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**EL 23436 - SARGENTS**

**Annual Report  
for the Year ended**

**29 December, 2008**

H.Porteous  
January 2009

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## **INTRODUCTION**

This tenement is considered prospective for gold, platinum and palladium mineralisation. During the first year one short diamond drill hole was completed at the Sargents North Prospect. During the second year a planned drill hole was abandoned due to access difficulties following rain. In the third year two RC holes were completed at the Sargents prospect intersecting anomalous gold and platinoid mineralisation. A further two RC holes have been completed in the fourth year extending the zone of anomalism.

## **TENEMENT DETAILS**

An application for 37 blocks (88 square kilometres) was made on 12 November, 2001. This was subsequently reduced to the freehold parts of 2 blocks, which was granted as EL 23436, effective 30 December, 2003. Ownership was originally Compass Resources NL 90% and Guardian Resources Pty. Ltd. 10%. Compass now owns Guardian Resources, so has effective 100% ownership of the tenement.

The tenement is located on the Pine Creek 1:250,000 sheet (5270), Reynolds River 1:100,000 sheet (5071) and Adelaide River 1:20,000 topographic map (5071-43) covering an area of approximately 5.9 square kilometres.

## **ACCESS**

Access to the area is by following the old railway route south from Batchelor, or via the unsealed Camp Creek road from Adelaide River. Minor tracks exist in the tenement.

## **GEOLOGICAL SETTING**

This tenement is located approximately thirteen kilometres south of Batchelor on the south-eastern side of the Archaean Waterhouse complex, covering the basal sedimentary sequence, including the Namoon Group and the Mt. Partridge

Group. The presence of areas of brecciated ferruginous rocks and sandstones, variably referred to as the Ella Creek member of the South Alligator Group and/or the Buldiva Sandstone of the Tolmer Group, confirming that the present surface is near to but just below a major Proterozoic unconformity.

Outcrop is poor in the area, with strong lateritisation and recent alluvium obscuring much of the underlying rocks.

The tenement covers the Sargents and Sargents North Au, Pt, Pd prospects, originally located by Aztec Mining Company Ltd in the 1990's.

The most recent published data of this area is from Lally et al 2002 (Rum Jungle 1:100,000 Mineral Field Map).

## **PREVIOUS EXPLORATION**

During the period 1950-1974, most of the exploration in this area was conducted by the BMR as part of a regional programme aimed at locating uranium deposits. The Waterhouse No. 2 copper-uranium prospect, located at that time is just north of the northern boundary of the current tenement.

Aztec Mining last held the area in the period 1992-1998 and gives a good summary of previous exploration in its early Annual Reports.

Aztec located both the Sargents and Sargents North gold-platinum-palladium prospects, following the completion of a large geochemical survey that covered the current EL and surrounding areas.

Work by Aztec included stream sediment sampling, soil and rock chip sampling, costeaning and various drill programmes. They also completed a large aeromagnetic survey of the region.

Since 2004 Compass Resources has completed five drill holes at the Sargents / Sargents North prospects to try and determine the nature of this unusual type of mineralisation.

In 2006 the area was also covered by new digital photography at 1:6000 scale.

## **WORK COMPLETED THIS YEAR**

During the period ending 29 December 2008, Compass has concentrated its efforts on historical data compilation in order to build a regional geological model from which to define potential drilling targets. This is part of the holistic regional approach being applied by Compass to exploration within the Rum Jungle area.

Evaluation of previous drilling over the tenement is continuing in an attempt to further develop an understanding of the unusual type of mineralisation.

A comprehensive GIS was built to contain all historical data and will be used extensively in the assessment of potential targets as the nature of mineralisation is further understood. See Map 1 for current GIS drill hole compilation.

## **PLANS FOR NEXT YEAR.**

Data compilation will continue in order to further develop the regional model as well as to allow for greater evaluation of potential drill targets. There are also several mapping campaigns scheduled which would cover the tenement area though this is dependant primarily on access and vegetation coverage.

Expected expenditure is anticipated to exceed \$15,000.

## REFERENCES

Lally, J. H., 2002 Stratigraphy, structure and mineralisation, Rum Jungle Mineral Field, Northern Territory. NTGS Record 2002-005

### **Previous Reports (Aztec Mining)**

- CR 93/269 Annual Report for year one, Exploration Licence 7706.
- CR 94/298 Annual Report for year two, Exploration Licences 7706 and 7523, Sargents Area, Batchelor.
- CR 95/305 Annual Report for year three, Exploration Licences 7523 and 7706, Sargents Area, Batchelor, Northern Territory.
- CR 96/282A Annual Report for Exploration Licences 7523 and 7706 (year 4), 8929 (year one), 7885 (year three), and AN 349 (year four), Sargents Area, Batchelor, Northern Territory.
- CR 97/306A Annual Report for Exploration Licences 7523 and 7706 (year 5), 8929 (year two), 7885 (year four) and AN 349 (year five), Sargents Area, Batchelor, Northern Territory 22.04.96 to 21.04.97.
- CR 98/411 Annual Report for Exploration Licences 7523 and 7706 (year six) Sargents Area, Batchelor, Northern Territory
- CR 99/321 Final Report for Exploration Licence 7706, Sargents Area, Batchelor, Northern Territory 23.03.92 to 22.03.99.

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Preliminary report on scintillometer airborne surveys over the Run Jungle area and other portions of the Northern Territory. *BMR Record No. 1952/79*
- Yokoyama, T., 1988  
Annual Report 1987, Project 8051 and 8052, Rum Jungle area, Batchelor, NT. ELs 4771 and 4772. *Unpublished Report for Idemitsu Minerals Aust. Pty. Ltd. NTDME Library Record CR 88/226 A-B*

## **EXPENDITURE REPORT 2008**

Salaries & Wages	\$ 6599.19
Field Costs	\$ 6,432.43
Drilling	
RC	\$ 14,375.70
RC Consumables	\$ 4,862.84
Compass Consumables	\$ 1,175.80
Assay	\$ 3,558.04
Travel & Accommodation	\$ 1,089.88
Total expenditure	\$ 38,093.88



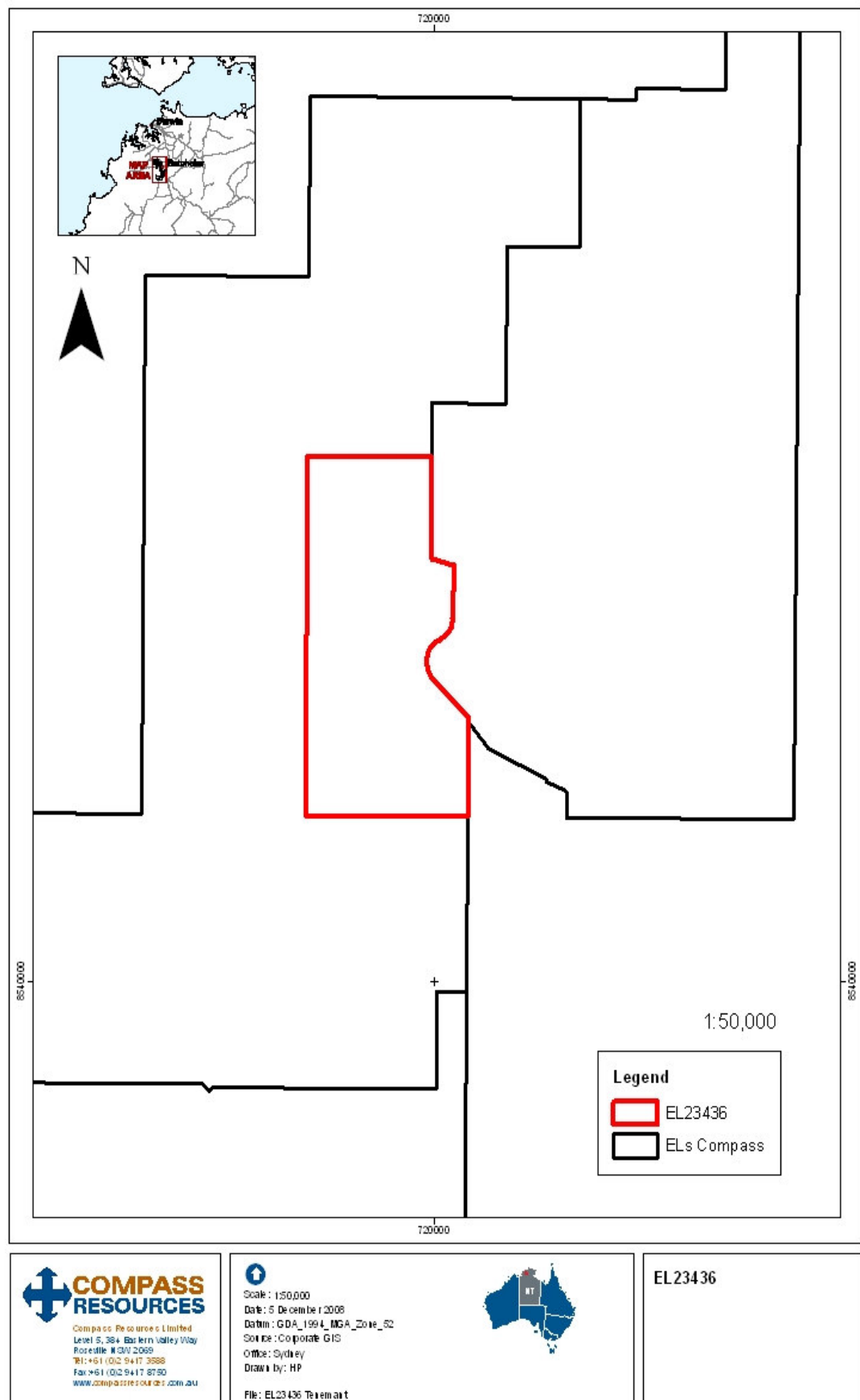


Figure 1. Tenement Location