YEAR 2 RELINQUISHMENT REPORT

EXPLORATION LICENCE EL30280

Mckinlay South Project

For the reporting period 15th October 2014 to 14th October 2016

Ross Anictomatis

Project Name: Mckinlay South

Map Sheets: McKinlay River, 5271 1:100,000
Pine Creek SD5208 1:250,000

Commodities: Gold, Silver Base Metals, Tin, Vein Type Uranium

Licensee: Ross Anictomatis.

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Date: Feb 2017
SUMMARY

EL30280 is located approximately 100kms southeast of Darwin. It was granted 15/10/2014 and is 100% owned by Ross Anictomatis. The tenement has outcropping rocks of the Finniss River Group (Burrell Creek Formation) in the middle and southwestern parts of the tenement and the South Alligator Group in the north eastern corner. The area has undergone polyphase deformation, and folding is tight to isoclinal with the fold axes trending north to north-northwest and plunging both to the northwest and south west.

A waiver from reduction was submitted and granted at the end of year 2. However due to the covenant not being fully met 11 blocks were required to be relinquished. This report details the exploration undertaken on the relinquished blocks since grant of the tenement:

There was no exploration done by the company on the relinquished ground for the duration it was held.

Although the relinquished blocks cover the prospective Burrell Creek formation they were chosen for relinquished as they were at the tenement edges, distant from the main areas of interest. Also 9 of the 11 relinquished blocks were only partially covered by the tenement and were chosen for relinquishment so minimal ground was lost.
1.0 LOCATION

Exploration License EL30280 is located approximately 100kms southeast of Darwin (Figure 1), on Old Mount Bundey Station (NT Por 4938). Access to the Mckinlay South tenement is gained by dirt tracks heading east from the Mount Ringwood Station Homestead: Alternate access to the tenement may be gained south of the Arnhem Highway (25 kms) on station tracks. Most of the license may be accessed during the dry season, by four-wheel-drive vehicles, using the black soil plains situated between areas of low hills. During the wet season the license is inaccessible due to flooding of the black soil plains.

Figure 1 shows the location of the Exploration Licence relation to the main highways.
Figure 1: Project Location Plan
2.0 TENURE

EL30280, was granted 15/10/2014 and is 100% owned by Ross Anictomatis. The tenement covered 97 blocks over an area of 294.5km². The ground was pegged to test potential for shallow gold, silver and tin. A waiver from reduction was submitted and granted at the end of year 2. However due to the covenant not being fully met 11 blocks were required to be relinquished (figure 3). This report details the exploration undertaken on the relinquished blocks since grant of the tenement.

The license lies within the McKinlay River and Mount Ringwood perpetual pastoral leases; parcels 04938 and 00696 respectively (Figure below).

![Figure 2: Tenement and Cadastre](image-url)
Figure 3: Retained blocks after relinquishment, 2017
3.0 GEOLOGY

3.1 Regional Geology

The tenement is situated within the Pine Creek Geosyncline in the Darwin-Katherine region of the Northern Territory. These basins contain Archaean and Early Proterozoic rocks, which are bounded by younger, largely undeformed sedimentary rocks. The oldest rocks in the region are Archaean granites and metamorphics of the Rum Jungle, Waterhouse and Nanambu Complexes. These rocks formed a shallow intracratonic basin in to which the Early Proterozoic sediments were deposited. This Early Proterozoic sequence has been sub-divided four main groups from oldest to youngest as follows:

(a) **Namoona Group** - is composed of conglomerates, sandstones, quartzites, carbonates and minor banded iron formation which lie unconformably on Archaean basement rocks.
(b) **Mount Partridge Group** - consists of conglomerates, sandstones, siltstones, shales, quartzites, cherts, carbonates and basic volcanics which lie unconformably on Namoona Group.
(c) **South Alligator Group** - is made up of greywackes, quartzites, siltstones, cherts, tuffs, phyllites, carbonates, and banded iron formation and lies unconformably on Mount Partridge Group.
(d) **Finniss River Group** - is composed of conglomerates, greywackes, siltstones, shales and slates and lies conformably on South Alligator Group. Intrusion of this sequence by basic intrusives of the Zamu Dolerite occurred prior to green schist facies metamorphism and a major phase of deformation. This metamorphic event and polyphase deformation occurred about 1870 - 1800Ma and was followed by the intrusion of granites around 1760Ma.

3.2 Local Geology

The tenement has outcropping rocks of the Finniss River Group (Burrell Creek Formation) in the middle and southwestern parts of the tenement and the South Alligator Group in the north eastern corner.

The Burrell Creek Formation includes greywackes, siltstones, and shales which are intruded by northwest trending lamprophyre dykes. The lithological descriptions show brown to grey-green, thickly bedded to massive, fine to coarse feldspathic metagreywacke with graded bedding in places and minor lenses of volcanolithic pebble conglomerate; brown to grey, laminated phyllite, slate and mudstone.

In the North East corner of the tenement rocks of the South Alligator Group are exposed within a south east plunging anticlinal structure. The lithological description shows interbedded carbonaceous sericitic and commonly pyritic or chloritic slate, phyllite, mudstone and siltstone; fine to coarse feldspathic metagreywacke; ferruginous phyllite (metasiltstone) with chert bands, lenses and nodules; dark grey crystal tuff and vitric tuff, pale green-grey siliceous argillite; minor banded iron formation, dololutite lenses and biotite-quartz schist.

The area has undergone polyphase deformation, and folding is tight to isoclinal with the fold axes trending north to north-northwest and plunging to the northwest. Bedding strikes north-northwest and varies from steeply dipping to subvertical. The rocks exhibit lower greenschist facies metamorphism and possess localised zones of weak homfelsing.

Exploration potential exists for gold and precious metals including: Vein Au, Vein Sn, Polymetallic Cu, Pb, Zn, Ag veins and vein-type U.
Figure 4: Prospects, Geology and historic soil sampling
3.3 Known mineralisation

Stratiform Gold - Base Metal Mineralisation. All significant known deposits of this type occur within the South Alligator Group although some small deposits have been found in upper Mount Partridge Group and Cahill Formation equivalents. Gold is concentrated within lenses of bedded sulphides hosted by iron formation, carbonaceous mudstones and cherts. The Cosmo Howley, Golden Dyke Dome and Iron Blow/Mount Bonnie deposits are of this style.

Quartz Vein and Stockwork Gold — Base Metal Mineralisation
Economically this is the most important style of mineralisation in the area. This type of mineralisation is found in upper South Alligator and Finniss River Groups. Veining occurs as continuous, often conformable to bedding veins and stockworks. Vein systems are typically located near anticlinal axes and associated with lamprophyre dykes intruded parallel to cleavage. Included in this style are the Enterprise, Goodall, Tom’s Gully, Mount Todd, Woolwonga, Moline, Union Reefs and Brooks Creek deposits.

Relevant significant nearby mineralisation includes (Figure 1):

- The Toms Gully gold mine, only 5kms to the north; a persistent vein in the South Alligator Group.
- Mt Bundey Iron mine 3.8km north (Skarn mineralisation).
- Quest 29 mine (13m @ 1.84g/t Au), 2.5km to the south (3.5km along strike).
- Rustlers Roost Mine, 6.5km to the west, gold mineralised sheeted quartz sulphide veins.

Within relinquished ground there are no prospects or deposits (figure 3).
4.0 PREVIOUS EXPLORATION

At the turn of the century (records date back to 1894) two areas within the tenement area were mined for gold: North Ringwood and Ringwood South. A total estimated 2,800 oz of gold was recovered over an 8 year period. All three of the deposits occur on a north - northwest trending zone of gold mineralisation which strikes for a distance of about 8km.

Available recent exploration reports date back to 1975 with exploration for various commodities including gold, base-metals, uranium and diamonds. Companies including Geopeko (active in the 80’s) and Sons of Gwalia, Poseiden, Normandy, Pacific, Acacia Resources, Sirocco, Northern Gold and Carpentaria Gold (during the 90’s) explored the area.

Exploration primarily focused on gold potential at the Ringwood deposits with trenching, soil sampling, rock chip sampling, RC and diamond drilling.

There was no significant exploration or discovery noted from historical data review within the relinquished ground.

Figure 6: Registered map from historic report showing location of prospects and high grade samples
5.0 WORK DONE DURING YEAR 1 and 2

There was no exploration done by the company on the relinquished ground.

7.0 Conclusion and Recommendations

Although the relinquished blocks cover the prospective Burrell Creek formation they were chosen for relinquished as they were at the tenement edges, distant from the main areas of interest. Also 9 of the 11 relinquished blocks were only partially covered by the tenement and were chosen for relinquishment so minimal ground was lost.
BIBLIOGRAPHY

