ANNUAL REPORT
EXPLORATION LICENCE
EL 26035
DOUGLAS HOT SPRINGS
NORTHERN TERRITORY

FOR THE YEAR END
31st MAY, 2008.

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ATTACHMENTS

1. Exploration Expenditure Report EL 26035
1. PROPERTY DESCRIPTION AND TENURE

EL 26035 was granted to Corporate Developments on 5th of September 2007 for a period of six years. This grant is subjected to the condition that a minimum of $12,500.00 is spent on exploration in the first year, as well that the licensee shall comply with all other conditions and stipulations as stated in the Mining Act.

The Exploration license area is 95.36km\(^2\) and is located in the Daly Basin of the Northern Territory and is bounded by the longitudes 131° 18’ 00”, and 131° 29’ 00” and the latitudes -13° 40’ 00” and -13° 48’ 00”. The Douglas Hot Springs project is located approximately 160km south of Darwin and 60km west of Pine Creek. The project area is held under an application for an exploration licence ELA25907 and a granted exploration licence EL26035.

Tenement details are in Table 1.

<table>
<thead>
<tr>
<th>EL</th>
<th>Sub-blocks</th>
<th>Grant Date</th>
<th>Expiry Date</th>
<th>Expenditure Commitment Yr 1</th>
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</thead>
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<tr>
<td>26035</td>
<td>41</td>
<td>05.09.07</td>
<td>04.09.2013</td>
<td>$ 12,500.00</td>
</tr>
</tbody>
</table>

EL26035 is located at the bottom left of the image (by Douglas Crossing) and is highlighted in purple.
2. ACCESSIBILITY AND INFRASTRUCTURE

The project area can be accessed from Adelaide River on the all weather Stuart Highway that runs between Darwin and Alice Springs.

The area is subject to the summer monsoons and quite often roads can be cut off during this period due to flooding.

No infrastructure such as buildings or development exist on the Licence area.

3. GEOLOGICAL SETTING

The Douglas Hot Springs project area is within the Daly basin which is a northwest – trending intracratonic sedimentary basin situated between the older Pine Creek orogen to the north, Victoria Basin to the southwest and McArthur Basin to the east. To the south, it is overlain by the Dunmarra Basin. It contains the lower Palaeozoic Daly Group, comprising, in ascending order, the marine Tindall Limestone, mixed pertidial Jinduckin Formation and carbonate pertidial Ooloo Dolostone. The Daly River Group unconformably overlies the Tolmer Group, which hosts the hydrothermal springs that have a deep crustal source.

Figure 2. Geology of the Douglas Hot Springs area with EL26035 outlined in purple.
4. PREVIOUS EXPLORATION

Several gold and copper anomalies have been found within the Douglas Hot Springs region with regional radiometric surveys delineating first, second and third order anomalies within the tenement area.

5. WORK COMPLETED DURING 2007/2008

During 2007 a proposal was made by ‘Outback Metals Ltd’ to acquire ‘Softwood Plantations Pty Ltd’. In anticipation of this transaction being completed a decision was made to suspend all activities until the transaction was finalised.

Since the above mentioned transaction was proposed all associated work in this site has been associated with the business side of the transaction including acquiring an Independent Geologist Report which was carried out by Al Maynard and Associates Consulting Geologists.

A review of the tenements held by Softwood Plantations was also carried out by Hetherington Exploration and Mining Title services. These consultations included an audit of the current resource statements that have been made in recent years.

6. EXPLORATION FOR THE 2008/2009 PERIOD

Exploration work planned for the 2008/9 year includes a closely spaced geophysical survey and field mapping followed by soil sampling with a budget of $10,000.00 allocated for these activities.

The field mapping and sampling programmes is expected to provide targets for a subsequent drilling programme. It should be noted that the exploration is dynamic and as more information is gathered and interpreted the programme will change to reflect the additional information.