

EL30205

Kurundi project

Annual Technical Report.

For the period 17th July 2018 to 16th July 2019

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Licensees:	"KURUNDI GROUP" (Thomas Raymond HALL, Mary Ann HALL, Kevin DUNNELL, Angelo FALZON, Andrew HOPPE, Stevan ADDISON)
Anniversary date:	16/7/19
Target commodities:	Gold (reef and alluvial), lead, copper, zinc, silver
Map sheets:	Bonney Well (SF5302); Ooradidgee (5857) & Davenport Range (5856)
Date:	28 July 2019

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Verification listing

Exploration work type	Filename	Format

Mapsheets:

1 : 250,000; Bonney Well (SF5302)
 1 : 100,000; Ooradidgee (5857) & Davenport Ranges (5856)

Keywords:

Location Name; Kurundi
Earth science & related terms; Quartz veins, anticlines
Environment of mineralisation; Orogenic gold deposits, alluvial gold deposits, base metal deposits
Commodities/minerals; Gold (reef and alluvial), lead, copper, zinc, silver
Exploration methods; Research, structural interpretation, field mapping, aeromagnetic interpretation, soil geochemistry, ground magnetic surveying, gravity surveying
Prospect names; Kurundi, Six Holes, Andy's Find, Ray's Find, Kevin's Find, Three Holes, One Hole
Stratigraphic names; Ooradidgee Group, Hatches Creek Group, Wauchope Subgroup, Hanlon Subgroup
Lithological name; Mafic volcanics, arenites
Geological province name; Davenport Province (Wauchope Fold Belt)
Geological age; Mesoproterozoic

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Kurundi Group authorise the department to copy and distribute the report and associated data.

Abstract

The Kurundi project comprised four exploration licences; 30040, 30205, 30468 and 30664 which were held by the Kurundi Group until the first quarter of calendar year 2018 when ELs 30468 and 30664 were relinquished. In April and July ELs 30040 and 30205 were partially relinquished to 8 and 4 blocks respectively. In December 2018 the Mine Management Plan covering ELs 30205 and 30040 was relinquished. EL30040 was surrendered in April 2019.

EL30205 consists of 4 blocks.

The project area hosts part of the historic Kurundi goldfield and is located in the Davenport Province, located in the central part of the Northern Territory.

EL30205 was granted on 17/7/14.

Nil exploration activity has occurred in the reporting period due to no progression toward the drilling program proposed in the approved mine management plan and individual title holder circumstances.

The title holders have submitted nil expenditure reports for the period and lodged an application for a Variation of Covenant – Expenditure Condition Not Met.

Project location and title history,

Exploration Licences 30040, 30205, 30468 and 30664 were held by the Kurundi Group over the historic Kurundi goldfield area approximately 100 km southeast of Tennant Creek (Figure 1).

EL 30205 was granted on 17/7/2014.

Table 1: Summary of exploration licences held by the Kurundi Group

Licence No	Licencees	Granted	Expiry	Area (km ² /units)
EL30040	Kevin DUNNELL	24/4/14	23/4/20	81.54km ²
	Mary Ann HALL			28 blocks
	Thomas Raymond HALL			
	Angelo FALZON			
	Andrew HOPPE			
Partial reduction 2018				8 blocks
RELINQUISHED 2019				
EL30205	Kevin DUNNELL	17/7/14	16/7/20	147.91km ²
	Andrew HOPPE			46 blocks
	Mary Ann HALL			
	Angelo FALZON			
	Thomas Raymond HALL			
Partial reduction 2018				4 blocks
EL30468	Kevin DUNNELL	9/3/15	8/3/21	57.9 km ²
RELINQUISHED 2018	Stevan ADDISON			18 blocks
EL30664	Kevin DUNNELL	3/8/15	2/8/21	118.98 km ²
RELINQUISHED 2018	Stevan ADDISON			37 blocks

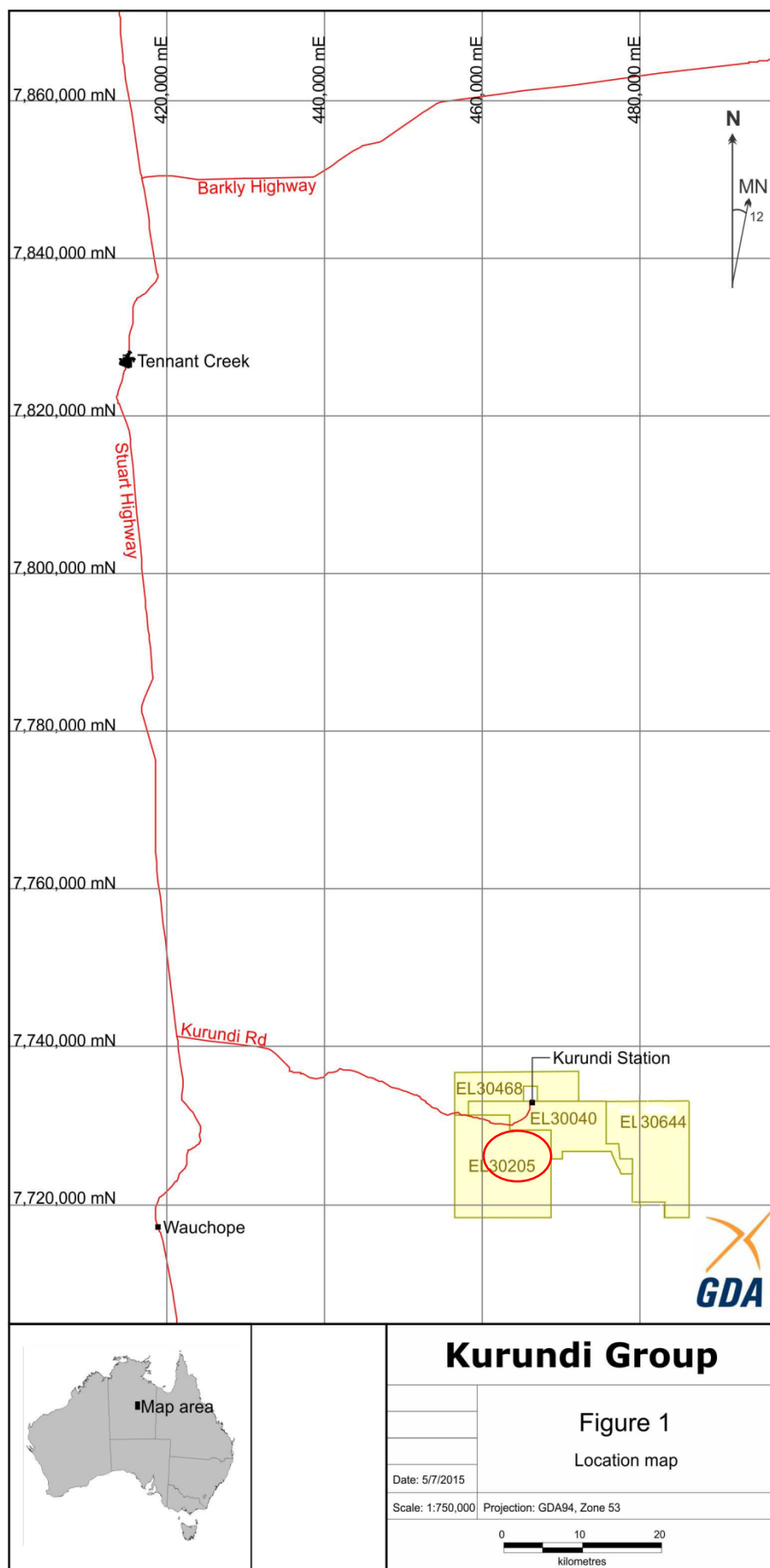
Physiography and access

The Kurundi region has semi-arid tropical climate. The topography of the licence areas is variably flat to undulating punctuated with rugged ridge lines, cuestas and mesas.

The Kurundi project is located within the Kurundi and Singleton Pastoral leases. The nearest settlement is at the Kurundi homestead, which incorporates a small shop (including fuel) and mechanical workshop. An airstrip is located immediately west of the Kurundi homestead.

Access to the tenement area is via the sealed Stuart Highway from the regional centre of Alice Springs (380km south) or from the regional centre of Tennant Creek (120km north), then via the Kurundi Road (Binns Track), a well-formed dirt road off the Stuart Highway for a distance of 50km to the Kurundi homestead.

Target areas within the tenements are then accessed via a series of established station tracks which provide access via 4WD, quad bike or motor bike or alternatively, are traversed on foot.



Previous exploration & mining

The first prospecting in the district was Brown (1986) who discovered tin mineralisation in the Hatches Creek area to the southeast of Kurundi and outside the tenement area. Mapping and trial mining of quartz reefs in the Kurundi area was conducted by Davidson (1905). Despite gold results commonly reaching 1oz./tonne and quartz reefs reaching several metres width and hundreds of metres length, they were not good enough to be considered payable at the time.

The Kurundi Goldfield was proclaimed in 1940 following a series of small prospecting operations that continued through to the 1960's (Roarty, 1977). Following discoveries to the southeast of Kurundi, Geopeko acquired the exploration licences in 1965. Geopeko failed to delineate sufficient mineralisation however, with the leases being relinquished. Mineral Horizons held EL4815 from 1985 to 1987 conducting regional stream sediment and rock chip sampling. Australian Energy and Gold NL sought bulk tonnage operations under EL5884 but did not conduct on-ground exploration upon realising the narrow vein, high-grade nature of the goldfield.

EL9714 and subsequently, EL24937 were initially held by founding members of the Kurundi Group for metal detecting purposes. EL24937 was taken over by Grey Wolf Resources and relinquished in 2013.

The Kurundi Group exploration within the exploration licences of the Kurundi Project to date has consisted of soil sampling and geophysical investigation consisting of a ground magnetic survey and a gravity survey. This has resulted in the location of a sizable coincident magnetic and gravity anomaly in the area. The anomalies have been modelled by consultant geophysicists and a Mine Management Plan has been submitted and approved. The aim of the MMP is the drill testing of an area postulated to have the potential to host economically recoverable concentrations of base metals. In this first phase of drilling the aim is to investigate a coincident magnetic and gravity anomaly in the Kurundi Project.

Geological setting

The Kurundi project is located in the Davenport Province, in the central part of the Northern Territory. The Davenport Province has been described by Donnellan (2013) as constituting the southern portion of the Tennant Region, defined by the Palaeoproterozoic Hatches Creek Group and similar, Palaeoproterozoic-aged rocks of the Warramunga Province. The province is defined by a wider domain of Palaeoproterozoic-aged rocks that are unconformably overlain by younger units of the Georgina Basin on the east and Wiso Basin on the west.

The project area encompasses part of the historic Kurundi Goldfield, hosted within the lower units of the prospective Hatches Creek Group which is adjacent to the historic Tennant Creek mineral field, a world-renown gold field hosted within rocks of the Warramunga Province further towards the north, north-west of the Kurundi area.

The Kurundi project leases are largely contained within the Kurundi Dome (or Kurundi Pound) which forms a distinctive landform, characterised by dome and basin folding of the Middle Proterozoic marine and non-marine clastics, carbonates, volcanics and volcanoclastics of the Ooradidgee Subgroup which are the lower-most units of the Hatches Creek group (Figures 2 & 3).

Within the Dome, the Edmirringee Volcanics are a succession of massive, vesicular, porphyritic and brecciated (flow top) basalts, volcanoclastics, clastic sedimentary rocks and chert. The interfingering Kurinelli Sandstone quartz arenites and conglomerates mostly underlie the Edmirringee Volcanics but have some incursions (or potential thrust repetition).

Exploration to date by the Kurundi Group et al., has focussed on the mineralised Ooradidgee Group, in particular; the Edmirringee Volcanic and Kurinelli Sandstone units which occur in deflationary outcrops and under shallow transported cover that comprise the inner core of a large regional anticline identified as the Kurundi Dome.

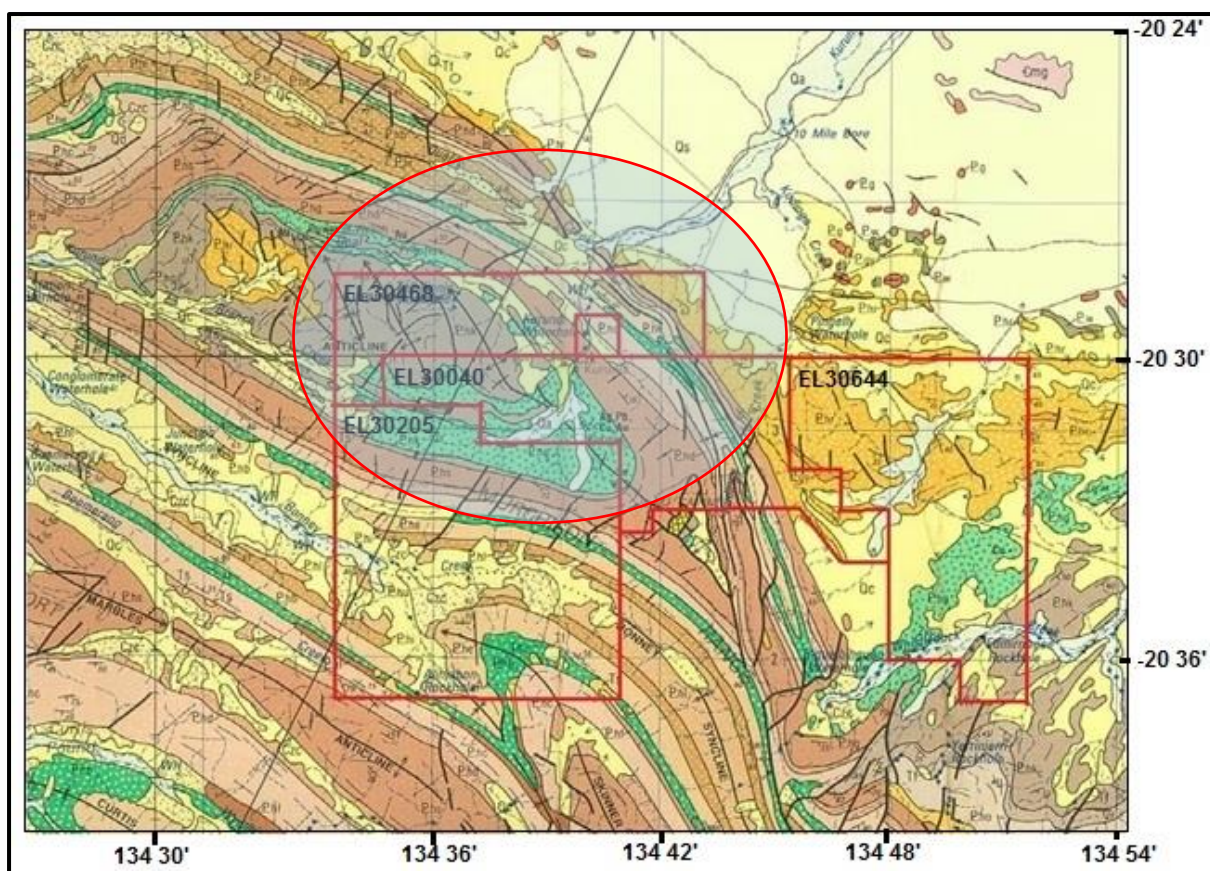


Figure 2: Regional geology of the Kurundi project (Stuart, et. al., 1986)

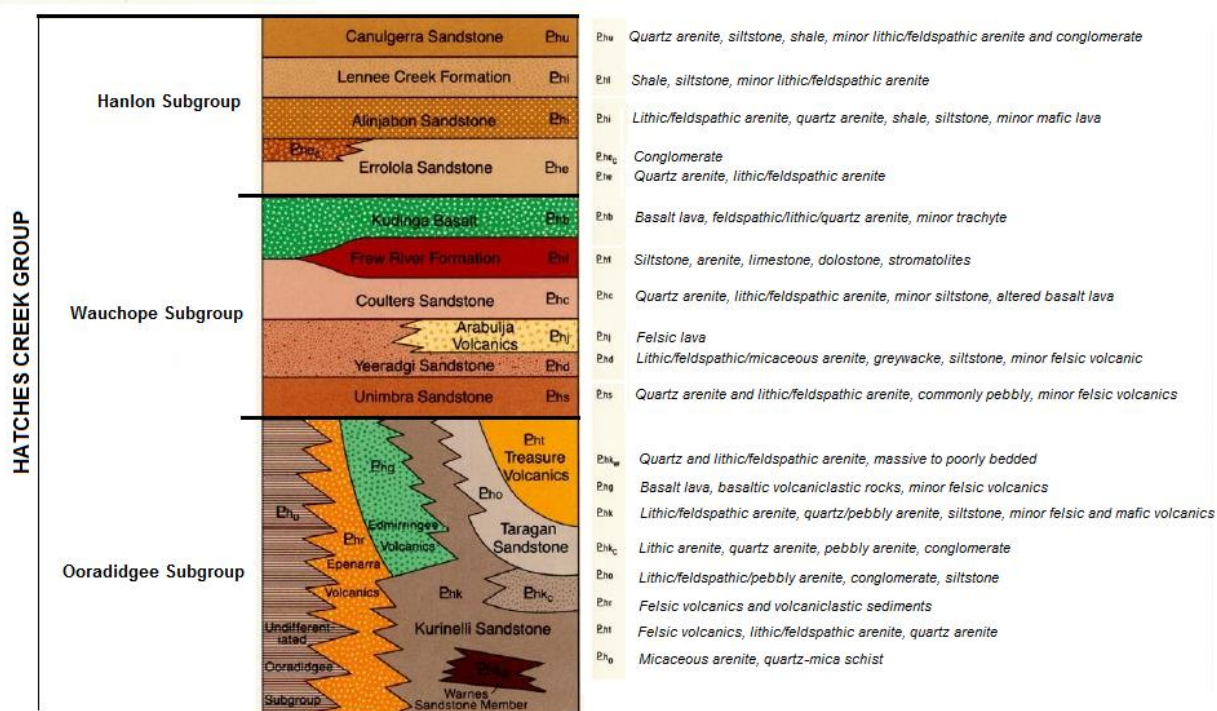


Figure 3: Lithological sequence for the Proterozoic Hatches Creek Group (Stuart, et. al., 1986)

Work completed: current reporting period

The approved mine management plan (Authorisation 0879-01) (MMP) covering this EL was relinquished by the titleholders in December 2018 due to a continued failure to raise capital for the drilling program. This means that the planned activity for this EL was not realised. Individual title holder circumstances have also impacted.

Future exploration program

EL30205 has been retained by the title holders as it enters the final year; further prospecting around the prospective drill sites, and an updated desktop review will be undertaken to inform any application to renew the EL in 2020.