

### ANNUAL GROUP REPORT GR354

## EL's 30809, 30824, 29717, 30128 and 30234

Mt Bundy Project

For Period 1 December 2015 - 30 November 2016

**Distribution:-**

- 1. DPIR Darwin NT
- 2. Primary Gold, Perth

Marat Abzalov and Justin Robins January 2017

# TABLE OF CONTENTS

1 EXECUTIVE SUMMARY	3
2 COPYRIGHT	4
3 INTRODUCTION	5
4 LOCATION AND ACCESS	6
5 TENEMENT DETAILS	6
6 GEOLOGICAL SETTING	B
6.1 Regional Geology	8
6.2 Local Geology10	0
7 PREVIOUS EXPLORATION1	11
8 EXPLORATION ACTIVITY YEAR ENDING 30 November 201413	3
9 FORWARD WORK PROGRAM/CONCLUSIONS AND RECOMMENDATIONS 16	
10 REFERENCES1	7

#### 1 EXECUTIVE SUMMARY

The Mt Bundy group of exploration tenements are located about 90 km SE of Darwin, along the Arnhem Highway. Most of the licences were originally granted to Renison Consolidated Mines NL, in 2003 and the project was then known as the Au Quest Project. GBS Gold Australia acquired the tenements in 2007 until going into voluntary administration in 2008. On 6 November 2009, Crocodile Gold Australia Operations (CGAO) acquired the Mt Bundy exploration licences after purchasing all assets held by GBS Gold Australia (liquidated). During 2012 CGAO entered into a sales arrangement with Primary Gold Ltd (PGO) for the Mt Bundy Project which was finalised in February 2013, since which time PGO has assumed responsibility for the exploration of the project.

The Mt Bundy Project area encompasses a suite of meta-sedimentary rocks belonging to the Mt Bonnie Formation and the Burrell Creek Formation. These comprise brown to grey- green, thickly bedded to massive, fine to coarse feldspathic meta-greywacke with graded bedding in places and minor lenses of volcanilithic pebble conglomerate; brown to grey, laminated phyllite, slate and mudstone and minor quartz-mica schist.

In May 2014 the Department of Mines and Energy approved an application to amalgamate the Primary Gold Mt Bundy tenements. This process reduced the number of contiguous titles in the project from 24 exploration licenses to just 2, EL30371 and EL30124. The move from the Australia Geodetic Datum to the Geodetic Datum of Australia in 2000 resulted in a number of small vacant ground slivers encased within the Mt Bundy Project. Primary Gold applied for these small unmarketable parcels in 2014 and was granted them in November 2014. These small slivers were incorporated into EL30371 and EL30124 and the amalgamated tenements were reissued in 2015 as EL30809 and EL30824.

Throughout the reporting period Primary Gold has continued the regional reconnaissance and data evaluation of the extensive historic data set. This has led to approximately 3 weeks of reconnaissance field trips to validate the tenor, geography and geology of historic prospects and the new exploration targets determined from the past geochemical surveys. This culminated in the collection of 30 samples detailed in Appendix A. Also during the period the company's technical and financial resources are still being utilized for the collection of data and information required to address the issues identified by the government and public stakeholders during the assessment of the Toms Gully Mine Environmental Impact Statement (EIS). To date a flora and fauna surveys across the Toms Gully, Rustlers Roost and Quest 29 Areas has been completed. These survey areas have also encroached on EL30809 and EL30824 to cover future drilling.

During the period senior management and the board was changed. As such exploration activity during the current reporting period has been limited.

#### 2 COPYRIGHT

This document and its content are the copyright of Primary Gold Ltd (PGO). The document has been written by Marat Abzalov and Justin Robins for submission to the Northern Territory Department of Primary Industry and Resources as part of the tenement reporting requirements as per Regulation 87 of the Minerals Titles Act.

Any information included in the report that originates from historical reports or other sources is listed in the "References" section at the end of the document.

This report may be released to open file as per Regulation 125(3)(a).

#### 3 INTRODUCTION

The Mt Bundy group of exploration tenements are located about 90 km SE of Darwin, along the Arnhem Highway. The licences were originally granted to Renison Consolidated Mines NL, in 2003 and the project was then known as the Au Quest Project. GBS Gold Australia acquired the tenements in 2007 until going into voluntary administration in 2008. In November 2009, CGAO acquired the Mt Bundy exploration licences after purchasing all assets held by GBS Gold Australia (liquidated), subsequently selling the project to Primary Gold Ltd in February 2013. Rum Jungle Uranium Limited had the rights to explore for uranium on EL10382 and EL2438 (tenements that were amalgated into EL30809) as per a joint venture agreement with previous owners GBS Gold.

The Mt Bundy Project was given Group Technical Reporting status in December 2010 as GR184/12, PGO applied for the re-instatement of this in May 2013 following finalisation of the sale of the Mt Bundy Project to PGO. In 2014 PGO moved to simplify the tenement holdings at Mt Bundy and applied the NT DME to have the 24 contiguous licenses forming the majority of the Mt Bundy Project amalgamated into two exploration licenses. In May 2014 these were granted as EL30371 and EL30124.Further to this a number of vacant land slivers, (partial blocks) where located within EL30371 and EL30124. These slivers were the result of the shift from the AGD to GDA datum in 2000. In 2015 Primary applied for grant of these slivers, which was approved, and in 2015 they were amalgamated into the surrounding, existing tenure. In June 2015 replacement title was issued which incorporated the amalgamated slivers, titles reissued as EL30809 (formerly EL30371) and EL30824 (formerly EL30124).

On grant of the amalgamated title GR184/12 was nullified and an application to reinstate group reporting based on the updated tenement numbers was made, this was granted in late 2014 as GR354. In late December 2015 the company amended the title included in GR354 to include the replacement titles EL30809 and EL30824 and to include the recently granted EL30234.

In this report, exploration activity conducted from 30 November 2015 to 1 December 2016 is discussed.

#### 4 LOCATION AND ACCESS

The Mt Bundy tenements are situated 90km SE of Darwin NT along the Arnhem Highway. Access to the various tenements is via the Tom's Gully and Rustler's Roost access road leading from the Arnhem Highway, and then via secondary tracks. These tracks provide good access for 4WD vehicles during the dry season, however these tracks become impassable after heavy rain, and therefore no access is possible throughout the wet season.

The Mt Bundy tenements fall within the Darwin and Pine Creek 1:250,000 map sheets and the Noonamah, Mary River, McKinley River and Batchelor 1:100,000 map sheets.

Figure 1 shows the Mt Bundy tenement group location.

#### 5 **TENEMENT DETAILS**

The Mt Bundy group of exploration tenements were originally granted to Renison Consolidated Mines NL from 2002 to 2007. GBS Gold Australia Pty Ltd acquired all tenements of the Mt Bundy exploration group on 25 July 2007. Due to financial difficulties, GBS Gold Australia went into voluntary administration in September 2008 and all assets were placed under care and maintenance. On 6 November 2009, Crocodile Gold Australia purchased all assets held by GBS Gold Australia (liquidated) in the Northern Territory, including the Mt Bundy Project.

Lease	Туре	Status	Current Area (blocks)	Applied Date	Grant Date	Expiry Date
EL30234	EL - Exploration Licence (NT)	Granted	9.0	30-Dec-13	23-Oct-12	22-Oct-18
EL29717	EL - Exploration Licence (NT)	Granted	13.0	16-Jan-12	8-Jan-14	7-Jan-20
EL30824	EL - Exploration Licence (NT)	Granted	185.0	26-Nov-14	3-Jul-15	02-Jul-21
EL30809	EL - Exploration Licence (NT)	Granted	152.0	26-Nov-14	3-Jul-15	02-Jul-21
EL30128	EL - Exploration Licence (NT)	Granted	7	14-Oct-13	20-May-14	19-May-20

Table T - Mount Bundy Group tenement details
--



Figure 1 - Mt Bundy group tenement bcation

#### 6 **GEOLOGICAL SETTING**

#### 6.1 REGIONAL GEOLOGY

The Mt Bundy group of exploration tenements are situated within the Pine Creek Orogen, a tightly folded sequence of Lower Proterozoic rocks, 10km to 14km in thickness, laid down on a rifted granitic Archaean basement during the interval ~2.2-1.87Ga. The sequence is dominated by pelitic and psammitic (continental shelf shallow marine) sediments with locally significant inter-layered cherty tuff units Figure 2. Pre-orogenic mafic sills of the Zamu Dolerite event (~1.87Ga) intruded the lower formations of the South Alligator Group (Ahmad et al 2009). During the Top End Orogeny (Nimbuwah Event ~1.87-1.85Ga) the sequence was tightly folded, faulted and pervasively altered with metamorphic grade averaging greenschist facies with phyllite in sheared zones.

The Cullen intrusive event introduced a suite of fractionated calc-alkaline granitic batholith into the sequence in the period ~1.84-1.1.78Ga. These high temperature I-type intrusives induced strong contact metamorphic aureoles ranging up to (garnet) amphibolite facies, and created regionally extensive biotite and andalusite hornfels facies. Less deformed Middle and Late Proterozoic clastic rocks and volcanics have an unconformable relationship to the older sequences. Flat lying Palaeozoic and Mesozoic strata along with Cainozoic sediments and proto-laterite cementation overlie parts of the Pine Creek Orogen lithologies. Recent scree deposits sometimes with proto-laterite cement occupy the lower hill slopes while fluviatile sands, gravels and black soil deposits mask the river/creek flats areas.

There is a tendency for gold mineralisation to be focused in anticlinal settings within strata of the South Alligator Group and lower parts of the Finniss River Group. This sequence evolved from initial low energy shallow basinal sedimentation to higher energy deeper water flysch facies.

Gold mineralisation appears to be related to the I-type members of the Cullen Batholith, formed as a result of fractionation and differentiation processes during magma emplacement. That ultimately led to the evolution of hydrothermal fluids responsible for gold mineralisation in the adjacent meta-sediments (Bajwah, 1994).



Figure 2- Mount Bundy Project regional geology, after NTGS Geology of the Pine Creek Orogen 1:500,000 scale map compiled by Laily J and Doyle N (2005)

#### 6.2 LOCAL GEOLOGY

The Mount Partridge Group is represented by the Wildman Siltstone, which is interpreted to be up to 1500m thick. In the Mt Bundy Region the Wildman Siltstone consists of laminated and banded shale, carbonaceous and often pyritic siltstone inter-bedded 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.

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.

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 Mt Bundy Region for hosting mineralisation (West Koolpin, Taipan, BHS and North Koolpin Open Pits at Quest 29) are all within Koolpin sediments.

The Gerowie Tuff conformably overlies the Koolpin and has similar characteristics of siltstones and shales but is not as iron rich. Within the Mt Bundy 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.

The Mount Bonnie Formation conformably 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.

Conformably overlying the Mount Bonnie Formation is the Burrell Creek Formation interpreted as a 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 and has the potential for small high-grade deposits. High-grade deposits such as Bandicoot, Marrakai and the Ringwood deposits all lie on a major deep-seated magnetic trend (Hall, 2006).

The Zamu Dolerite is easily weathered and within the project area occurs as small rubbly boulder outcrops that are poorly exposed, as a result of its weathering profile. 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 30 and also at Chinese Howley.

#### 7 PREVIOUS EXPLORATION

Prior to the grant of the current Mt Bundy exploration licences the earliest known record of exploration in the area was briefly undertaken by Australian Geophysical Pty Ltd. From 1967 – 1971 exploration activities included geochemical and geophysical surveys and some limited RAB drilling, primarily looking for uranium and base metals with no recorded success.

During the early 1970's exploration within the region was undertaken by Geopeko. Interpretation of new BMR aeromagnetic and radiometric survey data, collected in 1970, outlined a large number of potential target areas throughout the region, which were subsequently investigated by ground based geophysics, geochemical sampling, stream sediment sampling; soil geochemistry; rock chipping, geological mapping, costeaning, and limited drilling. These sampling programs identified several uranium and base metal anomalies. These anomalies were dubbed "Quest" numbers for identification and became the focus of Geopeko's exploration activities for some six years.

Further work was also conducted by Optimal Mining/ ACA Howe Australia and then by Aquitaine Australian Minerals/ Pan D'Or Mining/ Jimberlana Mining during the early 1980's. Continuing through the 1980's, the Mt Bundy area was also explored by Australia Coal and Gold Holdings, Euralba Mining/Burmine/ Carpentaria Gold Joint Venture.

Carpentaria Gold discovered the Tom's Gully deposit in 1986, from stream sediment sampling. They continued the exploration campaign throughout the Mt Bundy project area for a number of years, however had limited success outside of Tom's Gully, only finding very small scale prospects. Further exploration was also conducted by Cyprus Gold Australian Corporation/ Greenbushes/ Moline Joint Venture. During the late 1980's and into 1990 Western Mining Corporation used stream sediment sampling, trenching, and drilling to explore for gold and base metals. Additional work was also completed by Normandy Exploration, Mount Isa Mines and Poseidon Exploration. From 1993 to 1995 Normandy Poseidon explored for diamonds, base metals and gold. The most recent exploration completed by Poseidon Exploration under a regional exploration program aimed primarily at the discovery and evaluation of lamprophyre dykes, which were found to be shedding kimberlitic indicator minerals.

From the late 1990's until 2002 Kakadu Resources, Dominion Gold, Territory Goldfields and Northern Gold conducted drilling and completed several campaigns of rock, soil and stream sediment sampling.

Renison Consolidated Mines NL acquired the first of the current Mt Bundy licences in 2002 (EL10368) with subsequent licences being granted in 2003. EL24151 and SEL25348 (now EL25348) were granted in 2007. Renison conducted several desktop reviews with reconnaissance field visits and mapping. New satellite images were purchased, remote sensing data reprocessed and historic GIS data acquired and validated. Renison also conducted an aeromagnetic and radiometric survey over the Mt Bundy project area during the 2005 to 2006 exploration year. Analysis of the geophysical survey data revealed a NW-trending deep-seated fault structure with a number of gold prospects located on the margins. Another NNW-trending narrow feature, likely to be a dolerite dyke, intersected the fault and also showed presence of number of gold prospects.

During 2007 the Mt Bundy tenements were purchased by GBS Gold Australia who

conducted a review of the project area until they went into voluntary administration in 2008. At the same time, JV partner, Rum Jungle Uranium Pty Ltd undertook an active exploration program which involved a high resolution VTEM survey, geological mapping, geochemical sampling and RC drilling. A total of 33 RC holes were drilled on EL10382 (Anniversary Breccia) for 4,162 metres which led to identification of low grade uranium, copper, cobalt and nickel mineralisation.

During 2009-2010, Crocodile Gold Australia took control of the Mt Bundy exploration tenements and conducted a project review. JV partner Run Jungle Uranium Pty Ltd (RJU) focused exploration efforts over EL's 10382, 23174 and 24288, targeting anomalies identified from the geophysical survey in the previous year.

Soil sampling completed by RJU on EL10382 identified the Anniversary Breccia which was subsequently RC drilled during the 2008-2009 reporting period. Follow up soil sampling and drilling at the Anniversary Breccia Prospect identified low level uranium and silver anomalies and whilst not economic they extended the area of interest at the prospect.

A soil sampling program was also conducted at Hardies Billabong on EL23174. A total of 56 samples were collected and found to be anomalous in Zn, Pb, Mn and Co. Following on from the soil sampling program, 5 RC holes were drilled identifying some low level Zn anomalies were noted associated with black shales intersections. No further work has been conducted at Hardies.

Three RC holes were drilled for 169m on the Black Cockatoo prospect on EL24288. All holes intersected the outcropping grey-pink coarse biotite granite (Mt Bundy Granite). Results revealed that the holes were generally barren of mineralisation.

In 2011 Taiga Geological Consultants conducted a review of historic geophysical data over the Mt Bundy project area. This review culminated in the production of prospectivity maps for the Mt Bundy Project in which different geophysical, geological and structural conditions considered favourable to the formation of economic gold mineralisation. The analysis highlights some areas of interest which were followed up with some reconnaissance field visits.

In the first year since acquisition of the project the work completed by Primary Gold was restricted largely to desktop evaluations and regional reconnaissance sites visits. During 2014 Primary undertook a number of small reconnaissance soil sampling programs designed to validate and extend previously defined soil anomalies at BHS north and Rustlers East, 78 samples were collected. Anomalous stream sediment samples collected by previous explorers at the Un-named and Fenceline Prospects were validated by the collection of 21 stream sediment samples and in late 2014 372 soil samples were collected over the area spanning the Fenceline and Un-named Prospects, now referred to as Rustlers North. The results from these programs can be found in the 2014 Annual technical Report.

#### 8 EXPLORATION ACTIVITY YEAR ENDING 30 NOVEMBER 2016

During the reporting period the company's technical and financial resources were still being utilized for the collection of data and information required to address the issues identified by the government and other relevant stakeholders during the assessment of the Toms Gully Mine Environmental Impact Statement (EIS). To date flora and fauna surveys across the Toms Gully, Rustlers Roost and Quest 29 Areas has been completed. These survey areas have also encroached on EL30809 and EL30824. Toms Gully is surrounded by EL30809 and is a cornerstone to the company's Mt Bundy Project and has been the focus of activity for the last 12 months. Over the last 12 months and in excess of \$0.3 million has been spend on the studies this has unfortunately been to the detriment of the exploration licenses within the Mt Bundy Project.

Additionally, during the period senior management and the board was changed resulting in resources being dedicated to the refocusing and restructuring of the organisation. This resourcing also contributed to the lack of exploration in the current reporting period.

The exploration strategy for the Mt Bundy Project for the reporting period ended 30 November 2016 has been to;

- Determine the potential for the Mt Bundy exploration licenses to provide additional ore sources for the proposed re-commencement of operations at Tom's Gully, which is central within the Mt Bundy exploration licenses.
- Complete an Aboriginal Areas Protection Authority clearance over drill targets and lodge an application with the Department of Primary Industry and Resources to undertake drilling.
- Review and validate the tenor and physical geography of known prospects within the project area.

Much of the exploration data collected at Mt Bundy by previous explorers was-based either on a local grid system or digitised from hard copy cartographic images. Three local grid systems were utilised across the project area; the Tom's Gully grid, Rustlers Roost grid and Quest 29 grid, these were based on the different grid origins and were orientated differently. All local grids were subsequently converted to AGD64 or AGD84, depending on the antiquity of the data and then more recently part of the data was converted to GDA94. After reviewing the data the new management of the company has concluded that having data in the different grid systems is suboptimal. Although using of the local mine grids at the different sites is a common practice in the mining industry this approach is unfavorable for exploration because it does not allow to develop a single coherent exploration program for the region.

Additional difficulties in planning the exploration at the Mount Bundy project was caused by uncertainties in physical location of many sites. Location of the exploration targets, with some dependence on age, is best described as qualitative and as such reconnaissance field visits were necessary over previously identified prospects to validate their physical location, geography and geology.

The company board has made an important strategic decision that the project, in order to be successful, requires systematic exploration across the tenements. This work commenced in 2016 and is detailed below:

Given the significant amount of available exploration data it was decided that this
information is sufficient for the identification and ranking of quality exploration targets.
Thus, a detailed desk-top analysis of the data was undertaken. The location of the data

was converted into MGA (zone 52) GDA94 grid and compiled into coherent GIS systems built using a Micromine program. This allowed the integration of grass-root exploration data with exploration drill holes and block models creating a single comprehensive 3D exploration model of the project area. Completion of the desk-top study has resulted in the identification of priority exploration targets. Example of this is presented on Figure 3 showing the stream-sediments gold anomalies surrounding the Tom's Gully deposit and extended to the exploration tenements along the axial zones of the anticlines that control distribution of gold deposits in the area.

- Re-processing of historic SAM data to incorporate late time data and improved data processing. Re-processing of the historic SAM data, in particular the late time data not previously examined, failed to highlight any convincing anomalies. However, the exercise did highlight numerous NE-SW striking breaks within the dipping Toms gully reef that may be structures of interest. This orientation is coincident with interpreted high grade Au zones identified within the Toms Gully Resource model. Previous modelling has had mineralisation confined between two N-S striking fault zones with no other apparent structural control. At a gross scale this still appears the case but it may be that a second order control on higher grade mineralisation exists. This work requires follow up.
- Upon completion of the desk-top analysis approximately a three week long program of
  prospecting was undertaken by the company geologists. The objective of this work was to
  sample the quartz veins and review their geological settings. In total, 30 samples were
  collected, including 24 samples collected from the exploration targets outside of the known
  resources (Figure 4) (Appendix A). Results of this program include samples returning Au
  (g/t): 4.32, 0.77, 0.31, 0.14, 0.12 and 0.1 g/t.



Figure 3- Stream-sediments anomalies of gold posted on the geological map. Geological map is

generalized from NTGS 1:500,000 scale map of the Pine Creek Orogen, compiled by Laily J and Doyle N (2005). Structural interpretation of the axial plans of the anticlines was made by the PGO geologists.



Figure 4- Rock-chip samples (denoted as the red stars) of the quartz veins sampled in 2016. Background geological map is the same as on the Figure 2



Figure 5- Location of the drill holes (red triangles) planned for drilling in 2017. Back-ground geological map is the same as on the Figure 2.

# 9 FORWARD WORK PROGRAM / CONCLUSIONS AND RECOMMENDATIONS

Access to a number of the prospects as utilised by previous explorers (some of it undertaken by helicopter) were found to be inhibited by either erosion, vegetation or changes in property ownership. Difficulties were also encountered in accessing the new generated exploration targets. In particular, land access in the west of the project area needs to be addressed and will be an area of focus in the 2017 reporting period.

In 2014-2015 hammer prospecting from around the northern margin the Rustler's Roost Pit has identified high grade gold veins in the northern pit wall (B.Cairns, personal communications). These findings require further field investigation, in particular a detailed soil and rock chip sampling along the northern extension of the Rustlers Roots ore body and relogging and re-sampling of the drill core. This will allow to determine spatial extents of this high grade shoots. A similar geochemical sampling program is also proposed for the Quest 30 area, where historic grid needs extended.

In general, exploration activities for the year 2017 will be focused on advancing the known mineral resources and increasing the mineral inventory by the discovery of new mineral zones. Work will also focus around the further collection of environmental data for the Supplement to the Environmental Impact Statement. This will include RC drilling at the several chosen targets, including 3 new targets at the EL30809 and EL30824 leases (Figure 5):

- testing of exploration targets adjacent to the Rustlers Roost deposit on its eastern and northern sides where gold lodes are still open and were not terminated by past drilling campaigns;
- testing of new targets at the Q29 and Q30 deposits. This includes low level anomalous gold in drill results from historic drilling south and east of the BHS pits at Quest 29 and south of the Zamu Pit at Quest 29;
- a new exploration target located approximately 4km to the east from the Rustlers Roost pit. This is a group of quartz veins confined to the axial plane of the anticline that hosts the Toms Gully deposit;

Prospecting will continue throughout the tenements. The advanced targets will be prepared for second phase of drilling which will be undertaken in late 2017-2018. This includes:

- Robertson's Wallys Gully Prospect, located approximately 8 km to the northwest of Rustlers Roost. Sampling of the outcrops by PGO geologists in 2016 yielded peak Au of 4.3g/t in quartz vein. The veins are confined to axial plane of anticline where they form a continues zone extending for approximately 1.3 km.
- Fault offset of the southern extension of the Rustlers Roost mineralisation.
- Anomalous Pb-Zn gossans immediately south of the Tom's Gully ML's and along the western margin of the Mt Bundy Granite.
- Historic reports have described quartz-pyrite stockwork veining at the margins of the Mt Bundy Granite immediately south of the Toms Gully Mine, these need to be examined as a potential new (local) mineralisation style.

#### 10 **REFERENCES**

Amhad, M., Wygralak, A.S., & Ferenczi, P.A., 2009. Gold Deposits of the Northern Territory (Second Edition). *Northern Territory Geological Survey Report 11* (second edition update by Wygralak, A.S. & Scrimgeour, I.R.)

Bajwah, Z.U., 1994. A contribution of geology, petrology and geochemistry to the Cullen Batholith and related hydrothermal activity responsible for mineralisation, Pine Creek Geosyncline, Northern Territory. Northern Territory Geological Survey Report 8.

Cairns, B., 2015. Annual Group Report GR354 – EL's 30371, 30128, 30124, 29346 and 29717, Mt Bundy Project for period ending 15 December 2014. Unpublished technical report.

Edwards, M., 2013. ANNUAL GROUP REPORT – REVISED EL's 10367, 10368, 10382, 22206, 22232, 23172, 23173, 23174, 23178, 24150, 24151, 24288, 24682, 23200 and 25348 Mt Bundy Project For Period Ending 15 December 2012. Unpublished technical report

Hall, S., 2006. Resource Estimate, Tom's Gully Gold Mine, Renison Consolidated Gold Mines, Unpublished Internal Report, March 2006.

Doyle, N 2012. 2012 Exploration Summary Mount Bundey/Tom's Gully Project Area Rum Jungle Resources Ltd/Crocodile Gold Australia Ltd, Unpublished internal memo

#### 1 APPENDIX A – Rock Chip Results

SAMPLE	Lat	Long	COMMENTS	Au	Cu	Fe	К	Na	S	Sb		Ті	W	Zn	As	Те	U	Zr	Se	
	(				ME-	ME-	ME-	ME-	ME-	ME-		ME-	ME-	ME-						
	(GDA94)	(GDA94)		Au-ICP22	ICP61	ICP61	ICP61	ICP61	ICP61	ICP61	-	ICP61	ICP61	ICP61	ME-MS62s	ME-MS62s	ME-MS62s	ME-MS62s	ME-N	1S62s
				ppm	ppm	%	%	%	%	ppm		%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	
211429	-12.86668	131.460405		0.001	1	2 1.69	0.09	0.01	<0.01	<5		0.01	<10	6	4.9	0.07	0.5	3		0.7
211432	-12.866061	131.460069		0.049		7 1.81	0.06	0.01	<0.01		9	0.01	<10	4	1.6	0.1	0.2	3.5		1.1
211433	-12.833138	131.714265		0.002		0.86	0.03	0.01	<0.01	<5		0.01	<10	2	9.8	0.09	0.1	7		0.8
211434	-12.916493	131.483002	Rustlers WEST	0.123	2.	2 2.71	0.12	0.01	<0.01	<5		0.01	<10	18	73.9	0.32	0.9	8.5		2.1
211435	-12.900137	131.51293		0.001	<1	0.45	0.01	0.02	<0.01	<5		<0.01	<10	3	1.9	0.08	<0.1	<0.5		0.8
211436	-12.899453	131.511591		0.003	4	0.81	0.01	0.01	<0.01	<5		<0.01	<10	4	5.1	<0.05	0.1	1.6	<0.5	
211437	-12.89963	131.511504		0.004	1	) 1.27	<0.01	<0.01	<0.01	<5		0.01	<10	4	8.4	<0.05	0.4	3.2		1.1
211438	-12.911131	131.504441		0.003	1	0.65	0.38	0.03	<0.01	<5		0.04	<10	<2	4.1	<0.05	4.3	90.1		1
211439	-12.910731	131.503495	Rustlers NE	0.103	2	7 24.7	0.55	0.01	0.02	<5		0.26	<10	10	346	0.4	8	166		2.6
211440	-12.921904	131.469608		0.001		3 1.09	0.04	0.01	<0.01	<5		0.01	<10	3	14.1	<0.05	0.1	3.4	<0.5	
211441	-12.914907	131.469757		0.013		7 1.28	0.16	0.02	<0.01		11	0.03	<10	3	9.3	<0.05	0.4	11.2		0.5
211442	-12.915103	131.469293		0.01		5 0.7	0.62	0.01	<0.01		9	0.04	<10	4	5.9	<0.05	0.4	19.9	<0.5	
211443	-12.9185	131.488694		0.003		5 1.28	0.03	0.01	<0.01	<5		0.01	<10	<2	10.4	<0.05	0.2	2.9		0.6
			New Quartz outcrop 530m S-SE from																	
211444	-12.920547	131.487187	Annie Oakley	0.142	2	1.01	0.36	0.01	0.01		12	0.02	<10	3	78.2	<0.05	0.7	17.5		0.6
211445	-12.922539	131.509512	Battery (SE from Rustlers)	0.307	3	2 28.7	0.52	0.01	0.02		9	0.23	<10	16	280	0.31	7.7	124.5		3.2
211446	-12.915953	131.531584		0.003	1	1.16	0.03	0.01	<0.01	<5		0.01	<10	14	3.6	<0.05	0.2	2.3	<0.5	
211447	-12.879104	131.439881		0.002		L 0.55	0.09	0.01	<0.01	<5		0.01	<10	<2	1.8	<0.05	0.1	3	<0.5	
211448	-12.879105	131.439882	Robertson's find	0.001		L 0.7	0.06	0.01	<0.01	<5		0.01	<10	5	2.4	<0.05	0.1	2.7	<0.5	
211449	-12.879106	131.439883	Nobel (30113 IIId	0.768	:	3 2.42	0.05	<0.01	<0.01	<5		0.01	<10	9	21.7	<0.05	0.4	1.8		0.7
211450	-12.879762	131.440055		4.32	1	) 1.48	0.01	<0.01	0.04	<5		< 0.01	<10	118	24.5	0.77	0.1	1.2		3.2
211451	-12.921514	131.50579		0.007	:	2 0.77	0.03	0.01	<0.01	<5		0.03	<10	<2	2.5	0.1	0.1	2.6		1.3
211452	-12.879143	131.548286		0.018		L 0.57	0.01	0.02	< 0.01	<5		< 0.01	<10	21	3.5	0.06	<0.1	0.5		0.9
211453	-12.904688	131.53565		0.002	3	5 12.4	0.63	0.01	0.01	<5		0.17	<10	80	36.2	0.08	2.8	74.7		1.2
211454	-12.904854	131.534696		0.002	1	5 32.7	0.01	<0.01	0.01		5	< 0.01	<10	48	17.3	0.06	0.5	3.7		0.8
211455	-12.904852	131.53176	Rustler's East (one of our drill targets)	0.005	149	2.83	0.2	0.02	0.06		8	0.02	<10	55	134.5	0.07	1.1	19.6		4.5
211456	-12.902876	131.530921		0.002	1	) 26.5	0.03	<0.01	0.01	<5		< 0.01	<10	90	15.6	<0.05	0.5	3.8		0.7
211457	-12.903032	131.535061		0.001	3	2 36.7	0.01	<0.01	0.01		6	0.01	<10	74	70.9	0.06	1.4	5.8		0.5
211458	-12.956178	131.586569	Quest 29 (regolith)	0.075	17	9 16.6	2.19	0.03	0.03		10	0.37	10	542	>500	0.46	6	135		3.6
			Duplicate sample (added letter A to																	
211429A			sample No)	0.002	4	7 14.4	0.59	0.01	0.01	<5		0.13	<10	33	18.5	0.09	5.2	95.2		1.9
			Duplicate sample (added letter A to																	
211433A			sample No)	0.004	1	5 1.78	0.23	0.02	< 0.01	<5		0.04	<10	8	16.1	<0.05	0.9	77.7	<0.5	
			Duplicate sample (added letter A to																	
211434A			sample No)	0.005	:	3.45	0.69	0.01	<0.01	<5		0.07	<10	7	10.2	<0.05	1.3	32.4	<0.5	
			Duplicate sample (added letter A to																	
211435A			sample No)	0.001		L 0.77	0.01	0.01	< 0.01	<5		< 0.01	<10	3	2.2	<0.05	<0.1	1.4	<0.5	
			Duplicate sample (added letter A to																	
211436A			sample No)	0.003		0.73	0.01	0.01	< 0.01	<5		< 0.01	<10	3	2.5	<0.05	0.1	2	<0.5	
			Duplicate sample (added letter A to																	
211439A			sample No)	0.044		5 1.88	0.03	<0.01	< 0.01	<5		0.01	<10	5	25.2	<0.05	0.5	8.1	<0.5	
			Duplicate sample (added letter A to																	
211441A			sample No)	0.076	5	l 1.1	0.5	0.02	0.01		11	0.05	<10	53	84.4	<0.05	0.7	26.8	<0.5	
			Duplicate sample (added letter A to																	
211449A			sample No)	0.011	3	5.23	0.07	0.01	0.01	<5		0.01	<10	53	69.5	<0.05	0.8	4.6	<0.5	
			Second duplicate (added letter B to																	
211441B			sample No)	0.051	2	5 1.05	0.63	0.02	< 0.01		15	0.06	<10	42	12.9	<0.05	0.9	32	<0.5	