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ARGYLE MINERALS N.L.

EL 32/85

LISLE - GOLCONDA

OPEN FILE

ANNUAL REPORT
YEAR 2

(10/12/86 - 10/12/87)

16 November 1987

EL 32/85

LETTER
18. 11. 87
REFERS.

Author

W.C. Cromer
Consulting Geologist
William C. Cromer Pty. Ltd.
142 Argyle Street
HOBART. 7000.

Licencee

Argyle Minerals N.L.
"Eilerslie"
112 Hampden Road
HOBART. 7000.

87-2737

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Figure

1. Location Map (1:100 000)

Map

1. Licence area (1:25 000) showing location and grab samples

Appendix

1. Au and Ag assays, Denison River area.

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1. TENEMENT INFORMATION

EL 32/85, originally of 199km², was granted to Argyle Minerals N.L. (formerly Argyle Developments Pty. Ltd.) on 10 December 1985. The licence area excluded several mining leases totalling about 5km² in and near the Lisle Valley.

During the current term, Argyle applied for and was granted seven mining leases in two blocks - 5-7M/87 covering the old Denison gold workings, and 8-11M/87 over the Golconda workings (Fig.1). These leases cover about 6km², and the company has recently applied to have each group consolidated - to 84M/87 and 85M/87 respectively.

Argyle Minerals N.L. is the sole owner and operator of the EL.

During the year, the company purchased ML 17M/85, within EL 32/85 at Lisle and previously owned by the Lisle Valley Gold Restoration Company. An alluvial/eluvial gold treatment plant was included in the purchase.

2. SUMMARY OF PREVIOUS EXPLORATION

Year 1 exploration was carried out at regional and prospect level, the latter on known gold occurrences. The main results (Cromer, 1986) are:

- . photo-interpretation indicated the absence of large palaeo-channels outside present-day valleys but suggested the present valleys could contain large volumes of alluvials
- . assays of 45 hard-rock grab samples from various known gold prospects returned values generally less than 0.1g/t Au, with some highly anomalous values from the Denison area (up to 1.9g/t) and Golconda prospects (up to 27g/t)
- . bulk sampling and assaying of alluvial/colluvial material from costeans on the Denison field returned gold values generally less than 0.05g/t, but two samples gave values of 0.24 and 0.64g/t
- . on a small, previously worked creek in the Denison field, costeaning and panning proved up a small uneconomic alluvial gold deposit containing about 50oz. gold. The orebody is a thin auriferous gravel about 0.3m thick and 20m wide, extending for about 300m but buried beneath up to 2.5m of overburden.

3. SUMMARY OF WORK COMPLETED DURING REPORT PERIOD

Argyle's exploration activity in Year 2 was less than Year 1 since the company has been concentrating on upgrading and testing the alluvial gold mine and plant on 17M/85.

Exploration on the EL included:

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- (a) reconnaissance gold panning from stream sediments throughout the EL. The work is continuing
- (b) costeaning (Map 1) on the Denison and Golconda prospects (prior to ML applications over these areas)
- (c) two hard-rock grab samples from the Denison field were assayed for gold (Appendix 1).

The company has not yet systematically collated results from the reconnaissance panning. I understand the costeans were sited to intersect quartz veining in the Mathinna Beds at each of the two areas, and failing to achieve this were subsequently backfilled without being sampled.

The two grab samples from the Denison area returned anomalous gold values of 1.19g/t (with 30g/t Ag) and 1.12g/t (with 63g/t Ag), which supports previous high gold assays and the prospectivity of the area.

4. COMMENT ON REGIONAL AND SPECIFIC SURVEYS

In view of the comments in 3 above, it is not possible at this stage to give more detailed results of the regional panning survey or the more specific costeaning work. Data so far available is summarised in Tables 1 and 2.

TABLE 1 LOCATIONS OF COSTEANS ON THE DENISON AND GOLCONDA FIELDS (MAP 1)

Denison Field	AMG Grid Coordinates
No. 1	263447
2	264444
Golconda Field	
No. 1	248427
2	251427
3	250423
4	253424

* Supplied by Argyle Minerals N.L.

TABLE 2 GOLD AND SILVER ASSAYS, HARD ROCK GRAB SAMPLES, DENISON FIELD
(Refer to Appendix 1 and Map 1)

Sample	Registration No.	AMG Coordinates	ASSAYS (g/t)	
			Au	Ag
1	862879	262454	1.19	30
2	862880	262454	1.12	63

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Appendix 1

22nd December 1986

Argyle Mining,
112 Hampden Road,
Hobart

Attention Mr. J. McCallum

Dear Sir,

Please find below results of samples submitted to
this laboratory on the 18th Dec'86.

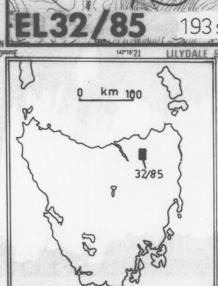
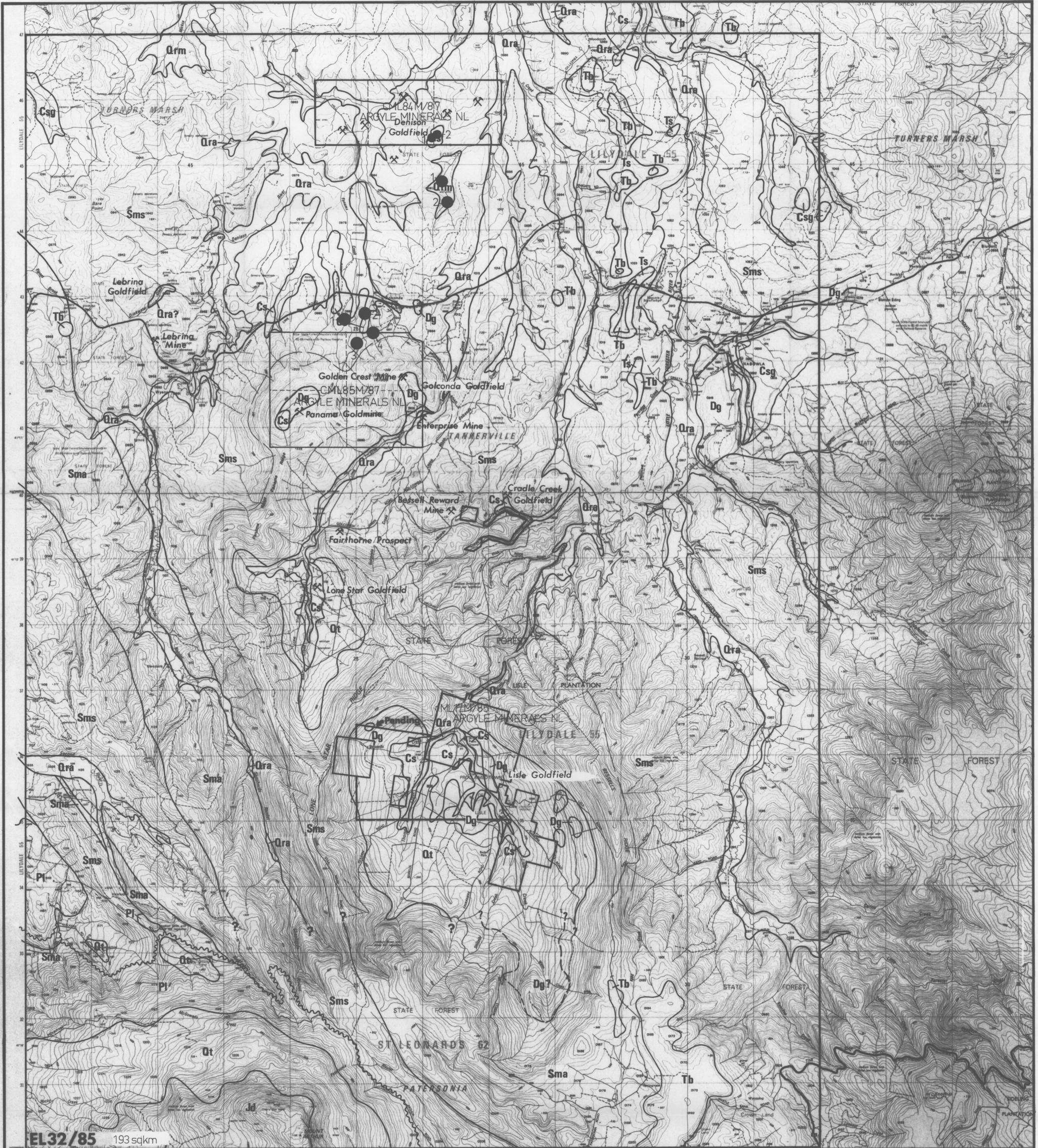
<u>Reg. No</u>	<u>Description</u>	<u>Au g/t</u>	<u>Ag g/t</u>
862879	Sample No 1 Denison R Area	1.19	30
862880	" 2	1.12	63

Yours faithfully,

[Signature]
(P.L. James)
Acting Chief Chemist & Metallurgist

Analyses by *[Signature]*

Fee \$26.00



PROJECTION: Universal Transverse Mercator (UTM).
 HORIZONTAL DATUM: Australian Geodesic Datum 1984.
 VERTICAL DATUM: Australian Height Datum (Flooded) excepting
 offshore banks where datum is mean low tide.
 GRID: 500 metres intervals of the Universal Transverse Mercator Grid,
 Zone 58 (Australian Mean Time). Australian National Standard. Grid
 values are shown in full at the south west corner of the map.
 COLOUR SYSTEM: 1000 metres with 100 metre contours.
 WORLD GEODETIC SYSTEM 1972: To convert co-ordinates from this
 system to Australian Geodesic Datum 1984, increase the value of
 latitude by 1.5 seconds to metres, and decrease the value of
 longitude by 1.5 seconds to metres.
 MAGNETIC VARIATION: True, Grid and Magnetic North are shown
 approximately for the centre of this map. Magnetic North is correct
 to 1983 and moves away about 0.1" every two years.

Residential area, Commercial buildings
 Primary road with route number
 Secondary road with route number
 Minor road with route number
 Other road
 Other roads with bridge
 Vehicular track with gate
 Walking track or horse trail approximately parallel with bridge
 Railway with station. Poles erected to National Gauge (single)
 Power transmission line and pole positions
 Building: Features of historic or special interest. Ruin, Mine
 Post office, Police station, Fire station, School

Contour peak, Camping ground, Public toilet
 Disposal area, Information centre, Cemetery
 Paved area, Top surface, Open drainage
 Contour with value, Depression contour
 Quarry, pit or open cut mine
 Rock escarp, Section rock surface
 Dense forest, Medium forest
 Low dense vegetation, Disturbed grass
 Orchard, Pine plantation
 Escarpment, Shallowly eroded

Swamp
 Wet area, Subject to flooding
 Wetland, Ripids
 Inhabited shoreline or floodplain, Lagoon
 Tidal creek or lagoon, Obsolete rock
 Navigation light or light-house, Opposed wreck
 Sand, Tide reef
 Saltine coastal lagoon, Tide flat
 Jetty, Landing ramp

KEY ● Costeans Denison field samples

Qrm	Marsh and swamp deposits
Qra	Alluvial deposits, including younger gravels
Qrd	Dune sand
Qw	Windblown and locally derived sand
Qt	Dolerite talus
Qt	Basalt talus
Qt	Mafic tuffs
Qrg	Older gravels, Qrg' = 25' erosional terrace

Ct	Silt and clay with occasional pebbles
Csg	Angular gravel, mainly vein quartz
Csg	Rounded and angular gravel, mainly vein quartz
Csg	Rounded gravel, mainly vein quartz
Csg	Quartz granule sand with pebbles
Csg	Medium grained sand
Csg	Ferruginous, siliceous gravel with ironstone blocks
Csg	Csg' = ironstone horizon
Cs	Sandstone and conglomerate

Tf	Siliceous conglomerate
Tg	Angular gravel, mainly vein quartz
Tg	Rounded and angular gravel, mainly vein quartz
Tg	Rounded gravel, mainly vein quartz
Ts	Ferruginous zone
Ts	Sandstone and conglomerate
Ts	Dolerite boulder and cobble horizon
Rs	Sandstone

Pu	Upper with pebbly horizons a and b
Plg	Liffey Group
Pl	Lower, including conglomerate and pebbly mudstone and sandstone
Sms	Contact metamorphic, Predominantly siltstone and sandstone
Sma	Predominantly slate and phyllite
Tb	Igneous Rocks
Tb	Tertiary Basalt
Tb	Sub basalt tuff
Jd	Jurassic Dolerite
Dg	Devonian Granodiorite (Dg' = finer grained and more leucocratic phases)

Geology modified from Dept. of Mines 1 mile to 1 inch series:
 83155 Launceston (Longman et al 1964)
 8315N Pipers River (Marshall et al 1965)

WILLIAM C CROMER PTY. LTD.
 CONSULTING GEOLOGISTS
 142 ARGYLE ST., HOBART, TAS. 7000
 (002) 31 0656

ARGYLE MINERALS NL
 EL 32/85
 GEOLOGY, ML's, COSTEANS
 87-2737

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 M2 MAP 1
 DATE NOV 1987
 COMPLETED WCC
 DRAWN WCC
 SCALE 1:25,000