Lagoon Creek Resources Pty Ltd.

Exploration Licence 24645

2006 Annual Report

Period Ending 15th March 2007

LICENCEE: Lagoon Creek Resources Pty Ltd.

OPERATOR: Lagoon Creek Resources Pty Ltd.

STANDARD 1:250,000 SHEET: SE53-8 Calvert Hills.

AUTHOR: Lagoon Creek Resources Pty Ltd.

DATE: March, 2007.

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Summary

Lagoon Creek Resources Pty Ltd. are exploring EL 24645 for potential uranium and gold mineralization, with large known deposits to the east of the EL's within the Westmoreland system, as well as a series of known mineral occurrences such as "Calvert North" and "Calvert South" that occur in association to the Calvert Fault which runs north west to the north of this tenement.

EL24645 consists of 453 sub blocks and was acquired by Lagoon Creek Resources Pty Ltd on the 15th March 2006, for a duration of 6 years.
The EL covers 1,483sq/km and is located within the Calvert Hills Pastoral station, straddling the Calvert Road, just south of the intersection with the Savannah Highway.
Information on past exploration is limited; however the area is regarded as potentially prosperous for Uranium, Gold and Diamond exploration.
Exploration during the past year has comprised of geophysical data analysis and reprocessing. A combination of the record wet season, as well as the current mineral boom presenting serious problems in the acquisition of drilling contractors and field staff has led to delays in the rigorous field and drill program we now have planned for 2007.

Location and Access

EL24645 is located in the North East of the Northern Territory (Fig 1)

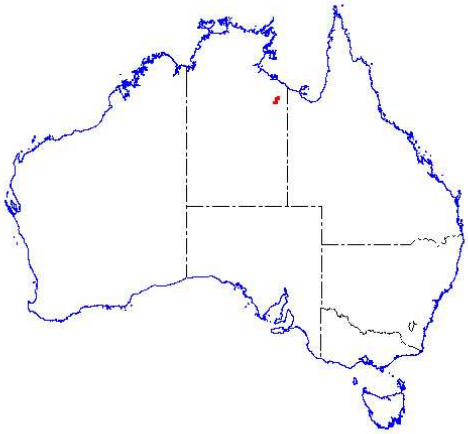

Fig 1: National Locality

Access to EL 24645 is from the Savannah Highway then heading south on the Calvert Hills road to the south west. This intersects the northern part of the tenement. Access to the southern part is achieved by taking the track to the Benmara cattle station. (Fig 2).

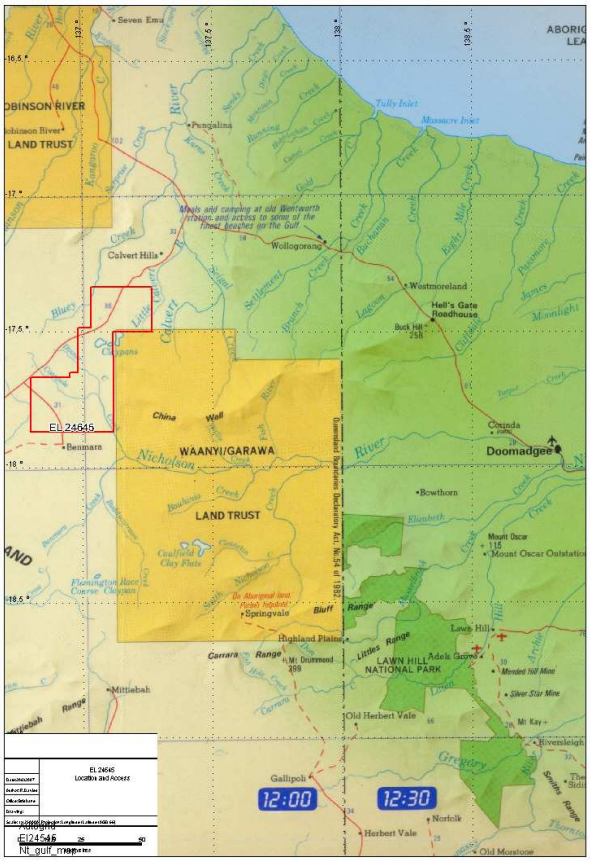

Fig 2: EL24645 Location and Access

Communications and Accomodation are well catered for with close proximity to the Benmara cattle station, and further north the Calvert hills Station.

Climate

The climate is sub tropical, with wet summers and warm dry winters. Average rainfall (recorded at Wollogorang weather station ~100km to the North East) over the past 26 years is 923mm per annum, of which almost all falls between the months of December and March making access a great difficulty. The area has an average annual temperature of around 19°C; however extremes of 0°C and 46°C have occurred.

Geology

The tenement covers parts of the Georgina Basin, Nicholson basin and the Murphy Inlier. It consists of the McArthur Basin group which is unconformable to the older underlying Tawallah group.

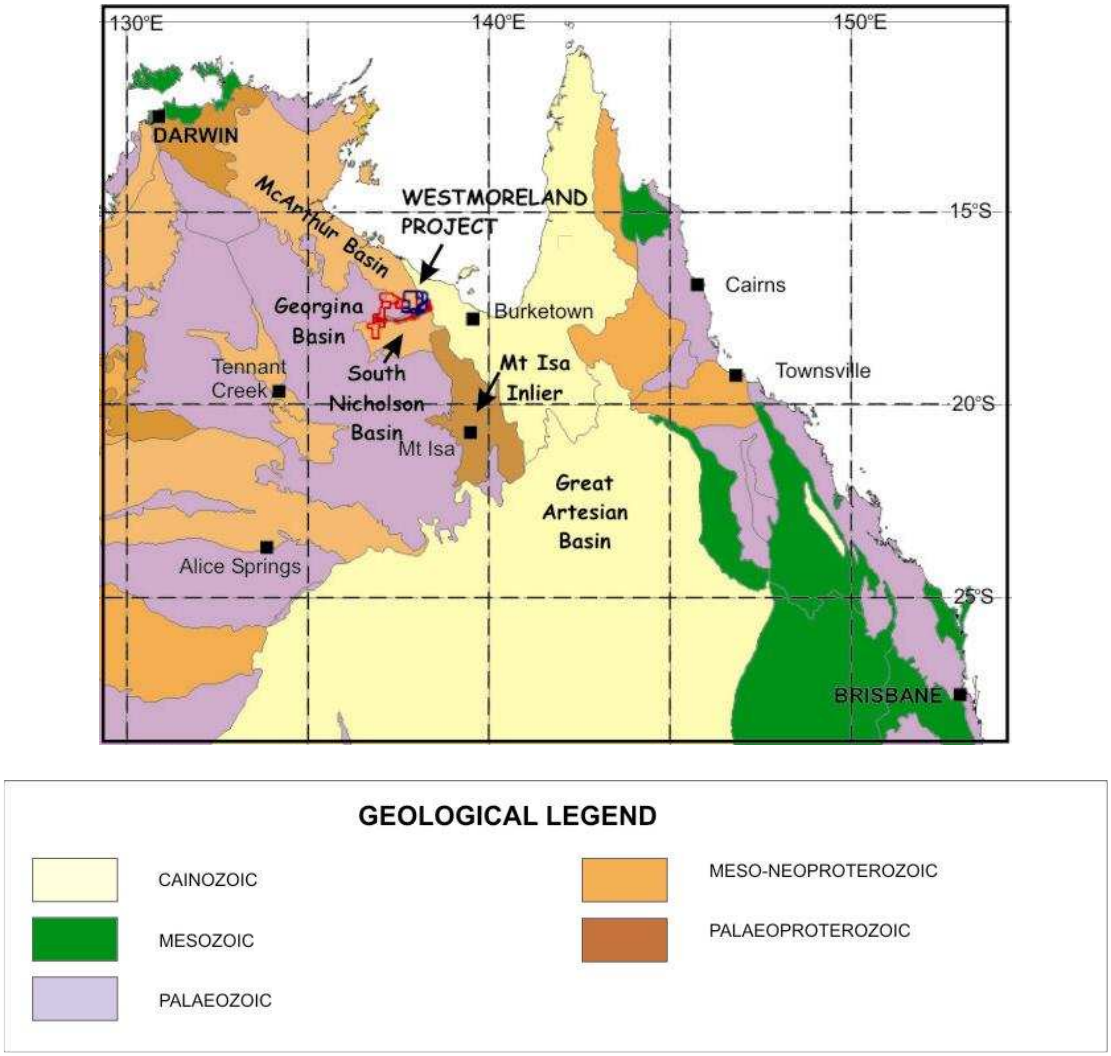

Figure 3: Geological Regions.
Compiled by D G Jones from published data

The Tawallah group consists of:

- Wollogorang Formation
- Aquarium Formation
- Sly Creek Sandstones
- McDermott Formation

With representations from the McArthur Basin of

- Masterton Sandstone
- Karns Dolomite

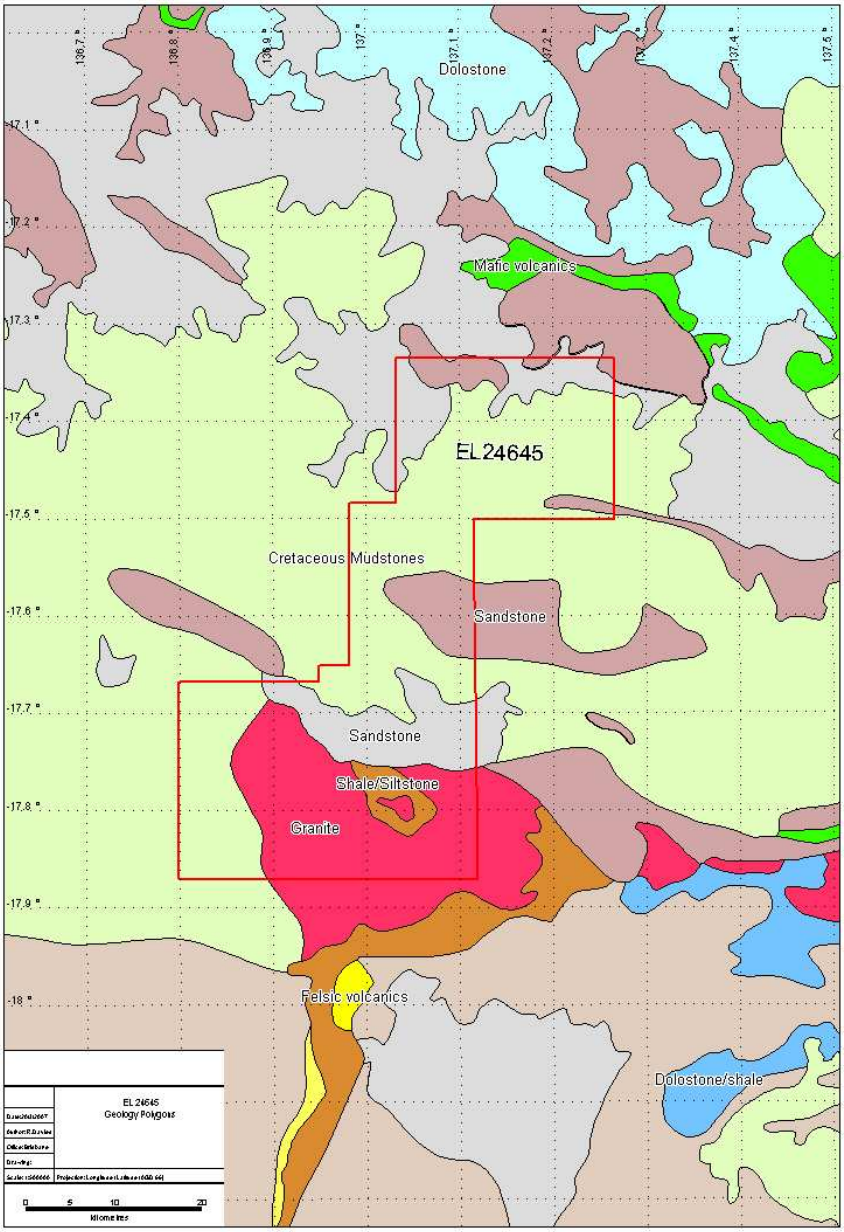

Fig 4: Generalised Geology

Much of the area in the northern part of the tenement is under early Cretaceous and early Cambrian fluvial deposits (Fig. 4), the central area shows extensive Cainozoic surface deposits with occasional outcropping of Westmoreland conglomerates.
The Calvert fault which runs north west, north of the tenement is of potential economic interest, and indeed Uranium occurrences associated with it are present along strike to the south east. The McDermott Limestones in the north of the Tenement are anticlinally folded and display faulting that trends to the north west. Depending on the results from adjacent tenements, the McDermott carbonate unit could also be a potential target for exploration.

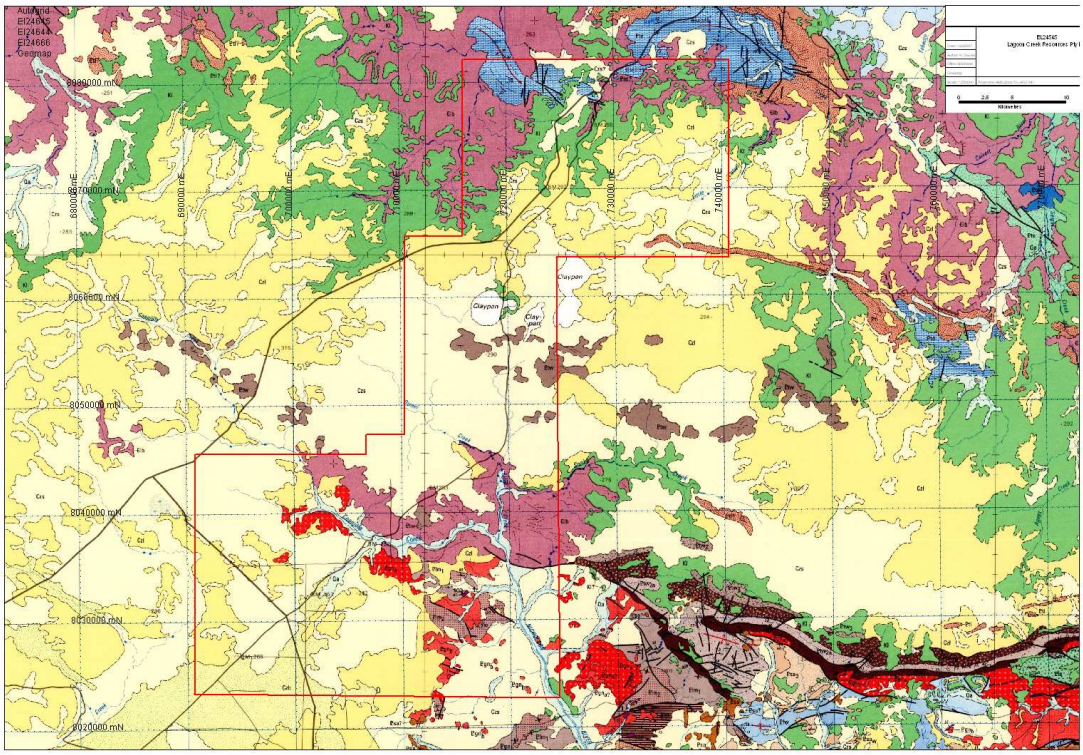

Fig 5: Geological Setting

The south shows north west trending faults relating to intrusive granites of the Nicholson Granite Complex. This area is better exposed and will be the main focus of exploration, especially where the Granite intrudes an older sandstone unit. Aerial geophysics pinpointed this as an area of interest. This area is also home to an existing Uranium occurrence known as 'Anomaly 1'

Regional geophysical setting

The most significant structure visible is the faulting in the centre of the tenement, unseen in the geology as it lies beneath Cainozoic surface deposits. The North West trending faults seem to have an association with radiometric highs visible on their southern side. This is similar to the pattern seen with the Calvert fault, North of the tenement. There also appears to be a mild Uranium association with the McDermott formation in the far north of the tenement. The minor faulting in the south is related to the intrusion of the Nicholson Granite. (Figs 6 and 7))

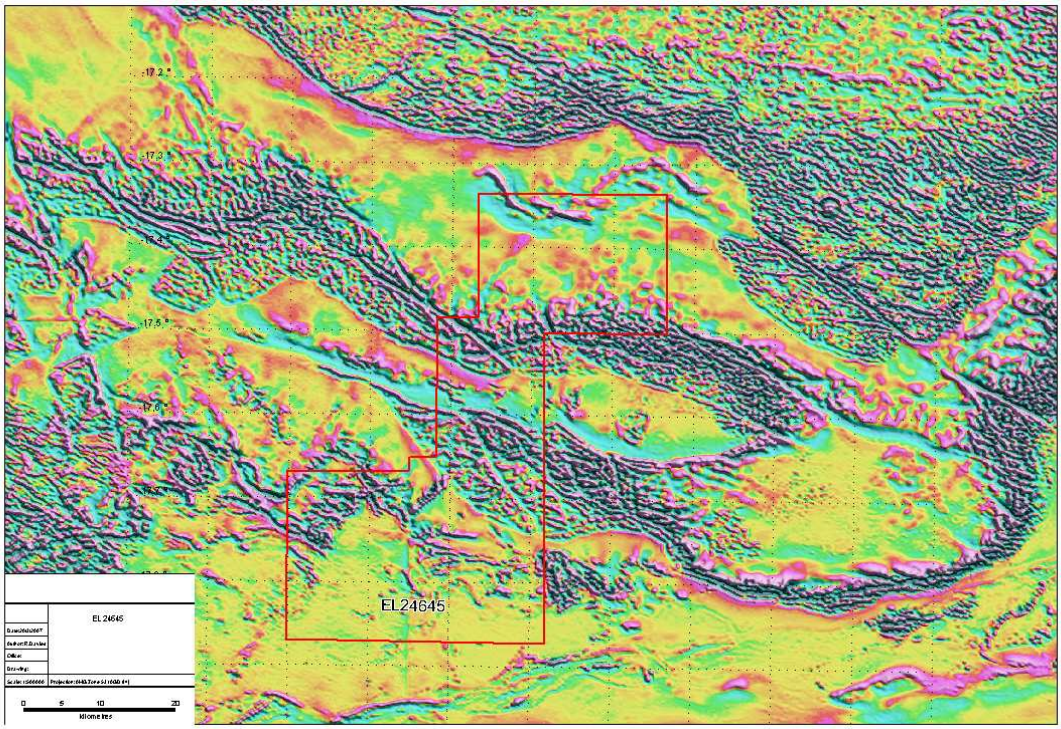

Fig 6: Visual drape of Magnetic data with radiometrics.

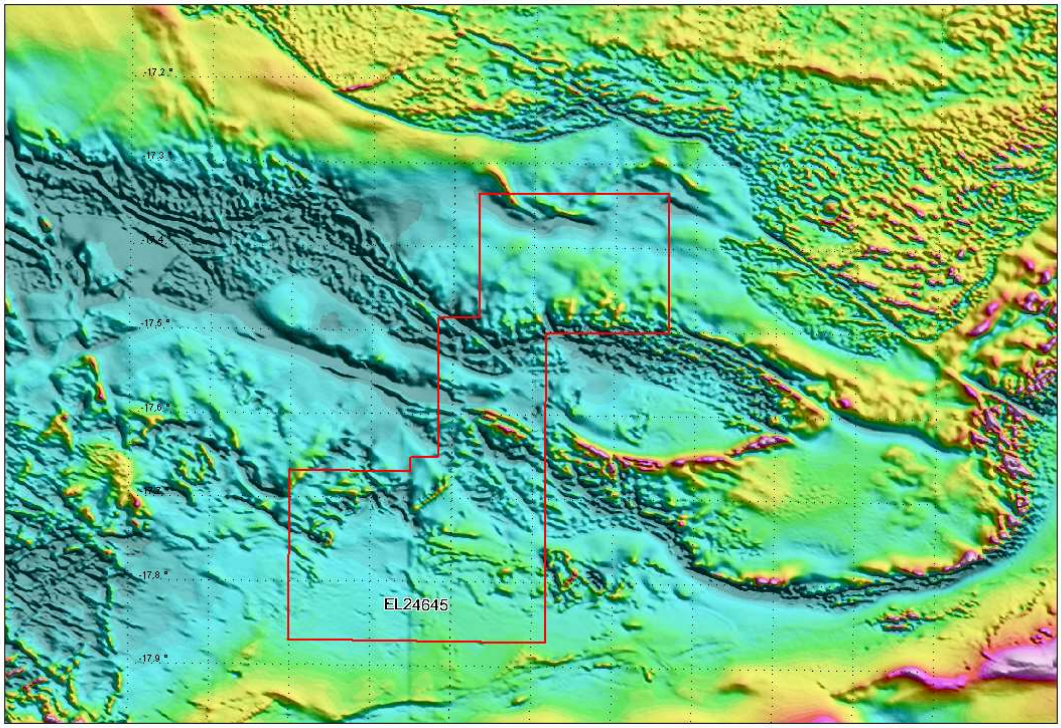

Fig 7: Regional TMI image emphasising structure within the tenement.

Previous Work

Work prior to Mines Administration Pty Ltd's (Minad) acquisition included Airborne Scintillograph survey in the Nicholson river region in 1957. No areas of radioactivity were discovered.

'Noranda' in 1972 flew an airborne survey resulting in drilling to the east of EL 1235, intersecting weak uranium mineralization.

In 1972 Esso Australia Ltd carried out low-level close spaced airborne radiometric survey over the southern half of EL 1235 in conjunction with ground based reconnaissance.

Previous work was undertaken in this area (previously EL1235) by Minad.

Mines Administration Pty Ltd held tenement EL 1235 in the late 1970's. This EL was situated in the southern end of what is now EL 24645. Radiometric anomalies were identified, and a further alphameter survey yielded interesting results. There was some minor drilling. In 1978 1:5000 and 1:2500 Geological Mapping was undertaken. The field season also included ground Radiometrics (alphameter survey) and Airborne Geophysics (5000 line km, using a differential Gamma ray spectrometer). Two holes were drilled, but stopped due to technical difficulties.

A 1979 drill program was planned and eventually a total of 1951m of percussion drilling was completed on 68 holes within 4 anomalies identified the previous year. Diamond drilling was completed on 4 holes totalling 291m designed to test a known uranium occurrence called 'Anomaly 1'.

All Holes were logged with an SIE T450 portable logging unit for gamma response. Geological mapping at the 1:6500 scale looking at fault relationships to tie in with the 1978 1:2500 scale mapping was undertaken.

Current Exploration

Our initial focus was to have the radiometric and magnetic data, previously flown by The Australian Geological Survey, reworked and reprocessed by GeoDiscovery Group. Initial ground reconnaissance work has been undertaken as well as the collation and review of previous exploration activities.

The severe and prolonged wet season within the Carpentaria Gulf region, which included two cyclonic depressions and resulted in record rain fall and extensive damage to the area severely shortened our field season, impeding on the field work program we had planned.

This, combined with the struggle to recruit experienced professionals and hire drilling equipment during the current commodities boom left our human resources somewhat stretched to fulfil commitments within the portfolio of tenements we are currently involved with, over the very limited few months dry weather we had available.

Lagoon Creek have been involved in the exploration in seven tenements within the Northern Territory during 2006, with total expenditure across the board of $1,954,610 for the annum.

Proposed work for 2007

A focused recruitment strategy has been put in place to help sustain a broader field program for the forthcoming season.

We aim to undertake detailed geological mapping followed by a series of sampling programs, including a scintillometer survey with four recently purchased GF

Instruments Gamma Surveyor units. A follow up drill program is being planned to test for potential mineralization of the Nicholson Granite intrusion within the Murphy inlier. This drill program could be completed by the end of the 2007 field season.

Summary of Expenses

Chief Geologist Rate	*$10,000*
Field Geologist Rate	*$7,140*
Vehicle Hire	*$6,800*
Field Assistants	*$1,140*
Equipment	*$5,190*
Fuel	*$6,560*
Geophysical Consultants	*$ 76,334*
Travel	*$4,000*
Food	*$3,000*
Accomodation	*$4,000*
Overhead Allocation	*$12,416*
TOTAL	**$136,580**

References/Sources of information

Open File Company reports:

CR 1979/0009 Mines Administration. Final Report on 1978 Field season, EL 1235
CR 1980/0143 Mines Administration. Final Report (1980), EL 1235

Geological map : 1:250,000 Sheet (SE53-08 Calvert Hills)

Jones, D G, 2005, Technical Report on Mineral Exploration Tenements in Australia Held by Laramide Resources Ltd. *Mining Associates (Economic Geologists) report to satisfy Part 4 Section 4.1 of Canada's National Instrument 43-101 Standards of Disclosure for Mineral Projects.*