Castile Resources Pty Ltd
(ABN 93 124 134 085)

Partial Surrender Report
EL24887
Tennant Creek Region

For the Period ending 7 August 2010

October 2010

Report No: R2010-019
1:250,000 Sheets: Bonney Well SF53-02; Frew River SF53-03
1:100,000 Sheets: Ooradidgee 5857; Epenarra 5957
Datum: GDA94
Projection: MGA
Zone: 53
Author: Richard Coles
Tenement Holders: Castile Resources Pty Ltd
Distribution: Department of Resources; Castile Resources Pty Ltd / Westgold Resources Limited
SUMMARY

This report describes exploration completed on the surrendered blocks of EL24887 for the period ending 7 August 2010.

EL24887, located approximately 80km southeast of the town of Tennant Creek, was granted to Castile Resources Pty Ltd (Castile) on 8 August 2006. The area is considered prospective for copper, gold and base metals mineralisation associated with Iron Oxide Copper Gold (IOCG) mineralising systems within the Proterozoic Warramunga Formation. Phosphate deposits in the marginal zones of the Cambrian Georgina Basin are regarded as being a secondary exploration target for the region.

EL24887 ended its fourth year of tenure on 7 August 2010, and became due for the statutory 50% surrender. 65 sub-blocks were surrendered, and 66 sub-blocks were retained for exploration.

Exploration activities completed during the first four year period included data compilation, target magnetic modelling and reporting.

Previous exploration work located several low-order magnetic anomalies within the relinquished portions of the tenement, but none was considered of high priority.
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1. INTRODUCTION

EL24887, located approximately 80km southeast of the town of Tennant Creek, was granted to Castile Resources Pty Ltd (Castile) on 8 August 2006. The area is considered prospective for copper, gold and base metals mineralisation associated with Iron Oxide Copper Gold (IOCG) mineralising systems within the Proterozoic Warramunga Formation. The margin of the Cambrian Georgina Basin underlies the tenement, and this is known to be rich in phosphate-bearing rocks in many areas.

Work completed on EL24887 included data compilation, target magnetic modelling and interpretation with particular emphasis on Cu-Au Tennant Creek style mineralisation. Interpretation on the phosphate potential has provided an added focus for future exploration activities.

Historical exploration has been carried out over the region sporadically over the past 40 years. Much of the work has been restricted to airborne and ground geophysical interpretation, and very little drilling has been used to test the geology and anomalies at depth. The prospective rock sequence for Tennant Creek style mineralisation is largely covered by moderate thicknesses (up to 70m) of Cambrian sediments, which has deterred previous exploration workers. The cover sequence does not appear to have had any sampling undertaken for its phosphate potential.

2. LOCATION

EL24887 is located approximately 80km southeast of the Tennant Creek Township. The sealed Stuart Highway and the Alice Springs to Darwin railway line pass through Tennant Creek, and are 50 kms to the west of the tenement.

Access to the project is via the Stuart Highway 84 kms south of Tennant Creek, then east along access roads to Kurundi and Epenarra stations. Access through the area is via occasional station tracks, but much of the area has no vehicular access at present.

3. TENURE

At the commencement of the fourth year of tenure, EL24887 consisted of 131 graticular blocks, and totalled about 409 square kilometres (Figure 1). It was originally granted on 8 August 2006, and ended its fourth year of tenure on 7 August 2010.

The tenement title is held 100% by Castile Resources Pty Ltd, a wholly owned subsidiary of Westgold Resources Limited.

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EL24887 lies partly within the Kurundi, and partly within the Epenarra pastoral leases. It lies outside Aboriginal Freehold lands, but ground disturbing exploration activities will require aboriginal heritage survey to be completed prior to commencement.

In August 2010, 65 of the 131 sub-blocks were surrendered.
Figure 1 – Tenement Location Plan showing the Surrendered Area
4. GEOLOGY

4.1 Regional Geology

The tenement covers part of the poorly exposed southern margin of the Proterozoic Tennant Creek Block of the central Tennant Creek Inlier in the Northern Territory. The regional geological setting of the tenements is interpreted from rare outcrop, limited drill testing, geophysical surveys and extrapolation from the relatively well-exposed portions of the block to the north-west.

The Tennant Creek Region contains three different geological provinces, the Warramunga Province, and the unconformably overlying Palaeo- to Mesoproterozoic Davenport Province to the south and Tomkinson Creek Province to the north. To the east and west the Palaeozoic Georgina and Wiso basins overlie Proterozoic rocks of the Tennant Creek Region. The Proterozoic Aileron Province of the Arunta Region occurs to the south of the area, the contact between it and the Tennant Creek Region being obscured by Palaeozoic basinal cover sequences.

Known outcrop of the 1860-1850Ma Warramunga Province is approximately centred on the township of Tennant Creek, and contains the Palaeoproterozoic Warramunga Formation. This is a weakly metamorphosed turbiditic succession of partly tuffaceous sandstones and siltstones which includes argillaceous banded ironstones locally referred to as 'haematite shale'.

Rocks of the Warramunga Formation show open to closed folding about approximately east-west-oriented, open, upright axes, and there is a well developed axial-planar slaty cleavage. This 1850-1845Ma deformation, the Tennant Event (Barramundi Orogeny), is contemporaneous with predominantly felsic magmatism of the Tennant Creek Supersuite. Two overprinting cleavages and associated kink bands are also present, which are attributed to the superimposition of the ~1700Ma Davenport Event deformation. Volcano-sedimentary rocks of the Warramunga Province are intruded by granite and porphyry of the Tennant Creek Supersuite, (~1850Ma) the Treasure Suite (~1810Ma) and the Devils Suite. (~1710Ma) The Tennant Creek Supersuite includes the Tennant Creek, Cabbage Gum, Channingum, and Hill of Leeders granites, and the Mumbilla Granodiorite. In the Warramunga Province, the Treasure Suite includes felsic and mafic volcanic rocks, porphyry, granophyre, monzodiorite, diorite and dolerite, but granite is not represented in outcrop. The Devils Suite is represented by the Warrego Granite and Gosse River East Syenite. Lamprophyre is penecontemporaneous with the Devils Suite.

The Woodenjerrie beds outcrop in the south of the province and are correlated with the Warramunga Formation. However, the Woodenjerrie beds apparently lack the massive ironstone bodies that are associated with the Warramunga Formation.

The Junalki Formation is also approximately correlated with both the Warramunga Formation and Woodenjerrie beds, but includes a greater proportion of intercalated volcanic rocks than the latter unit. Volcanic rocks have not been recognised in the Warramunga Formation.

Volcano-sedimentary rocks of the Ooradidgee Group (~1850-1820Ma) unconformably overlie the Warramunga Formation and its correlatives, extending to the south into the adjacent Davenport Province.

The Tomkinson Creek Province (1800-1400Ma) unconformably overlies the Palaeoproterozoic Warramunga Province to the north. Three successions outcrop in the province, the Tomkinson Creek, Namerinni and Renner groups. These are all predominantly sedimentary successions and contain sandstone, siltstone and shale. The Tomkinson Creek Group also includes a mafic volcanic unit. The oldest succession in the province, the Tomkinson Creek Group, is mildly deformed but unmetamorphosed and is correlated with the
Hatches Creek Group of the Davenport Province. The successively unconformable Namerinni and Renner groups are correlated with the McArthur and Roper groups respectively.

The Davenport Province (1800-1700Ma) unconformably overlies the Warramunga Province to the south. It contains the Hatches Creek Group, which is composed predominantly of sandstone, siltstone and shale, with felsic volcanic beds in the lower part of the sequence, and a mafic volcanic unit in the middle parts. The ~1710Ma felsic Devil’s Suite intrudes the sequence. The ~1700Ma Davenport Event has produced widespread concentric and disharmonic folding in the Davenport Province succession.

Palaeozoic rocks of the Georgina and Wiso basins unconformably overlie the Proterozoic sequence of the Tennant Creek Region to the east and west respectively. These are largely covered by a thin veneer of unconsolidated Cainozoic cover.

The Warramunga Formation hosts major IOCG deposits of Au-Cu-Bi, temporally associated with the Tennant Creek Supersuite granites intruded into the Warramunga Province. Deposits of this type represent the most important mineral production, and remain the most important exploration target, for the region. Occurrences of W-Sn, U, Ni, Cu, Pb, Zn are known from the Davenport Province. The Tomkinson Creek Province hosts manganese deposits at Bootu Creek.

Figure 2: Regional Geological Setting, Retained Portions, EL24887, NT
1:1,000,000 (After Ahmad et al 2004) (see Ahmad et al for legend)
4.2 Local Geology

EL24887 lies on the southwestern margin of the Georgina Basin, and is largely covered by Cainozoic sediments. Sporadic outcrops of Cambrian clastic and carbonate-rich sediments occur across the tenement. Minor outcrops of the Woodenjerrie Beds and the Junalkie Formation (both Warramunga Formation equivalents) and granites of the Tennant Creek Supersuite are mapped in the west and northwest of the tenement. Magnetics indicate that granite of the Tennant Creek Supersuite underlies the Cambrian to the north of the western part of EL24887, and also underlie the central part of the eastern part of the tenement. This is flanked by rocks of probable Warramunga Group. Much of the tenement is probably underlain by the Warramunga Group or its equivalents, but this only crops out to the north and west of EL24887.

The surrendered blocks of EL24887 are entirely underlain by a veneer of Cambrian sediments.

4.3 Exploration History

The two 250,000 sheets on which the project lies, the Bonney Well sheet and the Frew River sheet, were mapped by the BMR in the 1960’s and were remapped by NTGS in 1987. Neither of the two 100,000 map sheets has been geologically mapped. The surrendered portion of the tenement lies entirely within the Frew River 1:250,000 sheet area, and the Epenarra 1:100,000 sheet.

The Bonney Well high-resolution aeromagnetic and radiometric survey, which covers both 1:250,000 sheets, was flown by AGS in 1999.

The Tennant Creek Region gravity survey, at station spacings of between 200 and 12,000m, was completed in 2001, and covered parts of the Bonney Well 1:250,000 map sheet. It did not cover the surrendered part of EL24887. This is covered only by the 11-mile spaced regional gravity data.

Exploration in the general area of EL24887 has been carried out continuously between 1971 and 2005, but has mainly involved remote-sensing and geophysical surveys, and very little drilling has occurred. The drilling that has been completed generally did not penetrate the Cambrian cover sequence, and the area cannot be said to have been tested at depth.

A number of prior tenements which all or partly overlie the surrendered portion of EL24887 area have been explored previously. Several of these were subjected only to superficial data interpretation, and are not included on the map shown in Figure 3.
Figure 3: Historical Tenement Locations, Surrendered part of EL26887. 1: 500,000

**EL8246, EL8388, EL8461 and EL8816**

From 1993 to 1997 North Star Resources in joint venture with Nexus Minerals NL explored a group of four tenements, EL8246, EL8388, EL8461 and EL8816, which overlay a large portion of EL24887. Initially using Peko’s magnetic data, then in December 1996 when North Star flew airborne magnetics at 150m line-spacing, they identified 13 targets within the previously surrendered part of EL24887 based on magnetics and structural intersections. No anomalies considered worthy of follow-up work were located on the currently surrendered blocks of EL24887.

**EL10177 and EL10178**

From 2003 to 2005 Image Resource and Meteoric Resources held these 2 tenements which covered the surrendered portions of EL24887. They carried out data compilation and magnetic modelling of previous magnetics. No anomalies were considered worth following up on the surrendered portions of EL24887.

It is clear that the exploration activities in the general area, and specifically within the area of EL24887, were hindered by the Cambrian cover, which is up to 70m thick, and covers most of the tenement. Previous exploration has been limited to sampling within the Cambrian sediments, with the exception of a few deeper holes to the west of the tenement which located magnetite-bearing granite and metasediments.

As far as can be ascertained, no surface sampling or drilling has been carried out on the surrendered parts of EL24887.

Magnetic surveys located several low-order anomalies in the surrendered portion of the tenement, but these were not considered worth testing.
5. **WORK COMPLETED DURING THE PERIOD 8 AUGUST 2006 – 7 AUGUST 2010**

Exploration activities completed were restricted to data compilation, magnetic modelling, assessment of phosphate potential, interpretation and reporting. Westgold's main exploration effort has been concentrated on the Rover Field to the west.

6. **ENVIRONMENTAL / REHABILITATION REPORT**

No environmental rehabilitation has been necessary as no exploration work of a ground-disturbing nature was carried out.

7. **CONCLUSION AND RECOMMENDATIONS**

Previous exploration efforts in the EL24887 area have been hindered by the presence of Recent and Cambrian sediment cover which masked the prospective Proterozoic sequence beneath.

The central and northern parts of the tenement contained only low-order magnetic anomalies. These are probably sourced by magnetic equivalents of the Warramunga Formation, but none warranted follow-up work.

65 of the 131 sub-blocks were surrendered in August 2010.

8. **REFERENCES**


### Appendix 1

**BIBLIOGRAPHIC DATA SHEET**

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