EXPLORATION LICENCE 6748

FIRST ANNUAL REPORT

MAY 1991.
INTRODUCTION

Exploration Licence 6748 consists of 14 blocks, granted to KC Hallet (50%), M Hall (25%) and TR Hall (25%) on the 25 May 1990 for a period of 6 years.

EL 6748 is located in the Mosquito Creek area, approximately 90 Kms south-south-east of Tennant Creek and approximately 25 Kms north-north-east of Kurundi Station. Access is via the sealed Stuart Highway and gravel roads and tracks on McLaren Creek and Kurundi Stations. (Map 1)

VEGETATION

Vegetation is typical of Hummock grasslands with scattered trees and shrubs. Grasses include varieties of spinifex, woollybutt (Eragrostis eriopoda) and kerosene grass (Aristidia browniana). Shrubs and trees include acacias, notably mulga (Acacia aneura), turpentine (Acacia lysiphloia) and gidgee (Acacia georginae), and some eucalypts, notably snappy gum (Eucalyptus brevifolia) on rocky slopes and ghost gum (Eucalyptus papuana) on slopes and alluvial flats.

TOPOGRAPHY

The Exploration Licence abuts the eastern side of the Murchison Range and is characterised as dissected terrain of foothills and low ridges. Drainage is predominantly to the east into Mosquito Creek, although the northern portion of the licence drains towards the Gosse River.
GEOLOGY

The oldest exposed rocks in the exploration licence area consist of interbedded greywacke, siltstone and felsic volcanics of the Warramunga Group. These are overlain unconformably by the Epenarra volcanics and Unimbra sandstone of the Hatches Creek Group and are intruded by Hill of Leaders Granite and in places dolerite. Approximately 40% of the licence area has surficial Cainozoic sediments (gravel, sand and silt colluvium). (See Map 2).

The licence area contains two minor fault zones which commonly marked by reefs of vein quartz.

MINERALISATION

Minor mineralisation occurs throughout the region, including gold, tungsten, copper and bismuth minerals in quartz veins; traces of copper and lead minerals in basalts of the Hatches Creek Group; uranium in the altered quartz-feldspar porphyry intruding the Warramunga Group; and gold and sulphides in the altered volcanic -sedimentary sequences within the Warramunga Group.

To date no significant mineral deposits have been identified in the area. The Mosquito Creek Tungsten Field is to the east and the Power Of Wealth Mine is approximately 15 Kms to the south.
FIRST YEAR PROGRAM

Work conducted during the first year of tenure included:

- literature review
- geological review
- ground verification of geology
- aerial reconnaissance
- licence boundary identification
- planning of preliminary sampling program
- initial surface sampling

(sampling program yet to be completed and samples forwarded for analysis)

FIRST YEAR EXPENDITURE

Rent and advertising fees $ 230
Wages $ 2800
Fuel $ 400
Vehicle maintenance and repairs $ 1100
Light aircraft hire $ 560
Consumables $ 450
TOTAL $ 5540

PROPOSED SECOND YEAR PROGRAM

1. Complete preliminary sampling program (rock and soil)
2. Review analysis results
3. Identify potential target areas
4. Conduct secondary sampling of target areas

Expenditure for the second years program will be approx $ 10,000
with additional expenditure depending on secondary sampling program.