PARTIAL RELINQUISHMENT REPORT

EXPLORATION LICENCE 25581

EAST ROVER PROJECT

FOR THE PERIOD 12/05/09 to 11/05/11

by

A.P. Bennett

BSC (Hons) mAUSIMM

Contact          andy.bennett@wdrl.com.au
Datum/Zone       GDA 94 – Zone 53
1:250000         SF5302 Bonney Well
1:100000         Chaluba 5657
Target           Gold, Base Metals, Phosphate

July 2011
Contents
SUMMARY .................................................................................................................................................. 3
INTRODUCTION ........................................................................................................................................ 4
BACKGROUND .......................................................................................................................................... 4
LOCATION AND ACCESS .................................................................................................................. 4
CLIMATE .................................................................................................................................................. 4
TOPOGRAPHY AND VEGETATION ..................................................................................................... 5
TENURE .................................................................................................................................................. 5
MINING/MINERAL RIGHTS ............................................................................................................... 5
LAND TENURE ....................................................................................................................................... 7
NATIVE TITLE ......................................................................................................................................... 7
ABORIGINAL SACRED SITES .............................................................................................................. 7
GEOLOGY ................................................................................................................................................ 7
REGIONAL GEOLOGY .......................................................................................................................... 7
LOCAL GEOLOGY .................................................................................................................................. 7
PREVIOUS EXPLORATION .................................................................................................................. 7
MINING HISTORY ............................................................................................................................... 7
EXPLORATION BY PREVIOUS COMPANIES .................................................................................... 8
EXPLORATION ON RELINQUISHED AREA 2009-2011 ................................................................... 8
EM Survey .............................................................................................................................................. 8

LIST OF FIGURES

Figure 1: Location of original EL 25581 ................................................................................................. 4
Figure 2: Relinquished and Retained Portions EL 25581 .................................................................... 6
Figure 3: Location of EM Survey flight lines ......................................................................................... 9

DIGITAL FILE VERIFICATION LISTING

Appendix I: EM Survey Data
Exploration licence EL25581 forms part of the Rover Joint Venture between TNG Ltd and Western Desert Resources Ltd. It is located on Aboriginal Freehold Land approximately 60km south west of Tennant Creek.

Exploration Licence 25581 was granted to Tennant Creek Gold Pty Ltd, a wholly owned subsidiary of TNG Ltd, on 11th May 2009. TNG had entered into a farm-in agreement with Western Desert Resources Ltd (WDR) on 27th February 2008, which would allow WDR to earn up to an 80% share in the tenement. WDR is the manager of the joint venture.

The area was considered to be prospective for gold and copper mineralisation associated with ironstones similar to that found in the Tennant Creek goldfield.

The area is located on the western margin of the Tennant Creek Inlier of Palaeoproterozoic age. This consists of the Warramunga Formation, which has been intruded by granitoids and is overlain by volcanic rocks and sediments of the Flynn Subgroup. The Warramunga Formation hosts gold-copper-bismuth mineralisation which is associated with ironstones. The Middle Cambrian Wiso Basin covers the basement rocks in this area.

Little exploration had been previously carried out in the area. Two diamond drillholes completed by Geopeko in 1976 on magnetic anomaly Explorer 124 intersected feldspar porphyry, diorite and microdiorite with moderate to strong disseminated magnetite. The magnetite present in the basement rocks explained the magnetic anomaly.

The relinquished portion of the lease has been selected based on the interpreted thickness of Wiso Basin sediments, making exploration for Tennant Creek or Rover-style deposits difficult and expensive. While the relinquished ground may still be prospective for such deposits at depth, WDR considered that its efforts were better spent in the retained area of the lease. The phosphate potential of the relinquished area within carbonate sequences above the Warramunga Formation has not been assessed.

The only work undertaken on the relinquished area was part of a regional aerial EM survey carried out in May 2011 (57line km on the relinquished area). Preliminary data suggested that there were no significant conductors detected on the relinquished area. This, in combination with interpreted depth of cover of the Wiso Basin sediments, was used to determine the area to be relinquished.
INTRODUCTION

BACKGROUND
This exploration licence forms part of the Rover Joint Venture between TNG Ltd and Western Desert Resources Ltd. This report details activities on the relinquished portion of the licence.

LOCATION AND ACCESS
EL25581 is located approximately 60km south west of Tennant Creek in the central part of the Northern Territory (Figure 1).

Access to the area from Tennant Creek is via the Stuart Highway for 7km south of the town. Then via an unsealed road which heads west for approximately 50km to the Kunayungku Outstation. Then via an unsealed track for about 30km to the Rover Camp of Westgold Resources. An unsealed track south of the camp allows access into the northern part of the tenement. The tenement can also be accessed from the east by means of station tracks which run off the Stuart Highway.

CLIMATE
The area has an arid, tropical climate with hot summers and mild winters. Rainfall normally occurs during the summer months and is associated with sporadic heavy thunderstorms.

Figure 1: Location of original EL 25581
TOPOGRAPHY AND VEGETATION
The area is flat and devoid of any relief features. It has been assigned to the Tennant Creek Surface landform. The majority of the area is covered by Spinifex grassland and sparse scrub of Mallee and Acacia. Occasional larger trees of Snappy Gum and Bloodwood are found in drainage features.

TENURE
MINING/MINERAL RIGHTS
Exploration Licence 25581 was granted to Tennant Creek Gold Pty Ltd, a wholly owned subsidiary of TNG Ltd, on 11th May 2009. TNG had entered into a farm-in agreement with Western Desert Resources Ltd (WDR) on 27th February 2008, which would allow WDR to earn up to an 80% share in the tenement. WDR is the manager of the joint venture.

The relinquished area is shown in Figure 2.
Figure 2: Relinquished and Retained Portions EL 25581
**LAND TENURE**
The tenement is located on Aboriginal Freehold Land owned by the Karlantijpa South Aboriginal Land Trust.

**NATIVE TITLE**
The area is subject to the Aboriginal Land Rights (NT) Act. A Deed for Exploration between the Central Land Council and Tennant Creek Gold was executed on 6th May 2009.

**ABORIGINAL SACRED SITES**
As no ground disturbing activities were undertaken on the relinquished portion of the lease, no sacred site clearances were done.

**GEOLOGY**

**REGIONAL GEOLOGY**
The area is located on the western margin of the Tennant Creek Inlier (Donnellan et al 1999). The central part of the Inlier is comprised of the Tennant Creek Province of Palaeoproterozoic age. This consists of a flysch sequence, the Warramunga Formation, which has been intruded by granitoids. The sedimentary sequence is overlain by extrusive volcanic rocks and associated sediments of the Flynn Subgroup.

The Warramunga Formation hosts the gold-copper-bismuth mineralisation of the Tennant Creek goldfield. The mineralisation is associated with ironstone.

The Middle Cambrian Wiso Basin covers the basement rocks west of the Tennant Creek Inlier. This is a sedimentary sequence consisting of the Montejinni Limestone and the Hooker Creek Formation (sandstone and siltstone).

**LOCAL GEOLOGY**
There are no outcrops within the exploration licence which is covered by sand. The area is underlain by Wiso Basin sediments which have been intersected in widely spaced water bores and exploration drillholes. These sediments thicken to the west.

Drilling carried out by explorers to the west of the tenement has shown that Proterozoic rocks occur beneath the Wiso Basin succession. Drilling at the Rover Prospect, located about 700m west of the north east corner of the EL, has intersected gold and copper mineralisation associated with ironstones similar to that found in the Tennant Creek goldfield.

**PREVIOUS EXPLORATION**

**MINING HISTORY**
There has been no mining activity in the tenement.
EXPLORATION BY PREVIOUS COMPANIES
The only exploration previously conducted in the area was that undertaken by Geopeko Ltd in the period 1973 to 1976. This work was carried out within EL954 and consisted of an airborne magnetic survey, ground magnetic surveys and diamond drilling.

EXPLORATION ON RELINQUISHED AREA 2009-2011

EM Survey
A Helitem electromagnetic/magnetic survey was flown from April 30th, 2011 to May 1st 2011, for a total of 377 line km within the entire East Rover Project area. Of this survey, approximately 57 line km were flown over the relinquished portion of EL25581 (Figure 3). The purpose of the survey was to determine the existence and locations of bedrock conductors and for a better understanding of the subsurface geology within the survey areas. The logistics report, data and imagery is provided in Appendix I.

No significant conductors were identified on the relinquished portion of EL25581, and for this reason (in addition to the interpreted depth of Wiso Basin sediments), the area was chosen for relinquishment.
Figure 3: Location of EM Survey flight lines