RELINQUISHMENT REPORT

for

EL’s 8950, 8951, 8387, 8544

Highland Rocks Project, Northern Territory

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For the Joint Venture between
Desertex NL and Havilah Resources NL

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1. Introduction

This report summarises exploration activities carried out on relinquished portions of the Highland Rocks project area between 1997 and 2001 (year 1 to year 5).

The Highland Rocks project area consists of four EL’s, namely El’s 8387, 8950, 8951, and 8544 (hereafter referred to as the Highland Rocks EL’s). The tenements are situated in the southwest of the Northern Territory, roughly 440 to 600km northwest of Alice Springs. Access is gained via the Tanami Highway to the Highland Rocks turn off near Chilla Well, then west along a graded track the EL’s. The various EL’s are connected by a network of cleared tracks as shown in figure 1.

All EL’s were granted to the original applicant, Gresco Nominees Pty Ltd, in 1996 following signing of an agreement to explore with the Aboriginal Traditional land owners earlier that year. Desertex subsequently conducted the first recorded modern exploration activity in the region in 1997 on EL’s 8950, 8951, 8385 and 8386.

A joint venture agreement was signed on 25 May 1998 between Havilah Resources NL (Havilah) and Desertex NL to continue with exploration on the Highland Rocks EL’s. The Central Land Council and Traditional Owners completed the site clearance for drilling on EL’s 8387 in early September of that year.

Havilah commenced exploration on EL’s 8950, 8951, and 8387 in early September 1998 with a combined programme of ground reconnaissance including lag and CRC geochemical sampling and rotary air blast (RAB) drilling. Exploration work continued in 1999, comprising mainly systematic RAB drilling of various structural and/or magnetic targets within EL’s 8950, and 8951.

Exploration in 2000 and 2001 was carried out on EL’s 8950, 8951, 8387, and 8544, mainly comprising surface sampling of lag and CRC.

Exploration between 1997 and 2001 returned generally low level Au anomalies (up to 900ppb Au) in EL’s 8950, 8951, 8386, and 8387 as well as low level arsenic and copper anomalies.
2. Relinquishment

In accordance with the statutory requirement, all four EL’s were 100% relinquished. All EL’s at Highland Rocks have so far been surrendered for the joint venture between Desertex and Havilah.

3. Work completed on the relinquished area

Main exploration activities between 1997 and 2001 included RAB drilling, surface lag sampling and CRC sampling (including mag and piso sampling). Table 1 lists the work carried out on the relinquished portions of the Highland Rocks EL’s and Tables 2 - 5 summarise details of the work completed on the relinquished portions of individual EL’s.

Figures 2 to 6 show the locations of all RAB drillholes, lag samples, and CRC samples on the relinquished portions of the respective EL’s. Appendices 1-7 list the coordinates and assay results of the RAB drillholes, lag and CRC, Mag, and Piso samples.
4. References


