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TENEMENT: S.M.L. 370

TENEMENT HOLDER: Gem Expl. & Minerals Ltd.

REPORT: Letter - Cober Pedy Area

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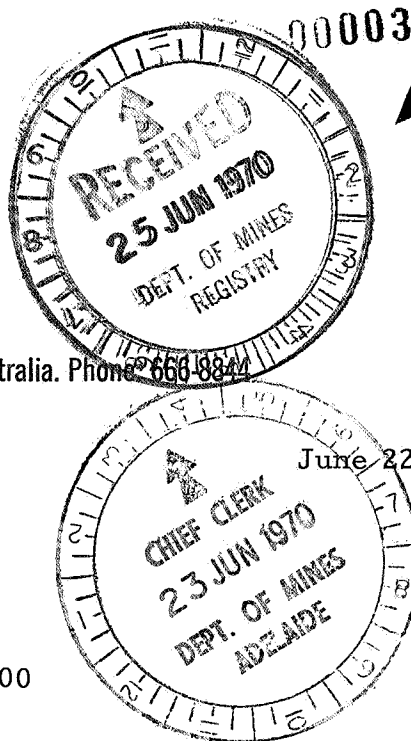
PLANS: NONE

**Geon
Exploration &
Minerals
Limited**

32 Jasmine Street, Botany, N.S.W. 2019, Australia. Phone 2660-8844
Cables: SAPPHIRE

WPHC/EA

Director of Mines,
Government Offices,
169 Rundle Street,
ADELAIDE. S. A. 5000



June 22, 1970.

Dear Sir,

Re : Special Mining Lease - Coober Pedy area - No. 370

This report constitutes the first technical report on the progress of our exploration on the above licence being due on the 23rd June, 1970.

Subsequent to our original application to explore for opals on this lease, permission was granted by your Department to use bulldozers and auger drills in the exploration programme on the 9th April, 1970.

Our Consultant Geologists, Messrs. Aminco & Associates, visited the site and carried out a ground survey of some three weeks duration. A further survey, utilising light aircraft, was carried out by the writer and a geologist from our consultants. A contour map was compiled on aerial photography by Qasco Air Services.

From this mapping, we were able to relate horizons and known occurrences of opals with the photography and to lay out long traverses for detailed examination by drilling. These traverses, some in excess of one mile, will be drilled at intervals of 200 ft. to the impervious rocks below of known opal horizons. The holes will be geologically mapped and plotted to enable further geological interpretation to be made. This work has just started and a Calweld drill drilling 30" diameter holes has now been operating for just over a week on the first line.

17 Director of Mines

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June 22, 1970.

On completion of these lines, we will examine the possibility of using geophysical methods to pick out the data found in drilling and we hope that it is this method which will enable us to progress further out into unknown areas and locate significant opal horizons.

To summarise, our field work is now fully under way after a full study has been made of existing knowledge and literature. This field work is in itself only a testing programme to endeavour to determine methods for a wider application of opal exploration.

Details of the expenditure on this lease for the period 23. 3. 70 to 23. 6. 70, are attached hereto.

Yours faithfully,

GEM EXPLORATION & MINERALS LIMITED.



W. P. H. CAIRNES.
General Manager.

Attach. (1)