

Kajeena Mining Company Pty Ltd

2003 Annual Combined Report

On

EXPLORATION LICENCE's **EL 10096, EL 10097 & EL 10098**

Mistake Creek Area

Period Ending 12th December 2003

LICENCEE:	Kajeena Mining Company Pty Ltd
OPERATOR:	Kajeena Mining Company Pty Ltd
STANDARD 1:250,000 SHEET:	SE 52- 07 Limbunya
STANDARD 1:100,000 SHEET:	Negri 4763
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	Napier 4762
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DATE:	January,2004.

CONTENTS.

Summary.

- 1. Introduction.**
- 2. Location & Access.**
- 3. Tenure Details.**
- 4. Regional Geology.**
- 5. Previous Mining & Exploration.**
- 6. Current Exploration.**
- 7. Forward Work Programmes Year 3.**
- 8. References.**

APPENDIX.

EL 10096,97,98 200312 Consultants Report .pdf

SUMMARY

The Kajeena Mining Company Pty Ltd holds three exploration licences in the Mistake Creek area which are considered to have excellent exploration potential for lead – zinc, gold and diamond deposits. Work during this year has involved further data review, processing and interpretation of the NTGS airborne magnetic survey and exploration programme planning.

A Joint Venture Agreement has been entered into with Admiralty Resources NL, a listed public company to conduct exploration over the joint tenement area. Initial focus will be on the prospectivity for gold mineralisation associated with the Inverway metamorphics and base metal mineralisation in the Birrindudu Basin sediments.

A geological report compiled during the year is appended.

INTRODUCTION.

Kajeena Mining Company Pty Ltd hold three granted exploration licences in the Mistake Creek area. The tenements have been subject to previous exploration with barite and copper having been mined historically in the area. Modern exploration has focussed on the anomalous base metal values in the Birrindudu Basin sediments and the regions prospectivity for diamonds. During the year further targeting was conducted using open file exploration reports, geological and geophysical data sets. This report targeted several areas as prospective for gold and base metal mineralisation. Admiralty Resources NL, an ASX listed company, has entered into a Heads of Agreement to conduct exploration over the licence areas during 2004.

These Exploration Licences have all had indigenous land use agreements negotiated on them and exploration involving initial geological reconnaissance and soil and rock sampling is scheduled to commence in April, 2004. It is planned to drill test prospective targets during 2004.

2. LOCATION & ACCESS

The tenement areas are located on the Northern Territory \ Western Australian Border approximately 125km NW of Lajamanu and 200km SE of Kununurra. Access to the area is via the Buchanan Highway, then via station tracks from Inverway Homestead.

The region is sub-tropical. With long hot summers days ranging from 20°C – 40°C+ and mild winters days varying from 5°C to high 20°C's. Tropical monsoonal rains occur during January to March making access to all areas difficult and averaging 400-500mm per year.

3. TENEMENT DETAILS

Exploration Licence	No. Blocks (Area km ²)	Grant Date	Expiry Date	Expenditure Covenant
EL 10096	398 (1232)	13/12/2001	12/12/2007	\$25,000
EL 10097	157 (514.1)	13/12/2001	12/12/2007	\$40,000
EL 10098	27 (73.76)	13/12/2001	12/12/2007	\$7,000

4. REGIONAL GEOLOGY

Basement is interpreted to be comprised of the Inverway Metamorphics with two small outcrops in the EL area. These are unconformably overlain by the stacked Paleo to Meso-Proterozoic Basins of the Birrindudu and Victoria Basins. A thin layer of Lower Cambrian Antrim Plateau Volcanics blankets a large portion of the area.

5. PREVIOUS MINING AND EXPLORATION

Previous mining and exploration has been detailed in the first annual report and is summarised in the appended geological review (Appendix 1).

6. CURRENT EXPLORATION

Exploration during the current year has entailed processing and interpretation of the NTGS magnetic data and re-appraisal of the mineral targeting and proposed exploration programme. A consultants report was prepared for the Kajeena which indicates prospectivity for gold mineralisation in the basement Inverway Metamorphics in addition to the prospectivity of the Birrindudu Gp. For large base metal deposits and the regional prospectivity for diamond deposits. This report is included as Appendix 1.

7. FORWARD WORK PROGRAMS YEAR 3.

Exploration on these tenements during Year 3 will initially involve geological reconnaissance, soil and rock chip sampling. It is planned to conduct a drill programme during this field season over identified targets.

EL 10096 Forward Work Program

Expenditure Type	Cost
Geological Consultants	\$10,000
Travel & Accommodation	\$4500
Field Assistants.	\$ 4,000
Vehicle Expenses	\$2,000
Sampling and Analysis	\$ 1,500
Tenement Maintenance	\$ 1000
Administration	\$1,000
Total	\$24,000

EL 10097 Forward Work Program

Expenditure Type	Cost
Geological Consultants	\$10,000
Travel & Accommodation	\$ 4500
Field Assistants	\$ 4,000
Vehicle Expenses	\$ 2,000
Sampling and Analysis	\$ 1,500
Tenement Maintenance	\$ 1,000
Administration	\$ 1,000
Total	\$24,000

EL 10098 Forward Work Program

Expenditure Type	Cost
Geological Consultants	\$10,000
Travel & Accommodation	\$ 4,500
Field Assistants.	\$4,000
Vehicle Expenses	\$ 2,000
Sampling and Analysis	\$ 1,500
Tenement Maintenance	\$ 1000
Administration	\$ 1000
Total	\$24,000

9. REFERENCES

A Cutovinos et al, 2002. 1:250,000 Geological Map Series Explanatory Notes Limbunya SE 52-07.

