Annual Technical Report EL 28136 ("Blueys") Year 2 (2012-2013)

Author:	David O'Farrell	
Date:	16 April 2013	
Tenement Holders:	Alistair Mackie (50%), Bralich Holdings Pty Ltd (50%)	
Tenement:	EL28136	
Prospect Name:	Blueys	
Reporting Period:	16 February 2012 – 15 February 2013 (Year 2)	
Distribution:	Bralich Holdings Pty Ltd (1), Alistair Mackie (1)	
	DBL Blues Pty Ltd (1)	
	Geoscience.Info (Dept Resources - Minerals & Energy (1)	
Map Sheet:	Alice Springs 1:250,000 sheet (SF5314)	
	Riddoch 1:100,000 sheet (5851),	
	Fergusson Range 1:100,000 sheet (5850)	
Target Commodity:	copper, lead, zinc, silver, IOCG	
Keywords:	EM Interpretation, field visit, literature review, REE, copper, silver,	
	malachite, black shale, dogleg anomaly	

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Summary

EL28136 "Blueys" lies 90 km east-north-east of Alice Springs, adjacent to the Historic Arltunga Reserve. Blueys is a known Cu-Ag prospect. Previous workers have drilled the main prospect, but no resource has yet been established. Only sporadic, minor intersections of anomalous mineralisation were encountered beneath the surface dolomitic outcrops that contained malachite staining.

Office work undertaken during year 2 included a reinterpretation of an earlier SkyTEM anomaly. A detailed literature review and several field visits were also conducted.

The results suggested that the EM anomaly (the "dogleg") had a genuine conductor, beneath the Heavitree quartzite hill and probably on a contact with the Bitter Springs formation. Previous drilling by Western Desert of a nearby EM anomaly to the east indicated the source was a pyritic black shale. A shallow RC drill hole is recommended to test whether there is any economic mineralisation (Cu, Ag, Pb) occurring with the conductor (black shale?) at depth.

1.0 Introduction

This report covers the second year exploration conducted at EL28136 "Blueys". Blueys is located 90 km's east-north-east of Alice Springs adjacent to the historical Arltunga Reserve (Figure 1.1). Access from Alice Springs is by way of Ross Highway for 70 km, thence northeast towards Arltunga and then heading south towards the abandoned Atnarpa station. Access within the tenement is limited, only a few vehicle tracks exist. Due to seasonal rains, much of the area is overgrown inhibiting detailed ground. Over the last 2 summers, bushfires have regularly gone through the area preventing access.



Figure 1.1 Location Map of EL28136

2.0 Geology and Mineralisation

EL28136 falls within the Alice Springs 1:250,000 Geological Map Sheet (Fig.2.1). The area is dominated by Adelaidean Heavitree Quartzite (Puh) overlying Bitter Springs Formation (Pue). The quartzite comprises sand size quartz grading into and overlain by a siltstone sequence with thin lenses of sand-size quartzite within it. The top most quartzite immediately below the siltstones exhibits cavities after an evaporate mineral.

The Puh silty facies is gradational and interbedded with dolomites of the Bitter Springs Formation. They are bedded to massive ranging from fine siltstones to mudstones. A prominent hill of Puh located just north of Blueys prospect appears to be domal in part with dips to the north. The quartzite is terminated southwards by a series of NE trending faults.

South of the above faults, a steeply south dipping sequence of quartzite siltstone and dolomite is exposed representing the top of the Heavitree Quartzite and the transitional zone into dolomites of the Bitter Springs Formation.

Mineralisation at Blueys comprises secondary lead, copper and silver in association with pyrite, barite, quartz veining and replacement minerals. Rocks hosting mineralisation are dolomite and dolomitic siltstones. Textures in dolomite suggest acid solutions transporting metals caused open spaces with collapse breccias being formed.



Figure 2.1 Extract from Alice Springs 1:250,000 Geology

3.0 Tenure

EL28136 was applied for on the 7th June 2010. The tenement lies on pastoral leases PPL1124 (Ambalindum Station) and PPL995 (Atnarpa Station/CLC). Tenure details are shown below.

Table 3.1 Tenure Details

Tenement	Owner	Date Granted	Tenure	Size	Expenditure Commitment
EL 28136	Alistair Mackie (50%)	16/2/2011	6	14 sq.	\$13850
	Bralich Holdings (50%)		Years	blocks	

4.0 Year 2 Work Summary & Discussion

After reviewing relevant literature and the historical reports about Blueys, it appears the area has been explored in detail – detailed drilling of the bluey Cu-Ag prospect, airborne EM surveys, comprehensive soil geochemistry, mapping. However there are still some areas that were considered worth following up. These included:

(1) A small Thorium anomaly south of Blueys (fig 4.1). Sampling by the previous tenement holder (Western Desert Resources or WDR) indicated that a granite gneiss here had anomalous REE geochemistry (Th 0.14%, Ce 663 ppm, La 340 ppm, Zr 0.25%). Access to this site in both 2011/2012 was hampered by bushfires and poor vehicle access. It's intended to follow this up in 2013.



Fig 4.1 Th anomaly south of Blueys

(2) In conjunction with the adjacent tenement (EL28029, Blueys Folly), the regional aeromagnetics and radiometrics were re-processed with an emphasis on highlighting coincident magnetic and Th anomalies. Previous workers had suggested some correlation of these two in regard to monazite – REE mineralisation. The map shows that EL28136 lacks any diagnostic magnetite-thorium association.



Figure 4.2 Combined TMI-Th map over EL28136

(3) A review of the Western Desert Resource Airborne EM indicated that the survey may have been affected by an old steel 150mm surface water pipe. This was checked out during the second year with a GPS survey. In fact the pipeline lay about 100m from the anomaly , indicating that the anomaly was a primary target.

WDR drilled 1 diamond hole into the smaller eastern anomaly and attributed the EM conductivity to pyritic black shale within Bitter Springs carbonate formation. Inspections of the core suggested the pyrite was only minor (<2% vol). The dogleg anomaly was not drilled. A consultant was engaged to acquire and reprocess this data. The effect of this reprocessing is obvious. The data delineation is much better, some noticeable features include the north trend of the dogleg high as opposed to the easterly trend of the WDR anomaly.

The dogleg anomaly also sits adjacent to a regional WNW low trend (structure?). Also the intensity of the EM anomaly is a lot higher than for the WDR anomaly. All this suggest that there may be more sulphide at the dogleg area. The twin trends identified above are different to the WDR anomaly trends. The mineralised trend at Blueys is also WNW. The profiles shown below indicate a target depth for the drilling. One RC drill hole targeted into the anomaly is recommended.



Figure 4.3 Extract from WDR SKYTEM survey



Figure 4.4 Close up of the original WDR SKYTEM anomalies



Figure 4.5 Re-Processed Ch 25 SKYTEM Anomalies



Figure 4.6 Re-Processed EM Profile across Dogleg EM Anomaly



5.0 Rehabilitation

There were no earth disturbing activities on the tenement. No rehabilitation was required.

6.0 Year 2 Expenditure

Details are summarised below. A formal statement has been lodged.

Geological Activities	\$ 2550
Office Studies	\$ 8400
Geophysics Processing	\$ 2000
Overheads	\$ 1060

Total 2012/2013 expenditure **\$13,850**

7.0 Year 3 Proposed Expenditure

At the end of year 2, a JV was entered into with DBL Blues Pty Ltd, whereby DBL can earn an initial 51% equity with a certain amount of expenditure. DBL will manage all the exploration during the JV. They propose the following activities:

Geochemical Activities (soil/rock chip sampling)	\$ 5,000
Geophysical Activities (Helimagnetic/radiometric, gravity surveys)	\$20,000
Drilling for IOCG targets	\$18,000
Overheads	\$ 2,000

Total	2013/2014 expenditure	\$45,000
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