FINAL REPORT FOR
EXPLORATION LICENCE 22897

by

SOUTHERN CROSS EXPLORATION N L

18 OCTOBER 2004
CR 20040530
1. **General**

The Exploration Licence 22897 was transferred from Rio Tinto Exploration Pty Limited to Southern Cross Exploration N L (80% Operator) and Bohuon Resources Pty Ltd under the Tenement Transfer Agreement made on 27 June 2003.

Subsequent to that we waited for a response from the Central Land Council in relation to access to the exploration area. As a result of waiting for several months, we were unable to conduct any work aside from a general review of geological data acquired from Rio Tinto. Regrettably, the exploration licence had to be cancelled by the Authority as no progress could be made in view of the lack of response from Central Land Council.

Rio Tinto Exploration Pty Ltd had conducted an active program in the first year of the licence. In compliance with the regulation the company must have submitted the results of its exploration activities. Rio decided to let the licence go, as assays of rock samples yielded disappointing results.

2. **List of Technical Activities conducted by Rio Tinto Exploration Pty Ltd in EL22897, NT.**

- Initial recon - collection of small number (~16) surface grab and float samples. Recognised poor exposure.

- Airborne EM (Hoistem) survey across suspected mafic intrusion covering 79 km2 (395 line km) - 2 conductivity anomalies identified interpreted as potential Ni-Cu massive sulphide / or kimberlite.

- Two ground magnetic traverses using MP3 (~2km) across Area -A

- Drilling. Two Phases
  - 4 drill holes (DD02HUC001-002 & RC02HUC001-002)
  - 619m RC, 289m Mud Rotary, 64m NQ diamond
  - 330 multi element geochem samples
  - 19 kimberlitic indicator mineral samples
  - 5 petrology samples


Potential of area downgraded.
3. **Expenditure**

   Approximately $450,000 has been spent on EL22897 by Rio, whereas Southern Cross Exploration and Bohuon Resources spent in excess of $10,000 on the licence.

4. **Environmental Rehabilitation Work**

   Rio Tinto Exploration Pty Ltd has carried out the required rehabilitation work.

5. **Conclusion**

   Southern Cross Exploration N L and Bohuon Resources Pty Ltd still believe that EL22897 is a mineral prospect area.

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