3rd Annual Report

EXPLORATION LICENCE 9596

MOUNT GOYDER

For the Period Beginning 15th November 1998
And the Period Ending 14th November 1999

LICENCEE:
OPERATOR:
STANDARD 1:250,000 SHEET:
STANDARD 1:100,000 SHEET:
AUTHOR:
DATE:
DISTRIBUTION:

Rustler's Roost Mining Pty Ltd.
Sirocco Resources NL
SD5204 Darwin
Mary River 5272
Scott Hall  Project Geologist.
Dave Catherall  Director.
December 1999
NT Department of Mines & Energy.
Sirocco Resources NL, Brisbane.
Sirocco Resources NL, Tom's Gully.
William Resources Inc., Toronto.
Tenement Details

Exploration Licence 9596 was granted to Rustler's Roost Mining Pty Ltd on 15 November 1996 for a period of 6 years. A Joint Venture Agreement was entered into between Rustlers Roost Mining Pty Ltd and Sirocco Resources NL in October, 1998 in respect of this licence (and others in the Mount Bundey area) and this Agreement has been registered with the Department as Dealing 6766.

The tenement comprises of 23 graticular blocks occupying approximately 75km². A summary of the tenement details and history is outlined in Table 1, below.

Table 1: Tenure Record of EL 9596, Mount Goyder

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See Figure 2 for Plan
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SUMMARY

Exploration Licence 9596, Mount Goyder comprises part of the group of mining and exploration tenements held by Rustler’s Roost Mining Pty Ltd and operated by Sirocco Resources NL as part of a Joint Venture Agreement. The Area is proximal to the Tom’s Gully Gold Mine, has a comparable geological setting, and is considered prospective primarily for stratabound and stockwork gold mineralisation within lithologies of the Early Proterozoic South Alligator Group and Mount Partridge Group.

This report summarises the exploration activities completed during the last year of Tenure.
1. INTRODUCTION

Exploration Licence 9596 *Mount Goyder*, is centred approximately 105 kilometres east-southeast of Darwin and approximately 25 kilometres to the east of the Tom's Gully gold mine (Figure 1). The tenement straddles the boundary between the Mount Bundey and Annaburroo 1:50,000 sheets. Access from Darwin is via the Amhem Highway to well known tourist haven, The Bark Hut Inn, thence via graded track northward to the tenement area. Access within the tenement is reasonable, though largely limited to cross-country four wheel drive traversing. Access to the tenement by vehicle during the wet season is impossible.

The topography of the area is characterised by low, though often steep strike ridges through the central, northern and southeastern portions of the tenement. Mount Goyder forms a prominent conical landmark in the southwestern portion of the tenement. Other areas are low, flat to gently undulating terrain of black soil.

A Joint Venture Agreement was entered into between Rustlers Roost Mining Pty Ltd and Sirocco Resources NL in October, 1998 in respect of this licence (and others in the Mount Bundey area) and this Agreement has been registered with the Department as Dealing 6766.

The area was selected primarily for its potential to host stratabound or stockwork gold mineralisation within prospective lithologies of the Early Proterozoic South Alligator Group and Mount Partridge Group. The main exploration target will be the Wildman Siltstone, & the Koolpin Formation, which hosts the nearby Tom's Gully & Quest 29 gold deposits respectively, operated by Sirocco Resources.
2. REGIONAL GEOLOGY

The tenement is interpreted to be underlain by Proterozoic sediments of the South Alligator Group and the Mount Partridge Group. All of the sequences are structurally deformed and generally plunge gently to the south. The Proterozoic Mount Goyder Syenite intrudes the sedimentary sequences in the southwestern portion of the tenement.

The South Alligator Group is represented by the Koolpin Formation, Gerowie Tuff and the Mount Bonnie Formation. The rocks of the South Alligator Group are considered to be prospective for either large tonnage, low grade gold deposits (such as that at the nearby Rustler's Roost gold mine & Quest 29 Deposits). The Koolpin Formation comprises ferruginous siltstone and shale which is commonly carbonaceous and pyritic, which hosts the Quest 29 deposits. Chert bands and nodular horizons are common and lenses of ironstone occur occasionally. The Gerowie Tuff unit has been described as a mudstone-rich sequence with interbeds of diagenetically altered distal tuff. The Mount Bonnie Formation is dominated by a shallow marine sequence of interbedded and graded siltstone, chert and greywacke. The Rustler's Roost deposit is hosted by the Mount Bonnie Formation.

The Mount Partridge Group is represented by the Wildman Siltstone which consists of laminated and banded shale, carbonaceous and often pyritic siltstone and minor dolomitic sediments. The Wildman Siltstone is also interpreted to be prospective for both large tonnage, low grade gold deposits and small tonnage, high grade deposits. The Tom's Gully gold deposit is hosted by Wildman Siltstone.

The sedimentary sequences are intruded by the Proterozoic Mount Goyder Syenite which is interpreted to be syngenetic phase of the Mount Bundey Granite which itself is believed to have been the heat and fluid source for the mineralisation which occurs throughout the local region.

The geology of the area within and surrounding EL 9596 is shown on Figure 2.
3. PREVIOUS EXPLORATION

The earliest significant exploration within the region was undertaken by Geopeko during the early 1970's following their acquisition of the then relatively new BMR aeromagnetic and radiometric survey data which was flown during 1970. Geopeko's exploration programs were directed primarily at uranium and secondarily at base metals with only minor attention being paid to gold. Interpretation of this geophysical data outlined a large number of potential target areas throughout the region, which were subsequently investigated by ground based geophysics and geochemical sampling. These sampling programs defined anomalies which were thence designated "Quest" numbers for identification. These anomalies became the focus of Geopeko's exploration activities for some four years.

Two of the "Quest" anomalies (Quest 32 and Quest 33) occur within the western portion of the tenement, proximal to the Mount Goyder Syenite. The Donkey Hill gold prospect occurs within the central portion of the tenement and is located upon an anticlinal structure within the Wildman Siltstone. The prospect has been extensively rock chipped, costeamed with encouraging results. Drill testing however proved disappointing.

A review of Open File and published data, literature and geological mapping was completed as a preliminary introduction to exploration during the last year. Additionally, the tenement area was included within a regional aerial photography program flown by Airesearch Mapping Pty Ltd for Rustler's Roost Mining Pty Ltd resulting in colour photography at 1:20000 scale. The colour aerial photography has been used extensively for geological interpretation and identification of target areas for investigation.

Published and unpublished regional geological mapping data was compiled by Rustler Roost Mining Pty Ltd and digitised and prepared by consultant geological drafting service, Sun Drafting, of Brisbane. This work resulted in the production of detailed, regional geological plans at 1:50000 and 1:100000 scale which include EL 9596. Published and unpublished regional aeromagnetics data was also compiled and prepared by consultant imagery specialists, Geoimage, of Brisbane, . This work culminated in the production of colour imagery at 1:100000 scale and includes the area within EL 9596.

However this data has not been sighted or forwarded to Sirocco Resources NL.
4. CURRENT EXPLORATION

The Joint Venture Agreement between Rustlers Roost Mining Pty Ltd was entered into with Sirocco Resources NL in October 1998 and registered with the Department as Dealing 6766.

With the subsequent intervening prolonged "wet season" 1998-1999, exploration work has been limited this dry season. Early burning of the tenement also proved sporadic making on ground investigations difficult.

Most of the work undertaken this year has involved creation of a GIS data base of previous work in the Mount Bundey Region which is still being finalised currently. The field reconnaissance traverse undertaken for spot checking of previous work and also for familiarisation with the topographic, geological and access conditions within the tenement area for future work.

This work has been undertaken with target generation for resources which may have been overlooked by previous explorers, who were looking for stand alone projects rather than smaller tonnage deposits which can be trucked to the established infrastructure at Tom's Gully Gold Mine.

Since the Joint Venture agreement has been in place most of the company's finite capital resources that are available to the company have been tied up in getting the Tom's Gully Mine Site and the Quest 29 tenements into production. Also due to the extremely difficult gold market and fund raising market conditions prevailing the Directors determined this was the best course of action to be taken so as not to over extend the company's base. With the marginally improved gold market and Tom's Gully & Quest 29 now in production the more regional tenements outside the immediate production areas should again receive more on ground exploration.
5. CONCLUSIONS & PROPOSALS

5.1 Conclusions

Exploration Licence 9596 covers stratigraphy considered prospective for stratabound and/or stockwork gold mineralisation within lithologies of the Proterozoic sediments of the South Alligator Group and the Mount Partridge Group.

Work completed within the year ended 14 November 1999 commenced with preliminary studies including literature reviews, data compilation and interpretation of target areas. Field reconnaissance traverse were under taken with limited Rock chipping in conjunction, results were disappointing (See Appendix 1 & Figure 2). Early burning which was under taken by the Station Manager at Annaburro proved to be very sporadic and much of the areas of interest were still covered by blankets of spear grass. Slightly later burning will be undertaken this year to give better conditions for mapping and sampling which will be undertaken during the next Dry Season.

5.2 Proposals

Work proposed for Year 4 of this licence includes

- Finalising GIS data base
- Rock Chip & Geological mapping traverses
- Soil Sampling
- Follow up RAB or RC as required

Expenditure for this work is expected to be in the vicinity of $10,000

Ongoing activities will focus on target generation from interpretation of compiled structural, lithostratigraphic and geochemical data. The exploration program will be primarily aimed at rapid evaluation of targets previously defined. Including Quest 32, Quest 33 and the Donkey Hill prospects and also follow up some >3g/t rock chips from south of the highway within the South Alligator Meta-sediments that have recently been uncovered in an Open File Report and were targeted for rock chipping this year.

With the marginally improved gold market and Tom’s Gully & Quest 29 in production the more regional tenements should again receive more on ground work during next dry season.
### 6. EXPENDITURE FOR THE THIRD YEAR

A minimum expenditure covenant of $10,000 was nominated for the third tenement year.

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7. REFERENCES

The following published and unpublished reports and papers were used to provide background information relevant to EL 9596 during the initial planning stages of the exploration program and during the preparation of this report.


Report NumCR1990-0532
Tenure EL4703
Personal AThomson, D F Pearson, D F
Corporate ANewmont Australia
TitFinal Report Mary River EL4703.

Report NumCR1989-0506
Tenure EL4703
Personal APearson, D F
Corporate ANewmont Enterprise
Tit4th annual report Mary River

Report NumCR1988-0210
Tenure EL4703
Personal ABurke, R J
Corporate ANewmont Holdings
Tit3rd annual report EL4703 Mary River NT.

Report NumCR1987-0186
Tenure EL4703
Personal APearson, D F
Corporate ANewmont Australia
TitSecond annual report EL4703 Mary River.

Report NumCR1990-0313
Tenure EL5008
Personal AThomson, D F Pearson, D F
Corporate ANewmont Enterprise
TitFinal report Annaburroo EL5008.

Report NumCR1989-0251
Yea1989
Tenure EL5008
Personal APearson, D F
Corporate ANewmont Enterprise
TitSecond annual report Annaburroo EL5008

Report NumCR1988-0206
Tenure EL5008
Personal APearson, D F
Corporate ANewmont Enterprise
TitFirst annual report Annaburroo EL5008, 1988

Report NumCR1990-0243
Tenure EL6582
Personal AThomson, D F
Corporate ANewmont Australia
TitFinal report Soda Creek

Report NumCR1994-0716
Tenure EL8155
Personal AHHoschke, A M
Corporate ANorth Mining
TitEL8155, first annual report Mt Goyder 01-09-1993 to 01-09-1994
# Appendix 1
## Assay Results

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