RELINQUISHMENT REPORT

EXPLORATION LICENCE 9596

MOUNT GOYDER

For the Period Beginning 15th November 1996
And the Period Ending 14th November 1998

LICENCEE: Rustler's Roost Mining Pty Ltd.
OPERATOR: Sirocco Resources NL.

G05208 Pine Creek - 5D52-02 Darcoen
Bateleur 6474 5272 Mary River
Scott Hall Project Geologist.
Dave Catherall Director.
30th April 1999

NT Department of Mines & Energy.
Sirocco Resources NL, Brisbane.
Sirocco Resources NL, Tom's Gully.
William Resources Inc., Toronto.
Disclaimer

To the best of this authors knowledge this is a true and accurate record of work completed on the relinquished tenement area on this Exploration Licence. It was sourced from all records available from the Darwin Department of Mines and Energy Library from the closed and open files held within the library. When Sirocco Resources NL acquired this ground as part of Joint Venture agreement (Dealing # 6766) with Rustlers Roost Mining (Williams Canada) no data was forwarded concerning these tenements so any omissions are purely a result of lack of information rather than deliberate misinformation.
Tenement Details

Exploration Licence 9596 was granted to Rustler’s Roost Mining Pty Ltd on 15 November 1996 for a period of 6 years. William Resources executed a farm-in agreement with Sirocco Resources on 06 October 1998 whereby Sirocco Resources are earning an 80% interest in the property through funding of exploration over a four year period.

The tenement includes 46 blocks occupying approximately 150km². A summary of the tenement details and history is outlined in Table 1, below. A 50% reduction to 23 blocks was submitted on 25/1/99 as detailed in Table 2 below.

Table 1:  Tenure Record of EL 9596, Mount Goyder

| Mining tenure identification map name | Mount Bundey |
| Mining tenure identification map number | 8/6 - III |
| Blocks | |
| Mining tenure identification map name | Annaburroo |
| Mining tenure identification map number | 8/6 - II |
| Blocks | |
| 26/57, 26/58, 26/59, 26/60, 26/61, 26/62, 26/63, 26/64, 26/65, 27/59, 27/60, 27/61, 27/62, 27/63, 27/64, 27/65 |
| Date of Grant | 15 November 1996 |
| Period of Grant | 6 Years |
| Year of Tenure | Period | Blocks Surrendered | Blocks Retained | Expenditure Covenant |
| 1 | 1996/97 | 0 | 46 | $10,000 |
| 2 | 1997/98 | 0 | 46 | $5,000 |
| 3 | 1998/99 | 23 | 23 | TBA |

Table 2:  Tenements Relinquished

| Mining tenure identification map number | Mount Bundey 8/6 - III |
| Blocks | |
| Mining tenure identification map number | Annaburroo 8/6 - II |
| Blocks | |
| 26/57, 26/58, 26/59, 26/60, 26/61, 27/59, 27/60, 27/61, 27/64, 27/65 |

See Figure 2 for Plan
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SUMMARY

Exploration Licence 9596, Mount Goyder comprises part of the group of mining and exploration tenements held by Rustler's Roost Mining Pty Ltd and operated by Sirocco Resources NL as part of a Joint Venture Agreement. The Area is proximal to the Tom's Gully Gold Mine, has a comparable geological setting, and is considered prospective primarily for stratabound and stockwork gold mineralisation within lithologies of the Early Proterozoic South Alligator Group and Mount Partridge Group.

This report summarises the exploration activities completed prior to partial relinquishment of the tenement.

No Data is contained in this report.
1. INTRODUCTION

Exploration Licence 9596 *Mount Goyder*, is centred approximately 105 kilometres east-southeast of Darwin and approximately 25 kilometres to the northeast of the Rustler's Roost gold mine (Figure 1). The tenement straddles the boundary between the Mount Bundey and Annaburroo 1:50,000 sheets. Access from Darwin is via the Arnhem Highway to well known tourist haven, The Bark Hut Inn, thence via graded track northward to the tenement area. Access within the tenement is reasonable, though largely limited to cross-country four wheel drive traversing. Access to the tenement by vehicle during the wet season is unpredictable.

The topography of the area is characterised by low, though often steep strike ridges through the central, northern and southeastern portions of the tenement. Mount Goyder forms a prominent conical landmark in the southwestern portion of the tenement. Other areas are low, flat to gently undulating terrain.

The Exploration Licence comprises part of the group of tenements held by Rustler's Roost Mining Pty Ltd within the area local to the Rustler's Roost mine. Following the formation of a farm-in agreement, Sirocco Resources NL have undertaken management and operation of the tenement.

The area was selected primarily for its potential to host stratabound or stockwork gold mineralisation within prospective lithologies of the Early Proterozoic South Alligator Group and Mount Partridge Group. The main exploration target will be the Wildman Siltstone, which also hosts the nearby Tom's Gully gold deposit, operated by Sirocco Resources.
2. REGIONAL GEOLOGY

The tenement is interpreted to be underlain by Proterozoic sediments of the South Alligator Group and the Mount Partridge Group. All of the sequences are structurally deformed and generally plunge gently to the south. The Proterozoic Mount Goyder Syenite intrudes the sedimentary sequences in the southwestern portion of the tenement.

The South Alligator Group is represented by the Koolpin Formation, Gerowie Tuff and the Mount Bonnie Formation. The rocks of the South Alligator Group are considered to be prospective for either large tonnage, low grade gold deposits (such as that at the nearby Rustler’s Roost gold mine) or small tonnage, high grade deposits (such as the Taipan Hill deposit to the south). The Koolpin Formation comprises ferruginous siltstone and shale which is commonly carbonaceous and pyritic. Chert bands and nodular horizons are common and lenses of ironstone occur occasionally. The Gerowie Tuff unit has been described as a mudstone-rich sequence with interbeds of diagenetically altered distal tuff. The Mount Bonnie Formation is dominated by a shallow marine sequence of interbedded and graded siltstone, chert and greywacke. The Rustler’s Roost deposit is hosted by the Mount Bonnie Formation.

The Mount Partridge Group is represented by the Wildman Siltstone which consists of laminated and banded shale, carbonaceous and often pyritic siltstone and minor dolomitic sediments. The Wildman Siltstone is also interpreted to be prospective for both large tonnage, low grade gold deposits and small tonnage, high grade deposits. The Tom's Gully gold deposit is hosted by Wildman Siltstone.

The sedimentary sequences are intruded by the Proterozoic Mount Goyder Syenite which is interpreted to be syngenetetic phase of the Mount Bundey Granite which itself is believed to have been the heat and fluid source for the mineralisation which occurs throughout the local region.

The geology of the area within and surrounding EL 9596 is shown on Figure 2.
3. PREVIOUS EXPLORATION

The earliest significant exploration within the region was undertaken by Geopeko during the early 1970's following their acquisition of the then relatively new BMR aeromagnetic and radiometric survey data which was flown during 1970. Geopeko’s exploration programs were directed primarily at uranium and secondarily at base metals with only minor attention being paid to gold. Interpretation of this geophysical data outlined a large number of potential target areas throughout the region, which were subsequently investigated by ground based geophysics and geochemical sampling. These sampling programs defined anomalies which were thence designated “Quest” numbers for identification. These anomalies became the focus of Geopeko’s exploration activities for some four years.

Two of the “Quest” anomalies (Quest 32 and Quest 33) occur within the western portion of the tenement, proximal to the Mount Goyder Syenite. No further records have yet been sighted relevant to these areas.

The Donkey Hill gold prospect occurs within the central portion of the tenement and is located upon an anticlinal structure within the Wildman Siltstone. Although it is believed that the prospect has been drill tested, no further details have yet been found.

A review of Open File and published data, literature and geological mapping was completed as a preliminary introduction to exploration during the first year. Additionally, the tenement area was included within a regional aerial photography program flown by Airesearch Mapping Pty Ltd for Rustler’s Roost Mining Pty Ltd resulting in colour photography at 1:20000 scale. The colour aerial photography has been used extensively for geological interpretation and identification of target areas for investigation.

Published and unpublished regional geological mapping data was compiled in-house and digitised and prepared by consultant geological drafting service, Sun Drafting, of Brisbane. This work resulted in the production of detailed, regional geological plans at 1:50000 and 1:100000 scale which include EL 9596.

Published and unpublished regional aeromagnetics data was compiled and prepared by consultant imagery specialists, Geoimage, of Brisbane. This work culminated in the production of colour imagery at 1:100000 scale and includes the area within EL 9596.
4. CONCLUSIONS

Exploration Licence 9596 covers stratigraphy considered prospective for stratabound and/or stockwork gold mineralisation within lithologies of the Proterozoic sediments of the South Alligator Group and the Mount Partridge Group.

Work completed within the year ended 14 November 1998 commenced with preliminary studies including literature reviews, data compilation and interpretation of target areas, aerial photography and the compilation of published regional geological mapping and aeromagnetic imaging. Other activities proposed for the first year were to comprise grid-controlled soil sampling, rock chip sampling and both local and regional geological mapping. The closure of the Rustler's Roost gold mine due to the difficult economic climate forced a postponement of this program.

Exploration activities proposed for the second year will be obviously governed by the economic climate and the subsequent available exploration budget, but it is intended that the program originally intended for the first year will be completed. Ongoing activities will focus on target generation from interpretation of compiled structural, lithostratigraphic and geochemical data. Additional regional remote imagery may be purchased and evaluated. The exploration program will be primarily aimed at rapid evaluation of targets defined, including Quest 32, Quest 33 and the Donkey Hill prospects.
5. REFERENCES

The following published and unpublished reports and papers were used to provide background information relevant to EL 9596 during the initial planning stages of the exploration program and during the preparation of this report.


