



Titleholder: Rio Tinto Exploration Pty Ltd

Operator: DPG Resources Australia Pty Ltd

Title/Tenement: EL 30952

2nd Annual and Surrender Report

Tenement Manager/Agent: Rio Tinto Exploration Pty Ltd

Corporate Author: DPG Resources Australia Pty Ltd

Target Commodities: Zinc

Annual Reporting Period: 5 November 2016 to 4 November 2017

Final Reporting Period: 5 November 2016 to 4 November 2017

Datum/Zone: GDA94/Zone53

1:250,000 Map sheet: Blue Mud Bay SD53-07

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World View 2 Satellite Imagery:

EL30952_2017_AS_01_FeOx.tif
EL30952_2017_AS_02_FeOxGrey.tif
EL30952_2017_AS_03_NDVI.tif
EL30952_2017_AS_04_NDVIGrey.tif
EL30952_2017_AS_05_Geoimagereport

NI-43-101 Geological Report

EL30952_2017_AS_06_DJonesreport

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ABSTRACT

Exploration Licence (EL) 30952 is a part of the original EL385 application made in 1972 by CRA Exploration Pty Limited (CRAE), the precursor to Rio Tinto Exploration (RTX) who is the current holder. EL 30952, an application in moratorium resulting from EL 385, was granted on 5 November 2015.

The tenement is located approximately 180km south-west of Nhulunbuy, and 80km north of Numbulwar in south east Arnhem Land and on Aboriginal Land Rights Act 1975 (ALRA) land managed by the Northern Land Council (NLC).

The tenement is considered prospective for base metal mineralisation, similar to that at McArthur River (HYC) in the McArthur Basin. In January 2014 Rio Tinto Exploration and DPG Resources Australia Pty Ltd entered into an Earn In and Joint Venture Agreement with DPG managing the tenements.

The exploration undertaken by DPG for the sub-blocks to be relinquished has included purchase of World View 2 satellite imagery and a geological review and report was undertaken by David Jones for compliance with the TSX 43-101 reporting requirements.

Despite undertaking the above work, DPG has not identified any targets which it considers worthwhile following up, and together with the NLC being unable to organise a work program meeting, DPG has decided to relinquish this tenement.

INTRODUCTION

Location and Access

The tenement area is located approximately 180km south-west of Nhulunbuy, and 80km north of Numbulwar in south east Arnhem Land on Aboriginal Land Rights Act 1975 (ALRA) land managed by the Northern Land Council (NLC).

EL 30952 can be accessed by 4WD bush tracks on the southern side of the Central Arnhem Road, south of Gapuwiyak, or tracks from Numbulwar.

Physiography Climate and Vegetation

The tenement area covers part of Haddon Head on the Coastal Plain which comprises low relief areas to the east of the Coast Range extending to the present beaches. Mapped geology is Cainozoic and Quaternary alluvials.

TENURE

EL 30952 consists of 17 sub-blocks and was originally applied for by CRAE in 1972. In January 2014 Rio Tinto Exploration and DPG Resources Australia Pty Ltd (DPG) entered into an Earn In and Joint Venture Agreement with DPG managing the tenement. EL 30952 was subsequently granted to Rio Tinto in November 2015. The EL covers approximately 17km².

In 2017, the decision was made to relinquish EL 30952 entirely. In view of the work undertaken to date, and the NLC unable to organise a work program meeting, DPG has decided to relinquish this tenement.

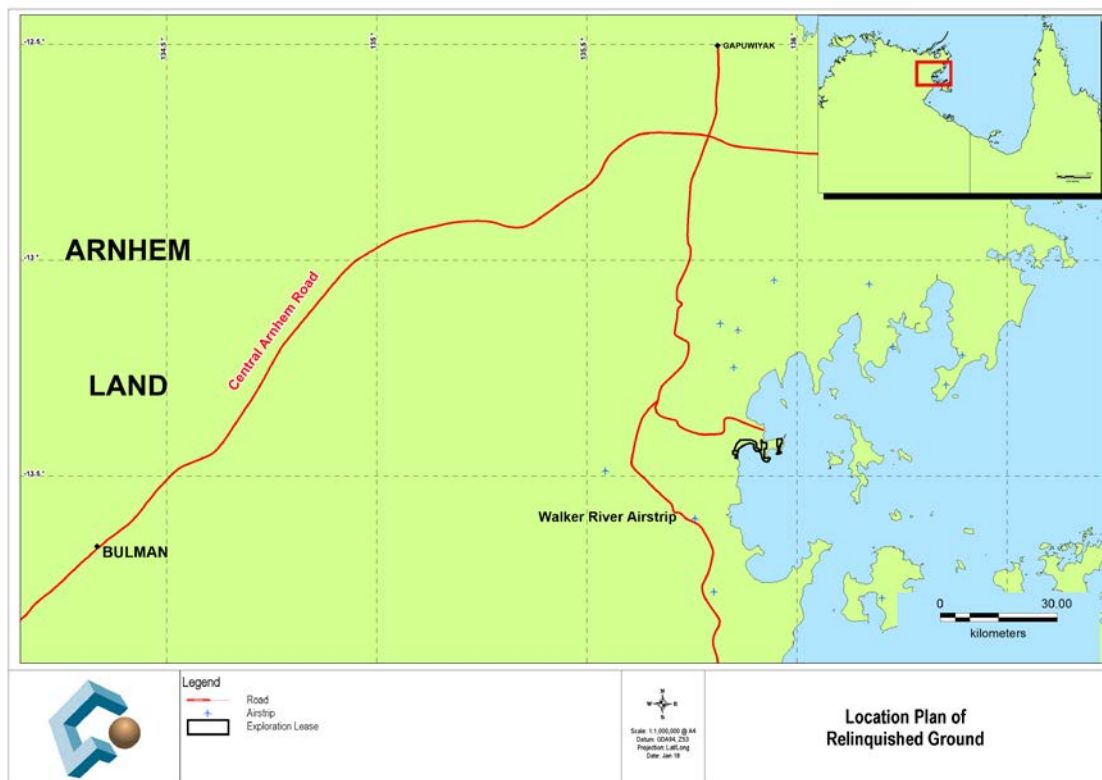


Figure 1: Locality Plan of Relinquished Ground

Tenement Relinquishment

Tenement area before relinquishment

State: Northern Territory
 Exploration Licence Area: EL 30952
 Number of Sub-Blocks: 17

Block	Sub-Block																									
	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	
SD531200																								X		
SD531271		B	C	D	E	F	G		J	K		M			P											
SD531272	A		C			F		H			L	M														
Total	17 sub-blocks																									

Tenement area to be relinquished

Block	Sub-Block																									
	A	B	C	D	E	F	G	H	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	
SD531200																								X		
SD531271		B	C	D	E	F	G		J	K		M			P											
SD531272	A		C			F		H			L	M														
Total	17 sub-blocks																									

Number of sub-blocks to be relinquished: **17**

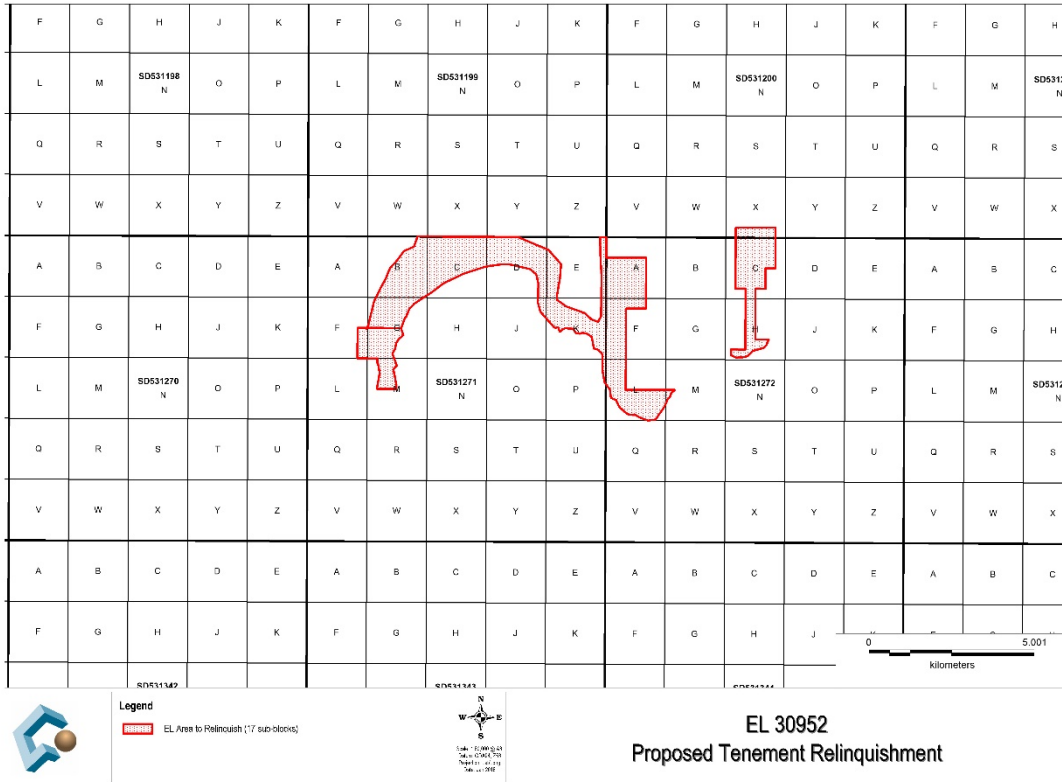


Figure 2: Relinquishment of EL 30952

GEOLOGICAL SETTING

The tenement covers the beach and low coastal plain on southern and central Haddon Head.

The cover of Cainozoic and Quaternary sediment overlies the Grindall Fm basement of the Arnhem Shelf.

Sediments mapped include;

Cz undifferentiated sediments

Czl pisolitic and massive ferricrete and laterite

Qc grey clay, silt and sand - active sediments on intertidal and supratidal flats

Qa alluvial gravel, sand, silt and clay in active channels, floodplains and outwash sheets

Qr active cheniers and sandy beach ridges

HISTORIC EXPLORATION

Two exploration licences have been held over the tenement area. Both of these licences existed prior to the grant of the ALRA in 1975. Authority to Prospect (AP) 1138 was granted to BHP Minerals in 1964 and was relinquished in 1972, however it only covered the tenement area between 1964 and 1967. No exploration from the tenement area was reported by BHP.

AP 1967 was held over the tenement area between 1969 and 1970 by Noranda Australia. Again no exploration was reported. Limited exploration comprised an airborne spectrometer survey and ground follow up of five anomalies. No economic uranium mineralisation was intersected. Anomalous radioactivity is due to thorium concentrations with minor associated uranium.

EXPLORATION BY DPG RESOURCES AUSTRALIA

The following is exploration that has been undertaken on the relinquished tenement by DPG.

World View 2 Imagery

DPG purchased World View 2 imagery over the area and processing was undertaken by Geoimage.

The imagery assists with geological mapping and was processed in an endeavour to discriminate clays and minerals associated with mineralisation, including alteration. In general the laterite profiles, subdued relief and Cainozoic – Quaternary cover limited the utility of this approach. The imagery, together with the Geoimage report, can be found in the appendices.

NI-43-101 report by David Jones

A comprehensive geological review and report was undertaken by David Jones. The document is compliant with the TSX 43-101 reporting requirements and can be in the appendices.

DPG has not undertaken any work on EL 30952 during the 2016-2017 reporting period.

CONCLUSION AND RECOMMENDATIONS

Exploration undertaken by DPG has focussed on the potential for economic base metal mineralisation in the Blue Mud Bay area. The presence of carbonaceous siltstone in the Balbirini and Jalma Fm and the elevated Pb and Zn values are considered positive indicators of a metal bearing basinal brine being focussed by fault structures into local sites. Despite undertaking the above work, DPG has not identified any targets which it considers worthwhile following up, and together with the NLC unable to organise a work program meeting, DPG has decided to relinquish this tenement.

REFERENCES

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