CAMFIELD AMETHYST EXPLORATION – YEAR 3

RELINQUISHMENT REPORT

EXPLORATION LICENCE 10416

November 2009

Tenement Holder: Barry Kayes

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FIGURE 1 Map of Tenement Location & Blocks relinquished – EL10416.

FIGURE 2 Map of Blocks Retained
INTRODUCTION

This report is a brief summary of the exploration work undertaken on Exploration Licence 10416 from the time of granting in 13 June 2006 through to 12 June 2009.

1.1 Location and Access

The Exploration Licence is wholly within Camfield Station, approximately 380 km south west of Katherine. The tenement is accessed along the Buntine Highway, which diagonally bisects the tenement.

1.2 Tenure

Exploration Licence 10416 was granted on 13 June 2006 for a period of 6 years. The original tenement covered an area of approximately 246 sq.km or 75 graticular blocks. This has since been reduced to 28 graticular blocks. The tenement is held by Barry Kayes and operated by Aradon Pty Ltd, of which Barry Kayes is a Director.

2.0 GEOLOGY

2.1 Regional Setting

The tenement lies within the Wave Hill 1:250 000 Map Sheet in the Victoria River District. The area of the tenement lies on the Victoria River Plateau and Benches and is overlain by the Lower Cambrian aged Antrim Plateau Volcanics, which consist of a series of flood basalt lava flows with thin interbeds of sandstone, chert, silicified carbonate rocks, limestone and pyroclastic rocks.

2.2 Local Geology

There has been limited detailed mapping undertaken in the tenement area. The topography is mostly undulating plains with rounded hills and mesas. The Antrim Plateau Volcanics are dominant across the tenement and consist of massive and amygdaloidal basalts. The amygdales are frequently filled with Quartz, Amethyst and to a lesser extent Agate, all of which can be in geode form. In many areas, the geodes and nodules have been weathered from the basalt and can be found lying exposed on the surface. Less common is the evidence of vents or veins of Quartz and Amethyst which were the main focus of our exploration.

In the north eastern parts of the tenement, outcroppings of Red Chert are prominent.
3.0 PREVIOUS MINING AND EXPLORATION

Amethyst and Quartz was mined previously within the tenement from Mineral Claims 4490 and 4491, by Kajar Pty Ltd.

The main focus was on MC4490, where Amethyst of good colour and quality was extracted. The material was best suited for lapidary purposes, but was found in large, solid pieces suitable for fashioning into ornaments and beads. Good tonnages were found, but the extraction became difficult as the vein dipped deeper under a small hill (personal communication with previous tenement holder).

Kajar Pty Ltd and others have performed other exploration in the general area previously, but little is known of the results.

4.0 EXPLORATION

Exploration work undertaken on EL10416 during the period from 13 June 2006 – 12 June 2009 was primarily aimed at identifying target areas with potential commercial resources of Amethyst or other saleable gemstones.

Known areas were identified in the first year’s program and their locations accurately logged. Little work has been undertaken on these areas to date, rather subsequent work has focused on identifying other potential target areas within the tenement.

Much of the ground relinquished was barren of outcroppings or distinguishable geological formations necessary to identify a source of the Amethyst. Those that were visible were considered to be of poor quality or insufficient size to be economic.

Considerable time was spent traversing ground to make sure of its suitability or otherwise, before a decision was made to relinquish it.

The tenements size and location, coupled with our limited resources meant progress was slow. A Waiver was applied for in May 2008 to retain all 75 blocks for a further year, allowing more time to complete our evaluation of the ground. This was granted in July 2008.

In May 2009, application was made to drop 47 blocks, reducing the tenement size to 28 blocks.

While we cannot assume to have found everything of possible interest, we are confident that the blocks relinquished have little chance of providing commercial gemstone deposits.

Results of exploration undertaken on the tenement in Years 1 – 3 can be found in our Exploration Reports submitted to the Department.
4.1 Future Exploration

Future exploration programmes will be focused on areas around former MC4490 and areas 1 and 3 of our clearance certificate near Renny Bore.

During our next exploration campaign, priority will be directed at identifying and marking out suitable areas for either Mining Claims or Mining Leases and to relinquishing further ground.

5.0 SUMMARY

Exploration on this tenement in the first 3 years was harder and slower than anticipated. However, our understanding of surface features, rock types etc. continues to grow and gives us confidence that the ground relinquished has little in the way of commercial gemstone resources.

The massive weathering of the flood basalts of the Antrim Plateau can be a two edge sword; in some areas weathering has exposed features making for easier identification, while in others it has no doubt covered and disguised many other areas of potential resource.

We are now focussed on identifying and positioning potential Mining Claims and Leases, so as to direct our limited resources on smaller, more attractive targets.

Signed: B. Kang

Date: 26/11/09
EL 10416 - BLOCKS RELINQUISHED (SHADED AREA)
Retained Area
(Plan of Area)

EL10416
28 Blocks
91.85 Sq Kms

FIGURE 2