



CAPRICORN MINING LIMITED

EXPLORATION LICENCE 27/79 (HAMILTON) PARTIAL RELINQUISHMENT

REPORT

9th August, 1985.

INTRODUCTION

In accordance with Mines Department regulations, E.L. 27/79 is currently being reduced in area prior to renewal for Year 6 or the granting of Retention Licence status.

The area to be relinquished is shown on the report submitted to the Department on July 5. The two blocks to be retained as E.L. 27/79 Parts 1 and 2 comprise a total area of ~~114 km²~~ and thus the current relinquishment of 356 km² brings the total area dropped since 1982 in 646 km² ? 221 km²

EXPLORATION OF THE AREA TO BE RELINQUISHED

A simple exploration philosophy, as outlined in several previous reports has been followed in E.L. 27/79. Only rocks belonging to the Upper Triassic "lithic sandstone sequence" are deemed prospective for coal exploration and the project has always sought open cuttable coal. In accordance with this approach, areas which can be shown by reconnaissance mapping to be non prospective have been relinquished. No exploration other than this scout mapping has been conducted on the areas delineated for relinquishment and the results of the reconnaissance mapping are shown on the map included with the July 5 report.

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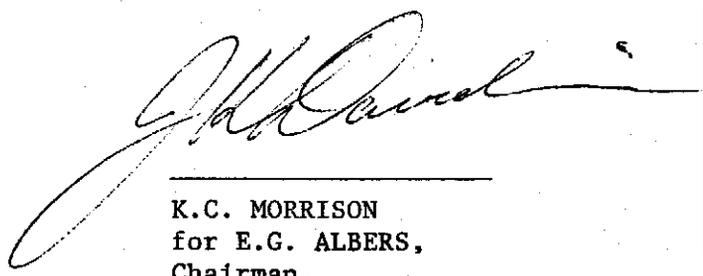
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The question of releasing exploration results onto Open File does not arise for the reason outlined above. All Quarterly, Six Monthly and Annual Reports on E.L. 27/79 to date have dealt with work in the areas currently proposed for renewal or Retention Licence, therefore we would require that none of these documents be shifted to Open File.

I trust this report meets the Departments requirements.

Yours sincerely,



K.C. MORRISON
for E.G. ALBERS,
Chairman.