YEAR 3 ANNUAL AND FINAL REPORT

EL 28456
‘ALLIA CREEK’
TIPPERARY PROJECT
FOR PERIOD ENDING 28th JULY 2014

FERGUSSON RIVER SD5212

Titleholder: Territory Minerals

Commodities: U, Cu, Pb, Zn, Rare Earth Elements

Prepared for Territory Minerals

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1. SUMMARY

EL28456 is 210km south of Darwin, and approximately 60km south of the Daly River Town. Access from Darwin is via the Stuart Highway onto Dorat Road (from Adelaide River) then west onto the Daly River Road to the Daly River Town. EL28456 was granted for a period of six (6) years in 2011 to expire on 26th July 2017. A total of 23 blocks were relinquished in compliance with year 2 compulsory tenement reductions. In year 3 the tenement was surrendered.

Cretaceous sediments cover the entire tenement (up to 100m thick) and overly a Mid Proterozoic Basin equivalent to the Tolmer Basin to the east. It is possible that under the mid Proterozoic basin a thick sequence of Chilling Sandstone is present.

Historical exploration on tenements that previously covered this ground includes exploration for gold, base-metal and uranium. Previous holders were Corporate Developments Pty Ltd, who relinquished the ground in 2010 (part of EL25713) after historical data review, a radiometrics survey, helicopter reconnaissance and review of the Geoscience Australia EM data. Also stream sediment samples were taken in the 80’s with no significant results.

Exploration targets include: Stratabound Mississippi Style within basin sediments, Unconformity related uranium mineralisation associated with the unconformity between the Lower Proterozoic Burrell Creek Formation and the Basin Sequence, HREEs and diamond potential.

Exploration on this tenement was postponed whilst the company re-organised its exploration strategy and land holdings with a view to be listed on the ASX during 2013. No exploration was completed in year 3 and the tenement was surrendered.
2. LOCATION AND ACCESS

EL28456 is 210km south of Darwin, and approximately 60km south of the Daly River Town. Access from Darwin is via the Stuart Highway onto Dorat Road (from Adelaide River) then west onto the Daly River Road to the Daly River Town. From the town dirt tracks are followed to the south. Access is only possible in the dry season because the crossings at the Daly Crossing and smaller tracks to the west are impassable after rains.

3. TENEMENT STATUS AND OWNERSHIP

EL28456 was granted for a period of six (6) years in 2011 to expire on 26th July 2017. The original tenement was 131km² (46 blocks). There are no other mining leases or mineral claims shown within the Licence boundaries.

Underlying cadastre is parcel 02700 of Fish River Station owned by the indigenous land corporation GPO Box 652, Adelaide SA 5001 (Figure 1), perpetual pastoral lease.

A total of 23 blocks were relinquished in compliance with year 2 compulsory tenement reductions. In year 3 the tenement was surrendered on 28 July.
Figure 1 Tenement Location Map
Figure 2 Tenement Reduction Map Year 2 (red blocks dropped)
4. GEOLOGY

EL28456 is situated near the western margin of the Pine Creek Orogen on the SD5208 Pine Creek sheet. Descriptions of the regional geology can be found in several texts, including Ahmad et al., 1993; Ahmad, 1998; Dundas et. al., 1987; and Pietsch 1989. Figure 2 has the simplified geology from the Pine Creek and Fergusson River 250,000 Metallogenic Map Series to show the main stratigraphic components within EL 28456.

Cretaceous sediments cover the entire tenement (upto 100m thick) and overly a Mid Proterozoic Basin equivalent to the Tolmer Basin to the east. It is possible that the under the mid Proterozoic basin a thick sequence of Chilling Sandstone is present.

Further east, limestones and quartzarenites of the Cambro-Ordovician Daly River Group (comprising Tindall Limestone and Jinduckin Formation) form the Daly Basin. These sediments cover most of the area east of Which Wai Creek. The basin consists of Cambrian limestone sediments which obscure the mineral prospective lower Proterozoic sediments and severely limits exploration efforts.

To the North Mid Proterozoic Chilling sandstone outcrops unconformably above the Lower Proterozoic Burrell Creek Formation.
Figure 3 Tenement Geology (1:250K)
5. PREVIOUS EXPLORATION

Historical exploration on tenements that previously covered this ground includes exploration for gold, base-metal and uranium. Previous holders were Corporate Developments Pty Ltd, who relinquished the ground in 2010 (part of EL25713) after historical data review, a radiometrics survey, helicopter reconnaissance and review of the Geoscience Australia EM data. Also stream sediment samples were taken in the 80’s with no significant results.
6. EXPLORATION DURING YEAR 1

Exploration was postponed whilst the company re-organised its exploration strategy and land holdings.

Geological review of the tenement highlighted the following:

Recent exploration activity in the region has discovered significant rare earth element and uranium mineralisation (Stromberg, Drax and Quantum – TUC Resources). The REE mineralisation at Stromberg has excellent mineralogy (xenotime) with a high heavy rare earth component (the more valuable of the REEs) and is within Tolmer sediments. Also adjacent tenements to EL28456 are under application for diamond exploration.

Exploration targets include:

- Stratabound Mississippi style base metal deposits within the Basin Sequences.
- Unconformity related uranium mineralisation associated with the unconformity between the Lower Proterozoic Burrell Creek Formation and the Basin Sequence. In most areas this unconformity is relatively deep, however, at the Western side of the tenement these prospective lower Proterozoic units may be within 100m of the surface hidden below the Cambrian Daly Basin cover (based on EM interpretation Figure 3).
- Diamond Potential based on young basin close to a major crustal fault zone (Giants Reef).

The recent discovery of HREEs in the region give new exploration models that have yet to be tested on this tenement.

7. EXPLORATION DURING YEAR 2 AND 3

During 2011 Territory Minerals commenced a reorganizing of its exploration strategies and land holdings with a view to be listed on the ASX in 2012. During this process exploration was postponed on this license.

By October 2011 Territory Minerals had successfully entered into a sale agreement to purchase Republic Gold’s Far North Queensland (FNQ) tenements including the Northcote and Tregoora gold deposits which are at bankable feasibility stage. All tenements were transferred into Territory Minerals name.
However due to the deflated financial climate over the past year the listing of Territory Minerals did not progress as quickly as hoped. No exploration was completed in year 3 and the tenement was surrendered.

8. CONCLUSION/RECOMMENDATION

Due to the difficult financial climate the tenement was surrendered.
9. REFERENCES


