Partial Relinquishment Report
EL 385 Walker River, East Arnhem Land
For the Period 9 June 2007 to 8 June 2008
Blue Mud Bay SD 5307,
Northern Territory

Exploration Report No. 28362

Tenement Holder: Rio Tinto Exploration Pty Limited

Date: July 2008

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RTX Perth Information Centre
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1. **SUMMARY**

Exploration Licence (EL) 385 was applied for in 1972 by CRA Exploration Pty Limited (CRAE). Partial consent of the application area resulted in the granting of two separate licences (ELs 385 & 24304) in June 2004. The tenements are located approximately 180km south-west of Nhulunbuy, and 80km north of Numbulwar in south east Arnhem Land and consequently are processed under the Aboriginal Land Rights Act 1975 (ALRA). EL 24304 was relinquished in full on the 4 May 2006. This is the third relinquishment and EL385 is now 12% of the original granted area.

The tenement is considered prospective for base metal mineralisation, similar to that at McArthur River (HYC) in the McArthur Basin. Subsidiary targets are diamonds. The tenements contain McArthur Group equivalent sediments adjacent to the eastern margin of the Walker Trough. McArthur Group sediments are host to the McArthur River (HYC) lead-zinc deposit located approximately 300km to the south.

Stream sediment, soil and gravel sampling was conducted within the relinquished area.

The work completed indicates there is not an outcropping base metal deposit within the area to be relinquished.

2. **INTRODUCTION**

EL 385 was applied for in 1972 by CRAE. The tenement area is located approximately 180km south-west of Nhulunbuy, and 80km north of Numbulwar in south east Arnhem Land and consequently the applications are processed in accordance with the Aboriginal Land Rights Act 1975 (ALRA).

Partial consent of the initial application area was obtained in 2003. The consented land covered two separate areas of land and consequently two exploration licences (EL 385 and EL 24304) were granted to Rio Tinto Exploration Pty Limited (RTX) on 9 June 2004. The tenements were granted on a non-graticule basis. Tenement details are included in Table 1 below. See plan pZn08_007 for tenement location.

EL 24304 was relinquished in full on the 04 May 2006. This is the third partial relinquishment of EL 385 and a total of 7.76km² in 7 sub blocks will be retained.

<table>
<thead>
<tr>
<th>Tenement No.</th>
<th>Tenement Name</th>
<th>Ownership</th>
<th>Application Date</th>
<th>Grant Date</th>
<th>Blocks Granted</th>
<th>Blocks (incl. partial blocks) Retained</th>
</tr>
</thead>
</table>

3. **GEOMORPHOLOGY**

The tenement area comprises portions of two major physiographic subdivisions, the Gulf Fall and the Coastal Plain. The Gulf Fall comprises dissected hilly country draining towards the Gulf of Carpentaria and the Coastal Plain comprises low relief areas adjacent to the coast. The Coast Range divides the tenement area. This is a NNE trending line of hills with a maximum elevation of approximately 100 metres (after Haines et al 1999).
The Walker and Marura Rivers and Laurie Creek form major perennial water courses within the general vicinity of the tenements.

4. **GEOLOGY**

The tenement area covers a small part of the Paleo – Mesoproterozoic McArthur Basin, one of the principal tectonostratigraphic components of the Northern Australian Craton.

Mapped units represented within the relinquished area include the Paleoproterozoic Grindall Formation, Coast Range Sandstone and Jalma Formation, the Mesoproterozoic Balbirini Dolomite (Nathan Group) and unnamed Cainozoic units.

The Coast Range Sandstone consists of white, medium to coarse-grained, thick-bedded, commonly pebbly quartz sandstone with lenticular basal pebble or cobble conglomerate. The unit unconformably overlies the Grindall Formation.

The Jalma Formation consists of brown to purple, medium-grained, thin to medium-bedded, ferruginous; fine-grained, thin-bedded sandstone near the base with local basal conglomerate and an upper recessive unit of laminated claystone. The Jalma Formation unconformably overlies the Coat Range sandstone and locally on Grindall Formation.

The Balbirini Dolomite is described as being up to 100 metres thick and consisting of chert, altered carbonate containing stromatolites, locally common ooids, evaporates and intraclast breccia; lesser interbedded sandstone, chert clast rich and cross bedded. A basal sandstone and polymeric, open framework conglomerate are present locally. This unit is presumed to unconformably overlie the underlying units, though the contacts are obscured by alluvium.

5. **GEOPHYSICS**

The project area is covered by regional gravity and by airborne magnetic and radiometric data. The aeromagnetic data are from the Mitchell Ranges 1990 and Marumba 1988 Surveys. These surveys had east west oriented flight lines with a line spacing of 500 metres and a mean survey elevation of 100 metres.

Data has been acquired and reviewed. No features of interest are recognised within the relinquished area.

6. **EXPLORATION COMPLETED**

Exploration completed included:

- Stream Sediment sampling (three samples)
- Gravel Sampling (three samples)
- Soil Sampling (42 samples)

All geochemical data from soil and stream sediment sampling is low for lead, zinc and silver. There were no diamond indicator minerals observed in any of the gravel samples. See plan pZn08_012 for locations.
7. **ENVIRONMENT**

All work completed in the relinquished area was low impact.

8. **CONCLUSIONS AND RECOMMENDATIONS**

The work completed indicates there is not an outcropping base metal deposit within the area relinquished.
REFERENCES


LOCALITY

Blue Mud Bay    SD 5307    1:250 000

DESCRIPTOR

Partial Relinquishment Report EL 385 Walker River, East Arnhem Land For the period 9 June 2007 to 8 June 2008 Blue Mud Bay SD 5307, Northern Territory. Report 28362

KEYWORDS

Walker River, Blue Mud Bay, base metals, bauxite, ICP analysis.
APPENDIX 1

Sampling Ledger

WalkerRiver_gravels.txt
WalkerRiver_soil_sample_geochemistry.txt
WalkerRiver_stream_sediment_geochemistry.txt