:
South Block
Several metal detector operators were again invited to detect the area and once again all of them found water worn nuggets on and below the ridge in the NW corner of this block. Some of the nuggets contained quartz and iron oxides. However, once again no nuggets were located in or near the most southern patch of the old diggings. To my long term knowledge, no nuggets have ever been found on these diggings, although a lot of work was done there in the 1880’s. (Refer Map Coords 79800E, 94500N.) I found a little fine gold there by panning.

At the head of this diggings is an outcropping dolerite intrusion with some Qtz/Fe reefs on the contact and some old sample pits from 1880? I have sampled these previously with no result, but there is considerable overburden and further reefs may be there. During this years trenching of the Mn reef I will also put some trenches through this area and sample any Qtz/Fe reefs found.

It is also possible that the source of the gold may be close to the end of the manganese reef. (Refer Map “End of laterite”). Manganese specimens can be found throughout the main Margaret (gold) Diggings to the NW and our Mn reef shown on the attached map is the only known one in existence at this point in time. The adjacent “Krana Creek” also contains a little coarse gold and was worked further downstream in the 1880’s. It contains no Mn floaters.

The southern edge of this block of the EL is inaccessible by vehicle and had to be explored on foot. I walked the creek system adjacent to the southern boundary and panned the tributaries but no significant reefs were seen and no gold was visible by panning. Some specimens of a thin haematite reef were noticed in the creek gravel. There is a small area in the south east corner of this block that I have not prospected and that area will be explored this year.

Central Block
The contacts of the two dolerite intrusions on the western side of this block were prospected and mapped but nothing new was noticed even though the area had been burnt. Two metal detector operators reported no finds there. The Eastern area of this block will be explored in the coming dry season.

Northern Block
This area had not been burnt off and no safe access by vehicle was possible. I mapped the visible parts of the dolerite intrusion that extends under the small Tableland. No nuggets were reported by metal detector operators. The rest of this block will be explored in the coming dry season. Cont...
GOLD:

As mentioned previously in this report, we would welcome a visit and advice from any of the Departments Geologists regarding the possible source of the gold mineralization. I have been milling & panning rock samples from this area for many years but have not yet taken a sample that has shown gold, although I can pan gold in many of the gullies. The area has been under almost constant EL’s for over thirty years with no significant hard rock gold discoveries and yet it is historically one of the most important alluvial gold fields in the Top End. I have been requested to write an article on the alluvial gold history of the area for the next edition of the locally produced ‘NORTH AUSTRALIAN FISHING & OUTDOORS’ magazine. It will be published soon and a copy provided.

EXPLORATION EXPENDITURE:

Rent $66.
Field Work: Exploration and sampling, self only. $3,000.
Vehicle, Fuel, Camp, expendables $2,000.
Field work by 4 other prospectors. $4,000.
Sample milling and panning $1,000.
OMM Ltd. Travel, field & negotiation $1,000.
Auvex Resources Ltd. Travel, field & negotiation $1,000.
CDE Capital. Travel, field & negotiation $1,000.
Annual Report, Writing & Printing etc. $500

Total: $13,566.

PROPOSED EXPENDITURE YEAR 3 $20,000.

D J Langley