



**Northern Territory
Diamond Prospect
EL 9719
Annual report
2003**

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ROPER RIVER DIAMOND PROSPECT

(EL 9719 and EL 9722)

Including the Packsaddle and Blackjack Kimberlites

INTRODUCTION

EL 9719 and EL 9722 are located in the north east of the Northern Territory on the Moroak 1:100,000 map sheet, which is part of the Urapunga D 53-10 1:250,000 map sheet.

The tenements cover part of previous EL 4483, which was explored for diamonds by Stockdale Prospecting Limited (Stockdale) during the period from 1984 to 1990. Stockdale's exploration, which resulted in the discovery of two kimberlite bodies, is summarised below. The two kimberlites are located within EL 9719.

DISCUSSION

Exploration by Stockdale was confined to exploration for kimberlite bodies and was in no way directed towards the discovery of alluvial diamonds. Two bulk samples totaling 86 m³ were tested. However, this was before the discovery of the two kimberlite dykes.

The only samples submitted for fine diamond examination were from drill hole cuttings and all were found to contain diamonds.

The two kimberlite dykes discovered have both been traced over a considerable distance and may have shed significant quantities of diamonds. It is recommended that a bulk testing programme be undertaken to test the potential for alluvial diamonds.

EXPLORATION BY STOCKDALE

1984

A broad spaced reconnaissance stream sediment sampling programme was completed at a density of 1: 165 km² with the aim of detecting a kimberlite or lamproite province. A total of 9 samples, each 70 litres of -1.7 + 0.3 mm, were collected from within EL 4483, which at that time consisted of 378 graticular blocks totalling approximately 1217 km². A sample collected along Packsaddle Creek proved to be positive, with one kimberlitic garnet being recovered.

1985

Two bulk samples totalling 86m^3 were treated resulting in the recovery of several kimberlitic garnets and ilmenites.

1986

Stream sampling to a density of $1:10\text{ km}^2$ and loam sampling to a density of $1:0.5\text{ km}^2$ was completed in the Packsaddle Creek area. Anomalous drainages containing kimberlitic garnets and chromite were delineated. A total of 22 stream samples and 68 loam samples were collected.

Follow up stream sampling at a density of $1:0.4\text{ km}^2$ (30 samples) was undertaken in anomalous areas.

1987

A further stream sediment sampling programme at a density of $1:0.25\text{ km}^2$ was undertaken.

A helicopter magnetic survey was flown over the area of interest and 4 subtle targets were delineated. Ground magnetometer surveys were inconclusive and two of the target responses proved to be of cultural origin. Two kimberlitic garnets were recovered from check loam and hand auger sampling over one of the helimag responses.

1988

Exploration work was focused over and around a distinctive diamond shaped valley dissected by the Roper Highway.

After inconclusive close interval follow up stream sampling immediately south of the valley of interest, and inconclusive ground magnetic follow up of a helimag anomaly in the south western corner of the valley of interest (over which garnets were recovered in 1987), a close interval loam grid was placed to the immediate west of the helimag response. This exercise produced abundant kimberlitic garnet, spinel, and a single diamond. High counts were restricted to the base of a scree slope along the north north west trending south western edge of the valley of interest over a distance of 1 km. Later 200 metre grid loam sampling over the entire valley of interest extended the heavy mineral anomaly a further 1.5 km to the north north west. The valley of interest was referred to as Packsaddle.

Fill in sampling failed to detect further anomalies.

1989

Several phases of stream and loam sampling were undertaken, followed by a RAB/RC drilling programme. Most of the work was within the valley of interest at Packsaddle Creek.

Fill in stream sampling over the entire licence area at a density of 1:1 km² was completed in two stages. This work generated new anomalies. Sampling of these anomalies resulted in the discovery of a dyke shedding abundant kimberlitic chromites located about 9 km to the south east of the Packsaddle occurrence. This occurrence was designated Blackjack 1.

Drilling

A total of 46 Rotary Air Blast-Reverse Circulation drillholes were completed at Packsaddle in and around the valley of interest in Sept 1989. Depths ranged from 16 metres to 200 metres. A total of 1631 metres was drilled.

Kimberlitic material was confirmed from 5 holes at two locations about 700 metres apart along the south western edge of the valley of interest.

SUMMARY OF RESULTS

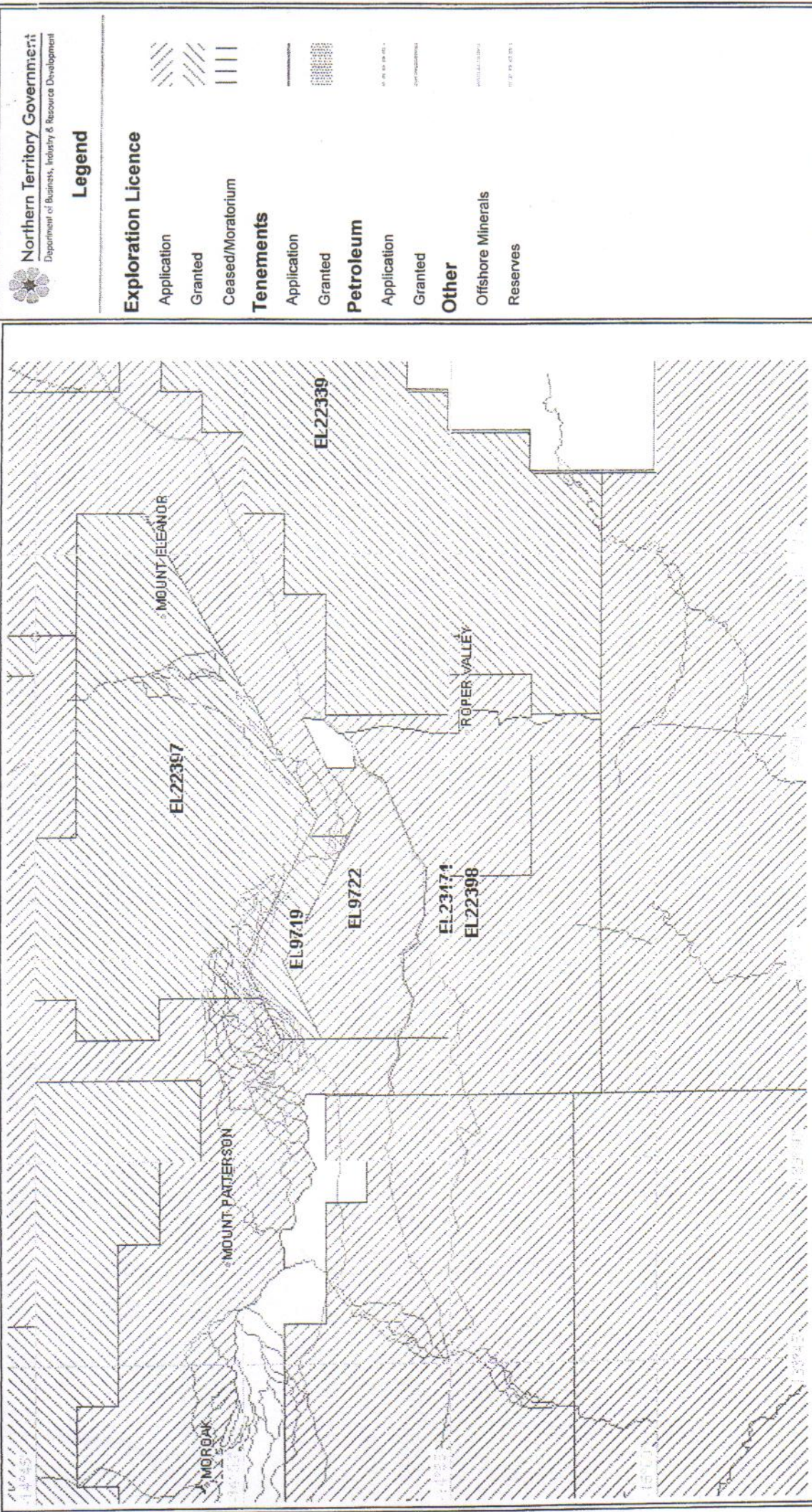
Two kimberlite dykes were located, and are known as Packsaddle 1 and Blackjack 1.

The Packsaddle 1 kimberlite was only located in drill intersections, while Blackjack 1 was found to outcrop along approximately 1 kilometre of strike.

Fine diamonds were recovered from intersections of the Packsaddle kimberlite in samples from all three drillholes submitted for fine diamond work. No other intersections have been submitted.

Expenditure:

Geological	3900
Travel and transportation	656
Drafting	450
Tenement costs	1221
Regional costs	640
Office and communication	2453
Capital utilization	1118
Total	10438



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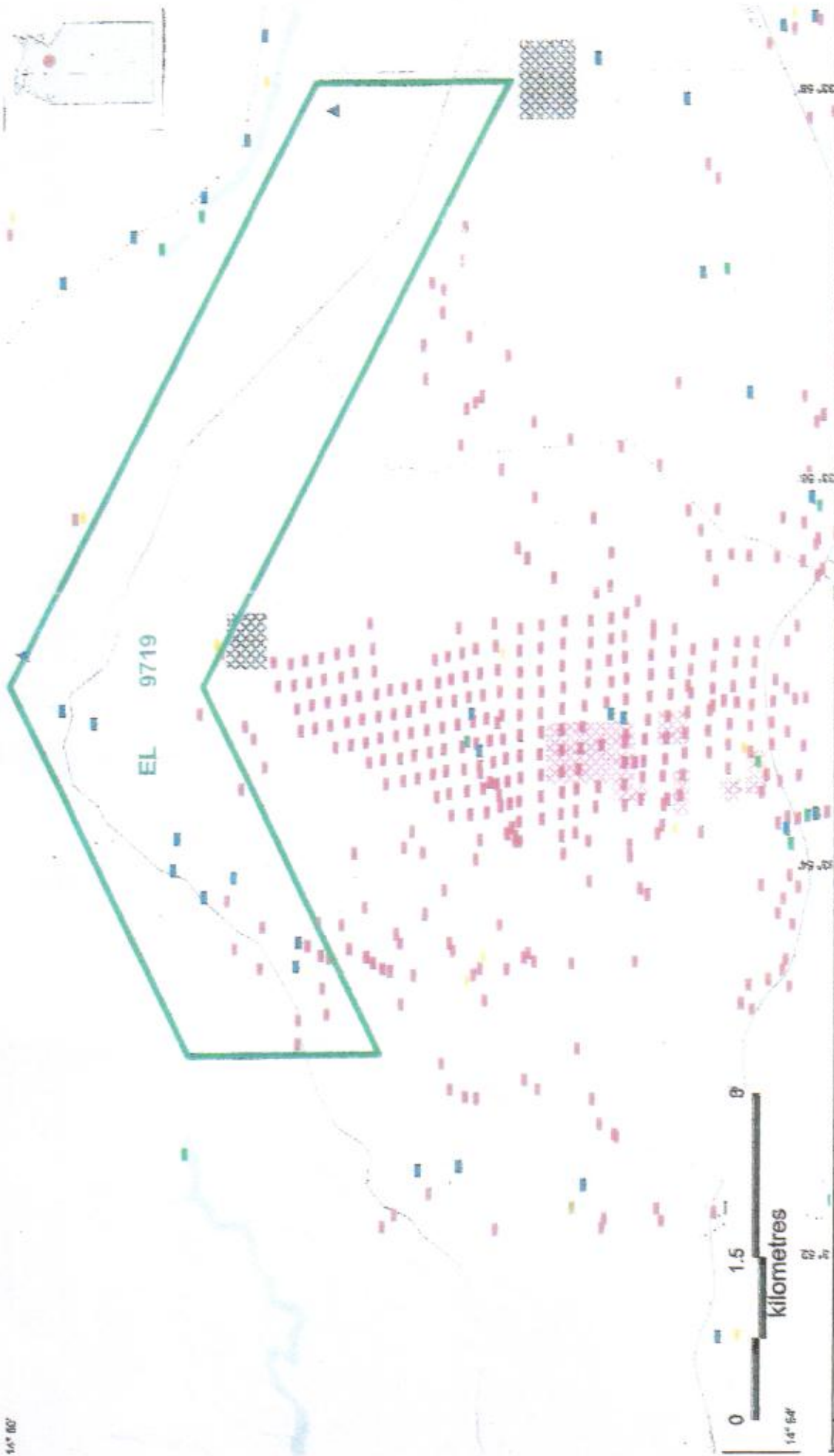
Datum : Lat/Long GDA94

not to scale

NOTE TO MAP USERS : Mining and Exploration Tenure depicted here are plotted from descriptions supplied by the holders and the Northern Territory takes no responsibility as to their accuracy. User should be aware that inconsistencies may occur between some information.

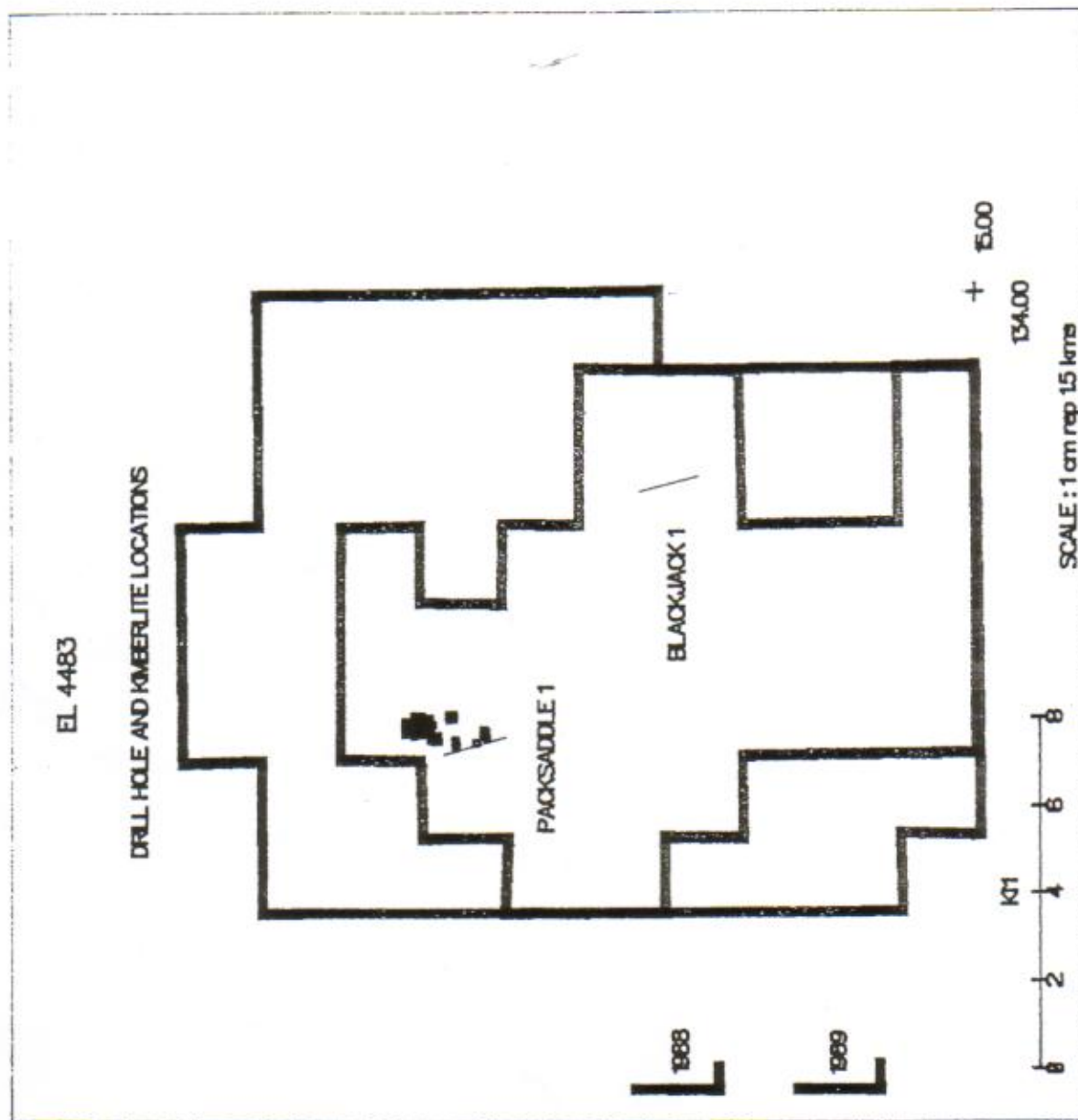
MAP 1

14° 00'



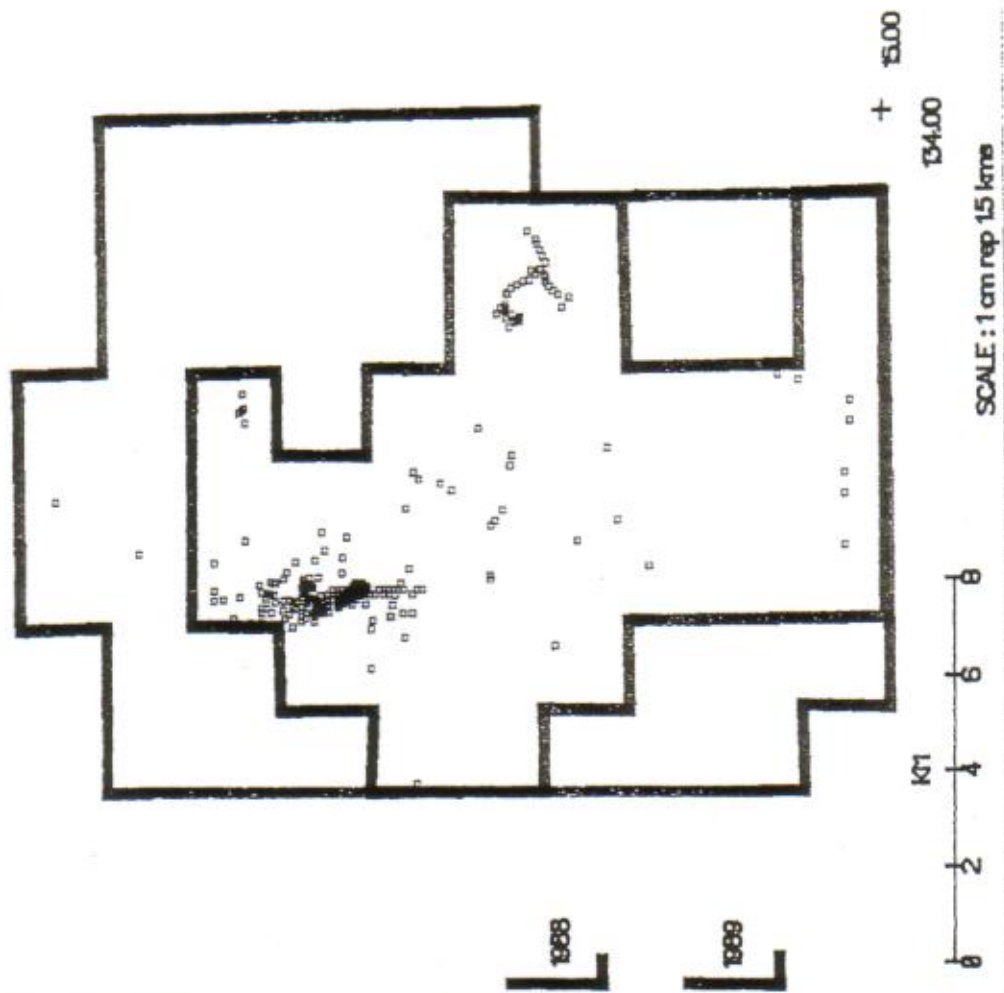
- LEGEND**
- Exploration Licence Application (ELA) 9719
 - RAB Drilling
 - Stream Sediment / Loam Sampling
 - RC Drilling
 - Company Report 83/58 - EL3359
 - Company Report 83/62 - EL3364
 - Company Report 83/311 - EL2895
 - Company Report 85/149, 87/84, 89/421, 90/572, 90/58 - EL4483
 - Company Report 90/80, 91/213, 92/152 - EL5292
 - Company Report 91/556 - EL6885
 - Company Report 92/178, 92/179 - EL6292
 - Company Report 92/190 - EL7154

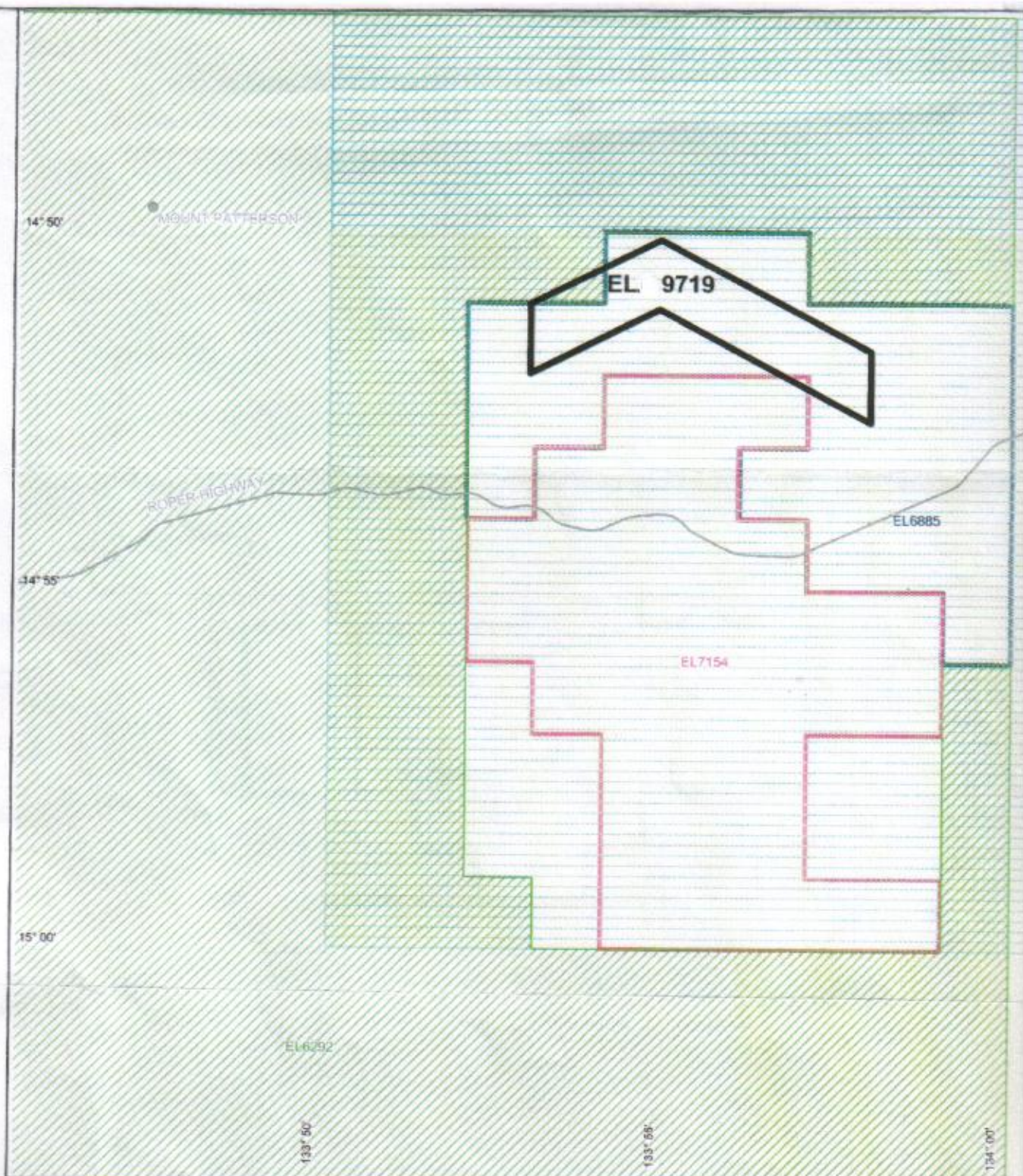
MAP 2



EL 4483

VISUALLY POSITIVE SAMPLE LOCATIONS



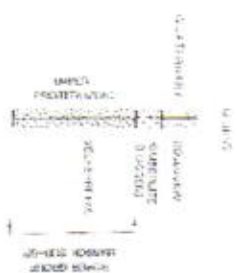


LEGEND

- | | |
|--|---------------------------------------|
| Exploration Licence Application (ELA) 9719 | Granted Exploration Licence (EL) 6292 |
| Granted Exploration Licence (EL) 3359 | |
| Granted Exploration Licence (EL) 4483 | |
| Granted Exploration Licence (EL) 6885 | Highway |
| Granted Exploration Licence (EL) 7154 | Locality |

MAP 5

NOTE TO MAP USERS: Mining and exploration licences depicted on this map are subject to change without notice.



STOCKDALE PROSPECTING L.
SOUTHERN ELECTRIC
CO. IN CHARGE
FACTORY, CHARGE
SECTION THROUGH DHB & DHB4
DRILLHOLE LOCATION

DATE	10/10/10
TIME	10:00
LOCATION	1000
NAME	1000
ADDRESS	1000
CITY	1000
STATE	1000
ZIP	1000
PHONE	1000
FAX	1000
E-MAIL	1000
WEBSITE	1000
OTHER	1000

SCHEDULE OF PREVIOUS EXPLORATION ACTIVITY

Title Type and Number	Shown on Prior Exploration Licence Map	Shown on Previous Exploration Activity Map	Previous Exploration Activities Carried Out on Proposed Exploration Licence 9719
Exploration Licence (EL)			
EL 3359	Yes	Yes	<p>Source: Report No. Company Report (CR) 1983-58, 1982</p> <p>Activity: Stream sediment/loam sampling involved:</p> <ul style="list-style-type: none"> (i) the collection of sediment sample (40kg) from a suitable trap site (ii) onsite screening of the sample to collect a particular size fraction; and (iii) laboratory processing/analysis of the sample for heavy mineral content.
EL 4483	Yes	Yes	<p>Source: Report No. Company Report (CR) 1990-68, 1984-90, Company Report (CR) 1990-572, 1984-90, Company Report (CR) 1989-421, 1984-90, Company Report (CR) 1987-84, 1984-90 and Company Report (CR) 1985-149, 1984-90</p> <p>Activity: Rotary Airblast ('RAB') drilling involved :</p> <ul style="list-style-type: none"> (i) preparation of drill site; (ii) drill to predetermined depth; (iii) collection of drill sample per metre (10 –50 kg); (iv) onsite screening of the sample to collect a particular size fraction; and (v) laboratory processing/analysis of the sample for mineral content. <p>Stream sediment/loam sampling</p>
EL 6292	Yes	Yes	<p>Source: Report No. Company Report (CR) 1992-179, 1990-2, Company Report (CR) 1992-178, 1990-2, Company Report (CR) 1992-152, 1990-2, Company Report (CR) 1991-213, 1990-2 and Company Report (CR) 1990-60, 1990-2</p> <p>Activity: Stream sediment/loam sampling</p>

Title Type and Number	Shown on Prior Exploration Licence Map	Shown on Previous Exploration Activity Map	Previous Exploration Activities Carried Out on Proposed Exploration Licence 9719
EL 6885	Yes	Yes	<p>Source: Report No. Company Report (CR) 1991-556, 1990</p> <p>Activity: Stream sediment/loam sampling Reverse Circulation ('RC') drilling involved :</p> <ul style="list-style-type: none"> (i) preparation of drill site; (ii) drill to predetermined depth; (iii) collection of drill sample per metre (10 –50 kg); (iv) onsite screening of the sample to collect a particular size fraction; and (v) laboratory processing/analysis of the sample for mineral content.
EL 7154	Yes	Yes	<p>Source: Report No. Company Report (CR) 1983-58, 1982</p> <p>Activity: Stream sediment/loam sampling</p>

NORTHERN TERRITORY OF AUSTRALIA

Mining Act

EXPLORATION LICENCE

EL No. 9719

RODNEY JOHNSTON (67%) AND MEGA-MIN RESOURCES NL, (33%) ACN 060 217 272, (hereinafter referred to as the "licensee") is hereby licensed, for a period of six (6) from the date hereof, to explore in accordance with the provisions of the *Mining Act*, the regulations thereunder and the terms and conditions specified in the First Schedule and the Second Schedule, all the area of land delineated in the Third Schedule excluding therefrom all land vested in the Commonwealth and all radio telecommunication repeater sites.



M A ERRITY

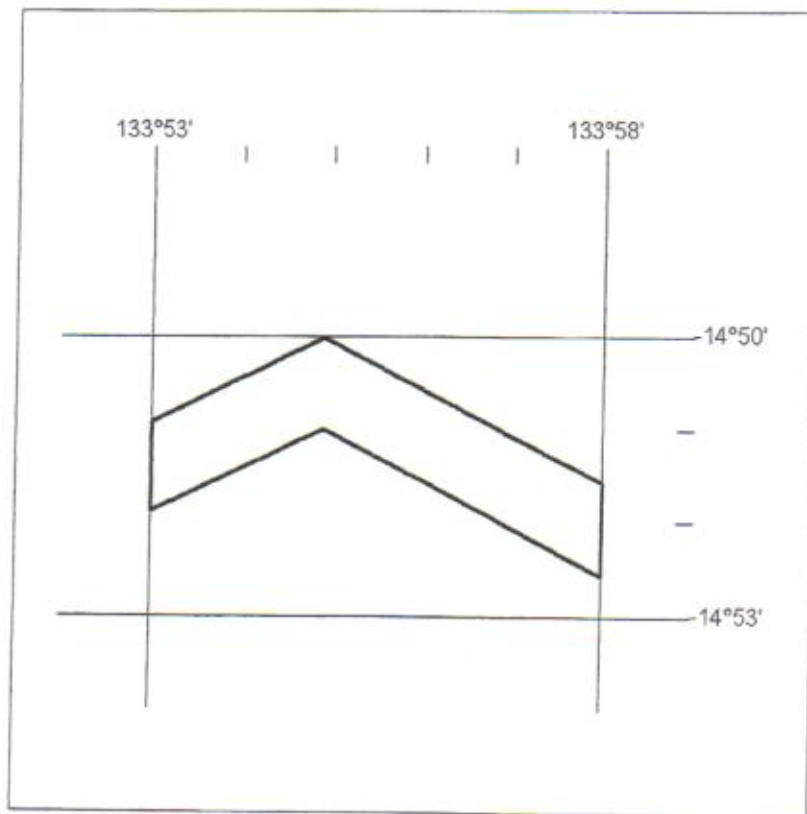
Principal Registrar
as Delegate of the Minister
for Business, Industry and Resource Development

6 September 2002

FIRST SCHEDULE

1. The licensee shall ensure that a minimum amount of \$10,000.00 is expended in carrying out exploration on the licence area during year one (1) of the licence.
2. The licensee shall comply with the provisions of, and directions lawfully given under, the Act and all other laws in force in the Territory, as are applicable in relation to its activities on the licence area.
3. Not later than one (1) month after the expiration of each 12 month period of this licence, the licensee shall submit in writing a statement specifying the details of the exploration programme reflecting expenditure for the next year of the licence.
4. Compensation for the effect of a prescribed mining act on native title is payable to the native title holder by the holder of the mining interest to which the prescribed mining act relates; and includes compensation for the effect on native title on activities done under that mining interest as a result of the prescribed mining act.
5. Exploration shall not take place within one hundred and twenty-five (125) metres of the centreline of any road or railway, unless specific approval is given by the Director of Mines.

THIRD SCHEDULE
(Plan of Area)



EL9719
11 BLOCKS
16.22 sq kms

APPENDIX

Proposed Program and Expenditure 2003 and 2004	
Bulk sampling program	\$16000
Administration	\$4000
Total	\$20000