2007 Annual Report

On

EXPLORATION LICENCE, EL 23172

AuQuest Project Area

Period Beginning 6th May 2006
To Period Ending 5th May 2007

LICENCEE \ OPERATOR: Renison Consolidated Mines NL
STANDARD 1:250,000 SHEET: SD5204 Darwin
STANDARD 1:100,000 SHEET: Noonamah 5272
AUTHOR: Scott Hall Project Manager.
DATE: June 2007
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 km$^2$ 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. It is expected that exploration on these EL's will find additional open cut ores which can be treated through the operational Tom's Gully plant.

Approximately $2.5m has been spent on ground at Tom’s Gully and other tenements within the AuQuest Project, as part of the company’s exploration strategy, over the previous 18-month period. The Feasibility Study on Tom’s Gully Underground has been completed and underground development started in September 2005 with the mill undergoing final commissioning. Following commissioning and 6 months of processing an offer to buy Tom’s Gully Mine was made by GBS in March 2007 this deal was finally signed on 25$^{th}$ of May and is now pending shareholder approval.

Since the offer was made Renison has completed no work on any Northern Territory tenements. Partially due to the sale but also due to Renison’s Project Geologist resigning after a long bout with sever allergies since moving to the NT.
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1. INTRODUCTION

Renison Consolidated Mines NL was granted EL 23172 on the 6th May 2003. This report outlines exploration and expenditure undertaken during the 2005/2006 field season. Previous work in the tenement area continues to be compiled into GIS format for interpretation and target generation. Landsat TM imagery, contoured topographic maps at various scales and existing geological mapping have all assisted in interpretation of the tenement area.

Several reconnaissance exploration campaigns were undertaken into the northern and central sectors of the license. Exploration of the southern sector proved difficult due to a major drainage line with standing water, access to this sector will be attempted via an east-west track from the McKinlay area during the next reporting period.

Access to the northern part of the tenement is via the Marrakai Road; the central and southern area is via the Rustlers Roost/Bandicoot Mine track. Existing station tracks and fence lines provide good interior access to most of the license.

Some highly ferruginous quartz veins were sampled throughout the licence area particularly surrounding the Bandicoot Au Mine. The highest sample obtained had a value of 0.74ppm Au.
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.
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 undertook a reconnaissance exploration programme over accessible areas of EL 23172. The license is the largest held by Renison (194 square kilometers, consisting of 65 blocks), and covers ground over one of the significant northwest trending basement structures, which has been dislocated by later deformation events. There appears to be a close association between these dislocated structures and gold mineralisation, as evidenced by the Bandicoot Mines and several other prospects to the northwest along the basement trend.

Access to the license area was via the Marrakai Road through the northern sector, and via the Rustlers Roost-Bandicoot track into the central and southern sectors of the tenement. Existing fence lines and tracks were also frequently used.

The area surrounding the Bandicoot Au Mine was the main target location for this year's field campaign, with 10 rock chip samples being collected, geological mapping and aerial photography interpretation also being conducted. A prominent drainage line with standing water prevented access to the southern sector.

The rock chip samples were collected from outcropping highly ferruginous quartz veins, with the highest Au value at 0.75ppm. Interpretation of TM Imagery indicates that the structural grain is NW-SE in the south east and swings around to be N-S in the north of the tenement. A significant topographic ridge of elevation 59m (aligned north-south) was visited in the northern sector, and several ferruginous quartz veins along its flank were sampled; however Au values were 0.01ppm or less. This structural trend remains prospective, as the Merlin Station Dam, Marrakai and Stop 16 gold occurrences are also in alignment several kilometres to the south; to the north-east the trend curves around to become the Steve’s Hill gold trend.

5. REHABILITATION & ENVIRONMENTAL PROTECTION

Environmental disturbance has been kept to a minimum. Vehicle traverses throughout the tenement have been mainly along existing fence lines and station tracks, and along prominent ridgelines. Where visits to rock outcrops and quartz veins necessitated 4WD travel through the bush, large trees, bushes and saplings were avoided.
## 6. EXPENDITURE DETAILS for EL23172 DURING 2006/2007

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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: NT Project Manager
   Signature: [Signature]
   Date: 05/06/2007
7. CONCLUSION AND PROPOSALS

7.1 Conclusions

Geological and assay data being collected from previous explorers and input into the GIS database will be examined, plotted and re-interpreted, allowing new targets to be generated and existing Au anomalies to be visited and appraised in the field. The Merlin Station Dam to Steve’s Hill structural trend needs to be further investigated with rock chip sampling and soil sampling traverses.

Similarly, the William Au prospect west of Bandicoot Mine will be visited (once previous explorer assay data has been analysed) and an investigation carried out.

7.2 Proposals

The north-west trending basement structure between Bandicoot Mine and the Merlin Station Dam Au occurrence, and the area further to the NW, will be examined and rock chip and soil sampling carried out. The southern unexplored sector of the license will be visited through an east-west access track from the McKinlay river area; this area also contains the dislocated intersection between the NW basement structure and a NNW basement structure of higher magnetic intensity. This zone may have been a focus for gold mineralisation.

Gold anomalies generated will be further investigated with costeansing and RAB drilling. Low-level air-bourne geophysical traverses may also be undertaken to provide better definition and hopefully a clearer understanding of the underlying structures.

### Section 7.2 Work program for the next twelve months:

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<td>Rock/soil/stream sediment sampling</td>
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Estimated Cost: GBS To fill in
8. REFERENCES


NTDME, 1999. Rum Jungle Magnetics Survey

NTDME, 2000. Mary River Magnetics Survey

