2005 Annual Report

On

EXPLORATION LICENCE, EL 22232

AuQuest Project

Period Beginning 3rd September 2004
And the Period Ending 2nd September 2005.

LICENCEE \ OPERATOR: Renison Consolidated Mines NL
STANDARD 1:250,000 SHEET: SD5204 Darwin
STANDARD 1:100,000 SHEET: Noonamah 5172
AUTHOR: Scott Hall Project Manager.
Tony Slade Exploration Geologist.
DATE: October 2005
DISTRIBUTION: NT Department of Mines & Energy.
Renison Consolidated Mines NL, Brisbane.
Renison Consolidated Mines NL, Tom’s Gully.
Tenement Details

The tenement comprises 4 blocks covering 10.60 km² and is located north and south of the Arnhem Highway in the vicinity of Corroboree Park Tavern, approximately 10 kilometres west of Toms Gully goldmine.

Tenement History

Table 1 Tenure Details EL 22232

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<th>Date of Grant</th>
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<th>Blocks Retained</th>
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<td>2 2004/2005</td>
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<td>3 2005/2006</td>
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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. EL 22232 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 orebody 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.
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1. INTRODUCTION

Previous work on EL22232 has been compiled into GIS format for target generation and to reduce repetition. Aeromagnetic data has been reprocessed to highlight structural trends and to indicate any significant anomalies; 1:20,000 colour aerial photography and 1:20,000 topographic maps have also been used in field interpretation.

Several ground reconnaissance trips were undertaken, both north and south of the highway, and several rockchip samples collected. A major wet season creek drains the area (Scott Creek) away to the northwest, where it eventually reaches the Adelaide River floodplain. Black soil plains cover approximately half the tenement, and subdued areas of eroding laterite and residual soils cover the remainder.

Access to the tenement is available directly from Arnhem Highway, which then links to secondary tracks 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.
Figure 1. Tenement Location Map
2. REGIONAL GEOLOGY

EL22232 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.
Figure 2. Regional Geology, Magnetics Map & GIS Data.
3. PREVIOUS EXPLORATION

The earliest record of exploration in this area of the Mount Bundey region was located in the EL114 and AP2605 tenures, conducted in 1973 by Kewanee Australia Pty Ltd with no significant results found; Geopeko (EL114) also were interested in the area but reported no geophysical or geochemical anomalies of interest.

Geopeko were then the dominant exploratory company until 1977. They were looking for uranium and base metals using costeanning and rock chipping on EL142, however results form these samples were poor, with no economic value. Four costeans were completed in 1975, and a seven hole diamond drill program and the collection of soil and rock chip samples. One further diamond hole was drilled in 1976.

During 1979 both CRA Exploration and the Northern Territory Geological Survey conducted tests on EL1468, rock chips and soil samples were collected and analysed, with CRA receiving only poor results while the Northern Territory Geological Survey data suggested gold possibilities but no base metals. Carpentaria Gold took over EL5863 in 1989, with minimal gold found by stream sedimentin this area however the this method was successful in locating Tom’s Gully Mine.

4. CURRENT EXPLORATION

During the 2005 field season several reconnaissance trips were conducted within EL22232. A major creek system passes through the tenement (Scott Creek) draining to the northwest on to the Adelaide River floodplain. Topography is very subdued and extensive Black Soil plains are developed over half the licence area. Proximal to the black soil regions are denuded laterite with residual soil flatlands. Linear outcrops of highly silicified quartz arenite/quartzite were noted in the residual lateritic soil areas just north of Scott Creek. These exposures are barely half a metre above the soil surface, and are the only occurrence of the Wildman Siltstone throughout the tenement. Along the eastern boundary of the licence, cobbles and small boulders of residual quartz veining occur within the eroding laterite and on the residual soils. Several samples were collected for Au analysis in ppm, however all results were at or below detection as tabulated below.

West of Scott Creek, low lying areas of eroded laterite with quartz vein fragments scattered throughout were also inspected.

Table 2. Rock Chip Locations & Results.

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5. REHABILITATION & ENVIRONMENTAL PROTECTION

Travel throughout the tenement was conducted along existing bush tracks leading to and from Scott Creek, and in the east old station tracks were utilised to gain access into the denuded laterite and residual soil areas. Vegetation disturbance was kept to a minimum, however where cross country travel was necessary to gain access to rare rock exposures and favourable sampling sites, large trees, bushes and saplings were avoided.
6. EXPENDITURE DETAILS for EL23174 DURING 2004/2005

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<td>Grand Total</td>
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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

1. Name: Scott Hall
   Position: Project Manager
   Signature: [Signature]
   Date: 01/11/2005
7. CONCLUSION AND PROPOSALS

Exploration during the 2006 field season will concentrate on the areas of residual eroding laterite and soils; these areas are amenable to BLEG soil sampling and Laterite geochemistry. Stream sediment sampling along the length of Scott Creek should also be undertaken in an attempt to detect subtle Au anomalies which may be traceable back to the areas of lateritic soil. Any areas of anomalous geochemistry detected should immediately be followed up with a RAB drilling programme and costeaining.

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

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<tr>
<td>[X] Airborne geophysics</td>
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<td>[?] Geological mapping</td>
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<td>[X] Rock/soil/stream sediment sampling</td>
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Estimated Cost: $8,500
8. REFERENCES


NTDME, 1999. Rum Jungle Magnetics Survey

NTDME, 2000. Mary River Magnetics Survey

