ANNUAL EXPLORATION REPORT
EL 25176

FOR PERIOD ENDING 8th November 2007

‘HERMIT CREEK’

LITCHFIELD PROJECT NT

CAPE SCOTT SD5207 1:250,000
PINE CREEK SD5208 1:250,000
PORT KEATS SD5211 1:250,000
FERGUSSON RIVER 1:250,000
Anson 4971 1:100,000
Greenwood 4970 1:100,000
Daly River 5070 1:100,000
Moyle 4969 1:100,000
Wingate Mountains 5069 1:100,000

Titleholder: Territory Uranium Company Limited
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1. SUMMARY

EL 25176 is situated approximately 240km SSE of Darwin, NT, and 14km west of Daly River townsite. Territory Uranium Company Pty Ltd is exploring for multiple commodities and applied for EL25176 to explore for unconformity-hosted U mineralisation, plus review potential for base metals and gold. Work during Year 1 of tenure consisted of a review of both NTGS data, and compilation of significant results from Industry reports, plus a geophysical review of available data. At the time of reporting this work was still in progress.

A planned geophysical survey encompassing part of EL25176 plus other TUC tenements did not proceed. The geophysical contractor was carrying out a survey on neighbouring tenements but the work was not carried out until late November, so TUC will be seeking to conduct an airborne geophysical survey during the dry season of Year 2.

2. LOCATION AND ACCESS

EL 25176 is situated approximately 240km SSE of Darwin, NT, and 14km west of Daly River (Figure 1). Access to the south of the Licence is possible from Dorat Rd (old Stuart Highway, out of Adelaide River) then via the Daly River Road, then west and southwest along various tracks that truncate the Licence. Access is limited outside of the dry season.

Most of the Licence is low-lying with little relief, but 5 of the easternmost blocks have a NNE-trending series of ridges (parallel to Chilling Creek).
3. TENEMENT STATUS AND OWNERSHIP

EL 25176 was granted on 9th November 2006 and expires on 8th November 2012. It comprises 362 graticular blocks (1080 sq km) that are reduced in size to less than the full block along the river boundaries (Figure 1). There are no other mining leases or mineral claims shown within the Licence boundaries.

Underlying cadastre is mainly perpetual pastoral lease; the majority of the Licence is covered by Elizabeth Downs Station (owned by Branir Pty Ltd). A small portion north of the Daly River on the northern boundary of EL25176 is Litchfield Station (also Branir Pty Ltd). An interest is also registered within the Licence by the Australian Telecommunications Commission.

The expenditure covenant set for the first year was $58,600.
4. GEOLOGY

EL 25176 is situated within on the western side of the Pine Creek Orogen, in the area known as Litchfield Province. The regional geology is outlined in several texts, most notably including Ahmad et al., 1993; Ahmad, 1998; Berkman, 1980; Mendum 1972, Fahey et al., 1986, Pietsch 1989 and Carson et. al., 2006. The Giants Reef Fault transects the eastern edge of EL 25195, which is interpreted as the boundary between the ‘central’ Pine Creek Orogen to the east and the Litchfield Province to the west (Berkman 1980).

The Litchfield Province was defined as the western part of the Pine Creek Geosyncline, with large parts of the Litchfield Province interpreted as ‘granitoid, garnetiferous, gneissic, with metasediments varying in metamorphic grade from greenschist to upper amphibolite / granulite grade (Berkman 1980). The lack of outcrop in much of the area has limited exploration on the western portions. Recent work by the NTGS has reviewed the Litchfield Province, with geochronology tentatively correlating the Litchfield Province with the Halls Creek Orogen to the southwest, but notes that the field evidence indicates a complex tectonic relationship (Carson et al., 2006; Glass, 2007).

The mapped lithology within EL25195 is largely obscured by Cainozoic eluvial soils. Floodplain alluvium masks the geology of the northern blocks. The central portion has small outcrops of granites from the Allia Suite (Litchfield Granite, Fish River Billabong Adamellite) which is an S-type granite (Wyborn 2002). Further south, metabasite rocks of the Hermit Creek Metamorphics are mapped in areas adjacent to Murra-Kamangee Granodiorite. The eastern 5 blocks that are truncated by the Giants Reef Fault are mapped as Proterozoic Chilling Sandstone overlying Proterozoic Burrell Creek Formation sediments (Fig 2). There is a 1:500,000 regional interpretation map (draft form only) that is used in Figures 2-4 that incorporates some of the recent NTGS Litchfield work. This map shows much of the tenement underlain by the Allia Suite Granites (Litchfield and Murra-Kumangee Granodiorite) with areas of Hermit Creek Metamorphics sandwiched between the granites.
5. PREVIOUS EXPLORATION

A literature review and data compilation formed part of the work done on EL25176 for this year. This work was still in progress at the end of Year 1. Results available at the end of Year 1 are summarised below.

Tipperary Land Corporation was prospecting AP 1873 primarily for bauxite, with the possibility of phosphate in the SE corner (which is within EL 25176). Most of AP 1873 is outside of EL 25176 and no work was carried out within EL 25176.

Several companies carried out exploration for uranium in the 1970’s. Suttons Motors in JV with Mobil Australia Ltd explored EL 1599 (plus several other contiguous tenements in the Litchfield area) for uranium from 1978. An airborne radiometric survey identified several U anomalies, and comments were made on the anomalies during ground follow-up, such as:

a) granite outcrop effect – small granite outcrops projecting through radiometrically opaque cover

b) ‘warm’ spots within larger granite masses; usually more biotitic granite phases adjacent to the porphyritic granite type

c) Clay pan and flood plain anomalies from daughter uranium products absorbed in clays

d) Residual and transported laterite with uranium daughter products co-precipitated with the Fe in laterite

e) Lower Proterozoic sediments that have a higher radioactive background than other lithologies

f) Anomalies associated with groundwater springs

The results from the previous uranium exploration are still being evaluated, with bottom-of-hole geology compilation to map areas covered by Cainozoic cover.

Several companies have explored for diamonds. Stockdale Prospecting carried out exploration for diamonds on several contiguous EL’s (including EL’s 6648, 6651 and 6652 which covered much of EL25176). Stream sediment, soil sampling and heavy mineral sampling was carried out. Stockdale identified a number of magnetic dipolar anomalies from a reinterpretation of the regional magnetic data but none of the anomalies are within EL25176.

Ashton Mining also explored EL 7086 for diamonds but with little success and have concentrated their exploration efforts west of EL 25176.

Further data compilation was in progress at the end of Year 1 and the results will be reported during Year 2.
6. EXPLORATION DURING YEAR 1

Work done during Year 1 of tenure consisted of a historic data compilation; assessment of available geophysics data and planning of an airborne geophysical survey.

The results of previous work are outlined in the previous section (‘Previous Work’). Work done included checking:

a) checking NTGS datasets, such as COREDAT, MODAT, Explorer 3
b) checking of some open file company reports submitted for previous tenure covering EL 25176 (in progress; Appendix 1 contains summary)
c) georeferencing relevant maps and plans into MapInfo to obtain locations of samples and mapped geology within EL 25176 (Appendix 2).

From this work:

a) there are no MODAT occurrences within the tenement
b) there are no COREDAT holes within the Licence
c) there are 195 stream sediment samples, of which only 5 samples have gold assays (with max value of 1050ppb Au). Sixty samples (out of 195) had U assays, and a max value of 4ppm U was obtained for the 60 samples (out of 195) within the Licence. The 3 samples with 4ppm U all plot in the eastern blocks that contain Proterozoic Burrell Creek Formation and Chilling Creek sediments. (Fig 3)
d) there are 131 drillholes within the Explorer 3 drillhole collar file within EL 25176. Most of the drilling is shallow RAB (10-20m depth) carried out the Suttons / Mobil JV on EL’s 1599 and 1965. Figure 4 shows the location of these drillholes. Data capture of the bottom of hole geology and assay data is in progress.
e) there are no rock chip samples or soil samples reported in Explorer 3 within the tenement boundary
f) from the Open File Airborne Geophysics survey there is one survey that covers a few blocks on the eastern side of EL 25176. The survey has E-W flight lines on 200m spacings.
g) There are 68 samples registered in the DIM Database within EL25176. None of the samples contained diamonds or diamond indicator minerals.
Figure 3
EL 25176
Highest U and Au values in Explorer 3 Stream Seds
Date: January 2008
Author: B. Smith
Office: Darwin
Territory Uranium Company Ltd

Scale: 1:250000
Projection: MGA Zone 52 (GDA 94)

U stream seds (diamonds)
Au stream seds (stars)
The data compilation work highlighted that:

a) several different diamond exploration campaigns have been unsuccessful

b) bottom-of-hole geology from previous drilling is available to assist in identifying geology under cover

c) there has been limited gold exploration along the southern boundary of EL 25176 that is worth follow-up

Territory Uranium commissioned an Independent Geologist to review all of its tenements prior to listing on the ASX. As part of that review, the Independent Geologist identified a number of magnetic anomalies within EL 25176 (FIG 5).

Figure 5: EL 25176 showing Mag Anomalies 1 – 4 identified by the Independent Geologist.

The magnetic anomalies identified by the Independent Geologist did not give further information on what the anomalies may be, particularly in terms of depth and prospectivity, although there was the inference that they may be prospective for base metals. Lindeman Geophysics examined the data available and the comments are below:

"Most of the window selected to provide magnetic data for this EL is covered by Litchfield South Aeromagnetic Survey using 500m spaced east-west lines. However a very narrow northern section has only data from the Litchfield North Survey, which utilised 500m spaced north-south lines. The survey join is evident on the TMI map. Figures prepared from the GA accessed grids are TMI and Analytic Signal while the actual line data had been acquired for any detailed modelling. The selected window includes two areas of strong magnetic response outside the EL, one from the Daly River base metal field to the north-east of the EL and the
other immediately to the south of the EL, which is said hosts Au, Sn and Ta occurrences.

The Analytic Signal map produces a good idea of the shallow magnetic picture, with affects of regional/deeper sources having been removed. There are several different magnetic domains and several differing trends. The issue at this early stage of exploration was to determine the depth of burial of representatives of each magnetic zone.

The Prospectus identifies four (4) anomalies of interest and these have been evaluated as 4 separate entities. The boundaries of the four areas are shown on an image of the TMI, the areas numbering 1-4 from the north. There is good chance the magnetic sources to all 4 could be related/similar, their apparent differences (intensity, attitude, etc) being caused by a possible granitic intrusion in the west of the EL, all magnetic bodies appearing to wrap around the semi-circular eastern boundary of that unit.

Each data window, as described above, is the subject of a separate (Potent 3D Modelling Package) workspace for more detailed attention at a later time if necessary. Although this 3D modelling is mentioned in a single sentence, the total exercise is very time-consuming, from located data acquisition, entry into the program and then the process of selecting/modifying models with respect to several magnetic profiles, which traverse the anomaly in question.

**Anomaly 1**
Magnetic sources, with depth of burial as shallow as 40m, have been interpreted (see Figure 6 below).

![Figure 6A: Analytic Signal of Magnetic Anomaly 1 (by Lindeman Geophysics)](image-url)
**Figure 6B: Modelled depth to Magnetic Anomaly 1**

Bodies with interpreted depths to top ranging from 100m to 200m are located here.

**Figure 7: Analytic Signal of Magnetic Anomaly 2**
Anomaly 3

Figure 8A: Analytic Signal of Magnetic Anomaly 3

Figure 8B: Profile along Line 8472700N showing modelled depths to Magnetic Anomaly 3

Figure 8C: Profile along Line 8474800N showing modelled depths to Magnetic Anomaly 3

Several bodies have been interpreted as having depths to top ranging from 40m to 200m.
Anomaly 4

![Figure 9A: Analytic Signal of Magnetic Anomaly 4](image)

Figure 9A: Analytic Signal of Magnetic Anomaly 4

Figure 9B: Figure 8B: Profile along Line 8466600N showing modelled depths to Magnetic Anomaly 4

Interpretation here indicates two narrow bodies with depths to top being approximately 40m to 70m

3. Conclusions

Interpretation of the airborne magnetic data for all four anomalies identified as having exploration potential in the TUC Prospectus, have been shown to host mainly narrow,
dyke-like features, which all appear to be buried at reasonably shallow depths, in the range 30m to 200m. It is important to now decide upon the exploration strategy to explore these magnetic sources.

An examination of the regional radiometrics by Lindeman Geophysics did not highlight any radiometric anomalies. The data range is very small; from 2 – 6cps in the uranium channel over EL 25176. This could be due in part to the 500m-spaced lines.

Territory Uranium planned to carry out an airborne geophysics survey over the south-eastern portion of EL 25176 as well as covering the area of the magnetic anomalies. The area in the south-eastern portion of the EL 25176 is prospective for uranium as it covers outcropping Burrell Creek / Chilling Creek sediments as well as Hermit Creek Metamorphics. This survey was scheduled for early October but did not happen, as the contractor (GPX Surveys) pushed the scheduled survey time out until the wet season, which affects the quality of the data. This survey is being planned for May 2008.
7. PLANNED EXPLORATION FOR YEAR 2

Planned work includes:

1. Field reconnaissance/ground scintillometry to check on previously identified radiometric anomalies
2. Create ‘bottom of hole’ geology maps from previous work to determine geology under areas of cover (using Explorer 3 drillhole data) and using 1:50,000 mapping in the southern area
3. Review the Open File Company geophysical data that covers a small eastern section of EL25176
4. Carry out the planned airborne survey covering 2 large areas within EL25176
5. Compile and review the prospectivity of uranium mineralisation in areas covered by uranium explorers in the 1970’s
6. Drilling (if earlier reconnaissance results are positive and dependent upon rig availability)
7. Acquisition of Ikonos data to assist in fieldwork / ground truthing

Expenditure is dependent upon the success of the early reconnaissance work, which will definitely go ahead in Year 2. Planned expenditure for Year 2 should meet the Year 1 covenant of $58,600.
8. REFERENCES


Fahey, J.E., and Edgoose, C.J., 1986. Explanatory Notes Anson 4971; *100,000 Geological Map Series, Department of Mines and Energy, Northern Territory Geological Survey*

Glass, L., 2007. Geochemistry of mafic rocks in the Litchfield Province, western Pine Creek Orogen: Evidence for a Paleoproterozoic arc-related setting and links to the Halls Creek Orogen.


Pietsch, B.A., 1972. Explanatory Notes Reynolds River 5071; *100,000 Geological Map Series, Department of Mines and Energy, Northern Territory Geological Survey*

9. EXPENDITURE

Expenditure for EL 25176 (as supplied by Territory Uranium) consisted of:

- Maps & Publications: $150.48
- Geophysics Interp/Modelling: $3375.00
- Office Overheads: $528.82
- **Total**: $4054.30

The report writing was invoiced outside the anniversary period, and will be shown on next year’s expenditure.
APPENDIX 1

LIST OF PREVIOUS TENURE ON EL 25176
<table>
<thead>
<tr>
<th>TENURE</th>
<th>REPORTS</th>
<th>COMMENTS</th>
</tr>
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<tbody>
<tr>
<td>AP 1873</td>
<td>CR1969-0048</td>
<td>Completion report on AP1773 and AP1873 Daly River, Finnis River, Northern Territory. Examination of cuttings from water bores and a program of augering on the laterite and limestone outcrop failed to give encouraging results for bauxite or phosphate.</td>
</tr>
<tr>
<td>EL 656</td>
<td>CR1972-0051</td>
<td>Exploration programme, Victoria River Area. Geophysics / Aerial radioactivity surveys / Geophysical surveys / Soil sampling / Rock chip sampling / RAB drilling / Down hole geophysics / Geological mapping / Uranium exploration / Uranium deposits / Traverses / Ground magnetic surveys / Scintillometers / Gridding / Petrology; Approx 501 RAB drill holes totalling 9,126m; Detailed ground and aerial magnetic surveys detected anomalous radioactivity. No significant radioactive source was located but some base metal anomalies were considered for further attention.</td>
</tr>
<tr>
<td>CR1972-0090</td>
<td>Final report, Victoria River Project, N T. Uranium target areas were evaluated during 1972 with negative results.</td>
<td></td>
</tr>
<tr>
<td>CR1984-0155</td>
<td>Assays of diamond core from NTGS Core Library samples from Emu Point or Emu 2 Uranium prospect (DH1 and DH2) sampled on 19-06-1984. Assay results of drill core sampling.</td>
<td></td>
</tr>
<tr>
<td>EL 677</td>
<td>CR1973-0239</td>
<td>Annual report on exploration, Daly River, N.T. Minor magnetic and geochemical anomalies did not warrant further work. (?”U exploration??)</td>
</tr>
<tr>
<td>EL 1236</td>
<td>CR1977-0152</td>
<td>Annual report on 1977-1978 exploration, Daly River, NT. 116 RAB drill hole totalling 794m. Sandstone / Granitic rock / Migmatite / Dolerite / Schist / Uranium exploration / Unconformity / Field geology / RAB drilling / Bedrock / Scintillometers / Stream sediment maps / Stream sediment sampling / Reconnaissance. Berinka Volcanics were considered a target of base metal. Results indicate its potential is low.</td>
</tr>
<tr>
<td>CR1978-0147</td>
<td>Lewis, RW. Placer Austex; Final report on exploration, Daly River, NT; 116 RAB drill holes for a total of 794m; Work done failed to identify any targets for uranium or base metal deposits. Only radioactivity located in Namoona Sandstone units of the Noltenius Formation.</td>
<td></td>
</tr>
<tr>
<td>EL 1405</td>
<td>CR1978-0033</td>
<td>Annual report for 1977, Hermit Hill. Based on data collected, an air photo interpretation of the geology is worthwhile.</td>
</tr>
<tr>
<td>CR1978-0170</td>
<td>Report for 12 months to 5 September 1978, Hermit Hill. Airborne magnetic-radiometric survey should be carried out.</td>
<td></td>
</tr>
<tr>
<td>CR1979-0192</td>
<td>Report for 12 months to 5 September 1979, Hermit Hill. Limited non-core stratigraphic drilling will be carried out in metasediments near Hermit Hill granite.</td>
<td></td>
</tr>
<tr>
<td>CR1980-0226</td>
<td>Report for 12 months to 5-9-80, Hermit Hill. No base metals seen in drill hole cuttings and no significant radioactivity was detected. Further shallow drilling required with geological mapping.</td>
<td></td>
</tr>
<tr>
<td>CR1981-0313</td>
<td>Annual Report Litchfield U J-Venture V1. AOG Minerals; AOG Minerals; Union Oil Development Corporation; Radioactivity surveys / Radioactivity survey methods / Geochemical sampling / Soil sampling / Rock chip sampling / RAB drilling / Down hole geophysics / Geological mapping / Uranium exploration / Uranium deposits / Traverses / Ground magnetic surveys / Scintillometers / Gridding / Petrology; Approx 501 RAB drill holes totalling 9,126m; Detailed ground and aerial magnetic surveys detected anomalous radioactivity. No significant radioactive source was located but some base metal anomalies were considered for further attention.</td>
<td></td>
</tr>
<tr>
<td>EL 1408</td>
<td>CR1978-0034</td>
<td>AOG Minerals; Union Oil Development Corporation; Annual report for 1977, Anson Bay. No obvious radiometric anomalies found, air photo interpretation and stratigraphic investigation of non out-cropping lithologies is considered worthwhile.</td>
</tr>
<tr>
<td>CR1978-0171</td>
<td>Report for 12 months to 5-9-78, Anson Bay. Ground follow up of airborne radiometric anomalies identified 6 areas for further work.</td>
<td></td>
</tr>
<tr>
<td>CR1979-0193</td>
<td>Report for 12 months to 5-9-79, Anson Bay. Percussion drilling / Geophysics / Geochemistry / Soil sampling / Geological surveys / Geology / Uranium / Base metals / Proterozoic / Metamorphism / Petrology / Radioactivity logging; None of the radiometric anomalies tested gave positive results, further drilling recommended.</td>
<td></td>
</tr>
<tr>
<td>CR1980-0227</td>
<td>Annual report on exploration to 5-9-81, Anson Bay. Revision of geological boundaries. No significant levels of radioactivity noted. Randomly scattered copper values less than 80ppm from six holes in area drilled.</td>
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<tr>
<td>TENURE</td>
<td>REPORTS</td>
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<tr>
<td>EL 1599</td>
<td>CR1978-0149</td>
<td>Preliminary assessment of the prospective value for uranium. Some radiometric anomalies require further work. Magnetic anomalies exist.</td>
</tr>
<tr>
<td></td>
<td>CR1979-0167</td>
<td>Elizabeth Downs, N.T. Report for year ending 7-8-79. Five anomalies examined but none showed sufficient potential to justify further work. A large part of the area is radiometrically opaque and ground magnetics programme is currently underway to delineate a contact zone beneath alluvium.</td>
</tr>
<tr>
<td></td>
<td>CR1980-0217</td>
<td>Elizabeth Downs, Annual report for year ending 7-8-80. Percussion drilling / Radioactivity surveys / Geophysics / Aerial magnetic surveys / Geochemistry / Radiometric anomalies / Geochemical anomalies / Regional geology / Uranium / Archaean / Proterozoic / Radioactivity logging; No conclusions made</td>
</tr>
<tr>
<td></td>
<td>CR1980-0249</td>
<td>A reassessment of structural and stratigraphic aspects of rocks in the Suttons, Welltree area, Northern Territory; This report describes results of a reassessment of the Suttons-Well Tree area. High grade metamorphics in the Sutton’s-Well Tree area probably represent a highly metamorphosed Early Proterozoic sequence similar to the Nimbuwah Complex in the East Pine Creek area.</td>
</tr>
<tr>
<td></td>
<td>CR1981-0309</td>
<td>A reassessment of structural and stratigraphic aspects of rocks in the Suttons, Welltree area, Northern Territory. The minerals identified, metamorphic grades and the presence of associated granites and migmatites suggest this belt of rocks represent low pressure type metamorphic terrane similar to the East Alligator region of the Northern Territory.</td>
</tr>
<tr>
<td>EL 1965</td>
<td>CR1980-0249</td>
<td>A reassessment of structural and stratigraphic aspects of rocks in the Suttons, Welltree area, Northern Territory; This report describes results of a reassessment of the Sutton’s-Well Tree area. High grade metamorphics in the Sutton’s-Well Tree area probably represent a highly metamorphosed Early Proterozoic sequence similar to the Nimbuwah Complex in the East Pine Creek area.</td>
</tr>
<tr>
<td></td>
<td>CR1980-0083</td>
<td>Report for year ending 3-1-80, Twin Peaks, Chilling Creek. No direct evidence of uranium. Several unexplained radiometric anomalies require follow up.</td>
</tr>
<tr>
<td></td>
<td>CR1981-0073</td>
<td>Annual report, Twin Peaks, year ending 03-01-1981. Buffalo Fly Prospect / Chilling Creek; No uranium or other mineralisation has been found, however, several geochemically anomalous areas have been delineated</td>
</tr>
<tr>
<td></td>
<td>CR1981-0276</td>
<td>Exploration Licence 1965 Annual Report; Anomalous concentrations of the rare earth elements La, Nb, Sr detected. Presence of high tin and W values indicate the presence of pegmatite.</td>
</tr>
<tr>
<td></td>
<td>CR1982-0145</td>
<td>Mobil-Suttons J-V EL 1965 Twin Peaks Annual Report to NT Department of Mines &amp; Energy for year ending 03-01-1982. 102 RAB drill holes for a total of 1,279m; Geophysical anomalies due to graphitic schist. Geochemical anomalies insignificant</td>
</tr>
<tr>
<td></td>
<td>CR1983-0066</td>
<td>Exploration licence 1965, Twin Peaks annual report to the Northern Territory. 153 RAB drill hole for a total of 2,787m. Generally uranium results were disappointing low. Further work planned on Cu-nickel anomaly</td>
</tr>
<tr>
<td>EL 3188</td>
<td>CR1983-0071</td>
<td>Final report, 26-11-81 to 19-8-82. Ashton Mining No anomalies of merit were delineated.</td>
</tr>
<tr>
<td>EL 4070</td>
<td>CR1984-0085</td>
<td>BHP Minerals; Final report April 1984, Exploration Licence 4070, Fish Billabong, Northern Territory. No kimberlite indicator minerals were found, no further work is warranted. EL relinquished.</td>
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<tr>
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<tr>
<td>EL 4650</td>
<td>CR1986-0120</td>
<td>First annual report on Chilling Creek, November 1985. 18 RC drill hole, totaling 1,573m 2.5 km of costean; EL 4650 Chilling Creek contains gold mineralisation at Terry’s prospect. Work has included soil and rock chip geochemical sampling, ground magnetics, geological mapping, 18 RC holes and 3.25 km of costeans. A regional stream sediment survey was also conducted over the whole EL. Although some ore-grade drill intersections and surface geochemistry were obtained, nothing economic has been located.</td>
</tr>
<tr>
<td>CR1986-0276</td>
<td>Second Annual report on Chilling Creek NT year ending 21-8-86. Terry’s Prospect / Bubbles Prospect / Specky Creek</td>
<td></td>
</tr>
<tr>
<td>CR1987-0182</td>
<td>Annual report, third on Chilling Creek, NT, year ending 20-08-1987. Chilling Creek / Terry’s Prospect; IP survey revealed two strongly anomalous zones, which should be tested by percussion drilling. The bulk cyanide leach gold anomaly requires ground investigation.</td>
<td></td>
</tr>
<tr>
<td>CR1988-0361</td>
<td>Fourth Annual Report Chilling Creek year ending 20-8-88 VOLUME 1. Various cuttings stored at company from holes TRP19-TRP36</td>
<td></td>
</tr>
<tr>
<td>CR1989-0069</td>
<td>Relinquishment report EL 4650, Chilling Creek years 3, 4 and 5. None of the assay results gave much encouragement and so these areas were chosen for relinquishment.</td>
<td></td>
</tr>
<tr>
<td>CR1989-0603</td>
<td>Chilling Creek report on area relinquished end 5th year; Bubbles Prospect / Fletchers Gully Mine / Terry’s Prospect; Several low order gold anomalies occur in the northern part of the relinquished area. At the Bubbles Prospect gold occurs as a long intermittent quartz-sulphide vein, hosted in the Chilling Sandstone. The width discontinuity and access difficulties make it uneconomic.</td>
<td></td>
</tr>
<tr>
<td>CR1991-0024</td>
<td>Final report Chilling Creek; During the sixth year of the licence the work concentrated near Specky Creek. Costeans located a small high grade quartz vein 10cm wide over a strike of 25m with insitu assays to 30g/t Au and elluvials to 119g/t Au. The area is now under MCN’s 3994 and 3995. A stream sediment survey was undertaken in the eastern block of EL4650 resulting in a cluster of anomalies. Follow up found the likely source to be a long quartz reef with occasional limonite staining. In summary during the six years of the licence a number of gold occurrences were highlighted but none were of a sufficient size or tenor to be economic.</td>
<td></td>
</tr>
<tr>
<td>CR1986-0217</td>
<td>First annual report Twin Peaks; Future work will focus on investigating the area containing the stream sediment rare earth anomalies.</td>
<td></td>
</tr>
<tr>
<td>CR1987-0161</td>
<td>Second annual report Twin Peaks year ending 1 July 1987; Analysis of heavy mineral concentrates from streams draining restricted areas of basic and ultrabasic rocks did not show any PGM anomalies. Further ground investigation is needed.</td>
<td></td>
</tr>
<tr>
<td>CR1988-0389</td>
<td>Third annual report on EL 4746 Twin Peaks year ending 01-07-1988; Exploration for gold unsuccessful but widespread rare earth, titanium and other element anomalies detected.</td>
<td></td>
</tr>
<tr>
<td>CR1989-0353</td>
<td>Final report January 1989; Stream sediment sampling was unsuccessful in locating any gold occurrences or platinoids. Rare earth anomalies were attributed to the concentration of monazite from country disseminations in finer fractions and a similar concentration process is believed responsible for high titanium concentration.</td>
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<tr>
<td>EL 5295</td>
<td>CR1988-0412</td>
<td>Annual report on EL 5295 (Litchfield) for year ending 30-9-88. Geochemistry / Fluvial sediments / Gold / Base metals / Tin / Tantalum / Platinum / Granite / Metamorphism / Proterozoic; Except for some weak anomalism results negative.</td>
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<tr>
<td>CR1989-0826</td>
<td>Annual and Final Report of Exploration Activity on EL 5295 Litchfield, for period ending 5 September 1989. 9 areas were highlighted after the statistical analyses of results from year one exploration. Follow up during the second year of exploration did not enhance these anomalies. The potential of the area has been downgraded. The area subsequently being relinquished.</td>
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<tr>
<td>EL 5336</td>
<td>CR1990-0507</td>
<td>Relinquishment report EL 5336; Ten percent of the EL was covered in a low level magnetic-radiometric survey. 3 magnetic anomalies DR402, DR405, and DR410 and a radiometric anomaly DR404 were outlined. It is believed that the magnetic anomalies are attributable to subsurface mineralised bodies similar to known occurrences north of the Daly River Copper Mine. The radiometric anomaly is related to the Litchfield Complex.</td>
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Second annual report; 4 percussion-diamond holes totalling 797m (AADH1-4); 460 line kilometres of airborne electromagnetic survey (GEOTEM) were undertaken. 6 anomalies (DR411 to 16) worthy of follow up were outlined as several others of lower priority. 12.5km of SIROTEM was undertaken over Anomaly A, Knowles Farm, DR411 and DR412. Several conductive bodies appear to exist at Anomaly A. These bodies dip steeply to the west or near vertical with the dip decreasing to the south. DR411 (687790mE, 847480mN) has a very good near surface conductor, which dips steeply with an overall strike length of 300m. Anomaly 411 is near a significant site. The work over SR412 (692630mE, 849740mN) returned conflicting results. 120 rock chip samples were collected. Anomalous values were obtained from Kiwi Hill (1.15ppm Au and 15.3% As). This was supported by the result from auger soil sampling, Empire Mine (Au 1.08ppm, 8.8% Cu and 0.12% Zn), Hill 4- Wallaby Mine (0.41ppm Au, 3.78% Cu, 5.3% Pb, 1.02% Zn and 6.2% As). All are located on the margins of War's Volcanics and the contact of the volcanics with the Burrell Creek Formation.

Fourth annual report 1993, Exploration Licences 5333 - 40 inclusive, Daly River NT; Work completed consisted of a comprehensive literature review and reconnaissance rock chip sampling (some 107 samples) returning maximum assays of 1.93%Cu, 1.89%Pb and 5800ppm Zn. Anomalous gold values were also obtained maximum 0.33ppm. These anomalous values are associated with known anomalies.

Daly River, NT, EL 5336, relinquishment report 1995; Analysis of airborne magnetic-radiometrics located 3 magnetic and 1 radiometric anomaly. The radiometric anomaly was followed up by a scintilla-meter survey and 2 rock chip samples. The magnetic anomalies were variably followed up by ground magnetics and shallow aircore drilling. Anomalous gold values were obtained from DR42.

CR1994-0573

Summary surrender report exploration licences 5336. For the period 12 May 1989 - 11 May 1999; The tenement was covered in the first year with an aeromagnetic and radiometric survey and highlighted three magnetic anomalies ie DR402, 404 and 410. A ground Scintillometer survey was completed in year two. In year three a ground magnetic survey was completed over DR402 and part of the licence covered by Troy Resources only desktop studies have been completed as access to the ground was restricted. 6/8/99

CR1999-0344

Annual report EL 6338 Chilling Creek; Work during the first year of tenure highlighted a series of anomalies in the NE of the licence. The anomalous zones were traversed and rock chip sampled. This work suggests that the anomalies are associated with quartz veining within or near the Giants Reef Fault Zone. The veins are generally hosted by Burrell Creek Formation. They form a discontinuous zone up to 4km in length, however, individual pods are too small patchy and low grade to warrant follow up.

EL 6538

Annual report EL 6538 Chilling Creek; It is postulated that the Mulluk Mulluk volcanics represent a felsic submarine volcanic pile which may be conducive to the formation of gold-base metal mineralisation. Copper and nickel results from the two grids appear low and were disregarded. Emphasis will be placed on the gold-barium results. In Soil Grid #2 there was a gold-barium anomaly to the east of the rock contact of the northern most grid line this area is worthy of follow up.

EL 6338

Final report on exploration Daly River; The report summarises the work undertaken during the life of the tenement. No work was undertaken during the second field season. During the first year soil geochemistry was undertaken in two grids. Several low order gold-base metal anomalies were outlined.

CR1991-0267

Annual report EL 6338 31 January 1990 to 30 January 1991; Base metals / Gold / Stream sediment samplingStream sediment sampling produced a series of anomalies in the northeast of the EL which require follow up.

CR1990-0090

CR1991-0113
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<thead>
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<th>TENURE REPORTS</th>
<th>COMMENTS</th>
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| **EL 6648/6651 / 6652** | CR1991-0438
ELs 6647 to 6652 (Tipperary), annual report, for the period ending 21-06-1991. Cr2O3 - Chromite, indicator minerals, Micro diamonds; programme of stream sediment and soil sampling of the licences had began during the reporting period. A total of 478 samp |

| **CR1992-0539** | Partial relinquishment report for ELs 6647 to 6650, 6652, 7380 to 7382 and final report for EL 6651, for the period ending 21-06-1992. A programme of stream sediment and soil sampling of the licences was conducted. A total of 741 heavy mineral samples hav |

| **CR1993-0498** | Tipperary area, ELs 6647-6650, 6652, 7380-7382, annual report for the period ending 21-06-1993. 4 RAB drill holes totalling 134m; During the reporting period 3 anomalous chromites were followed up with close interval heavy mineral sampling. Follow up of t |

| **CR1993-0550** | Tipperary area, partial relinquishment report for ELs 6649, 6650, 7380, 7381, 7382 and final report for ELs 6647, 6648, 6652, for the period ending 21-06-93; 2 RAB holes for 70m; The first phase of exploration on the relinquished areas essentially involve |

| **EL 7086** | CR1992-0555
Final Report EL 7086. Results of loam and gravel sampling were negative for diamonds and kimberlitic indicator minerals. |

| **EL 8211** | CR1994-0835
Annual report on EL 8211, Pine Creek, NT covering the period 26-10-1993 to 25-10-1994; Geochemical sampling was undertaken in two areas-Chilling Creek Ridge and over Twin Peaks Hills. Numerous anomalous gold values were obtained with a maximum value of 150ppb Au being obtained from soils, and 498ppb Au from rock chip sampling. Sampling undertaken included 46 rock chip, 454 soil and 23 stream sediment samples. |

| **CR1995-0810** | Annual report on EL 8211 Pine Creek NT covering the period 26-10-1994 to 25-10-1995; 7 stream sediment, 248 soil and 52 rock chip samples were collected. A ground magnetic survey and 1:5000 geological mapping was also completed. A zone of anomalous gold in soil was outlined. |

| **CR1996-0863** | Annual report on exploration licence 8211 Pine Creek, Northern Territory, covering the period 26 October 1996 to 25 October 1997; 5 RC holes; Exploration work carried out during the fourth year of tenure included 245 rock chip composite channel samples, 19 composite rock chip trench samples and the drilling of 5 RC holes totalling 470m with 155 composite drill samples. Surface sampling revealed encouraging values, which could not be repeated in the RC drilling. Low level Au mineralisation was restricted to narrow greywacke beds of 2-6m. The drilling returned 0.61g/t Au over 3m from CCRC02 and 0.37 g/t Au over 6m from CCRC03. Exploration was targeted mainly for gold. |

| **EL 9556** | CR1997-0771
Annual report on exploration licence 9556 Daly River project Northern Territory 01-10-96 to 30-09-98; 48 stream sediment samples were collected in year 1 and assayed for Au, Ag and Cu; during year 2 the same samples were assayed for their base metal content. No base metal anomalism was obtained. For location of samples refer CK 97/771. Minor gold anomalism was obtained in two areas. |

| **CR1999-0175** | Final report for exploration licence 9556 Daly River project Northern Territory 01-10-96 to 30-09-98; 48 stream sediment samples were collected in year 1 and assayed for Au, Ag and Cu; during year 2 the same samples were assayed for their base metal content. No base metal anomalism was obtained. For location of samples refer CK 97/771. Minor gold anomalism was obtained in two areas. |

| **EL 23106** | CR2004-0298
Annual/Final Report Exploration Licence 23106 13th February 2003 to 30th January 2004 Hermit Hill Project; Hermit Hill is located 150km south-southwest of Darwin in the Daly River area of the Northern Territory. The project area is underlain by the relatively under-explored rocks of the Litchfield Complex that has been correlated with portions of the Halls Creek Mobile Zone to the southwest in Western Australia. Several studies have proposed that the igneous and metamorphic rocks in the two areas are linked via large lateral displacements along the Halls Creek and Giant’s Reef Fault Zones and it is upon this correlation that the conceptual Hermit Hill Project is based. Mafic and ultramafic rocks at Hermit Hill are interpreted to be equivalent to the recrystallised gabbros, norites and pyroxenites at Bow River and Corkwood and hence are regarded as having significant potential for massive sulphide Ni-Cu-Co-PGM deposits. The probable correlation between the Daly River area of the Northern Territory and the Halls Creek-Kununurra region of WA also suggests there is potential at Hermit Hill for rare earth element and possibly niobium-tantalum deposits associ |

| **EL 23728** | CR2004-0328
EL 23728 in the Pine Creek Orogen was held by Southdale Holdings. No work whatsoever was undertaken and the tenement surrendered in year 1. |