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EL 9/93, Loila Tier

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Annual Report For

1995/1996

MINERAL RESOURCES		
EL	EL9/93	
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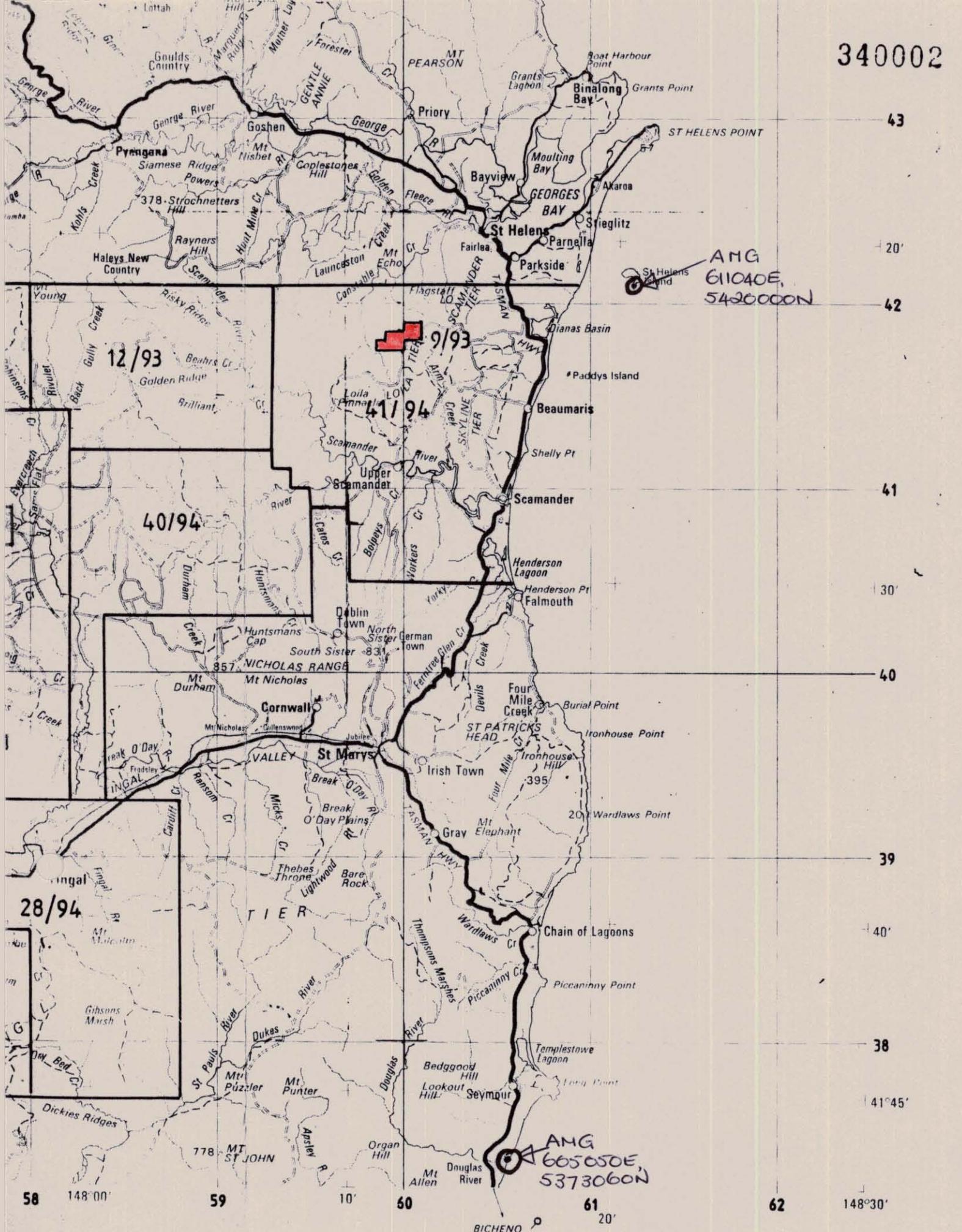
ANNUAL REPORT - LOILA TIER
MANCALA P/L - EL 9/93
G.D. ILLIFF

G.D. Illiff
Senior Geologist
October 1996

AMG REFERENCE POINTS ADDED

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AMG REFERENCE POINTS ADDED

NORTH EAST
MERCURY WALCH, HOBART AUSTRALIA

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SUMMARY

Mancala Pty Ltd took up Exploration Licence EL 9/93 to cover a 2.5 kilometre length of the Loila Tier Fault, within which previous workers (Ruxton 1984) reported an occurrence of tin mineralisation assaying over 3% Sn in grab samples from a small exploratory pit on the western slopes of Loila Tier.

At this time, Mancala was negotiating to purchase the Anchor Tin Mine, relatively nearby at Lottah, northeast of Pyengana, for which it would have been desirable to have a supplementary source of relatively high grade ore to blend with the low grade feed (about 0.5% Sn) from the Anchor orebody. Preliminary exploration of the locality that yielded the 3% Sn was encouraging, in that Mancala was able to repeat this grade in another grab sample.

The Exploration Licence was granted on the 26th November 1993.

In December 1993 two costeans already flanking the pit which yielded the anomalous samples were excavated deeper, and four percussion holes were drilled in the vicinity. One of these holes traversed a zone of anomalous (10 x background) tin values about 8 metres wide, which coincided with the Loila Tier Fault zone.

The results encouraged further work, but other projects, including the reopening and running of Anchor Mine, required the attention of limited company resources. Therefore, no work of consequence has been done on the Exploration Licence in the past two years.

1. INTRODUCTION

In 1994, Mancala Pty Ltd purchased Spectrum Resources Australia Pty Ltd from its New Zealand parent company. The primary asset of the latter company was Anchor Tin Mine, in Northeastern Tasmania.

Anchor Mine works disseminated cassiterite mineralisation in a granite greisen host, in an orebody grading about 0.5% Sn. Given such a low grade, it was considered desirable by Mancala that an auxiliary supply of higher grade ore be found within trucking distance of the mine. A literature search in the Mines Department Library located a prospect in Mathinna Beds metasediments intruded by Devonian granite south of St Helens, on the Loila Tier Fault, reported by Billiton/Shell Minerals (Ruxton 1984). The Loila Tier Fault hosts several small occurrences of sulphides, including galena, sphalerite, chalcopyrite and arsenopyrite, together with wolframite, along most the exposed fault, with cassiterite occurring at the western end.

Ruxton (1984) suggested the tin mineralisation indicated the proximity of an underlying greisen, at the top of an intruding granite.

Mancala took out an Exploration Licence of 2.25 square kilometres in late 1993 to cover the Loila Tier Fault from east of Williams Prospect to west of the Loila Tier Prospect.

Four percussion holes were drilled in December 1993 on the Loila Tier Prospect, in the vicinity of the pit from which a sample assay of 3% Sn (Ruxton 1984) was repeated in Mancala's sampling. Concurrently, two pre-existing costeans at this locality and the pit providing the original samples were deepened by excavator and geologically mapped.

The position of the fault was indicated by a zone of anomalous tin values (250-400ppm, about ten times background) in one of the holes.

These activities were reported in the 1993/1994 Annual Report, in which some follow-up diamond drilling was recommended. The finances to follow up this recommendation have not, as yet, been available.

The costeans were subsequently filled in as part of the rehabilitation of the recent works. The access track was returned to the condition in which it had been left by the Forestry Department at completion of the coupe on the south side of the prospect, with anti-erosion grips recut in it, as requested by the Mines Department Environmental Field Officer.

2. RECOMMENDATION

The recommendation of previous Annual Reports, that at least one diamond drill hole should be sited to target beneath the 'discovery' pit still stands. The drillhole would be designed to ascertain if the fault was intruded by a wedge of greisen on the top of the postulated underlying granite cupola (Ruxton 1984), and if so, whether such a greisen hosts potentially economic tin mineralisation.

It is therefore recommended to the management of Mancala Pty Ltd that EL 9/93, Loila Tier, be further extended.

REFERENCE

Ruxton, P.A. 1984. E.L. 12/78 - Scamander. Progress Report on Exploration During the Period 1/9/83 to 1/8/84. Annual Report to the Department of Mines. Shell Co. of Australia Ltd; Billiton Australia; Broken Hill Pty Co Ltd.