

STATEMENT

ON

GREAT NORTHERN PLAIN ALLUVIAL TIN DEPOSIT

We hold about 1000 acres of leases north and west of leases held by the Storeys Creek Co., near Gladstone and have undertaken exploration of the tin-bearing alluvials and from these results we have been encouraged to extend this prospecting and in partnership with Westralian Nickel extensive drilling with 6" percussion rigs was undertaken at 400 ft. centres throughout our leases. The expenditure by this company would be of the order of \$50,000 and several areas were tested which were considered profitable for dredging operations. Estimates at this stage showed 2½ to 3 million c. yards of alluvials, the major discovery was the direction, width, depth and values of the Macgregor deep lead trending in N.W. direction to our westerly boundary. The Directors of Westralian Nickel were keen to proceed with further exploration and purchase of the dredge but at this period there was a successful take-over bid for the company by people who were not interested in mining.

The enclosed chart indicates the location of the Macgregor lead, our westerly boundary and an area of 6.25 square miles which has been reserved from the mining act, 1929. On this area which is presumably all owned by the Naroo Pastoral Co. (Br. Tobacco) the Department of Mines has undertaken a considerable amount of exploration by drilling and seismic surveys and on a selected area of 110 acres they have estimated eight million yards of alluvials with a value of 0.23 lbs/c.yd. Between our boundary and the Fosters Marsh area referred to there could be an extension of the Macgregor or other leads and if this area extends and is of similar grade to the lead on our leases it could contribute an additional 3 million yards to potential reserves. To the Fosters Marsh area and including same the possible reserves are:

Portland and Storeys Creek Co. leases	3 million
Fosters Marshes	8 "
Western boundary to Fosters Marshes	3 "
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	14 "
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The following details are shown to supplement my letter of the 27/10/73. The Macgregor lead and extensions or in conjunction with associated leads is currently our major prospect particularly as there is an increase in grade with a prospective useful yardage. The calculated grade for a dredgable area in the lead is 0.36 lb. of 70% tin concentrate per cubic yard. The estimated reserves from recent drilling on Storeys Creek and our leases is shown in the following estimate:

Taylor-Canary area.	6,000,000 c.yds	of 0.34 lb./c.yd
Beltz "	500,000 "	0.24 " "
Macgregor lead	1,600,000 "	0.36 " "
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Total	2,700,000 "	0.32 " "
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A section of 625 acres on the reserved area and adjoining our westerly boundary (lot 115, John Taylor, pur.) has now been fenced plowed and sown for pasture and section 75(1) b of the mining act states that such an area can only be leased for mining with the Consent of the owner and occupier. According to Mr. Baster, consultant to Westralian Nickel the local manager for the Naroo Pastoral Co., advised him that there did not appear to be any obstacle for a permit to explore and mine but he indicated that authority need to be obtained from the manager, Mr. R.A. Lewin, at 71-79 Macquarie Street, Sydney.

The next stage of development would be further exploration on the area west of our leases on the area reserved from the mining

Inserted in this statement from a letter dated 6/11/73

act and which the Director of Mines has stated could be made available subject to the submission and acceptance of an exploration program. A condition of acquisition of mining leases in the reserved area is payment for drilling by the department amounting to \$17,500. Should the Director of Mines issue a permit on the exempt area it would be for a period of six months renewable for an additional six months.

Westralian Nickel used two G33 drills owned by Storeys Creek Co., with experienced local operators by hiring the rigs and W.N. paying the wages. The drilling was managed and supervised by The Scamander M. Co., of Launceston. Concentrates from the drill hole samples were assayed at the Mines Dept., at Launceston. Costs were stated to be under \$3/ft. which is much lower than other known operators. Mr. Vic. Whitmore, dredge master, advises that personnel is currently available for one rig and if a substantial program was arranged for two rigs could be operated.

Mr. P.B. Nye who is our consulting geologist and former chief geologist in Tasmania and director of the Bureau of Mineral Resources and it is suggested that if you are interested in further details of the geology of the leases and reserve that discussions with him would be the most effective and expeditious manner of obtaining the desired information. Mr. Nye's phone number is Melbourne 451925 and his address is 7 Clausen Street, Heidelberg West, Victoria, 3081.

The Dorset dredge is located in the Ringarooma River about a mile upstream from the proposed dredging site and is under caretaker maintenance and is available for sale at low cost. Assets for sale by the Storeys Creek Co., in addition to the dredge, include about 6 G.I. buildings and a wooden office, stores, engineering and carpentry equipment, several percussive 6" drills, vehicles and a tractor. The last year of operation is of interest (1969-1970). The income from the treatment of 1,580,000 c.yards of alluvials amounted to \$360,700 or 22.7 cents/c.yd. and the cost of dredging operations including overheads amounted to \$252,900 or 15.9 cents/c.yd. Mr. Whitmore considers that operating costs would have increased 20% since 1970 but purchase of the assets at a low cost would balance this increase.

The Gladstone district is very much in need of an industry and this fact would provide evidence for Government support.

W.St.C. Manson.

ST. HEENS  
27/10/73