

GALENA OCCURRENCE

SANDSTONE HILL

QUEENSTOWN

18th January 1950

50_104

The Mount Lyell Mining and Railway Company Limited

HEAD OFFICE: COLLINS HOUSE, 381 LITTLE COLLINS STREET, MELBOURNE, C.1

ADDRESS ALL COMMUNICATIONS
TO THE GENERAL MANAGER

GENERAL MANAGER'S OFFICE
QUEENSTOWN, TASMANIA

18th January, 1950.

TELEGRAMS:
"MOUNTLYELL" QUEENSTOWN

TELEPHONE:
62 QUEENSTOWN, THREE LINES

Messrs. J. J. Burke & D. J. Priestley,
QUEENSTOWN. Tas.

Dear Sirs,

By the terms of our agreement dated 24th March, 1949, the option granted to the Mount Lyell Company over your mineral lease 113M/47, in the vicinity of Dixon Street, Queenstown, expired on the 24th December, 1949.

During the currency of the option a general surface examination of the area was made and 966 feet of diamond drilling was done in the vicinity of the prospecting shaft.

I have delayed making a decision as to further work in the lease until the information gained from work already done could be correlated and considered.

That has now been done and I advise you that I do not wish to proceed further with prospecting on the area held by you.

For your interest I am sending you two plans showing in detail the diamond drilling information gained. I also add the following comments for your general guidance:-

In the area immediately surrounding your prospect shaft there is an extensive deposit of black pug bounded on the west by sandstone and by a decomposed porphyry on the east.

This pug was not bottomed by the drill holes and No. 3 bore shows it to be at least 266 feet deep.

Samples were taken from the bores continuously and none of them contained more than 0.1% lead. No other signs of mineralisation were observed.

The pug is undoubtedly a weathered and decomposed limestone similar to the material overlying the South Zeehan mining field. In that district this soft material overlies solid limestone at depths of up to 200 ft. and generally not more than about 100 ft. It contains plentiful but very erratic patches of galena which are apparently the remnants of lodes once formed in solid country. In many cases lodes of galena have been found in the unaltered limestone below the pug.

The galena bearing material in which your shaft is sunk appears to be an erratic patch such as described above. Bores Nos. 1, 2 and 4 demonstrate that it has no appreciable extent either horizontally or vertically. The occurrence does illustrate that there is mineralisation in the area and it is possible that exploration of the unaltered limestone, which presumably exists at some unknown depth below the shaft, might reveal galena in its original formation.

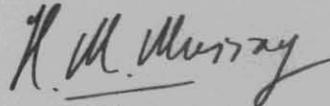
Diamond drilling in this ground proved to be difficult and expensive and shaft sinking in search of solid country for the establishment of a drilling station is not attractive. Such a shaft would require close timbering in soft water laden ground.

In view of the intangible nature of the prospect I do not consider further expenditure by my Company warranted at this stage and therefore relinquish the option.

I thank you for your co-operation with the Company in this venture and express my regret that our prospecting has not brought you the reward that your own hard work has merited.

If there is any further information you would like I will be glad to supply it.

Yours faithfully,



General Manager.

Enc.

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PHONE 104
(Office & Residence).

Department of Mines,
Tasmania.

50-104

529003

Inspector of Mines, Magazines, and Explosives Office.

Queenstown, 18th March, 1947 19

DEPT. OF MINES, HOBART

642/47
24 MAR 1947

Referred to

Filed by

The Director of Mines,
Hobart.

Dear Sir,

PROSPECTING CLAIM - J.J.BURKE.

Mr. J.J. Burke has been engaged in prospecting a silver-lead deposit in the residential part of Queenstown, close to Dixon Street. The location of this being shown in the enclosed sketch plan.

The work done so far consists of a trench cut in a north-south direction, of a length of about 40 feet by 4 feet deep and 3 ft. wide, with a short cross trench in the centre at the same level which has cut into the sharply rising bank a distance of 10 feet.

This work has exposed a limestone formation in contact with with a black pug at the bottom of the trench and shows that this is completely overlaid with a bedded sandstone which rises very steeply to form a hill, of some 250 in height, known locally as "Sandstone Hill," which I have indicated by approximate contour lines on the sketch.

The pug in contact with the limestone appears to be a lode channel filling and is more than 15 feet in width and carries prills of galena in irregular concentrations. The mineral solutions from this lode channel have penetrated the limestone mass and has formed numerous small veins which connect prills of clean crystallised galena in the limestone over irregular spaces, representing a re-placement occurrence which appears to be of commercial value.

Adjacent to and on the east side of this formation is an intrusive porphyry formation which has penetrated the limestone and sandstone original rock and may be the parent body of the galena deposit.

With these favourable indications at the surface it is my opinion that this prospect is well worth further development and I advised Burke to sink a shaft to open the deposit up.

Mr. Burke has D. Priestly and W.J. Muir interested with him in this claim and they desire to apply for an Aid to Mining grant for the sinking and timbering of a shaft 100 feet in depth. The shaft 7 ft. x 4 ft. in size will require to be close timbered and they estimate that it will cost £3.15.0 per foot.

An average sample which I obtained from the pug exposed in the main trench was assayed by the Mount Lyell Company and gave the following results:-

SiO ₂	24.4 %
S.	4.6
Al ₂ O ₃	27.7
Pb.	5.0
Fe.	1.6
Sb.	0.2

Ignition loss 39.6

I have purchased two augers 1 1/4" size and I have had these fitted with short 3 lengths of 1/2" pipe which will enable the pug to be tested by boring. I will forward samples of this core to the assay office at Launceston.

In event of further development proving the existance of payable ore it will be necessary to test the limits of the orebody by diamond drilling and I would be pleased if you will advise whether there is a Government ~~available~~ drill available for such work and if so what is the charge for its use.

The three members of this prospecting party are competent miners and timbermen and should give satisfactory results if they are granted the necessary assistance in their mining venture.

Yours faithfully,

H. C. Rae
Inspector of Mines.



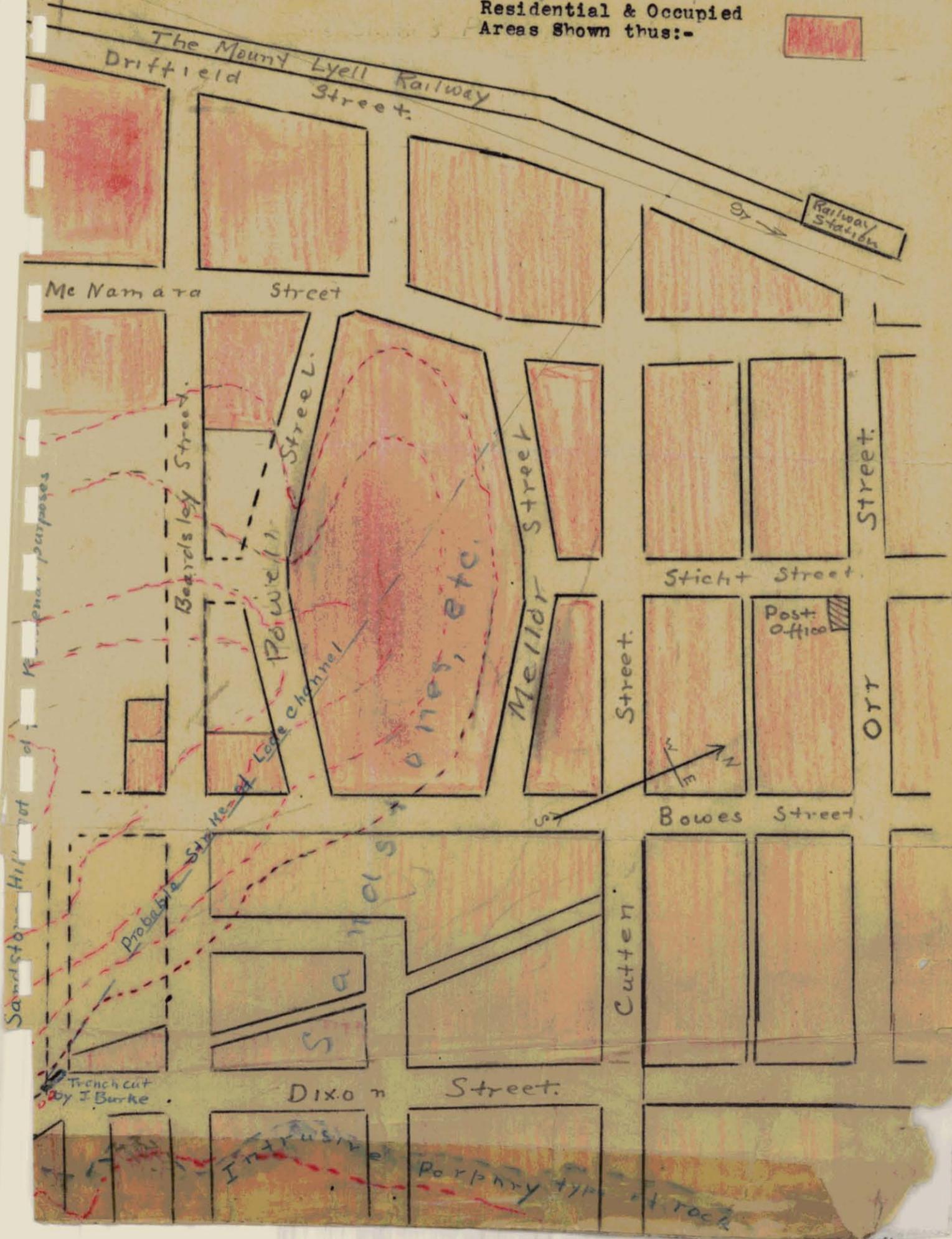
PHONE 104
(Office & Residence).

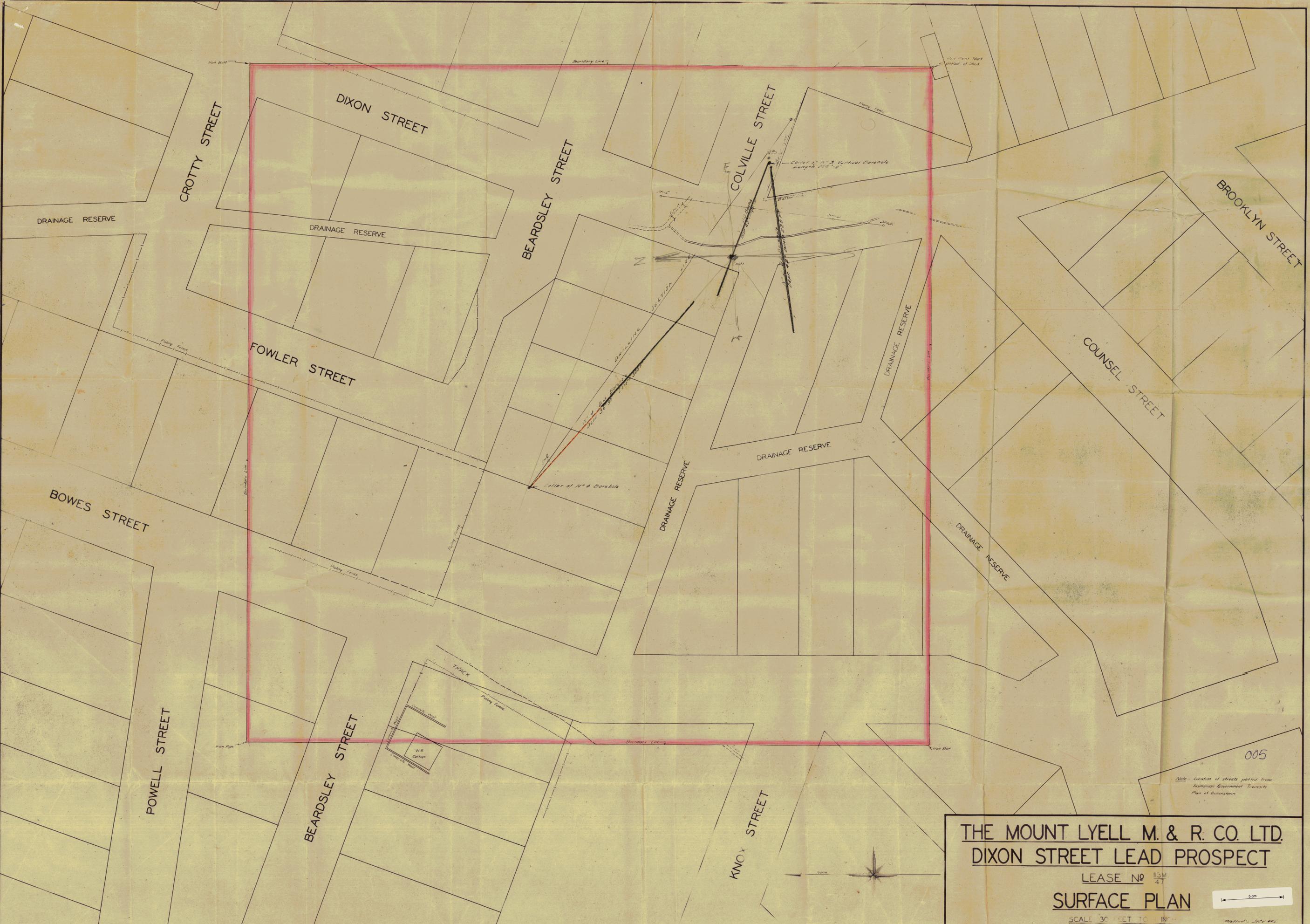
Inspector of Mines, Magazines, and Explosives Office,

Queenstown, 18th March, 1947. 19

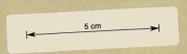
SKETCH PLAN SHOWING THE LOCATION OF THE PROSPECTING CLAIM
AT QUEENSTOWN, HELD BY J.J. BURKE.

Residential & Occupied
Areas Shown thus:-



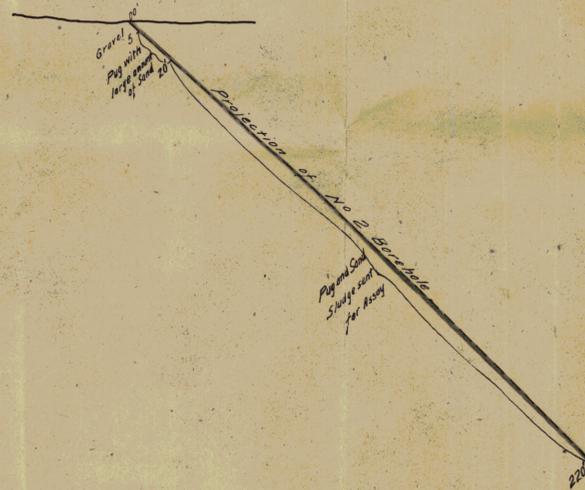


THE MOUNT LYELL M. & R. CO. LTD.
 DIXON STREET LEAD PROSPECT
 LEASE NO 113M/47
 SURFACE PLAN
 SCALE 30 FEET TO 1 INCH

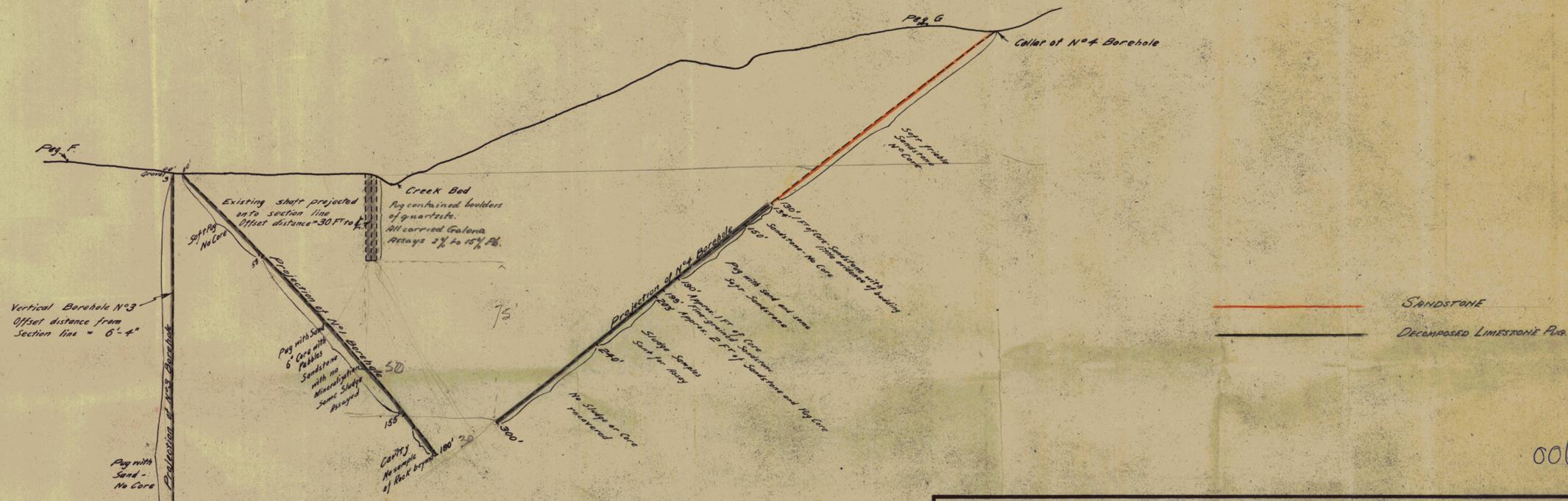


Note - Location of streets plotted from
 Tasmanian Government Township
 Plan of Ascension

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PROJECTION OF N^o 2 BOREHOLE LOOKING SOUTH



PROJECTION OF D.D. BORE-HOLES ON SECTION LINE.

THE MOUNT LYELL M. & R. CO. LTD.
DIXON STREET LEAD PROSPECT

LEASE N^o $\frac{113M}{47}$



DRILLING SECTIONS

SCALE - 30 FEET TO 1 INCH

529007

MAR 1 1896 10-11-99