2005 Annual Report

On

EXPLORATION LICENCE, EL 10382

AuQuest Project

Period Beginning 23rd October 2004
And the Period Ending 22nd October 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: November 2005
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 49 blocks covering 124km² and is located west of Tom’s Gully.

Tenement History

Table 1 Tenure Details EL 10382

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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 10382 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.
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   2003/2004 ........................................................................................................................................ ERROR! BOOKMARK NOT DEFINED.

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1. INTRODUCTION

Exploration of EL 10382 began at the start of the dry season. Interpretation of all available data was carried out concurrently with field activities: colour aerial photography, geological and topographic maps at various scales, Landsat imagery, and reprocessed aeromagnetic and radiometric imagery. All work undertaken by previous mining companies has been compiled into GIS format for target generation and to reduce repetition of field work.

Surface gold mineralisation has been discovered previously within the tenement at the Robertson prospect on the southern boundary of the licence. Several other smaller gold occurrences are to the northeast of this prospect. In the vicinity of the old 47 mile track, several of the old Quest prospects occur, these being Quest 39, 40 and 41.

Geological mapping and gridding from Steve’s Hill has extended into this tenement; further work on the Steve’s Hill magnetic / structural trend in the northwest corner of the licence has also been carried out.

Access to the tenement is via secondary tracks leading from the Arnhem Hwy and the Marrakai Track. 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 10382 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 2.

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, Magnetics Map & GIS Data
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 and then by CRA Exploration. Geopeko used costeanning, rock chipping, soil sampling, drilling and core sampling, while CRA mainly used rock chipping.

During the early 1980’s Aquitaine Australian Minerals/ Pan D’Or Mining and Jimberlana Mining occupied EL1653, as well as Optimal Mining and ACA Howe Australia. Euralba Mining and Burmine (EL3298) completed gridding, minor drilling and rock chip sampling, while Inco Australia and Dominion Gold Operations held the tenements for EL 2240 and EL 6781 respectively.

During the late 1980’s to the early 1990’s Carpentaria Gold held the tenements for EL5290, in which they took rock chip, soil, and stream sediments samples as a means of searching for gold deposits. Normandy Exploration held the tenement EL8019, and conducted stream sediment sampling. Euralba Mining/Burmine and Carpentaria Gold (EL5941) undertook rock chip, stream sediment sampling, costeanning and drilling.

During the 1990’s Normandy Exploration (EL8019) and Poseidon Exploration held the tenements EL7583 and EL7568, collecting stream sediment samples, with the prior drilling some RAB holes and minor percussion drilling with diamond tails. Soil samples were taken within EL9154 by Northern Gold.


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

Exploration on EL10382 began at the start of the dry season. Interpretation was carried out concurrently with field activities; this interpretation consisted of Geology maps, colour aerial photographs at 1:20,000 scale, Landsat imagery, re-processed aeromagnetic imagery, and 1:20,000 Topographic maps. Access to the tenement was via the old 47 mile track linking to the Arnhem highway and the Marrakai track. Secondary station tracks and fencelines were used to gain access to the interior of the licence.

The topography of the central and northern sectors of the tenement consists of numerous hills and gullies developed on the more resistant Mount Partridge Group and the South Alligator Group sediments. These formations have been folded into anticlines and synclines with northeast to north trending axes which plunge gently to the south. The western sector is eroded Burrell Creek Formation being actively drained to the northwest along the Marrakai Creek.

The northwestern area north of the Marrakai track contains the extension of the EL 22068 Steves Hill structural trend – a major zone of dislocation containing significant surface gold mineralisation. A prominent topographic lineament east of this zone outlines a fault which trends northeast parallel to the Steves Hill trend. Two prominent aeromagnetic lineaments pass through the tenement, and are interpreted to be basement conduits along which mineralising fluids have been channelled. The northwest trending linear magnetic low which is truncated/offset by the Steves Hill fault zone passes through the northern sector of the licence; a north-north-west linear magnetic high on the western boundary is interpreted to be a dolerite dyke.

Sampling throughout the tenement comprised extensive rockchipping of outcropping quartz veins and lateritised ferruginous duricrust. Several samples of more iron rich lithologies were also collected. The Robertson gold prospect, a quartz veined anticlinal fold nose trending north – south, was also visited and sampled. (sample 10382-08, 0.31 g/t Au).
## 5. REHABILITATION & ENVIRONMENTAL PROTECTION

Travel throughout the tenement was along established tracks and station fencelines. Where visits to hills, ridges and outcrops necessitated travel across country, large trees, shrubs and saplings were avoided.
6. EXPENDITURE DETAILS for EL10382 DURING 2004/2005

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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.

X I have attached the Technical Report

1. Name: Scott Hall

   Position: Project Manager

   Signature:

   Date: 07/12/2005
7. CONCLUSION AND PROPOSALS

Although the first pass rock chipping has returned relatively low levels of gold anomalism, there remain large areas of the tenement which were not visited or sampled. A meeting with the present owner of the Robertson gold prospect is currently being organized with the objective that the prospect be incorporated into EL 10382. The existence of mineralisation at Robertson is encouraging for the rest of the tenement, especially along the anticlinal axes plunging to the south; the prospect also occurs where the NNW trending magnetic basement dolerite intersects the anticlinal fold nose.

The NW trending linear magnetic low basement structure that crosses through the tenement from Steve’s Hill remains a priority target to be followed up. Surface sampling along the length of the structure is proposed, using a combination of techniques such as BLEG soils, Lag and rockchips, and gully sediments. The extension of the Steve’s Hill structural trend / fault zone into the northwest corner of the licence has been visited and several quartz veins sampled; however no anomalous samples were returned. Further work along the western side of Mayo’s Ridge, where a major NE trending topographic lineament / fault is present, will also be carried out; also where the NW trending magnetic low structure intersects the surface fault. Gold mineralisation up to 0.35 ppm has already been discovered just north of the licence boundary in EL 22068 along Mayo’s Ridge.

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

Section 7.2 Work program for the next twelve months:

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<td>X Rock/soil/stream sediment sampling</td>
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Estimated Cost: $20,000
8. REFERENCES


NTDME, 1999. Rum Jungle Magnetics Survey

NTDME, 2000. Mary River Magnetics Survey

