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23-10-81

924001

WARMAN SERVICES LIMITED

of M	A.O.	C.G.	E.C.	D.S.M.
Received Answered	23 OCT 1981			E & I
DEPT. OF MINES				
REF. No.				

EL 21/78

QUARTERLY REPORT

to the Mines Department

Quarter ended 11.10.81

PROGRESS REPORT EL 21/78Quarter ended 11.10.81General

During most of the past quarter work on this licence was restricted by a shortage of manpower and by the prevailing weather conditions.

Geology personnel are now back to full strength and this together with the improving weather conditions will allow an increase in the work programme for the next quarter.

Due to the fact that EL 15/66 and EL 21/78 are contiguous, work done in the Southern orebody area is relevant to an understanding of the geology in both licences. For this reason true exploration holes carried out in Dolphin Mine are costed 50% to each area.

Progress during the quarter

During July an exploration hole D 160/22 was drilled south @ 45° for 150m from the southernmost opening in the mine (L6 drill 220 160E, 563 850N). A summary of the drill log is:

0	-	51.4m	Biotite Hornfels
51.4	-	89m	B lens (garnet pyroxene hornfels)
89	-	124m	C lens garnet hornfels
124	-	134m	Banded footwall beds
134	-	151m	Granite.

This hole provided firm evidence that the granite contact does not maintain the southeast strike and steep northeasterly dip (70°) evident in the Open Cut. Although the granite contact morphology south of 563 950N is still not known, it appears from D 160/22 and subsequent holes that the granite dips southeast at about 15° in the region 100m south of the L6 drill drive. This information suggests that the sea floor between the breakwater and the sea dump is composed of Upper Volcancis overlying Mine Series rather than granite as previously thought. This interpretation is based on the theory that the granite contact swings around from a southeasterly strike in the Open Cut to an almost easterly strike offshore. If the dip of the granite contact steepens up in this region as it does under Dolphin Mine, then there is a good possibility that a wedge of mine series rocks may occur at depth between the granite and the Grassy River Fault.

In order to test this theory it is proposed to run an echo sounder traverse in the bay between the breakwater and the sea dump. This should identify areas where bedrock is exposed on the sea floor and can be grab sampled by divers. Results of this programme will permit a decision to be made on whether or not to go ahead with the full seaborne, gravity, seismic and echosounder survey proposed for this area.

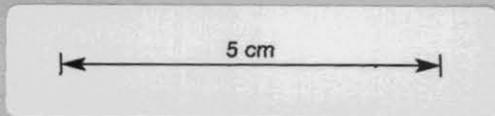
The aeromagnetic survey indicated that the granite contact south of Grassy Harbour dips south. Because the end of the breakwater is composed of granite any attempt to drill this contact would have to be at a fairly shallow angle. Since the target could possibly be a narrow horizon of mine series dipping southeasterly, it would be hard to hit and this proposed drilling is no longer a priority.

A large capacity surface diamond drill rig is planned to be brought on site in November. This rig is scheduled to drill 3 holes from the Southern side of the sea dump into the expected extension of Southern orebody. It is anticipated that information from these holes will be directly relevant to the potential for Mine Series rocks offshore.

The susceptibility testing programme being carried out on the diamond drill cores obtained from previous drilling around the Bold Head and Grassy Granite has progressed slowly. Results of this survey will be important in the interpretation of the airborne magnetic survey especially in the offshore area.

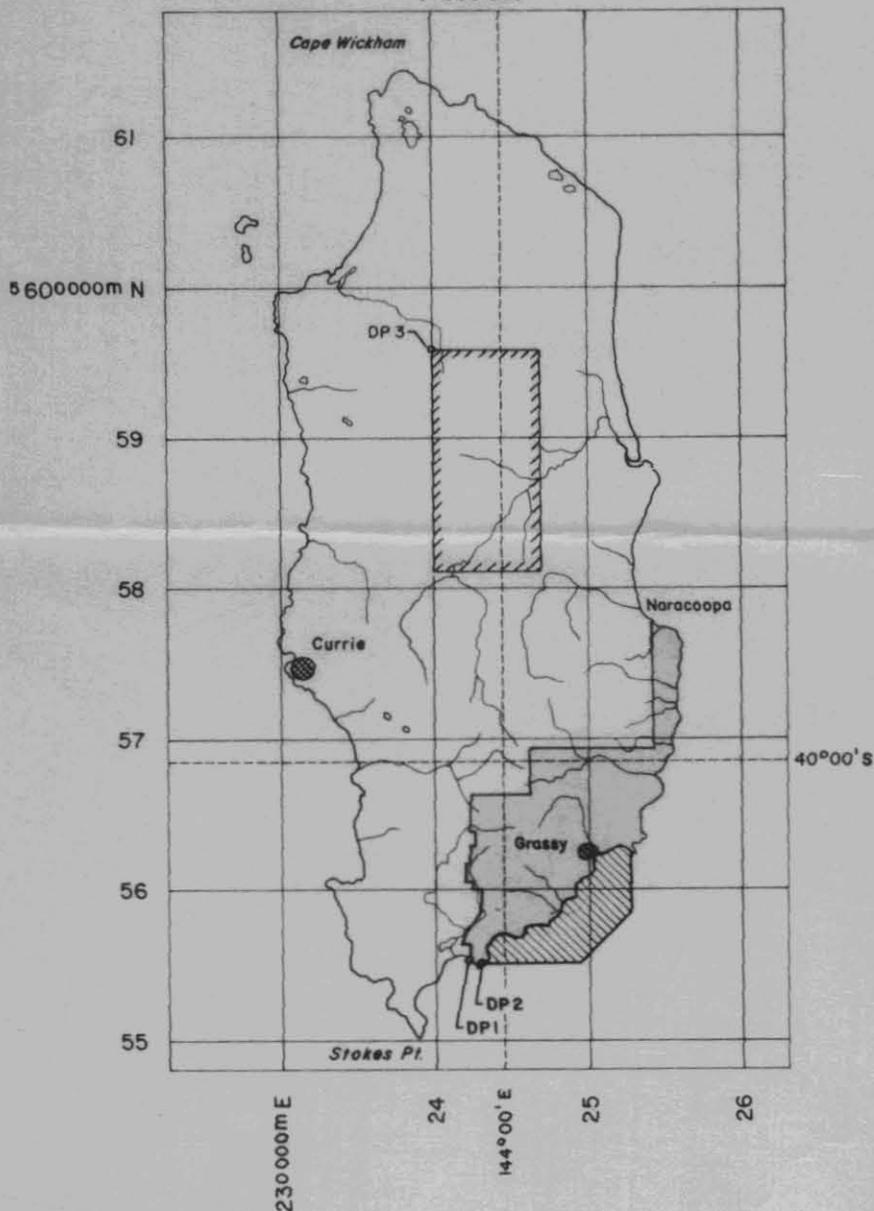


R. E. S. Davies
Senior Geologist



-  E. L. 15/66
-  E. L. 21/78
-  E. L. 39/80 (Under Application)

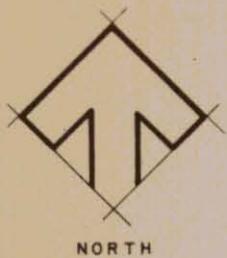
KING ISLAND
1:500 000



UM
DATA POINTS (DP) CO-ORDINATES

DP1 - E. L. 15/66	5 555 260m N
	241 330m E
DP2 - E. L. 21/78	5 555 000m N
	242 000m E
DP3 - E. L. 39/80	5 596 000m N
	240 000m E

Australian Map Grid Zone 55 (AMG)



Naracoopa

E.L. BOUNDARY 15/66

E.L. 15/66

Bold Head Mine

GRASSY

Bold Head

INV. 21

Open Cut and Dolphin Mine

Grassy Part

AREA OF PRIMARY POTENTIAL

STRAIT

BASS

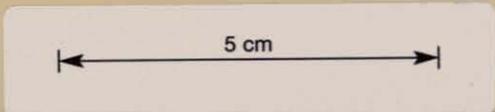
E.L. 21/78 OFFSHORE

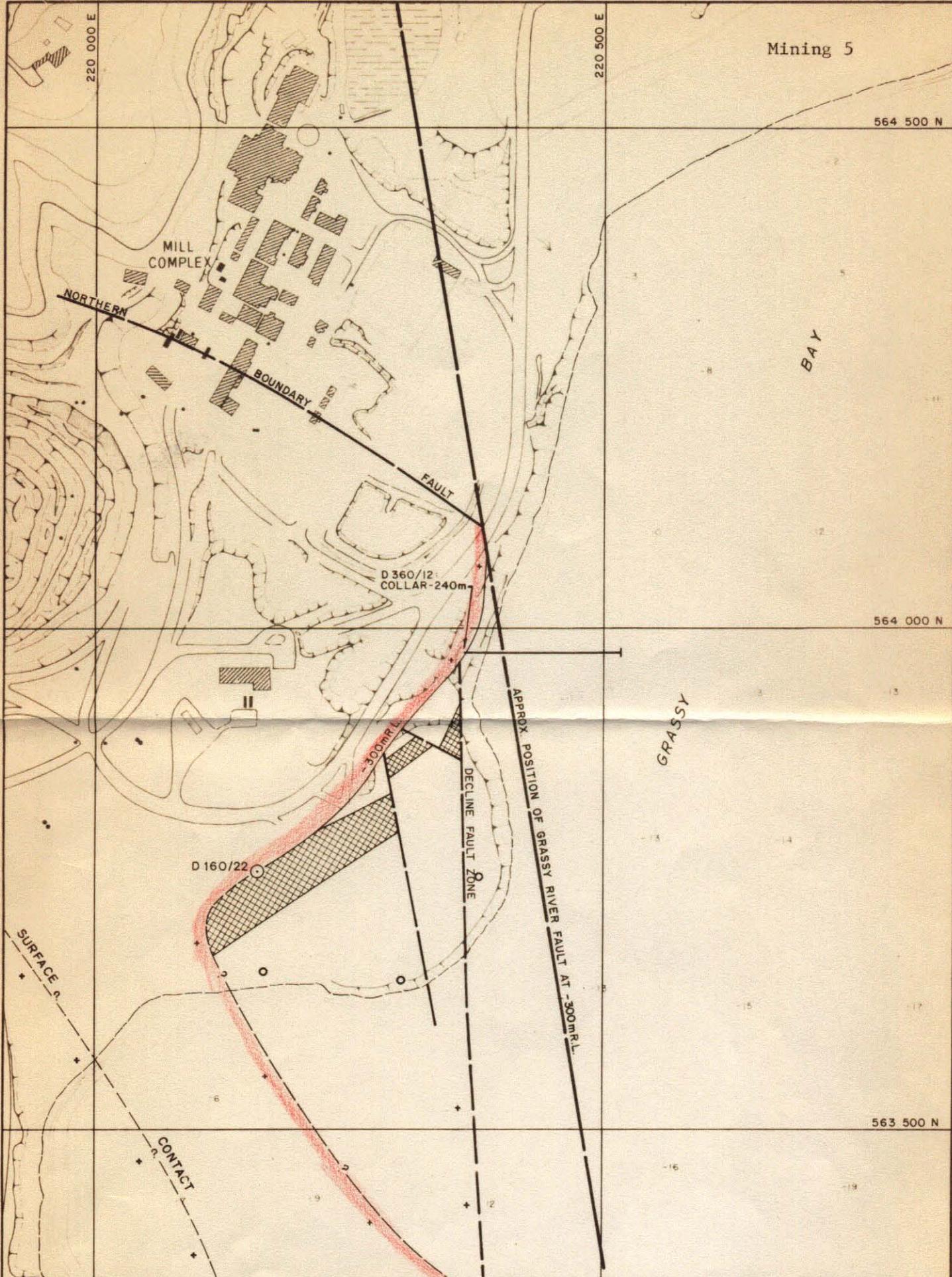
Seal Point

KING ISLAND

EXPLORATION LICENCES 15/66 and 21/78

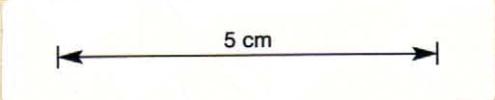
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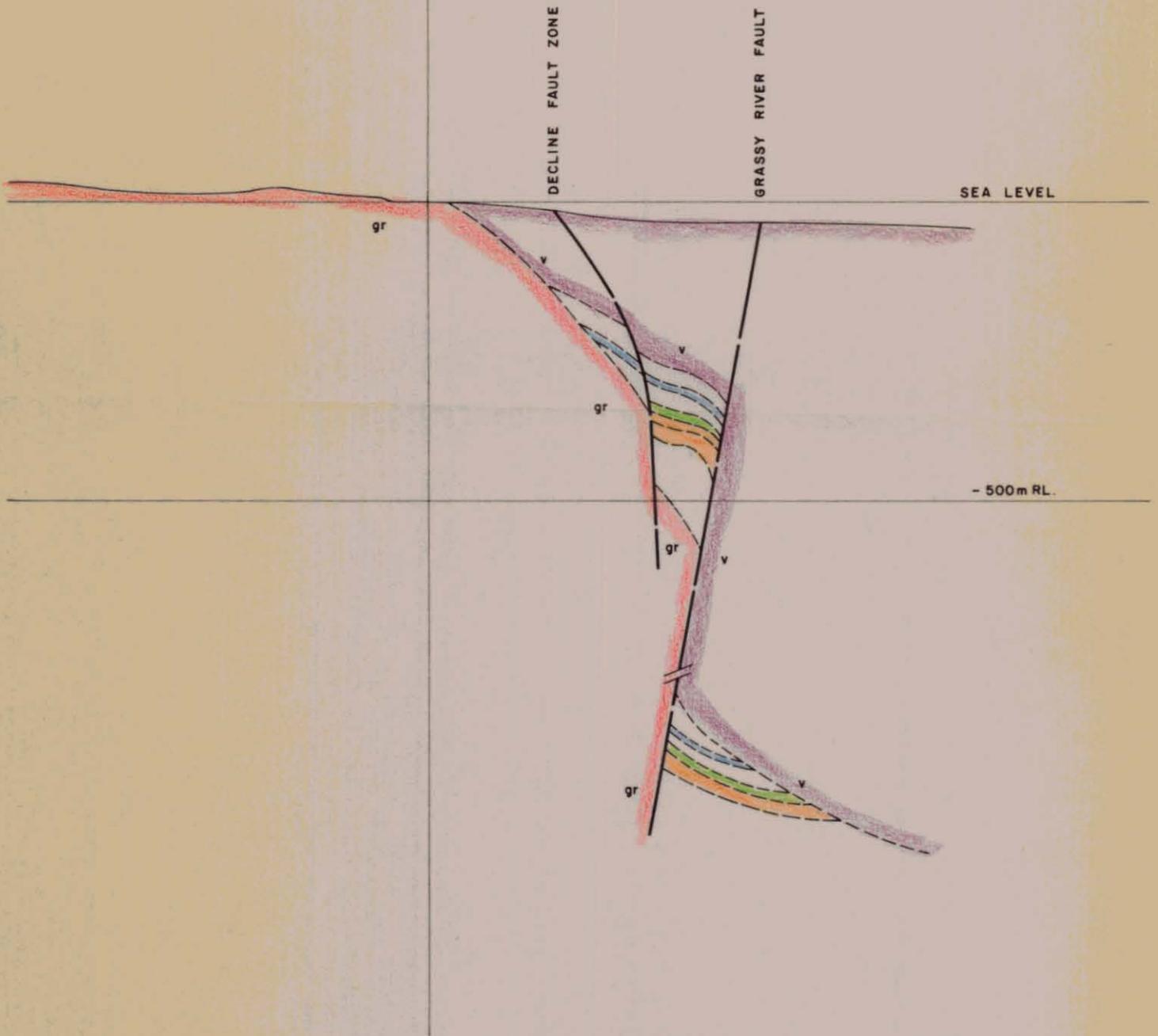
LEGEND:

-  C Lens horizons at -300m R.L.
-  Granite contact
-  Fault
-  PROPOSED SURFACE DDH



LOCATION PLAN
DOLPHIN SOUTH AREA
SCALE 1:5 000

220 000 E



LONGITUDINAL SECTION

563 500 N

scale 1 : 10000

