Tenement Holder/Operator: Sabminco NL / Tribune Developments Pty Ltd
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Company Report No: 2009/22
1:100 000 map sheet: Tennant Creek (5758)
Target Commodity: Gold
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Summary

Exploration access to MLC527 has been restricted since the registration of the Marla Marla-Kantiji sacred site in 1988. Attempts by Tribune Development to re-negotiate access to the lease with the CLC and the traditional owners have so far been unsuccessful.

Access restrictions to the lease precluded work on MLC527 during this reporting period.
1.0 INTRODUCTION

MLC527 (Hammerjack Extended) is located approximately 6 kilometres SSW from the town of Tennant Creek in the Northern Territory. The lease is one of ten contiguous leases that form the Company’s Mt Samuel project. The Mt Samuel project lies almost wholly within the boundary of registered Sacred Site 5758-0015 known as Marla Marla-Kantaji.

![MLC527 Location Map](image)

2.0 ACCESS AND TENURE

Lease MLC527 can be accessed via the sealed Stuart Highway and then approximately 1.0km west along a track which follows the ridge line of the historic gold workings; Hammerjack, Red Ned, Outlaw and Mt Samuel mines (Figure 1). Established tracks provide access to MLC527. Topography on the southern boundary of the lease is steep with drainage incisions trending northward toward flat lying mulga/spinifex country. This area is accessible by two wheel drive vehicle for most of the year.

The tenement details are summarised in Table 1.

<table>
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<th>Name</th>
<th>Tenement No.</th>
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<th>Grant Date</th>
<th>Expiry Date</th>
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<td>MLC527</td>
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Table 1 Tenement Details
MLC527 is owned 100% by Tribune Developments Pty Ltd a wholly owned subsidiary of Grange Resources Limited.

Exploration access to MLC527 has been restricted since the Marla Marla-Kantaji Sacred Site (5758-0015) was registered and the Sacred Sites Authority requested in March 1988 that no further work is carried out on the lease. Attempts to renegotiate access to the lease area for exploration activities are ongoing.

3.0 GEOLOGY

3.1 Regional Setting

The Tennant Creek Mineral Field covers an area of 4,500km² and has produced over 5.5 million ounces of gold and 488,000 tonnes of Copper.

The known economic gold-bismuth-copper mineralisation in the Tennant Creek Mineral Field occurs within the Lower Proterozoic Warrumunga Group. The Warramunga Group consists of greywacke, siltstone and shale with interlayered felsic volcanics. Volumetrically minor, thin discontinuous argillaceous banded iron formation and locally, hematite shale also occur within the Group. The Warramunga Group rocks are tightly folded into east-west upright and gently plunging folds that can have a well developed near vertical axial plane cleavage. The regional metamorphic grade is lower Greenschist facies.

Gold mineralisation in the Tennant Creek Block occurs typically in association with ironstone lodes which are mainly hematite in the oxidised zone (to 100m deep) and magnetite in the primary zone. The main ore minerals are chalcopyrite, bismuthinite and native gold and the important gangue minerals include chlorite, talc, dolomite and quartz. Both gangue and ore minerals may show zoning within the lode. Typically, the lodes are ellipsoidal and pipe-like in shape.

Regionally, the Mt Samuel gold mineralisation is a continuation of the Nobles Nob, Juno, Eldorado trend showing similar lithology and structural controls (Figure 2). All the deposits along this trend are high-grade and occur within a major structural lineament where the gold mineralisation is commonly associated with ironstone and concentrated within breccia zones.

Production from Nobles Nob was 1.992 million tonnes containing 1.1 million ounces of gold, at a recovered grade of 17.2 g/t Au. Nobles Nob ore is typically characterised by abundant sericite and minor amounts of bismuth and copper. The Juno and Eldorado mines produced 455,000 and 146,000 tonnes at recovered grades of 57.5 g/t and 23.2 g/t Au respectively.
3.2 Local Geology/Mineralisation

The Hammerjack Extended lease lies along the Nobles Nob, Juno, Eldorado, Mount Samuel line of workings from which there has been significant recorded high-grade gold production. The lease adjoins the historic Hammerjack mine along its eastern boundary, which has a production record of 5,500oz of gold.

On the lease, old workings comprising three shafts, a small stope and several trenches occur along a discontinuous line of ironstone outcrop that is enclosed by hematitic mudstone, siltstone and greywacke units (Figure 3). Drilling by Australian Development intersected 4m @ 14.4g/t Au near an old shaft some 20m from the eastern lease boundary. The higher grade ore zone appears to be confined to a hematite enriched zone between 8 and 18m vertical depth and proximal to a specular hematite/quartz (ironstone). This mineralised zone is interpreted to dip steeply to the north and to be between 2m and 4m width. To the south, this mineralisation appears to be terminated by brecciated hematite schist.

4.0 PREVIOUS EXPLORATION

The lease area has been worked historically by three shafts, four costeans and a glory hole pit. Recorded production from Hammerjack Extended is unknown however: some of the production may have contributed to the recorded production (5,500oz) on the adjoining Hammerjack lease.

Drilling on MLC527 by Australian Development Limited (ADL) during 1963/64 returned significant gold intercepts from several wagon drill holes drilled from north-south across the ironstone outcrop (Figure 4). The best intercept, 4m @ 14.4g/t Au was returned in drill hole SWDH374. Significant intercepts were also returned in holes SWDH 386, 370 and 375.
Figure 3  MLC527 Geology and Drill Hole Location plan
Five percussion holes were drilled by Adelaide Petroleum NL on the southern side of the main ironstone outcrop. The HAP Series drill holes were oriented between 025° and 035° and attempted to locate mineralisation down dip and along strike to the west of that previously defined by ADL. The best result was in HAP8 where two metres grading 1.45 g/t Au were intersected below the NE shaft.

In May 1987, Quadric Pty Ltd drilled one south orientated angled (-45°) diamond drill hole (QHE#1) to 35.5m depth a few metres west of the NE shaft and 20m north of HAP8. This hole intersected a sequence of hematitic mudstone and siltstone, massive hematite and varying amounts of ironstone and hematitic breccia. The hole bottomed in sandstone at 35.5 metres. Although the assay results from QHE#1 were not very encouraging a brecciated hematite/sericite/chlorite rock returned 3m @ 1.57g/t Au between 22m and 25m.
5.0 ACTIVITIES COMPLETED DURING THE REPORTING PERIOD

No work was carried out on MLC527 or on the Mt Samuel Project as a whole during the current reporting period.

Currently the interested parties are determining the likelihood of gaining access to explore within the Marla Marla-Kantaji registered sacred site.

6.0 REFERENCES

Adelaide Petroleum NL, 1988, Annual Report 11/7/87 to 10/7/88 Hammerjack Extended, Tennant Creek, Northern Territory.

Adelaide Petroleum NL, February 1988, Report on Drilling Investigations at the Black Cat, True Blue, Outlaw, Explorer 31 and Hammerjack Extended Prospects, Tennant Creek, Northern Territory.

Grange Resources NL, 1996, Summary Package Tennant Creek Projects, Northern Territory (internal company report).