2005 Annual Report

On

EXPLORATION LICENCE, EL 22206

AuQuest Project

Period Beginning 22nd October 2004
And the Period Ending 21st October 2005.
Tenement Details

This Tenement was applied for in 1999 and has been held up in Native Title until recently. The tenement comprises 2 blocks covering 6km² and is located west of and neighbouring Tom’s Gully. The southern block of this EL has had and MLN Application applied for as part of the Tom’s Gully Underground Extension.

Tenement History

Table 1 Tenure Details EL 22206

<table>
<thead>
<tr>
<th>Date of Grant</th>
<th>22nd October 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period of Grant</td>
<td>6 Years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year of Tenure</th>
<th>Period</th>
<th>Blocks Surrendered</th>
<th>Blocks Retained</th>
<th>Expenditure Covenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2003/2004</td>
<td>0</td>
<td>2</td>
<td>$5,000</td>
</tr>
<tr>
<td>2</td>
<td>2004/2005</td>
<td>0</td>
<td>2</td>
<td>$5,000</td>
</tr>
<tr>
<td>3</td>
<td>2005/2006</td>
<td>0</td>
<td>2</td>
<td>$8,000</td>
</tr>
</tbody>
</table>
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. EL 22206 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. It is expected that exploration on these EL's will find additional open cut ores which can be treated through the Tom’s Gully plant and exploration will focus on these EL's and targets now mining has commenced on the underground ore-body at Tom’s Gully.

Over the past two years, the Company’s focus in the Northern Territory has been on the resource drilling, feasibility studies and development of the underground mine and mill upgrade at Tom’s Gully which will produce approximately 45,000ozpa of gold from early 2006. During this time approximately $3 million has been spent on ground at Tom’s Gully and other tenements within the AuQuest Project, as part of the company’s exploration strategy.

Work completed on this tenement has comprised rock chipping, field mapping, literature reviews and data entry to GIS of historical work.

Extensions of the Tom’s Gully Underground resource is expected to continue at depth into this tenement and as such a MLN Application has been applied for over the southern block of this tenement.
Table of Contents

TENEMENT DETAILS ................................................................................................................................. 2
TENEMENT HISTORY ............................................................................................................................... 2
SUMMARY .................................................................................................................................................. 3
TABLE OF CONTENTS ............................................................................................................................. 4
TABLES & FIGURES ................................................................................................................................ 4
1. INTRODUCTION .................................................................................................................................. 5
2. REGIONAL GEOLOGY ......................................................................................................................... 7
   2.1 THE MOUNT PARTRIDGE GROUP ............................................................................................... 7
       2.1.1 Wildman Siltstone .................................................................................................................. 7
   2.2 THE SOUTH ALLIGATOR GROUP ................................................................................................. 7
       2.2.1 Koolpin Formation .................................................................................................................. 7
       2.2.2 Gerowie Tuff ........................................................................................................................... 8
       2.2.3 Mount Bonnie Formation ....................................................................................................... 8
   2.3 FINNIS RIVER GROUP ................................................................................................................ 8
       2.3.1 Burrell Creek Formation ......................................................................................................... 8
   2.4 INTRUSIVES ................................................................................................................................... 8
       2.4.1 Zamu Dolerite ........................................................................................................................ 8
       2.4.2 Mount Bundey Granite & Mount Goyder Syenite .................................................................. 9
   2.5 DEFORMATION & METAMORPHISM ....................................................................................... 9
3. PREVIOUS EXPLORATION ............................................................................................................... 11
4. CURRENT EXPLORATION ............................................................................................................... 12
5. REHABILITATION & ENVIRONMENTAL PROTECTION ...................................................... 12
6. NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT 2003/2004 .......................................................................................................................... ERROR! BOOKMARK NOT DEFINED.
7. CONCLUSION AND PROPOSALS ............................................................................................... 14
8. REFERENCES ....................................................................................................................................... 15

Tables & Figures

Table 1 Tenure Details EL 22206 ........................................................................................................ 2
Figure 1 Tenement Location Map ...................................................................................................... 6
Figure 2 Regional Geology, Magnetics Map & GIS Data ................................................................ 10
1. INTRODUCTION

Exploration licence 22206 is situated immediately west of MLN 1058, which contains the Toms Gully gold deposit. Significant surface exploration and sampling has already been carried out across the tenement in the hope of locating extensions of the Toms Gully Reef. Several anomalous stream sediment samples have already been collected and highlight the prospectivity of the licence.

Previous work has been compiled into GIS format for target generation and to reduce repetition in the field. The proximity of the licence increases the possibility of finding additional resources to supplement the underground mining.

Access to the tenement is via station fencelines and secondary tracks leading from the Arnhem Hwy. These tracks 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 22206 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 to the south 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.
3. PREVIOUS EXPLORATION

The earliest known record of exploration in this area of the Mount Bundey region was undertaken during the 1970’s by Geopeko who used costeaming, rock sampling, soil sampling, and drilling.

During the early 1980’s Aquitaine Australian Minerals/ Pan D’Or Mining/ Jimberlana Mining occupied EL1653, as well as Optimal Mining/ ACA Howe Australia, then in 1986 AGIP Australia occupied EL4642 undertaking limited exploration.

During the late 1980’s to the early 1990’s Carpentaria Gold held the tenements as EL4927, in which they took stream sediment samples and some percussion drilling as a means of searching for gold deposits. Stream sediment sampling was successful in identifying the Tom’s Gully Deposit.

During the early 1990’s Kakadu Resources held the tenement as EL7322, and Dominion Gold Operations held tenement for EL8688 during 1995 and conducted lag sample analysis. Soil and rock chip samples were also taken within EL8688 by Northern Gold / Territory Goldfields along with lag and soil samples.


This work has been compiled into GIS format for target generation and to prevent repetition with follow up work.
4. CURRENT EXPLORATION

Work on this tenement began during the dry season. Data entry of previous work has been incorporated into GIS databases, along with all information from literature reviews. Lag and stream sediment samples from previous explorers are displayed in Figure 2.

Interpretation of all available Geodata was carried out prior to field activities. Geology maps, 1:20,000 colour aerial photography, Landsat imagery, reprocessed aeromagnetic and radiometric imagery, and 1:20,000 detailed Topographic maps were all consulted. The geology of the tenement consists of the Wildman Siltstone, Koolpin Formation, and the Gerowie Tuff, folded into two gently southwest plunging synclines and an anticline. The folds have northeast trending axes. Mount Bundey creek enters the tenement in the southwest corner and drains northeast along the axis of the anticline in Wildman Siltstone. Black soil flats occur along the northern boundary of the licence.

Ground exploration consisted of surface traverses across the northern area of the tenement. Koolpin formation rocks form a prominent upstanding ridgeline oriented northeast – southwest, while the Wildman Siltstone forms a more subdued surface. No outcropping quartz veins were noted. Stream sediment anomalies generated by previous explorers were not visited this field season, however will be followed up during the next reporting period.

Inspection of image processed aeromagnetics indicates a subtle northeast – southwest trending magnetic lineament entering the central area of the tenement from north of Toms Gully. This feature is on alignment with three of the anomalous stream samples and a highly anomalous lag sample just to the southwest of the licence. Further sampling along this trend will be undertaken over the coming field season.

5. REHABILITATION & ENVIRONMENTAL PROTECTION

Travel across the tenement was along station fence-lines, with little disturbance to vegetation. Tall trees, shrubs and saplings were avoided on all occasions.
### 6. EXPENDITURE DETAILS for EL22206 DURING 2004/2005

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>EL 22206</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covenant</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Accommodation, Messing &amp; Travel Total</td>
<td>$875.00</td>
</tr>
<tr>
<td>Acquisition of imagery, maps &amp; literature Total</td>
<td>$455.00</td>
</tr>
<tr>
<td>Administration Total</td>
<td>$450.00</td>
</tr>
<tr>
<td>Analysis of Data \ Results Total</td>
<td>$144.00</td>
</tr>
<tr>
<td>Assaying Total</td>
<td>$56.50</td>
</tr>
<tr>
<td>Computers &amp; Software Total</td>
<td>$0.00</td>
</tr>
<tr>
<td>Consultants Total</td>
<td>$385.00</td>
</tr>
<tr>
<td>Consumables Total</td>
<td>$72.50</td>
</tr>
<tr>
<td>Data Entry Total</td>
<td>$33.00</td>
</tr>
<tr>
<td>Drilling Total</td>
<td>$0.00</td>
</tr>
<tr>
<td>Earthworks Total</td>
<td>$0.00</td>
</tr>
<tr>
<td>Fuel Total</td>
<td>$175.50</td>
</tr>
<tr>
<td>Geo-Physics Total</td>
<td>$0.00</td>
</tr>
<tr>
<td>Geological Personnel Total</td>
<td>$4,651.20</td>
</tr>
<tr>
<td>Miscellaneous Total</td>
<td>$0.00</td>
</tr>
<tr>
<td>Rehabilitation Total</td>
<td>$0.00</td>
</tr>
<tr>
<td>Reporting Total</td>
<td>$850.00</td>
</tr>
<tr>
<td>Road works Total</td>
<td>$0.00</td>
</tr>
<tr>
<td>Site office costs Total</td>
<td>$656.00</td>
</tr>
<tr>
<td>Vehicle Expenses Total</td>
<td>$125.00</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$9,038.70</td>
</tr>
</tbody>
</table>

I certify that the information contained herein, is a true statement of the operations carried out and the monies expended on the above mentioned tenement during the period specified as required under the *Northern Territory Mining Act* and the Regulations thereunder.

I have attached the Technical Report

<table>
<thead>
<tr>
<th>1. Name:</th>
<th>Scott Hall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Signature:</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td>07/12/2005</td>
</tr>
</tbody>
</table>
7. CONCLUSION AND PROPOSALS

Stream sediment anomalies associated with the contact of the Wildman Siltstone and Koolpin Formation along an anticlinal closure (seen in Figure 2) will be followed up during next years dry season. A subtle northeast – southwest trending aeromagnetic lineament visible north of Toms Gully passes through the centre of the tenement; this feature may be a conduit or channel for mineralising fluids as three stream sediment anomalies occur in alignment just to the west of the lineament. Further to the southwest outside the licence a highly anomalous Lag sample occurs where this magnetic lineament intersects the northwest trending Noonamah – Corroboree magnetic low basement lineament. This trend will be further investigated over the coming dry season.

Further aerial photo interpretation concurrent with detailed geological mapping and rockchip traverses is also proposed.

The potential for finding further minable resources within the Mount Bundey Area is still considered very high.

The southern block will be relinquished when the MLN is granted however further work on the possible extension of the Tom’s Gully Underground resource will continue up until this time.

<table>
<thead>
<tr>
<th>Section 7.2 Work program for the next twelve months:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities proposed (please mark with an &quot;X&quot;):</td>
</tr>
<tr>
<td>Drilling and/or costeaning</td>
</tr>
<tr>
<td>Literature review</td>
</tr>
<tr>
<td>Geological mapping</td>
</tr>
<tr>
<td>Rock/soil/stream sediment sampling</td>
</tr>
<tr>
<td>Other:</td>
</tr>
<tr>
<td>Estimated Cost:</td>
</tr>
</tbody>
</table>
8. REFERENCES


NTDME, 1999. Rum Jungle Magnetics Survey

NTDME, 2000. Mary River Magnetics Survey

