REPORT

ON

RELINQUISHED PORTION

OF

EL 9699

WR JETTNER
JUNE 1999

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APPENDICES

1. INTRODUCTION

Substitute Exploration Licence 9699 replaced EL 8369 and EL 8578 on 16 December 1996 for a period of four years. S.E.L. was transferred to Agricola Gold Ltd on 17 January 1997. At the end of the second licence year six graticular blocks were relinquished leaving six graticular blocks in two separate areas.

This report covers exploration activities conducted on the surrendered graticular blocks.

131°

132°

VAN DIEMEN GULF

DARWIN

JABIRU

Ranger

Arnhem Highway

Woodcutters

South Alligator River

Koongarra

13°

Ringwood

SEL 9699

Goodall

ADELAIDE RIVER

Mt. Tymn.

Stuart

Mary River

Mt. Bonnie

Cosmo Howley

Spring Hill

Union Reefs

Coronation Hill

Daly River

PINE CREEK

Highway

Katherine River

14°

TN.

KATHERINE

DARWIN

0 50 100 kms.

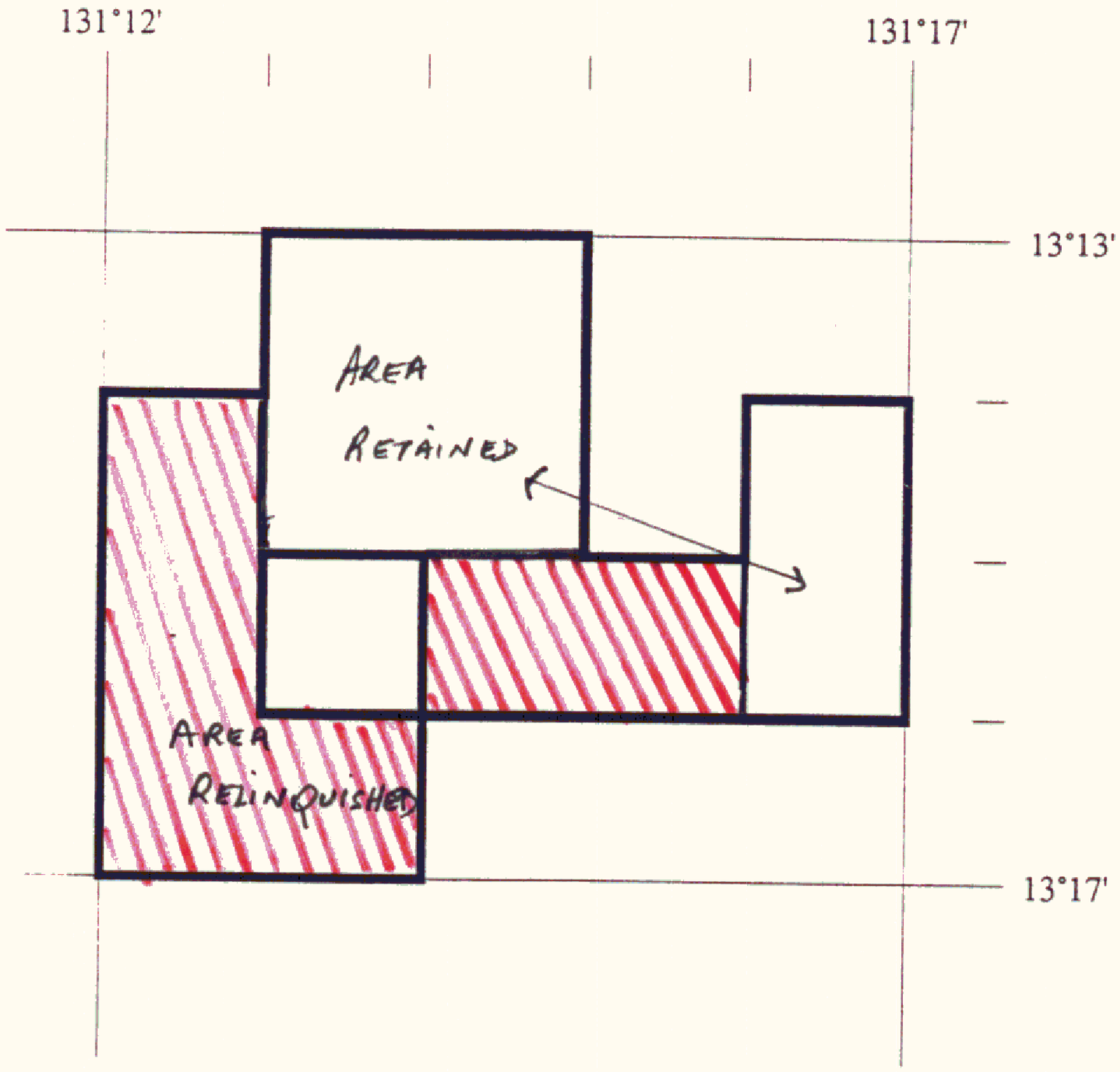
MORESTOE PTY LTD
LOCALITY MAP
GEO: WA Jettner DATE: April 1997 REPORT:
DRAWN:WA Jettner SCALE: 1:1.25 M PLAN: FIG 1

2. LOCATION AND DESCRIPTION

The surrendered blocks are found mainly in the southern zone of S.E.L. 9699 as depicted on the plan of area enclosed.

Fisher Road traverses the area surrendered and is approximately 110 km south of Darwin.

SECOND SCHEDULE
(Plan of Area)



EL9699
12 BLOCKS
39 sq kms

BATCHELOR 14/2-IV
MARGARET RIVER 14/2-I
BURRELL CREEK 14/2-III
BURNSIDE 14/2-II
EL 9699
MCN 4277 WATSON
EL
EL 9424
MCN 5013
MCN 5007
MCN 5006
MCN 5009
MCN 5008
AMADEUS BASIN – DARWIN GAS PIPELINE
COOK
EL 9699
Brumbybole
EL 9699
EL 9375
EL 9379
EL 9176
TO GOODALL
AREA RETAINED
AREA RELINQUISHED
EL 9176
MCN's
3026
3029
3030
3032
3033
3035
3036
3038
3039
DARWIN – KATHERINE TRANSMISSION LINE
HIGHWAY
EL 8333
EL 9465
EL 9465

3. REGIONAL GEOLOGY

The surrendered tenement area is underlain throughout by the lower Proterozoic Burrell Creek Formation and consists of a greywacke to mudstone suite representing a series of cyclic turbidite events throughout the Finnis River Group depositional history.

S.E.L. 9699 lies within the central and western zone, which was explored in the mid-late 1980's by W.M.C Ltd as part of that exploration surrounding the Goodall Mine. As part of that exploration effort, a great deal of work was done on the depositional and deformation history of this area which represents the deepest part of the Pine Creek Geosyncline.

The stratigraphic sequence in this area is similar to that found around the Goodall Mine and is as follows: (Hancock and Ward 1988)

Unit: Upper Wacke Sequence
Thickness: $\geq$ 1500m
Description:
Comprises medium grained, clast supported, buff weathering quartzo-feldspathic, tuffaceous wackes, silts and lesser lithic pebble conglomeratic turbidites. The lower portion is a relatively distinctive, buff weathering wacke.

Unit: Red Silty Unit
Thickness: $\geq$ 600m
Description:
A relatively poorly exposed unit dominated by distinctive red-brown weathering phyllitic metasiltstone, graded and bedded phyllite. Distinctive laminated phyllite and matrix supported medium grained quartzo-feldspathic wacke. Laminated chloritic phyllites with thin tuffaceous interbeds form a distinctive association in the unit.

The unit can be internally considered as comprising a lower unit dominated by phyllite and matrix supported wacke and an upper unit distinguished by laterally persistent wacke units which include clast-supported lithologies similar to those which dominate the overlying wacke-rich unit. The top boundary is gradational in detail and defined by a thin but continuous wacke unit traceable around the structure in the area mapped in detail.

Unit: Bundey Sequence
Thickness: ≥ 1000m
Description:
Boldly outcropping, medium grained, tuffaceous, quartzo-feldspathic wackes with matrix chlorite and muscovite and interbedded chlorite-sericite-quartz phyllitic metasiltstones.
Graded, medium grained, clast-supported wacke dominant and a distinctive subzone of wackes with nodules to 5 - 8 cm of quartz ex-diagenetic chert occurs near the top. Thick phyllitic metasiltstones, often with local ex-andalusite and ex-cordierite spotting occur.

Unit: Lower Transitional Zone
Thickness: ≈ 500m
Description:
Not mapped in detail but reconnaissance observations structurally beneath the Bundey Sequence in the axial zone of the Howley Anticline indicate poorly outcropping, mixed successions of medium grained, quartz-feldspar wacke and significant thicknesses of furruginous, probably ex-graphitic phyllite reminiscent of the underlying Mt Bonnie Formation.

The units above show alterations in the abundance of sand and silt but rarely if ever to the exclusion of either lithology.

The change in character probably reflects the changes in the character of the provenance area of detritus as bed organisation and the depositional environment are similar in both the clast-supported and matrix-supported (Red Silty Unit) lithologies.

Elements of all of the above units may be found in the EL area with variants from the quartz pebble conglomerate to the fine matrix-supported Red Silty Unit in areas of subcrop to postulated alluvium covered areas.

Topographically the dominant feature of the EL is the Mt Foelsche "mountain" which is formed as a weathering remnant on a complexly folded grey wacke sequence.

4. PREVIOUS EXPLORATION

A brief summary of exploration work covering portions of the surrendered section of S.E.L. 9699 is listed below:

EL 1656 (1980 - 1986)

Originally held by WR Grace but subsequently taken over by Pan D'Or Mining NL and Western Mining Corporation, in turn, under the terms of the Ringwood Joint Venture.

W.M.C. undertook helicopter and vehicle traversing, soil, rock chip and limited -200# stream sediment sampling.

EL 2477 (1981 - 1982)

Bonn Energy Corp. held this EL but joint ventured it to WR Grace in 1982. The ground was subsequently included in the work carried out by W.M.C. under the terms of the Ringwood Joint Venture.

EL 7065 (1992 - 1994)

Aztec Mining Co held this EL for the early 1990's as part of their regional exploration program for their operation at the Woodcutters Mine. Limited work was done with none being completed from within the boundaries of EL 8578.

5. WORK PERFORMED ON SURRENDERED AREA

Prospects G100 and G101 were originally explored by Western Mining Corporation and more recently by Aztec Mining both confirming low grade gold mineralisation. Prior to the amalgamation of these areas into S.E.L. 9699 sampling in these areas indicated similar results.

R.I. further northwards from the above areas failed to indicate any economic gold mineralisation.

Areas to the west of M.C.N. 4277 were assayed but only indicated limited gold mineralisation not justifying any further work. K5.

6. CONCLUSIONS

Following very low gold grades illustrated from our sampling and previous exploration it has been decided to concentrate on areas surrounding M.C.N. 4277 and on area North South of the Cook project. It was therefore decided to relinquish the graticular blocks as illustrated on the accompanying map.

ASSAY VALUES

R.1.

8535000N

CREEK

4700

4697

4698

4687

4696

4689

4695

4690

4686

4694

4685

4691

4699

4698

4693A

4692

4693

N

R.1.

741000E

MORESTOE PTY LTD	
EL 8369	
SAMPLE LOCATIONS & ASSAYS	
GEO: WA Jettner	DATE: Mar 1996 REPORT: 8369-2
DRAWN: WR Jettner	SCALE: 1 : 1 000 PLAN: FIG 5

ASSAYCORP PTY LTD
A.C.N 052 982 91
174 Ward Street, Pine Creek, N.T. 0847
P.O. Box 41, Pine Creek, N.T. 0847
Telephone (089) 76 1262
Facsimile (089) 76 1310

ASSAY CODE: AC 15339

Sample		Au (ppm)	Au(R) (ppm)
H21	4685	0.83	0.87
H21	4686	0.10	0.08
RI	4685	<0.01	
RI	4686	<0.01	
RI	4687	0.01	
RI	4688	<0.01	
RI	4689	<0.01	
RI	4690	<0.01	
RI	4691	<0.01	
RI	4692	<0.01	
RI	4693	<0.01	
RI	4694	<0.01	<0.01
RI	4695	<0.01	
RI	4696	<0.01	
RI	4697	<0.01	
RI	4698	<0.01	
RI	4699	<0.01	
RI	4700	<0.01	
H21	4701	5.93	5.59
H21	4702	0.45	
H21	4703	0.57	
H21	4704	0.48	0.57
H21	4705	0.42	0.32
H21	4706	0.53	
H21	4707	0.57	

G101 + 103.

853500 N

N

43315
43314
43313
43312

4712
4711
4710
4709

4706
4705
4704
4703

4701
4702

43083

G101
4708
4707
G104

G100

43084

G103

43081

TO

740 000mE

43251
43252

LINE

43082

740 000mE

87792
87793

43086

87789
87790
87791

87781
87782
87783

TO GOODALL

43080

43088

E

13 13

ASSAYCORP

ASSAY CODE: AC 31925

Sample	Au (ppm)	Au(R) (ppm)
WE08	<0.01	
WE09	<0.01	
WE10	<0.01	
WE11	<0.01	
T36	0.03	
T37	0.13	
T38	0.02	
T39	1.29	1.27
T40	0.40	
T41	0.14	
K51	<0.01	
K52	<0.01	
K53	<0.01	
K54	0.02	0.01
K55	<0.01	
K56	<0.01	<0.01
K57	<0.01	
G61	0.09	
G62	0.06	
G63	<0.01	<0.01
G64	<0.01	
G65	0.07	
G66	0.21	
G67	1.56	1.57
W71	0.08	

113°12'

113°13'

13°14'

13°14'

K51

K52

K53

K54

K55

K56

13°15'

13°15'

113°12'

113°13'

K5 PROSPECT