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EL 2927

VENUS BAY

FIRST PARTIAL RELINQUISHMENT REPORT FOR THE PERIOD 26/4/2002 TO 25/4/2004

Submitted by
Orogenic Exploration Pty Ltd
2005

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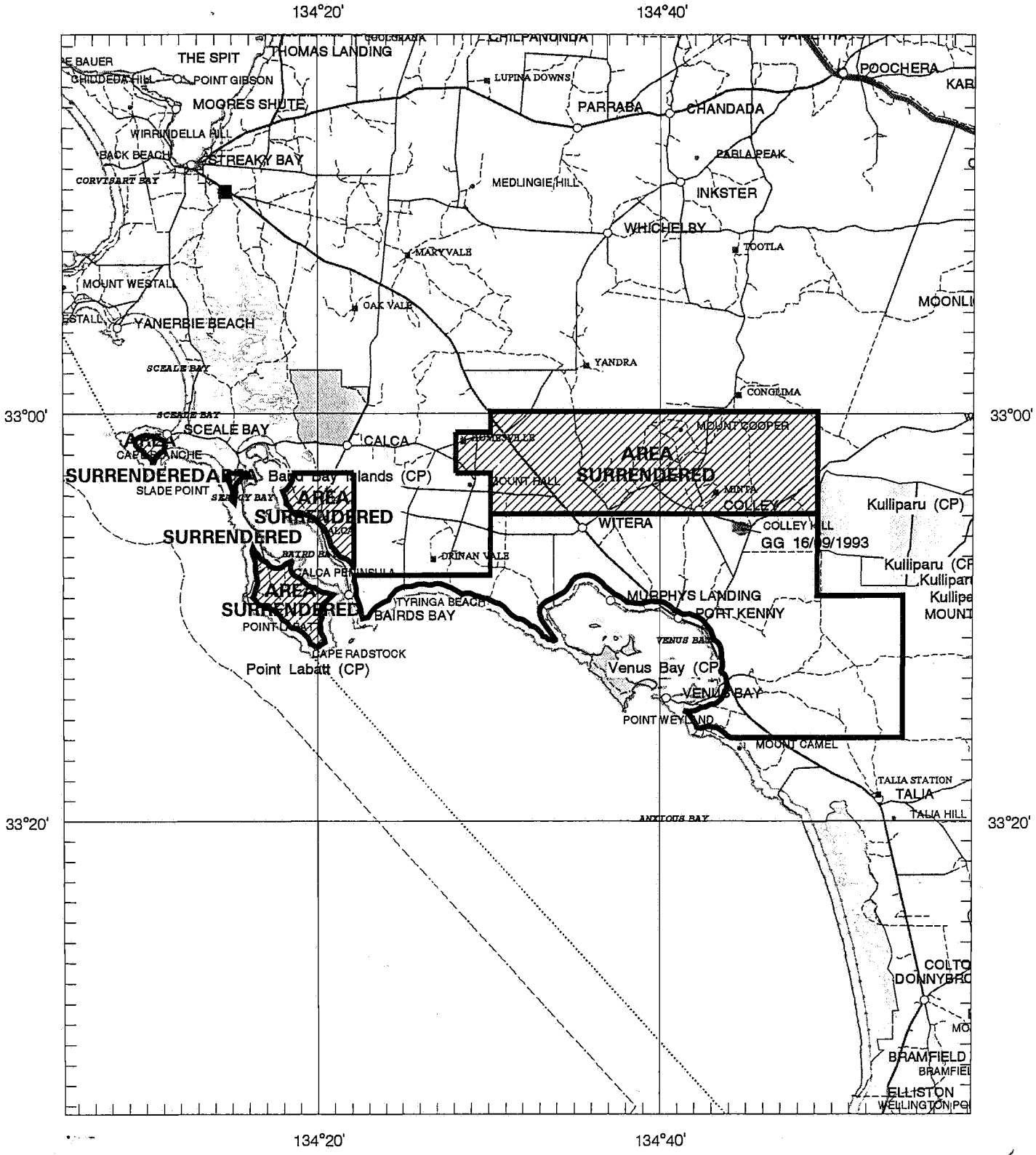
Government of South Australia
Primary Industries and Resources SA

SCHEDULE A



SCALE 1: 500 000

KILOMETRES 10 0 10 20 30 40 50 KILOMETRES

LICENCE GRANTED IN : DATUM AGD66

GDA
GEOCENTRIC DATUM OF AUSTRALIA

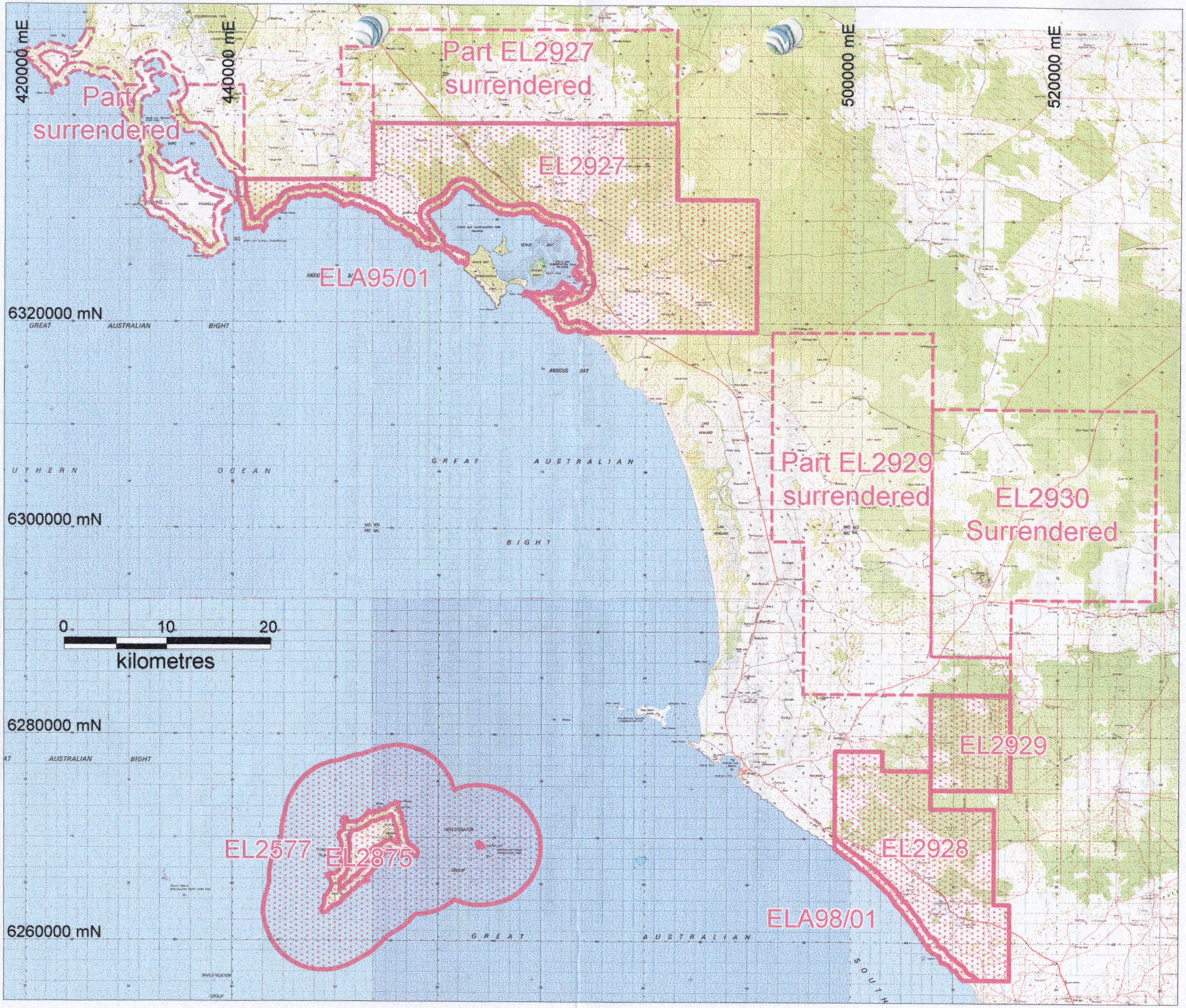
APPLICANT : **OROGENIC EXPLORATION PTY LTD, TAWANA RESOURCES NL**

FILE REF : **96/01** TYPE : **MINERAL ONLY** AREA : **471** km² (approx.)

1:250000 MAPSHEETS : **STREAKY BAY ELLISTON**

LOCALITY : **VENUS BAY AREA - Approximately 45 km southeast of Streaky Bay**

DATE GRANTED : **26-Apr-2002** DATE EXPIRED : **25-Apr-2005** EL NO : **2927**



471 sq km 71 sq km

PART EXPLORATION LICENCE 2927
FINAL TECHNICAL
REPORT PERIOD 26 APRIL 2002
TO 25 APRIL 2005

STEVEN ALAN COOPER
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3. Heavy mineral microprobe analysis.

1. INTRODUCTION & SUMMARY

This report details the diamond exploration conducted within the surrendered part of Exploration Licence 2927, located on the western Eyre Peninsula, for the period ending 25 April 2005.

All previous diamond exploration data was reviewed for the district. It was concluded that no samples had previously been obtained from the surrendered portion of EL2927, and thus the areas had not been effectively explored for diamonds. In June 2004, four heavy mineral loam samples (XW-52 to XW-55) were collected within the surrendered part of EL2927. The samples were processed by Diamantina Laboratories in Perth, and then sent for observation by Dynamic Mineralogical Services (Perth). The surface loam samples were collected as a wide spaced regional program over the western side of the Licence. One possible chrome diopside, and a number of other interesting grains were selected for microprobe analysis (18 grains total). None of the grains warranted further work.

The very limited current sampling, while not conclusive given the wide spacing, would indicate that there is not a kimberlitic intrusion within the western part of the surrendered area.

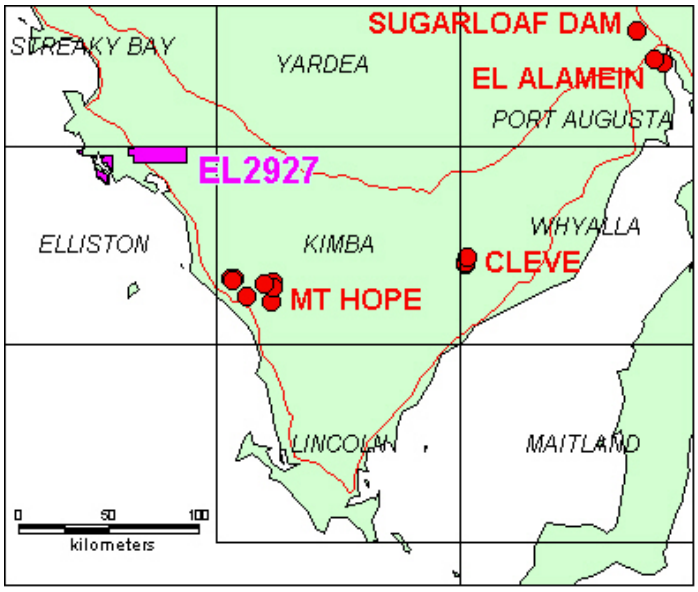

Figure 1. Location map of EL2927 surrendered parts. Know kimberlites on the Eyre Peninsula are shown in red.

2. TITLE AND LOCATION

Exploration Licence 2927 (Venus Bay) was granted on the 26 April 2002 to Orogenic Exploration Pty Ltd. During 2003 Tawana Resources NL exercised an option to acquire 80% interest in the Licence. Exploration Licence 2927 located over the north Venus Bay area, originally covered 813 square kilometres. On the 25 April 2005, 345 square kilometres were surrendered.

The Licence lies over the northern part of the Elliston (SI53-06) 1:250,000 map sheet (Figure 1); and straddles the Radstock (5731), and Talia (5831) standard 1:100,000 map sheets, on the western Eyre Peninsula, South Australia. The area is within AMG66 Zone 53H.

3. EXPLORATION ACTIVITY

3.1 PREVIOUS DIAMOND EXPLORATION

Previous exploration activity has only been reviewed in relation to diamond exploration. Historical exploration for other commodities, together with the regional geology, is well summarised in Flint (1992). The region has been preciously being explored for diamonds by De Beers (Stockdale Prospecting Ltd) under a number of adjacent Exploration Licences during 1990-1992 (Mitchell, 1992a, 1992b), and later by Diamond Ventures NL (Cooper, 1999). Within the areas of EL2927 surrendered, there is no record of any diamond exploration. All previous recorded diamond exploration was further to the east and south of the areas surrendered.

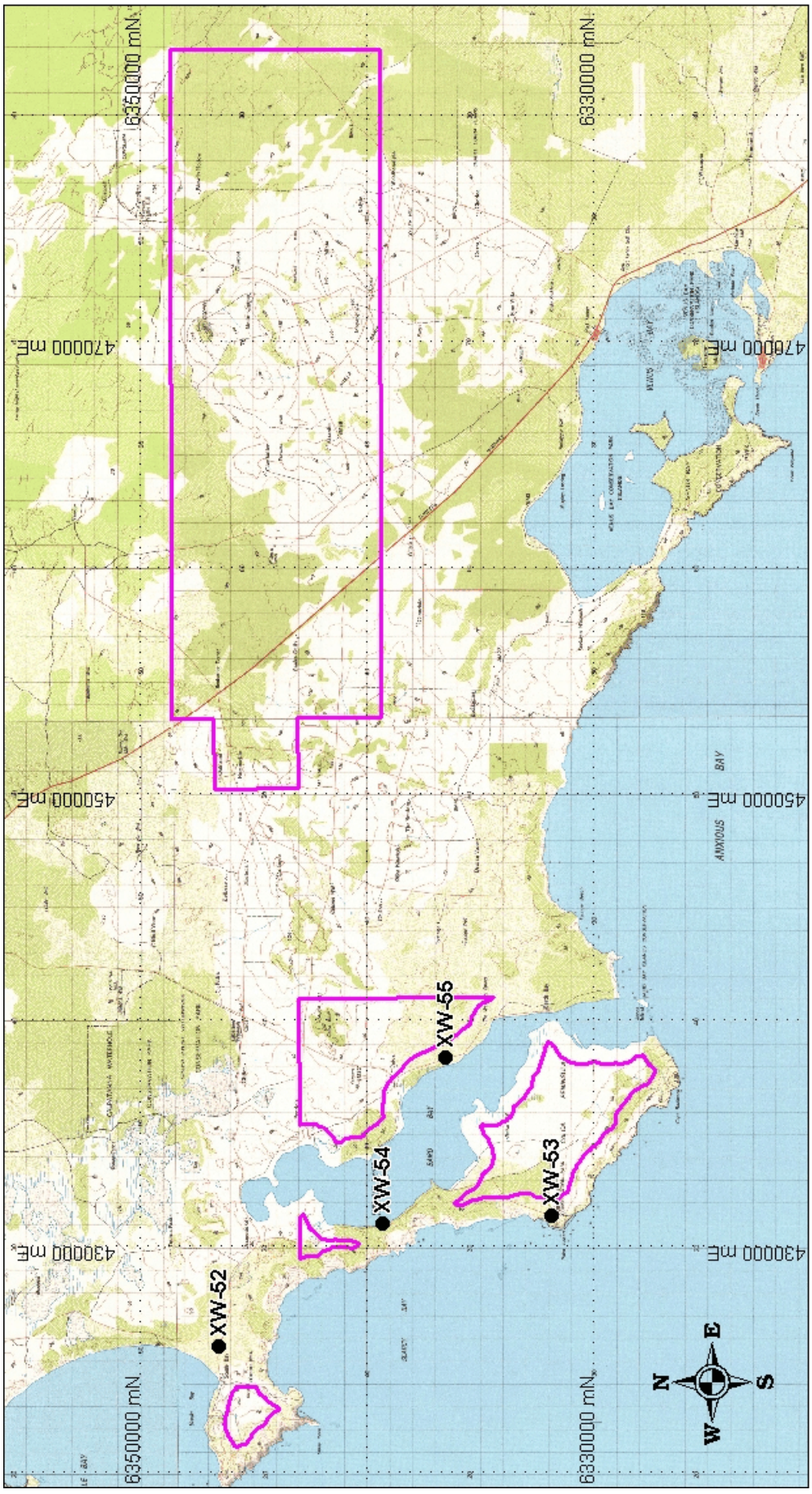

Figure 2. Detailed map of surrendered EL2927 areas showing samples.

3.2 HEAVY MINERAL SURFACE SAMPLING

In June 2004, four reconnaissance heavy mineral loam samples (XW-52 to XW-55) for kimberlite indicator minerals was collected from the western surrendered part of EL2927. The samples were all one bag (around 14kg) each of minus 1.6mm material dry screened on site. Locations were determined by hand held Garmin 76s GPS set in averaging mode during the sample collection. Further details are provided in Appendix One, and the locations shown in Figure Two. Wet weather made planned sampling in some areas impossible. Thus it is unfortunate that no samples were able to be collected from the large northeast surrendered area.

The samples were dispatched to Perth for processing by Diamantina Laboratories, and then sent for mineral observation by Dynamic Mineralogical Services (Perth). Results were received late in 2004 and the final laboratory data sheets are attached in Appendix Two. All the samples were considered negative for kimberlitic indicator minerals except XW-53 which contained a 'Possible Kimberlitic' chrome diopside. This grain, together with a number of other grains of interest were selected for check microprobe analysis (total 18 grains, see Appendix Three) by Microbeam Services (Melbourne). This is done to confirm morphological interpretations, and as a check on any grains which appear unusual.

Over 3.3 grams of concentrate from the 0.3 to 2mm fraction was observed and no significant indicators were found. While not conclusive given the very wide spacing, this would indicate that there is not a kimberlitic intrusion within the western part of the surrendered area.

4. CONCLUSIONS

It was concluded that with no previous sampling, the areas had not yet been effectively explored for diamonds. The very limited current sampling, while not conclusive, would indicate that there is not a kimberlitic intrusion within the western part of the surrendered area. It is unfortunate that still no samples have been collected from some large areas.

5. REFERENCES

Cooper, S.A., 1999. Venus Bay Project, Exploration Licence 1951, Fourth & Partial Fifth Annual, and Final Report period ending 23 December 1998. Unpublished report by Orogenic Exploration Pty Ltd for Diamond Ventures NL, (*PRISA Env. 8973*).

Flint, R.B., 1992. Explanatory Notes, Elliston SI53-6 1:250,000 Geological Map. *Geological Survey of South Australia.*

Mitchell, M.S., 1992a. Progress and Final Reports for Exploration Licence 1694A & B: Venus Bay, periods 9/1/91 to 15/7/92. Unpub. reports by Stockdale Prospecting Limited. (*PIRSA Env. 8422*).

Mitchell, M.S., 1992b. Progress and Final Reports for Exploration Licence 1672: Elliston, periods 31/8/90 to 15/7/92. Unpub. reports by Stockdale Prospecting Limited. (*PIRSA Env. 8527*).

Figure 3. Sample XW-52 site, looking north, Telecom pole in background.

Figure 4. Sample site XW-53, photograph looking east.

Figure 5. Sample XW-54 collected at dusk on west side of track.

Figure 6. Sample site XW-55.

Appendix 1

Venus Bay EL2927 Part Surrender Report, April 2005
HEAVY MINERAL SAMPLES JUNE 2004

SAMPLE	TYPE	EASTING (AMG66)	NORTHING (AMG66)	Weight (kg)	LOCATION	COMMENTS
XW-52	Loam	425547	6346505	11.5	N side Sceale Rd, S of fence, near Telecom post	Light brown cream fine sand over flat calcrete and around small bushes
XW-53	Loam	431342	6331859	14.5	SE of grid into Point Labatt Conservation Park, S of track	Cream light brown silty fine sand, clacrete fragments, Calca Peninsula
XW-54	Loam	430979	6339309	13.0	East side of track, E side half way up Calca Peninsula	Light brown silty fine sand around small bushes, some damp calcrete
XW-55	Loam	438296	6336541	13.0	W side of Bairds Bay Road, E side Baird Bay	Light brown silty soil, some small broken calcrete, small shells

Appendix 2

DYNAMIC MINERALOGICAL SERVICES
Diamond Indicator Specialist
3 Scott Street, Willetton WA 6155 ♦ Mobile: 0407 986 670 ♦ Telephone/Facsimile: (08) 9457 1339
ABN: 89 961 296 610

LABORATORY

REPORT

January 14, 2005

XW51-XW64

report HARDCOPY

D2642

Sample	Initial Weight (kg)	After wash (g) +2 mm	After wash (g) -2 mm	Heavies(g) +0.3 mm	Heavies (g) -0.3 mm
XW51	11.0	1.0	6765.7	0.75	4.65
XW52	11.5	0.2	7341.0	0.31	10.64
XW53	14.5	3.2	7804.1	2.22	3.51
XW54	13.0	1.7	9426.1	0.54	3.68
XW55	13.0	1.0	6267.4	0.26	2.31
XW56	13.0	4.6	10080.5	5.97	29.23
XW57	14.0	6.5	11699.1	1.34	13.61
XW58	14.0	2.8	12068.7	1.84	78.75
XW59	14.0	1.1	11458.1	6.41	12.88
XW60	14.0	1.8	11470.6	0.25	0.93
XW61	13.5	1.0	10240.1	1.05	2.13
XW62	13.5	0.8	10772.2	0.69	5.33
XW63	11.0	0	3155.7	0.49	3.41
XW64	11.5	4.3	6223.8	0.69	7.62

Positive: (Kimberlite Indicators) ☐

Positive: (Economic Minerals) ☐

Negative: ☒

Sample: XW52

Comment: -2+0.3

Mineralogist/Observer: LHS/LHS
Date Observed: 29/7/04
Notes/To Probe: amp(1)

Weight: 0.31 g
Time: 0.5 hr
Probe Sent on: 11/2/04

OBSERVED FRACTIONS

KIMBERLITE/LAMPROITE INDICATORS	+2	+1	+0.8	+0.5	+0.4	+0.3	+0.25	WEAR	KIMB?	FORM
DIAMOND										
CHROME DIOPSIDE										
CHROMITE										
PHLOGOPITE										
PICROILMENITE										
PYROPE										
OLIVINE										

DETAILED DESCRIPTIONS

MINERAL	LUSTRE (Primary Surface)	LUSTRE (Fresh Fracture)	OTHER

ECONOMIC MINERALS (Wt. % of Initial Wt.)

CASSITERITE	CU-CARBONATES	GOLD	SCHEELITE	MONAZITE

OTHER MINERALS (Vol. % after TBE; Trace 1-3 grains; Rare 4-30 grains)

ALMANDINE	TR	GAHNITE		SHELL	TR	AMPHIBOLE	75%	MUSCOVITE	
ANDRADITE		MAGNETITE	TR	FELDSPAR	R	ANATASE		PREHNITE	
GROSSULAR		PICOTITE		CHLORITE	TR	ANDALUSITE	R	QUARTZ	TR
SPESSARTINE		PLEONASTE		CARBONATE	<1%	APATITE		SILLIMANITE	TR
UVAROVITE		SPINEL	TR			BARITE		SPHENE	5%
						BIOTITE	TR	STAUROLITE	
CLINOPYROXENE		HEMATITE	R			BROOKITE		TOPAZ	
DIOPSIDE		ILMENITE	R			CORUNDUM		TOURMALINE	<1%
OLIVINE		LIMONITE	5%			EPIDOTE	5%	XENOTIME	
ORTHOPYROXENE	TR	PYRITE				GORCEIXITE		ZIRCON	
		PYRITE (Pseudo)				KYANITE	TR		
		PYROLUSITE				LEUCOXENE			
		RUTILE				MAGNESITE		ROCK FRAGMENTS	10%

Positive: (Kimberlite Indicators) ☒

Positive: (Economic Minerals) ☐

Negative: ☐

Sample: XW53

Comment: -2+0.3

Mineralogist/Observer: LHS/LHS
Date Observed: 30/7/04
Notes/To Probe: opx(1),di(1), spl(1), alm(1), ilm(1)

Weight: 2.22 g
Time: 0.75 hr
Probe Sent on: 11/2/04

OBSERVED FRACTIONS

KIMBERLITE/LAMPROITE INDICATORS	+2	+1	+0.8	+0.5	+0.4	+0.3	+0.25	WEAR	KIMB?	FORM
DIAMOND										
CHROME DIOPSIDE					1			VF	POSS	ANHEDRAL
CHROMITE										
PHLOGOPITE										
PICROILMENITE										
PYROPE										
OLIVINE										

DETAILED DESCRIPTIONS

MINERAL	LUSTRE (Primary Surface)	LUSTRE (Fresh Fracture)	OTHER
Diopside	Vitreous	Vitreous	Subhedral, angular, broken. Frosted. Translucent. Cleavage. Yellow-green. Low Cr.
Orthopyroxene 1+0.4	Vitreous	Vitreous	Anhedral, Angular, Broken, Frosted, Translucent, Yellow-brown/ and greenish. Possibly bronzite.
Cr-Spinel? 1+0.3 FW	Vitreous	Vitreous	Anhedral, irregular, subangular. Dull fracture. Red IR. Translucent brown shards. Tan streak.

ECONOMIC MINERALS (Wt. % of Initial Wt.)

CASSITERITE	CU-CARBONATES	GOLD	SCHEELITE	MONAZITE

OTHER MINERALS (Vol. % after TBE; Trace 1-3 grains; Rare 4-30 grains)

ALMANDINE	TR	GAHNITE		CARBONATE	<1%	AMPHIBOLE	R	MUSCOVITE	
ANDRADITE		MAGNETITE		SHELL	TR	ANATASE		PREHNITE	
GROSSULAR		PICOTITE				ANDALUSITE	R	QUARTZ	TR
SPESSARTINE		PLEONASTE				APATITE		SILLIMANITE	TR
UVAROVITE		SPINEL				BARITE		SPHENE	TR
						BIOTITE	TR	STAUROLITE	
CLINOPYROXENE		HEMATITE	R			BROOKITE		TOPAZ	
DIOPSIDE		ILMENITE	TR			CORUNDUM syn	TR	TOURMALINE	TR
OLIVINE		LIMONITE	99%			EPIDOTE	R	XENOTIME	
ORTHOPYROXENE	TR	PYRITE				GORCEIXITE		ZIRCON	
		PYRITE (Pseudo)				KYANITE	TR		
		PYROLUSITE				LEUCOXENE			
		RUTILE				MAGNESITE		ROCK FRAGMENTS	R

Positive: (Kimberlite Indicators) ☐

Positive: (Economic Minerals) ☐

Negative: ☒

Sample: XW54

Comment: -2+0.3

Mineralogist/Observer: LHS/LHS
Date Observed: 30/7/04
Notes/To Probe: ilm(1), mt(1), opx(1), alm(1), cpx/amp(6)

Weight: 0.54 g
Time: 1 hr
Probe Sent on: 11/02/04

OBSERVED FRACTIONS

KIMBERLITE/LAMPROITE INDICATORS	+2	+1	+0.8	+0.5	+0.4	+0.3	+0.25	WEAR	KIMB?	FORM
DIAMOND										
CHROME DIOPSIDE										
CHROMITE										
PHLOGOPITE										
PICROILMENITE										
PYROPE										
OLIVINE										

DETAILED DESCRIPTIONS

MINERAL	LUSTRE (Primary Surface)	LUSTRE (Fresh Fracture)	OTHER
Clinopyroxene 6+0.3 F	Vitreous	Vitreous	Subhedral, subrounded. Greyish rind. Ribbed. Pale blue green.

ECONOMIC MINERALS (Wt. % of Initial Wt.)

CASSITERITE	CU-CARBONATES	GOLD	SCHEELITE	MONAZITE

OTHER MINERALS (Vol. % after TBE; Trace 1-3 grains; Rare 4-30 grains)

ALMANDINE	<1%	GAHNITE		SHELL	5%	AMPHIBOLE	60%	MUSCOVITE	
ANDRADITE		MAGNETITE	R	CARBONATE	R	ANATASE		PREHNITE	
GROSSULAR		PICOTITE				ANDALUSITE	R	QUARTZ	TR
SPESSARTINE		PLEONASTE				APATITE	TR	SILLIMANITE	
UVAROVITE		SPINEL				BARITE		SPHENE	<1%
						BIOTITE		STAUROLITE	
CLINOPYROXENE	R	HEMATITE	R			BROOKITE		TOPAZ	TR
DIOPSIDE		ILMENITE	R			CORUNDUM		TOURMALINE	R
OLIVINE		LIMONITE	20%			EPIDOTE	<1%	XENOTIME	
ORTHOPYROXENE	R	PYRITE				GORCEIXITE		ZIRCON	TR
		PYRITE (Pseudo)				KYANITE	TR		
		PYROLUSITE				LEUCOXENE	R		
		RUTILE	TR			MAGNESITE		ROCK FRAGMENTS	15%

Positive: (Kimberlite Indicators) ☐

Positive: (Economic Minerals) ☐

Negative: ☒

Sample: XW55

Comment: -2+0.3

Mineralogist/Observer: LHS/LHS
Date Observed: 30/7/04
Notes/To Probe: alm(1), cpx(1)

Weight: 0.26 g
Time: 0.5 hr
Probe Sent on: 1/2/04

OBSERVED FRACTIONS

KIMBERLITE/LAMPROITE INDICATORS	+2	+1	+0.8	+0.5	+0.4	+0.3	+0.25	WEAR	KIMB?	FORM
DIAMOND										
CHROME DIOPSIDE										
CHROMITE										
PHLOGOPITE										
PICROILMENITE										
PYROPE										
OLIVINE										

DETAILED DESCRIPTIONS

MINERAL	LUSTRE (Primary Surface)	LUSTRE (Fresh Fracture)	OTHER

ECONOMIC MINERALS (Wt. % of Initial Wt.)

CASSITERITE	CU-CARBONATES	GOLD	SCHEELITE	MONAZITE

OTHER MINERALS (Vol. % after TBE; Trace 1-3 grains; Rare 4-30 grains)

ALMANDINE	R	GAHNITE		SHELL	30%	AMPHIBOLE	30%	MUSCOVITE	
ANDRADITE	TR	MAGNETITE	R	CARBONATE	TR	ANATASE	TR	PREHNITE	
GROSSULAR		PICOTITE				ANDALUSITE	R	QUARTZ	TR
SPESSARTINE		PLEONASTE				APATITE	TR	SILLIMANITE	
UVAROVITE		SPINEL				BARITE		SPHENE	R
						BIOTITE		STAUROLITE	
CLINOPYROXENE	TR	HEMATITE	5%			BROOKITE		TOPAZ	5%
DIOPSIDE		ILMENITE	R			CORUNDUM	TR	TOURMALINE	5%
OLIVINE		LIMONITE	20%			EPIDOTE	R	XENOTIME	
ORTHOPYROXENE	TR	PYRITE				GORCEIXITE		ZIRCON	
		PYRITE (Pseudo)				KYANITE			
		PYROLUSITE				LEUCOXENE	R		
		RUTILE	TR			MAGNESITE		ROCK FRAGMENTS	5%

Appendix 3

Venus Bay EL2927 Part Surrender Report, April 2005
HEAVY MINERAL MICROPROBE ANALYSIS

Sample	MinCode	Notes	Size (mm)	Mount	Sequence	SiO2	TiO2	Na2O	Al2O3	FeO	MnO	MgO	CaO	Cr2O3	Nb2O5	V2O3	NiO	K2O	ZnO	Fe2O3	H2O	SumOxide
XW-52	CPX	Amph?	0.3	OR011204A	16	51.29	0.21	0.12	2.66	0.25	0.18	16.41	24.31	0.13	0.00	0.03	0.06	0.00	0.08	3.88		99.60
XW-53	SPL	Ti_Mag, was ILM	0.3	OR011204A	21	0.03	4.11	0.00	0.00	33.95	0.07	0.00	0.01	0.02	0.07	0.00	0.05	0.01	0.00	58.89		97.21
XW-53	CPX		0.4	OR011204A	17	51.71	0.29	1.28	4.73	0.00	0.06	15.83	22.08	0.65	0.00	0.04	0.04	0.00	0.01	2.67		99.38
XW-53	OPX		0.4	OR011204A	18	55.13	0.11	0.04	1.41	7.05	0.23	31.70	1.53	0.57	0.03	0.00	0.09	0.00	0.05	2.64		100.57
XW-53	XXX	Was SPL?	0.3	OR011204A	19	29.67	0.46	0.73	9.42	0.00	5.77	1.33	16.93	0.01	0.00	0.01	0.02	0.41	2.86	32.99		100.60
XW-53	GNT	Almandine, pink	0.3	OR011204A	20	36.41	0.01	0.00	21.23	33.89	1.01	4.08	1.07	0.00	0.03	0.00	0.03	0.00	0.00	2.68		100.43
XW-54	ILM		0.3	OR011204A	22	0.01	51.57	0.02	0.00	38.83	7.88	0.00	0.00	0.00	0.66	0.06	0.02	0.00	0.16	0.87		100.08
XW-54	AMPH	CPX/AMPH?	0.3	OR011204A	23	41.93	1.37	1.49	6.49	21.60	1.74	3.32	10.06	0.01	0.00	0.00	0.02	0.77	0.07	8.27	1.88	99.03
XW-54	OPX		0.3	OR011204A	24	50.83	0.08	0.04	1.59	20.59	0.75	21.25	1.05	0.09	0.02	0.01	0.03	0.01	0.07	3.32		99.73
XW-54	GNT		0.3	OR011204A	25	37.35	0.05	0.00	21.81	27.73	0.70	7.84	1.78	0.09	0.00	0.06	0.02	0.00	0.00	2.76		100.20
XW-54	CPX		0.3	OR011204A	26	51.93	0.08	0.35	2.20	2.73	0.23	15.45	23.41	0.00	0.01	0.00	0.05	0.00	0.00	2.74		99.19
XW-54	AMPH	CPX/AMPH?	0.3	OR011204A	27	55.36	0.02	0.08	0.54	0.00	0.41	24.01	0.82	0.05	0.04	0.00	0.10	0.01	0.02	16.34	2.18	99.98
XW-54	CPX		0.3	OR011204A	28	51.47	0.26	0.46	2.18	2.67	0.21	15.10	23.35	0.25	0.04	0.07	0.00	0.00	0.00	3.34		99.40
XW-54	CPX		0.3	OR011204A	29	51.42	0.32	0.47	2.55	2.58	0.20	15.00	23.45	0.40	0.02	0.02	0.05	0.00	0.00	3.17		99.65
XW-54	CPX		0.3	OR011204A	30	51.65	0.42	0.42	2.42	5.08	0.20	16.14	20.32	0.13	0.04	0.04	0.03	0.00	0.11	3.29		100.30
XW-54	CPX		0.3	OR011204A	31	51.70	0.25	0.39	1.94	4.81	0.32	16.05	20.68	0.16	0.00	0.06	0.03	0.00	0.00	3.60		99.99
XW-55	GNT	Almandine	0.3	OR011204A	32	37.02	0.02	0.00	21.00	25.34	2.07	4.88	6.35	0.00	0.01	0.01	0.02	0.00	0.00	2.91		99.61
XW-55	CPX		0.3	OR011204A	33	51.55	0.11	0.42	2.29	4.46	0.27	14.49	22.82	0.04	0.04	0.05	0.04	0.01	0.00	3.15		99.71