ORION EXPLORATION PTY LTD

Annual Report for Woolgni EL 23569
for the period 17th June 2006 to 16th June 2007

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Date: July 2007

SUMMARY OF ACTIVITIES FOR WOOLGNI EL 23569
FOR THE PERIOD JULY 2006 TO JULY 2007

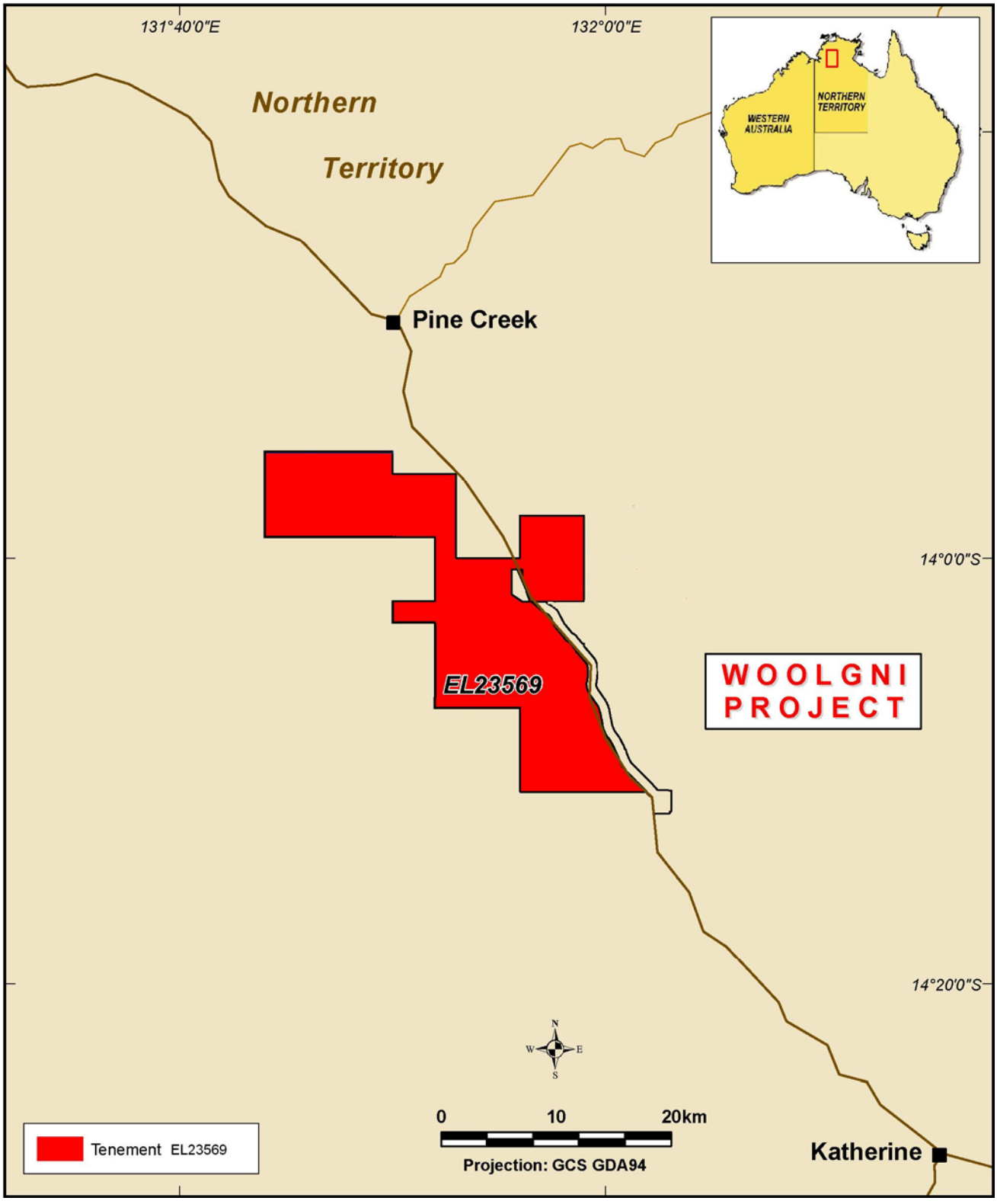
- Previous Exploration Data Research
- Acquisition of Recent Geological Maps and Remotely Sensed Data
- GIS Data Compilation
- Field Reconnaissance and Rock Chip Sampling (x10)

ABSTRACT

This report describes the work programme undertaken during 2006/2007 by Helen Salmon (on behalf of Red Rock Resources Plc) and Keith Hay of CSA (Australia) Pty Ltd for the Woolgni Prospect in the Northern Territory. A desktop study of historical exploration reports helped define and target areas for field investigation. Sample site selectrion was assisted by a hand-held scintillometer. Material was obtained from granitic, sandstone, hematitic and brecciated quartz outcrops. Additionally, at Copperfield Creek toward the northern end of the licence, a few float samples heavily stained with copper were collected. Although some granitic rocks registered scintillometer readings three times background (cps), outcrop exposure was sporadic offering little opportunity to carry out meaningful ground-based exploration. It is therefore suggested that a detailed low level aerial geophysical programme be undertaken to identify and delineate anomalous areas for the next phase of investigation.

BIBLIOGRAPHIC DATA SHEET

1:100 000 map sheet and code	Katherine (Edith River Region) 5369, Pine Creek 5270
Open File Reports	CR 1970/077 CR 1971/144 CR 89/228
Target commodity	U
Keywords	Woolgni, uranium, Cullen granite, shear zones, copper
Prospects drilled	N/A
List of elements and compounds assayed	48 (Table 2)



Orion Exploration Pty Ltd

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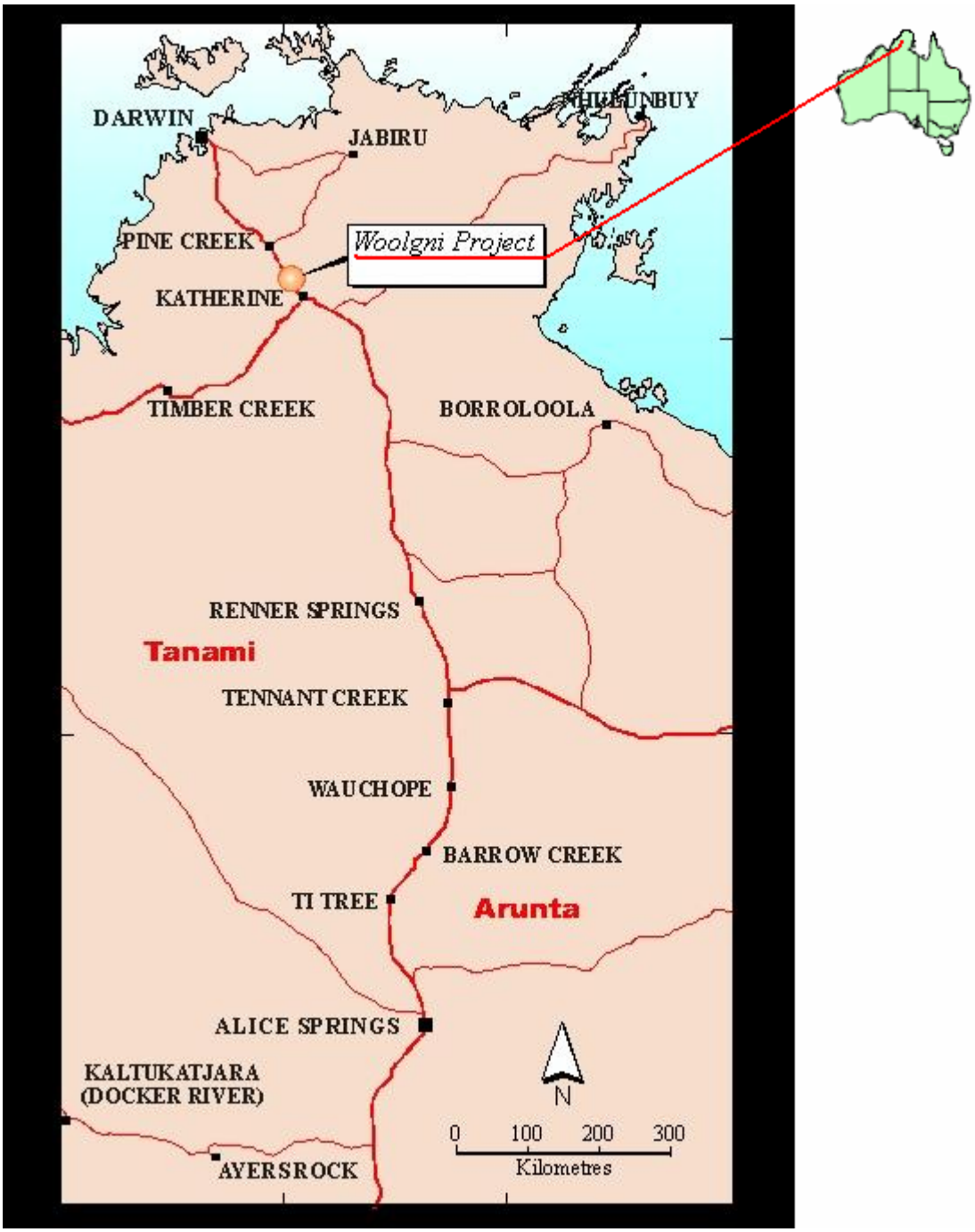
1.0 INTRODUCTION

This report describes the work programme undertaken on EL23569 in the Northern Territories for the period July 2006 to July 2007. The work was completed by senior geologist Keith Hay of CSA Pty Ltd and geologist Helen Salmon on behalf of Red Rock Resources Plc.

The lease is situated approximately 220 km south of Darwin and forms the company's Woolgni prospect (Figure 1). Covering an area of 352 km^2 it lies within the Pine Creek Geosyncline, a geological formation which hosts several of Australia's renowned and diverse mineral deposits. Although copper, gold and iron have been the primary target of earlier exploration, the present project has focused on uranium mineralisation occurrences first identified by BMR geologists in the 1950's. These were found to occur along shear zones within the Cullen Granite which underlies much of the Woolgni tenement (Figure 2) but the extent of the deposit was never fully investigated.

Based on review of this historical research, and in conjunction with available geophysical material, the company completed a field reconnaissance evaluation and rock chip sampling programme. This was accomplished to provide a solid framework for future exploration plans and recommendations.



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EL23569 WOOLGNI PROJECT

LOCATION MAP

Figure 1. Location Map

2.0 TENEMENT DETAILS

Tenement Details

Orion Exploration Pty Ltd (a wholly owned subsidiary of Red Rock Resources Ltd) has secured the granted Exploration Licence over the Woolgni uranium prospect area from Tennant Creek Gold Pty Ltd in 2003. Aboriginal communities are found at nearby Katherine and Pine Creek Townships although EL23569 lies on pastoral land. Currently there are no native title claims. Tenement details are tabulated below (Table 1). In addition, a mining lease (MLA24342) is under application comprising 163 Ha.

Table 1. Tenement Details

Tenement	Registered Holder	Date Granted	Expiry Date	Blocks/km^2	Min Annual Expenditure
EL23569	Orion Exploration	17/06/2003	16/06/2009	117 blocks 352 km^2	A$27,000
MLA24342	Orion Exploration	Application	N/A	163 HA	N/A

3.0 LOCATION AND ACCESS

The Woolgni uranium occurrences are located approximately 220km SSE of Darwin and 35km SSE of Pine Creek (Figure 1). The lease straddles the Stuart Highway and lies within the Pine Creek and Katherine 1:25,000 map series. A gold treatment plant is nearby and provides good infrastructure although access roads and tracks off the Stuart Highway are normally limited to dry weather only. The topography varies from flat to moderately undulating (Figure 2).

4.0 PROJECT GEOLOGY AND MINERALISATION

Much of the published research specifically on the Northern Territory pre-dates 1990 but during 1992-1996 a report detailing all NT mineral occurrences, was compiled by

the Northern Territories Geological Survey (NTGS) into the MODAT database (Lally and Bajwah, 2006).

The Woolgni prospect lies within the Cullen Mineral Field, towards the southwestern margin of the Early Proterozoic Pine Creek geosyncline. Regional deformation and metamorphism occurred during the Barramundi Orogeny (1860-1850 Ma) followed by widespread felsic intrusive activity and the emplacement of granite batholiths (the Cullen event). These produced thermal metamorphic aureoles in the surrounding country rocks overprinting regional metamorphic assemblages. Synchronous with the waning of this event was the development of two consecutive rift-controlled volcanic and clastic sedimentary graben-fill successions, the El Sherana and Edith River Groups (1830-1822 Ma respectively). They are bounded by unconformities and folded prior to deposition of McArthur Basin sediments.

Locally geology comprises greywackes, siltstones, minor conglomerate (Figure 3) and rare tuffs of the Lower Proterozoic Burrell Creek Formation (Finniss River Group). This sequence forms an inlier within the Mid-Proterozoic Cullen Batholith and is overlain by Cambrian-Ordovician rocks to the west and extrusive Edith River volcanics to the south. (Figure 4). Exposure is generally poor and restricted to scattered low outcrops on the crests of low rises, and along the creek beds, with occasional prominent outcrops of more resistant silicified and/or quartz veined material, often brecciated and cemented by hematite.

Granitic intrusions and related magmatic activity have long been referred to as a potential source for mineral enrichment. The Cullen Granite which underlies much of the project area has undergone significant fractionation whereby uranium is thought to have concentrated in these evolved rocks with several uranium occurrences identified in greisenised leucogranites along north-northwest trending shear zones. Numerous siliceous reefs, sometimes combined with hematitic material, also follow this trend and were partially mapped by the Bureau of Mines and Resources geologists although very little follow-up work was done.

Figure 2. Outcrop exposure and landscape within the Woolgni tenement

Figure 3 Conglomerate at the northeastern boundary of the tenement

5.0 PREVIOUS EXPLORATION

Historically, the Woolgni area has been a primary focus for gold and copper exploration and uranium was only first identified by prospectors in 1952. BMR geologists partially mapped shear zones within the Cullen Granite located around the Edith River siding area and several exploratory shafts were put down to evaluate uranium mineralization potential. Initial findings did not outline convincing economic grades of uranium mineralization producing surface grades ranging from 0.1-0.2% although distribution was quite sporadic and complex. It was suggested that leaching of the uranium by weathering processes could indicate mineralization at depth but this was not fully followed up. Additionally, most of the hematitic material was found to contain abundant apatite which could account for the uranium count. This data was also reviewed by Duncan (1969) and lodged in an open file report.

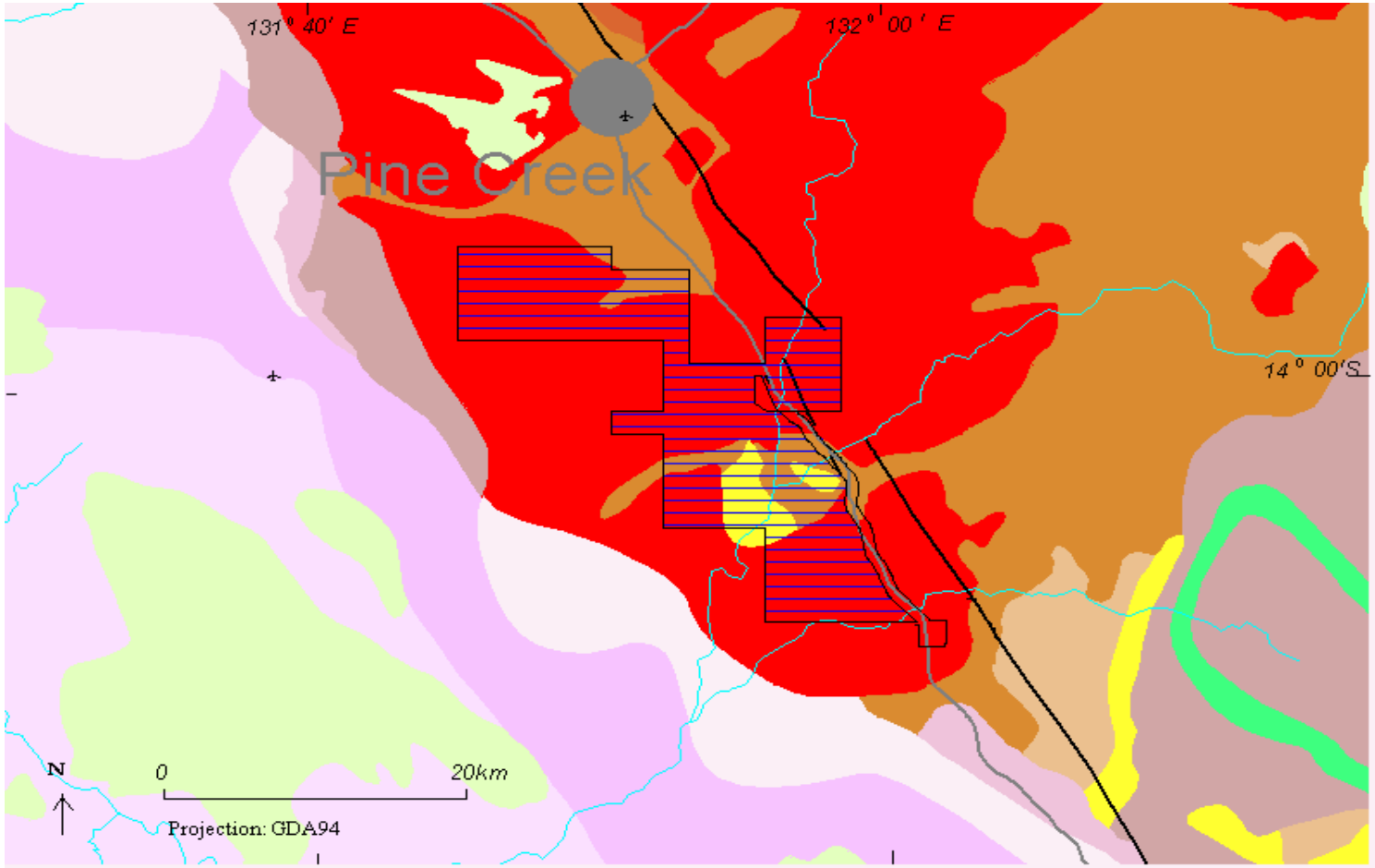


Figure 4a. Simplified Geololgical Map of the Woolgni tenement

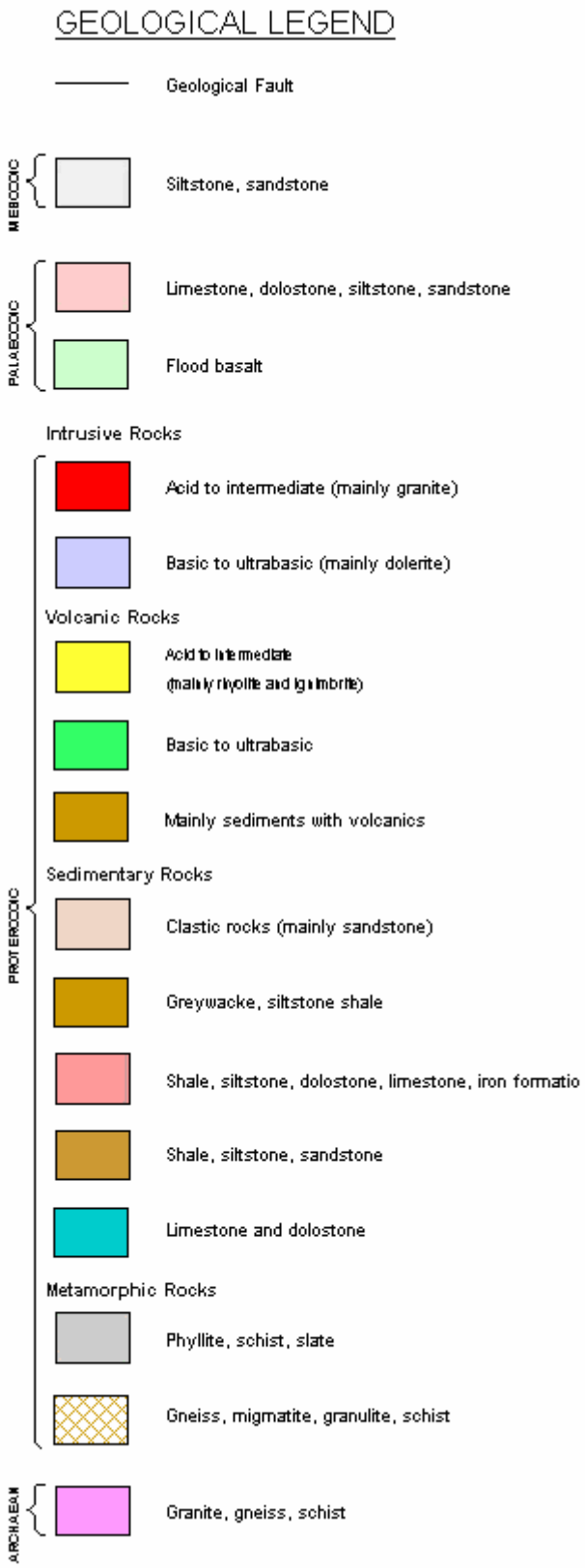


Figure 4b. Geological legend to Figure 4a

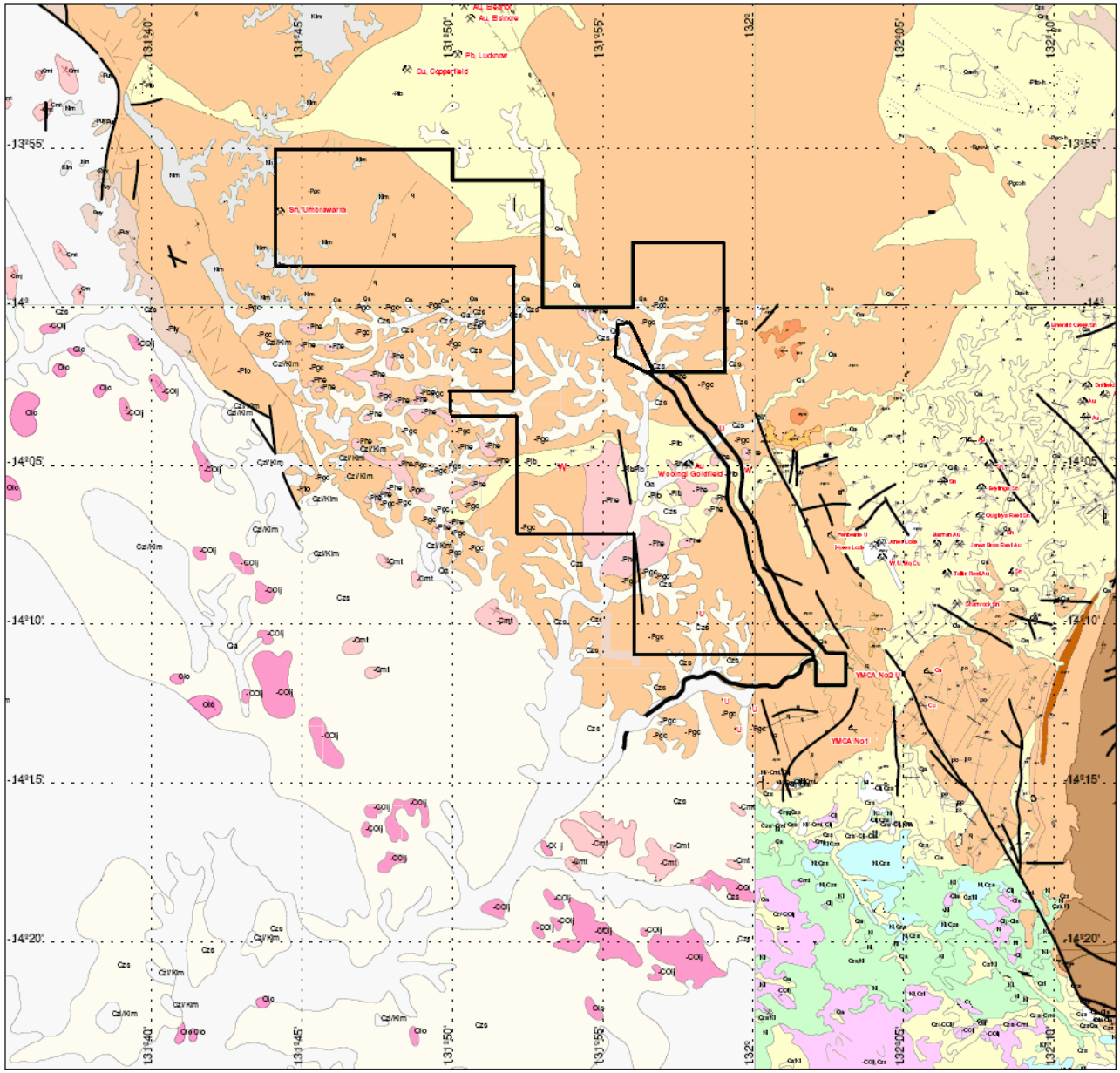


Figure 4c. EL 23569 Stratigraphy

United Sales International Pty Ltd in 1971 noted that the disseminated nature of the occurrences did not offer easy drill targets and recommended testing for sedimentary deposits by locating areas of intersecting shears. They also suggested the carrying out low level radiometrics with ground survey follow-up, and the investigation of an area where unconformable sediments overly the Cullen Granite.

One of the prospects examined by the BMR was the Hore and O'Connor's prospect located 5 miles WNW of the Edith River siding and situated within the tenement boundaries although no-follow up work was done.

In 2005 BMR carried out further uranium exploration at the nearby Fergusson River that runs along the western boundary of the tenement. Anomalous uranium results ranging from 78.29 to 237.96 ppm U were obtained from a subsequent drilling programme.

More recently, work was undertaken under the auspices of Pan Resources whereby aeromagnetic and radiometric surveys were carried out over the region although coverage is inadequate for specific studies (Appendix i). Referrals were made to volcanics of the Edith River Group where they crop out to the east of EL 23569. These are interpreted to unconformably overlay the Cullen Granite and are thought to represent a suitable environment for precipitation of uraniferous minerals in the basal sequence which includes conglomerate and shale. In addition, sediments of the Mesoproterozoic Tolmer Group crop close to the north-west corner of EL 23569. At the base of this group is the Depot Creek Sandstone, a pebbly quartz sandstone unconformably overlying the Cullen Granite and presents a potential environment for uranium precipitation. Dolomites in the overlying Stray Creek Formation are a possible source of sulphates in the precipitation process. They also suggest that the area of Quaternary cover could hold potential for roll-front sandstone deposits. Increased thicknesses of (?Tertiary) or Quaternary sediments may be developed in channels incised into basement in an area setting similar to that of the Beverley mine, which occurs in Miocene sediments immediately adjacent to Proterozoic rocks of the northern Flinders Ranges in South Australia.

6.0 WORK CARRIED OUT DURING THE PERIOD

Work completed during the period was focused on acquisition, compilation and review of previous exploration data. A field reconnaissance and rock chip sampling programme was initiated to generate target areas for further exploration work. An attempt to locate the Hore and O'Connor's prospect was undertaken during the present field visit but was unsuccessful.

6.1 PREVIOUS EXPLORATION DATA RESEARCH

The data researched during this period included historical company reports (via DPIFM), archived geophysical data and government publications. In addition, open file material was researched and catalogued.

6.2 ACQUISITION OF RECENT GEOLOGICAL MAPS AND REMOTELY SENSED DATA

Readily available remotely sensed data was researched during the period under review and included Landsat and DEM topography. These provided background maps to the area and highlighted the geological contacts and lithologies topographic highs within the tenement.

6.3 GIS DATA COMPILATION

This information was obtained from a recent report detailing geophysical surveys of the Mary River and Fergusson River areas. However, the quality of the images pertaining to the Woolgni area was inadequate for reasonable interpretation.

6.4 FIELD RECONNAISSANCE AND ROCK CHIP SAMPLING

Field reconnaissance was carried out over a wide area within the Woolgni Area (EL 23569) with regard to geology, geography and access. However, the degree of vegetation and scrub restricted access and prevented a detailed sampling programme. Ten rock chip samples were collected and data are presented in Appendix II.

Rock chip samples obtained from granitic outcrops, sandstone and quartz-hematite breccia returned poor uranium values of less than 10ppm U but it is possible that this reflects both the sampling strategy and the weathered nature of the outcrops. A sample locaction map is presented in Figure 5. Some samples were taken from outcrops along the roadside and outside the area for comparison. If further prospecting for uranium is carried out on EL 23569, the most cost-effective exploration method would be to complete the airborne radiometric and magnetic survey coverage of the license area to the same specifications as the Mary River Survey, to enable more targeted follow-up investigations to proceed.

A float sample from Copperfield Creek returned Cu values of 5.23%. Although no copper mining is being carried out at this time this material was probably from earlier historical workings at the old Copperfield mine just northeast of the tenement boundary.

All samples were submitted in batches to ALS Chemex in Perth, WA (Certificate of Analysis PH07088726). Samples W0001-W0004 and W0007-W0011 were selected for multi-element analysis by Four Acid “Near Total” Digestion with an ICP-MS finish (ME-MS61U) and sample W0006 was selected for acid digestion with an ICP-AES finish (Cu-OG62). Method of analysis and detection limits are presented in Table 2.

Table 2-Rock Chip Sample Analytical Information

Sample from	Sample to	Company	Element	Method	Detection Limit	Unit
W0001	W0004	ALS Chemex	Ag	ME-MS61U	0.01	ppm
W0007	W0011		Al	ME-MS61U	0.01	%
			As	ME-MS61U	0.2	ppm
			Ba	ME-MS61U	10	ppm
			Be	ME-MS61U	0.05	ppm
			Bi	ME-MS61U	0.01	ppm
			Ca	ME-MS61U	0.01	%
			Cd	ME-MS61U	0.02	ppm
			Ce	ME-MS61U	0.01	ppm
			Co	ME-MS61U	0.1	ppm
			Cr	ME-MS61U	1	ppm
			Cs	ME-MS61U	0.05	ppm
			Cu	ME-MS61U	0.2	ppm
			Fe	ME-MS61U	0.01	%
			Ga	ME-MS61U	0.05	ppm
			Ge	ME-MS61U	0.05	ppm
			Hf	ME-MS61U	0.1	ppm
			In	ME-MS61U	0.005	ppm
			K	ME-MS61U	0.01	%
			La	ME-MS61U	0.5	ppm
			Li	ME-MS61U	0.2	ppm
			Mg	ME-MS61U	0.01	%
			Mn	ME-MS61U	5	ppm
			Mo	ME-MS61U	0.05	ppm
			Na	ME-MS61U	0.01	%
			Nb	ME-MS61U	0.1	ppm
			Ni	ME-MS61U	0.2	ppm
			P	ME-MS61U	10	ppm
			Pb	ME-MS61U	0.5	ppm
			Rb	ME-MS61U	0.1	ppm
			Re	ME-MS61U	0.002	ppm
			S	ME-MS61U	0.01	%
			Sb	ME-MS61U	0.05	ppm
			Se	ME-MS61U	1	ppm
			Sn	ME-MS61U	0.2	ppm
			Sr	ME-MS61U	0.2	ppm
			Ta	ME-MS61U	0.05	ppm
			Te	ME-MS61U	0.05	ppm
			Th	ME-MS61U	0.2	ppm
			Ti	ME-MS61U	0.005	%
			Tl	ME-MS61U	0.02	ppm
			U	ME-MS61U	0.1	ppm
			V	ME-MS61U	1	ppm
			W	ME-MS61U	0.1	ppm
			Y	ME-MS61U	0.1	ppm
			Zn	ME-MS61U	2	ppm
			Zr	ME-MS61U	0.5	ppm
W0006			Cu	Cu-OG62	0.001	%
Standards used	BL-4	BM-62	G2000	GBM306-12		

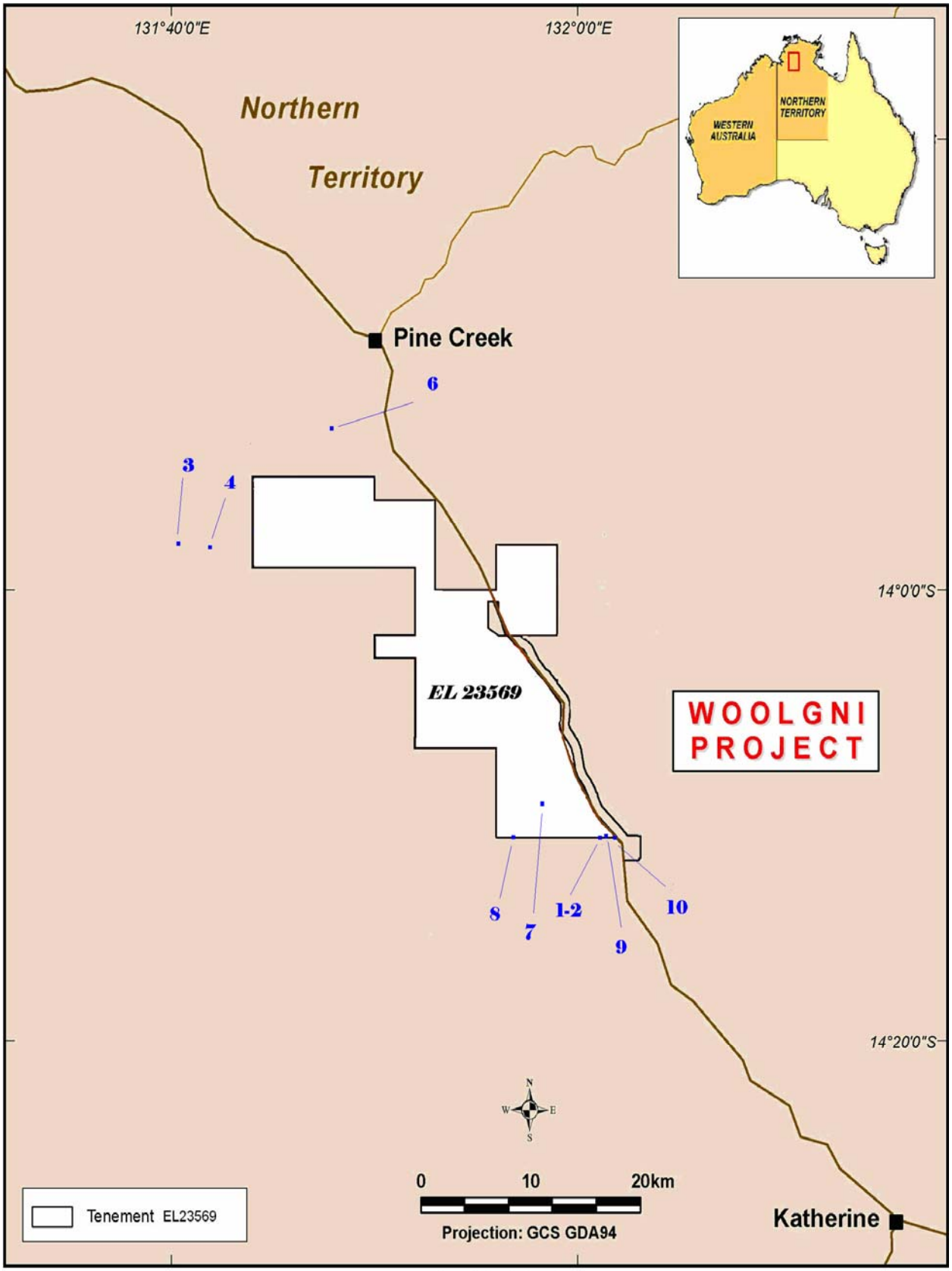


Figure 5. Sample Location Map

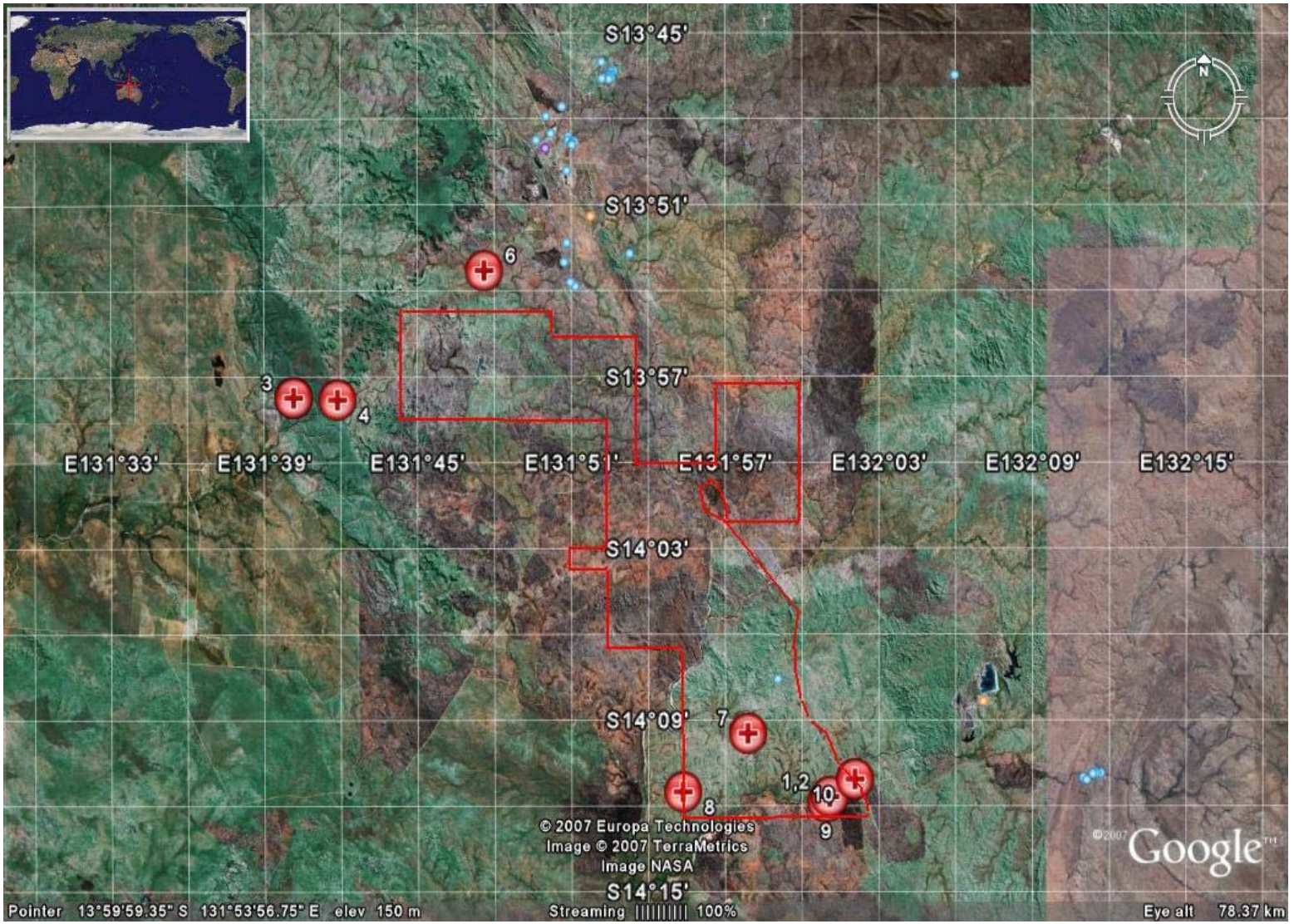


Figure 6. Google Earth image of Tenement and sample locations

7.0 EXPENDITURE STATEMENT

An expenditure statement is detailed in Table 3. This outlines the site visit expenses and subsequent report compilation.

Table 3. Expenditure statement

Expenditure June 2007	**Orion Exploration Pty Ltd**
	COST
Professional services (CSA)	$11,075.00
Geology assistant	$ 3,500.00
Travel - 2 x return airfares Perth - Darwin	$ 2,906.18
Accomodation and meals	$ 2,400.00
Vehicle - 4WD and fuel	$ 1,080.00
Field equipment - sat phone	$ 300.00
Field equipment - scintillometer	$ 900.00
Sundry expenses	$ 398.00
Admin	$ 4,040.00
Report Compilation	$ 1,500.00
Assays ALS Chemex	$ 304.00
Total	$28,403.18

8.0 CONCLUSIONS

During the period compilation of historical data was completed, acquisition and imaging of remotely sensed data and compilation of GIS data was undertaken to help with target generation. A field reconnaissance was also completed and rockchip samples were obtained from various lithologies within the tenement although no significant mineralization was identified. However, other known uranium localities within the Cullen Granite indicate it to be a potential source rock with a number of possible trap formations for unconformity and sandstone roll-front deposits. The area would therefore benefit from more detailed geophysical coverage to delineate uranium channels and identify shear zones that lie unexposed.

REFERENCES

Duncan, N. (1970). Report on the Uranium prospects in AP1988, northern Territory. Unpublished company report. Northern Territory Geological Survey Open File Report CR 1970/077

Lally, J.H. & Bajwah, Z. (2006). Uranium deposits of the Northern Territory. *Northern Territory Geological Survey*. Report 20. (preliminary draft).

Bubner, G (2006). Geophysical Review and Recommendations, Woolgni Project, Northern Territory. Unpublished compay report. Pan Resources.

APPENDIX I

Remote Sensing Data

Woolgni Aeromagnitics

EL 23569

FINNISS RIVER GROUP
Burrell Creek Formation

TOLMER GROUP
Stray Creek Formation

TOLMER GROUP
Depot Creek Sandstone

Cullen Granite

Edith River Group

DALY RIVER GROUP
Jinduckin Formation

DALY RIVER GROUP
Tindall Limestone

Aeromagnetic data inadequate for detailed interpretation

GEOPHYSICAL INTERPRETATION

- Dolerite dyke - undifferentiated
- Granites of Cullen Batholith
- Weakly magnetic trends in granites
- Weakly magnetic units in Burrell Creek Formation
- Faults

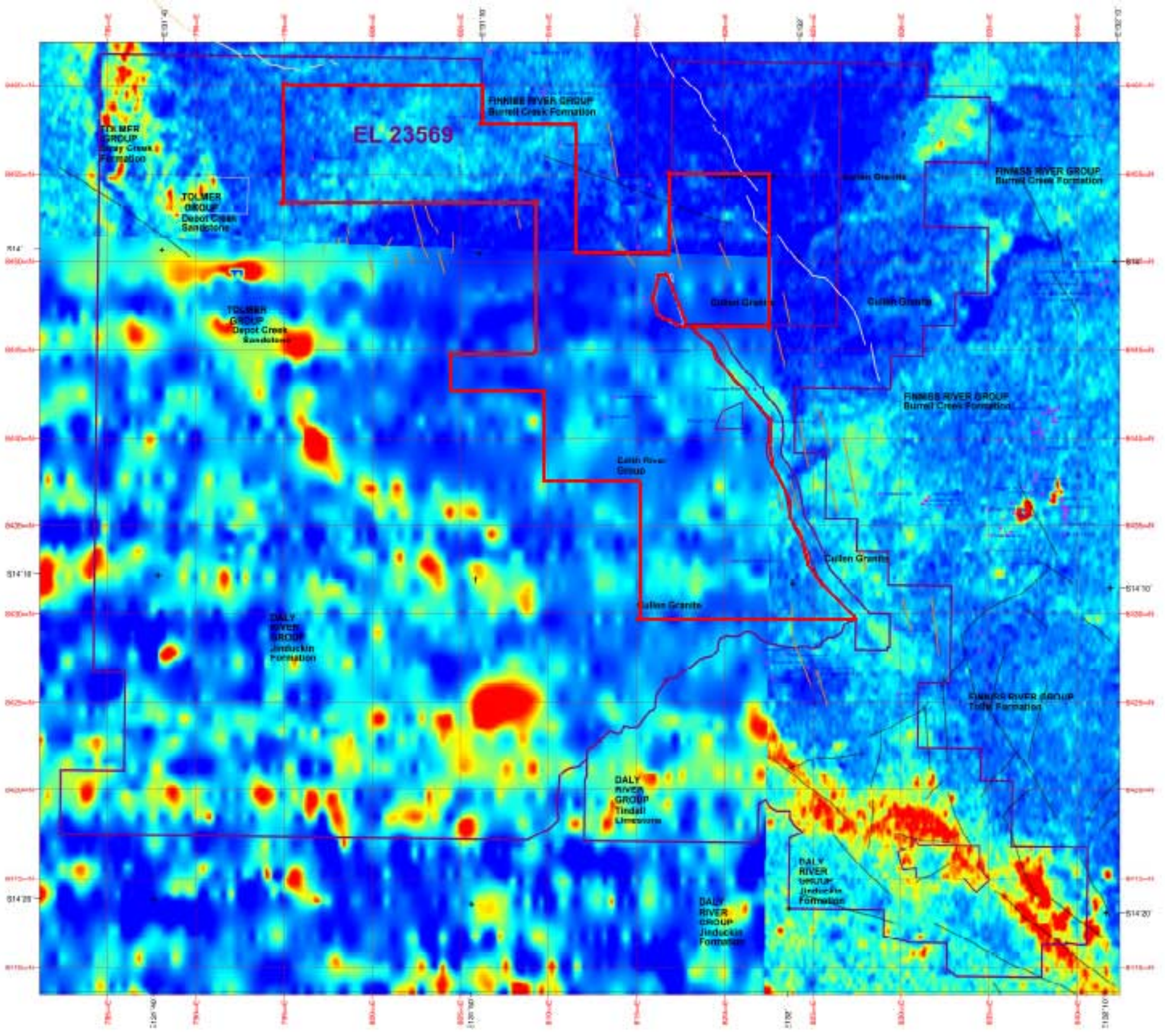
560

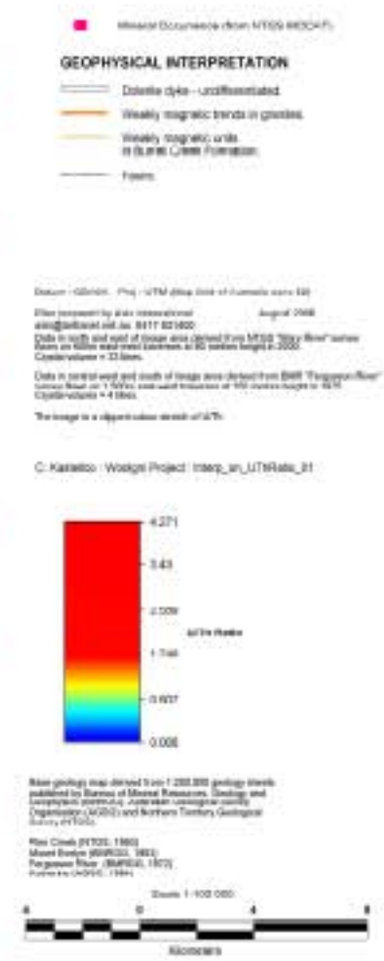
-140

Tenement Boundary

Adjacent Licence Boundaries

U-Th Ratios





Tenement Boundary

Adjacent Licence Boundaries

APPENDIX II

Sample Description and Analyses