2004 Annual Report

On

EXPLORATION LICENCE, EL 23172

AuQuest Project Area

Period Beginning 6th May 2003
To Period Ending 5th May 2004

LICENCEE \ OPERATOR: Renison Consolidated Mines NL
STANDARD 1:250,000 SHEET: SD5204 Darwin
STANDARD 1:100,000 SHEET: Noonamah 5272
AUTHOR: Scott Hall  Project Geologist.
DATE: June 2004
DISTRIBUTION: NT Department of Mines & Energy.
Renison Consolidated Mines NL, Brisbane.
Renison Consolidated Mines NL, Tom’s Gully.
Tenement Details

This Tenement was applied for in 1999 and has been held up in Native Title until recently. The tenement comprises 65 blocks covering 117 km² West of Tom’s Gully Mine Site.

Tenement History

Table 1 Tenure Details EL 23172

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SUMMARY

Renison Consolidated Mines NL has been developing an exploration strategy in the Northern Territory since 1999 targeting dislocations within regional structures that intersect known stratigraphical and structural features that host economic gold mineralisation within the Pine Creek Geosyncline. EL23172 forms a part of a regional package of tenements (AuQuest Project) that have a northwest trend, which covers what the Company has called the Noonamah-Corroboree trend. Processing of Northern Territory Government supplied 400m spaced aeromagnetic and radiometric data has not highlighted any significant anomalies within the tenement area, however a small 200m line spacing aeromagnetic survey carried out by the Company to the north of the tenement has significantly enhanced the detail of the underlying geology and the subsequent interpretation of the prospectivity of that area. A more detailed magnetic survey is planned for EL23172 as a more appropriate method of assessing the prospectivity of the tenement.
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1. INTRODUCTION

Sirocco Resources NL was listed on the Australian Stock Exchange on the 20th December 1996, following a recapitalisation of the failed Kakadu Resources NL Company. An additional capital raising was completed on the 5th June 1997, which allowed a series of exploration and evaluation programs to be initiated, around the existing infrastructure of Tom’s Gully and also the Quest 29 Mining Leases. Sirocco Resources NL has been renamed during 2002 after corporate restructuring to Renison Consolidated Mines NL.

Previous work is being compiled into GIS format for target generation. The objective of the Company within the licence area is to find resources suitable for continued dump leaching with the company’s mobile infrastructure which has been successfully utilised at the Quest 29 Project and more hopefully suitable grade material to supplement the underground mining being planned for Tom’s Gully.

Access to the northern part of the tenements is available via the Marrakai Track and then via adjoining station roads the southern part of the tenement can be accessed from the Quest 29 and Rustlers Roost all weather road to Tom’s Gully. This road then links to station tracks and fence lines that provide good access for 4WD vehicles during the dry season. However these tracks become impassable after heavy rain, and therefore no access is possible throughout the wet season.
2. REGIONAL GEOLOGY

EL 23172 is located within the Pine Creek Geosyncline, which has been interpreted as an intracratonic basin lying on an Archaen basement, and containing a 14 km thick sequence of Proterozoic sediments, accompanied by lesser volcanics, granitic plutons and dolerite intrusions. The Northern portions of the project area contain the oldest sediments The Mount Partridge Group that is unconformably overlain by the South Alligator Group, which comprises most of the tenement areas. The southern portion of the Project area is comprised of Burrell Creek Formation, which conformably overlies The South Alligator Group. Tertiary and Quaternary Soils and Gravel’s unconformably overlie all the lower lying portions of the tenement areas, generally referred to as “Black Soils Regions”. All of the Early Proterozoic sediments and volcanics in the Mount Bundey area were folded in a major deformation event dated around 1800 million years. The fold axes trend north-northeast, and generally plunging gently to the south. As can be seen in Figure 2.

2.1 The Mount Partridge Group

2.1.1 Wildman Siltstone

The Mount Partridge Group is represented by the Wildman Siltstone, which is interpreted to be up to 1500m thick. In the Mount Bundey Region the Wildman Siltstone consists of laminated and banded shale, carbonaceous and often pyritic siltstone interbedded with undifferentiated volcanics in up to 100m interbeds, minor dolomitic sediments may also be present. The sediments near the granite intrusion may also be hornfelsed. The Wildman Siltstone is interpreted to be prospective for large tonnage, low-grade gold deposits and small tonnage, high-grade deposits. Wildman Siltstone hosts the Tom’s Gully gold deposit.

2.2 The South Alligator Group

The Koolpin Formation, Gerowie Tuff and the Mount Bonnie Formation represent the South Alligator Group. 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) or small tonnage, high grade deposits.

2.2.1 Koolpin Formation

The Koolpin Formation comprises ferruginous siltstone and shale, which is commonly carbonaceous and pyritic. Chert bands and nodular horizons are common and lenses of ironstone occur occasionally, as haematitic breccias throughout the sequence into undisturbed quartz-veined siltstone and shale. Minor components of dolomite can also occur. The Koolpin is one of the most prospective units in the Mount Bundey Region for hosting mineralisation (West Koolpin, Taipan, BHS and North Koolpin Open Pits at Quest 29 are all within Koolpin sediments)
2.2.2 **Gerowie Tuff**

The Gerowie Tuff conformably overlies the Koolpin and has similar characteristics of siltstones and shales but is not as iron rich. Within the Mount Bundey Region it is dominated by graded beds of siliceous tuffaceous mudstones grading to greywacke and arenite, diagenetically altered, up to 600m thick, and generally poorly mineralised. The highly siliceous component of the tuffs and arenites make them resistant to erosion, and they tend to form areas of high relief.

2.2.3 **Mount Bonnie Formation**

The Mount Bonnie Formation conformable overlies the Gerowie Tuff and is dominated by a shallow marine sequence of interbedded and graded siltstone, chert and greywacke with occasional BIF’s. The unit can be up to 600m thick and is generally iron rich and may be siliceous in places. The Mount Bonnie Formation hosts the Rustler's Roost deposit.

2.3 Finniss River Group

2.3.1 **Burrell Creek Formation**

Conformably overlying the Mount Bonnie Formation is the Burrell Creek Formation interpreted as a flysch sequence of fine to coarse marine sediments and appears to be part of continuous sedimentation process. Due to the lack of marker horizons and poor exposure the width of the unit is unknown but is thought to be >1000m. This Formation is considered prospective for large low-grade gold deposits as typified by the Batman deposit of Mount Todd. The potential also exists for small high-grade deposits similar to Possum and Happy Valley with John Shields GIGIAC Theory (Gold in Greywacke in Anticlinal Crests). Also high-grade deposits such as Bandicoot, Marrakai and the Ringwood line which all lie on a major deep-seated magnetic trend, Figure 3.

2.4 Intrusives

2.4.1 **Zamu Dolerite**

The Zamu Dolerite occurs as small bodies that are poorly exposed, as a result of its weathering, some rubble boulders may be present at surface. It consists of altered quartz dolerite and gabbro and is generally narrow and broadly conformable to bedding as thin sills. The Zamu Dolerite is the only known suite of mafic intrusives that were emplaced prior to regional metamorphism and deformation. The Zamu Dolerite appears to have a controlling influence on the mineralisation at Quest 29 within the Koolpin sediments but this is not fully understood at this stage. Mineralisation is also hosted within this unit at Quest 29 and also at Chinese Howley.
2.4.2 Mount Bundey Granite & Mount Goyder Syenite

The sedimentary sequences and the Zamu Dolerite are intruded by the Proterozoic Mount Goyder Syenite and Mount Bundey Granite which form a co-genetic complex which crops out over about an 80km area. This intrusion is believed to have been the heat and fluid source for the mineralisation, which occurs throughout the local region. Their mineralogy and geochemistry suggests they are both differentiated from a common magma, which intruded into the gently south plunging folded belt of sediments.

A thermal metamorphic overprint associated with the southern margin of the Mount Bundey Granite intrusive has resulted in the development of both cordierite and andalusite, and probably was the generator for the local gold mineralisation. Further to the south of the Mount Bundey and Mount Goyder intrusive is possibly a second deep-seated pluton as indicated by a roughly circular magnetic feature (Discussions with Williams Resources 1998).

2.5 Deformation & Metamorphism

Regional deformation with north-northeast folding plunging gently south occurred around 1800 My, based on a rubidium-strontium analysis, causing metamorphism to greenschist, and sometimes higher to amphibolite facies. This event also resulted in the intrusion of thin sills of Zamu Dolerite, and the post-tectonic emplacement of the Mount Bundey Granite and Mount Goyder Syenite is a comparable cogenetic pluton dated at 1790 + 110 My in the region. Structural deformation of the metasediments is complex.

The major folding episode resulted in tight folds whose axes plunge southwest. However within these major folds the more incompetent beds, i.e. carbonaceous shales, have been deformed into localised complex structures. The granitic emplacement has also influenced the fold structures as can be seen on the regional geological map. Metamorphism to greenschist facies through dynamic compression associated with intense folding is common. The granitic emplacement and the associated structural deformation and generation of hydrothermal fluids are thought to have been responsible for most of the gold enrichment throughout the Pine Creek Geosyncline, e.g. Cosmo Howley, Rustlers Roost, Toms Gully, Moline, Mt Todd and Quest 29.
Figure 2 Regional Geology Map & GIS Data

1:100,000
3. PREVIOUS EXPLORATION

Very limited modern exploration has been completed within the tenement area. Data as it is found is being updated into GIS format work so far completed can be seen in figure 3.


4. CURRENT EXPLORATION

During the reporting period the Company completed its ground acquisition strategy in the northern Pine Creek Geosyncline. The Company has numerous tenements granted or under application which straddle significant northwest trending ancient structures which have been dislocated by later deformation events which are interpreted to be closely associated with gold mineralisation events. The structural trend is known internally as the Noonamah-Corroboree trend. These tenements form an integral part of the Company’s AuQuest Project which is centred on the Tom’s Gully processing plant.

With the advent of the Native Title Act (Cth) 1993 and subsequent amendments to it and the resultant changes to legislation in the Northern Territory, it was decided that it would be more prudent if the Company limited its field based activities until the Company’s regional tenement package in the district was securely in place. As a result activity within EL23172 has been limited to data compilation, reconnaissance trips and reprocessing available remote sensing data.

The Company has been investigating methods of identifying prospective regions within the northern Pine Creek Geosyncline which are largely hidden by significant depths of ‘black soil’ alluvium. The Company flew a 200m line spacing infill aeromagnetic and radiometric survey on a portion of land to the north of EL23172 (prior to EL23172 being granted) and processing of this data has resulted in an increase in the level of information about the geology beneath the ‘black soil’ cover, with detailed stratigraphy and structural interpretation possible. Unfortunately the reprocessing of the existing 400m line spaced data which covers EL23172 by Geoimage has not enhanced the underlying geology to the extent that is possible with 200m spaced data.

Other work on this tenement has been restricted to literature reviews of previous work and data entry of this information into GIS databases. A vehicle traverses was undertaken to assess the access to the area, which was deemed to be reasonable for dry season access.
5. REHABILITATION & ENVIRONMENTAL PROTECTION

Before groundwork can begin we must arrange a meeting with the traditional owners regarding access. The Company has been endeavouring to arrange this concurrent with activities on the Company’s other tenements in the region. Consequently no environmental disturbance has occurred.

6. EXPENDITURE DETAILS 2003/2004

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7. CONCLUSION AND PROPOSALS

7.1 Conclusions

Closer 200m spaced aeromagnetic and radiometric data has shown to be more effective in the northern Pine Creek Geosyncline than the currently available 400m spaced data that exists for EL23172. Once official meetings with the Traditional Owners are concluded ground work will commence with detailed mapping, rock chip and soil sampling over the portion of the licence area where the northwest trending Noonamah-Corroboree structure is most prominent. This data will be compared with data collected from other areas of interest on the structure which have more detailed information and interpreted based on this comparison.

7.2 Proposals

Forward work programme for the tenement

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8. REFERENCES


NTDME, 1999. Rum Jungle Magnetics Survey

NTDME, 2000. Mary River Magnetics Survey

