

Nea Kameni Pty Ltd
10 Jutland Pde
Dalkeith 6009

26/8/05

Annual Report for Exploration Licence 24028

This report covers the exploration activities of Nea Kameni Pty Ltd regarding Exploration Licence 24028 in the Keep River area of the Northern Territory for the 2004 to 2005 period.

Access to the area is extremely difficult. The old tracks are in a poor condition and have been washed away particularly adjacent to the stream systems that occur in the vicinity of the licence. Despite this vehicle access can be gained to the southernmost part of the licence area without disturbing the environment. Access to the remainder of the licence area was by foot only which after an initial climb out of the incised valleys in the south remained relatively flat and easy walking. A number of traverses were conducted across the licence area.

Initial activity included the examination of existing air photos of an area that included the licence area and the immediately adjacent environ. A preliminary geo-structural interpretation was undertaken to highlight areas which required special attention during the subsequent field examination. Three areas of significance emerged from this study. These areas were prioritised.

Geological mapping and sample collecting were conducted throughout the licence during the year. Preliminary maps have been prepared and samples selected for detailed analysis. In addition geophysical studies included the acquisition of preliminary ground magnetic data in the prioritised areas. No gravity data was collected due to a malfunction of the equipment on site.

A number of rock and soil samples have been selected for analysis. This will include petrological as well as geochemical investigations. Depending on the outcome of this work specific samples will be selected for electron beam microanalysis and trace element analysis work.

Specific portions of the licence area have significant mineralisation. Dominant mineralisation in the area includes the occurrence of numerous barite veins. These veins have specific orientations and are believed to be part of a much larger zone of mineralisation. The barite contains a number of exotic elements/minerals that are in the process of being identified. At the time of writing these investigations had not been completed and will therefore be reported next year.

G D Pooley

Expenditure during the 2004 to 2005 period

	\$
Aerial photographic interpretation and preliminary structural evaluation	5,493
Geological mapping and collection of samples	7,429
Geophysical investigation including specific ground magnetic surveys	4,773
Preliminary sample analysis including bulk and Microanalysis work	3,567
Barite Market Survey and Preliminary Testing	18,730
Report preparation and associated investigations And research	1,876
Total	\$41,868

Work Programme for 2005 to 2006 – Exploration Licence 24028

1. Precise geological mapping of the three specifically defined areas. This will be supported by detailed structural mapping.
2. Detailed structural/tectonic analysis of each zone including specific petrological work to highlight mineralised zones.
3. Wide-spaced then close-spaced geochemical sampling programme of each of the target zones.
4. Electron beam microanalysis of specific mineral concentrates from each zone
5. Compilation of all geological, geophysical and geochemical data to achieve target priority for RC drilling.
6. Bulk testing of a commercial quantity of Barite and associated market analysis
7. Preparation of supporting documentation.

Proposed Expenditure	\$
Geological mapping of the three specific areas.	3,750
Structural mapping of each zone.	2,850
Structural/tectonic analysis of each zone	1,870
Petrology of mineralised zones.	1,575
Wide-spaced geochemical sampling programme of target zones.	2,700
Close-spaced geochemical sampling programme of target zones.	3,250
Electron beam microanalysis of mineral concentrates	1,100
Compilation of all geological, geophysical and geochemical	2,640
Preparation of supporting documentation and research	2,230
Further Barite and associated products market analysis	10,000
Bulk Testing of Commercial Barite quantity	15,000
Contingency - 10%	2,197
Total	49,162