RESOURCE STAR LIMITED

Annual Report for EL23568

ORION EXPLORATION PTY LTD

For the Period 17th February 2008 to 16th February 2009

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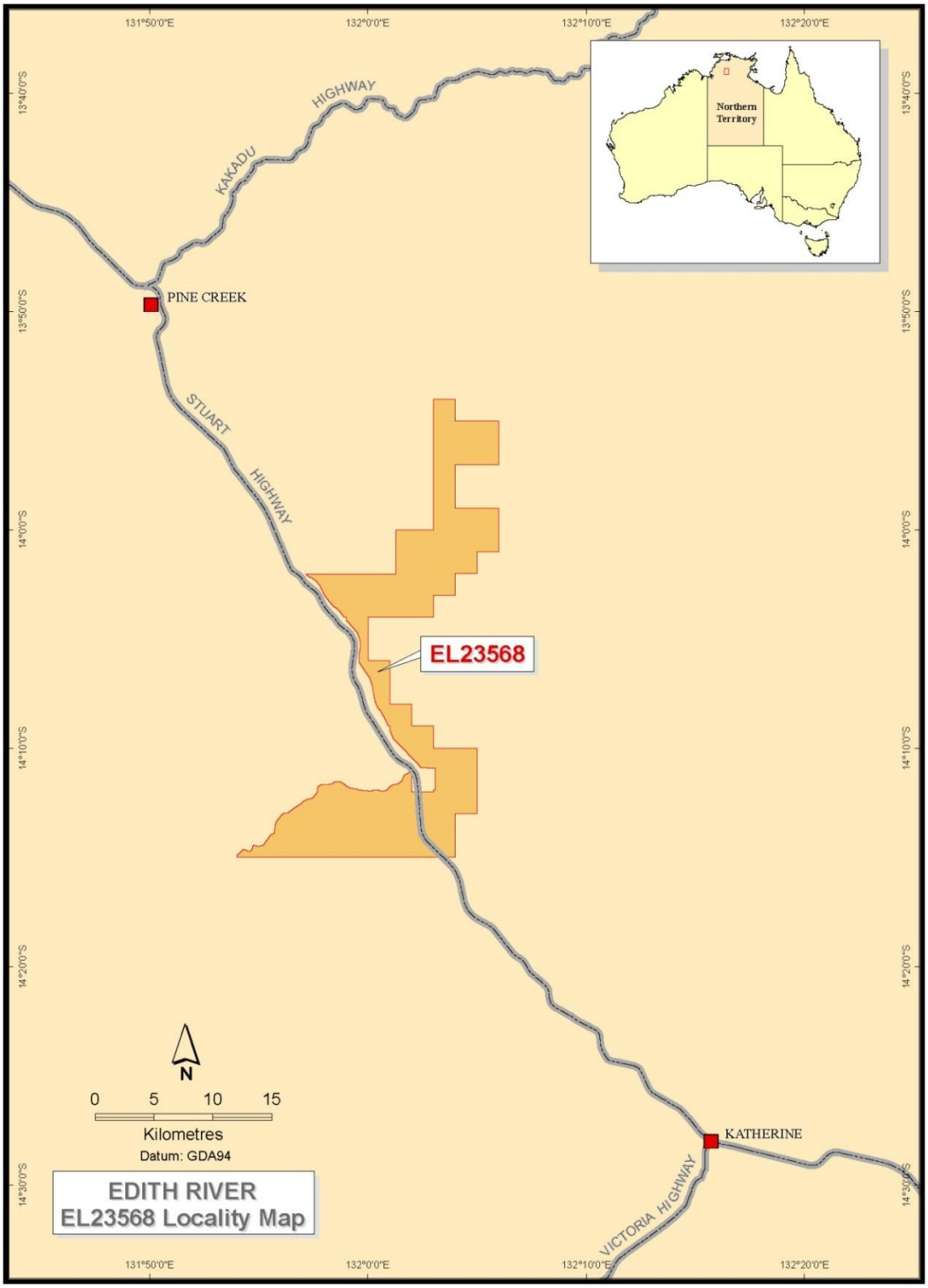
ABSTRACT

Orion Exploration Pty Ltd is a wholly owned subsidiary of Resource Star Limited. This report describes the work program undertaken during 2008/2009 by Orion Exploration Pty Ltd on Exploration Licence EL23568. Situated within the Pine Creek Shear Zone in the Northern Territory, EL23568 forms part of the Woolgni-Edith River Project which comprises EL23568, EL23569, EL26219 and EL26220, collectively covering approximately 750 km^2. The commodities sought are uranium and gold.

Following the previous year's major historical data review, a major review of exploration strategy, potential and prioritisation of all Resource Star Limited's Northern Territory prospects was completed. CSA Global Pty Ltd, who undertook the study, identified the Woolgni-Edith River Project as the highest priority target. Data subsequently acquired included high resolution satellite images of the Woolgni-Edith River project area. The images assisted in mapping zones of significant alteration and structures in the Cullen Granite and facilitated field activities. Field reconnaissance and a rock chip sampling program were undertaken by Darwin-based geological consultants, CSA Global Pty Ltd. Efforts focussed on the historical Tennysons and YMCA uranium prospects located in EL23568. 247 composite rock chip samples were analysed by field spectrometer. A significant number are strongly anomalous in uranium. Samples were submitted to a NT laboratory. A drilling program was proposed and the Mine Management Plan was approved by the NT Government.

BIBLIOGRAPHIC DATA SHEET

PROJECT NAME:	Edith River		
TENEMENTS:	Exploration Licence 23568		
MINERAL FIELD:	Pine Creek Geosyncline		
OPEN FILE REPORTS:			
LOCATION:	MT EVELYN	SD5305	1:250 000
	FERGUSSON RIVER	SD5212	1:250 000
	KATHERINE	SD5309	1:250 000
	Ranford Hill	5370	1:100 000
	Fergusson River	5269	1:100 000
	Katherine	5369	1:100 000
COMMODITIES:	Uranium, Gold		
KEYWORDS:	Edith River, Woolgni, Copper, Uranium, Gold, Pine Creek Orogen, Cullen granite.		
PROSPECTS DRILLED:	N/A		
ELEMENTS ASSAYED:	U, K, Th (spectrometer only), Au, Cu, Ag, Pb, Zn, As (laboratory)		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14°10'0"S
14°20'0"S
14°30'0"S
KAKADU HIGHWAY
PINE CREEK
STUART HIGHWAY
EL23568
KATHERINE
VICTORIA HIGHWAY
Northern Territory
N
0 5 10 15
Kilometres
Datum: GDA94
EDITH RIVER
EL23568 Locality Map

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1. INTRODUCTION

The Exploration Licence EL23568 (Edith River) is located between Katherine and Pine Creek in the Northern Territory (Figure 1). The tenement is considered prospective for uranium, and in particular, shear hosted vein-style uranium, as well as quartz vein associated gold mineralisation. Both styles of mineralisation are known to occur in the tenement or adjacent to the tenement. Alluvial tin mineralisation has been mined in the past where creeks drain from the granite out into the flatter "sedimentary" country.

Covering an area of 228.8 km^2, the tenement forms part of a larger project the Company describes as the Woolgni-Edith River Project, comprising four granted tenements; EL23568, EL23569, EL26219 and EL26220 (Figure 1).

This report describes the work program undertaken on EL23568 during the reporting period 17th February 2008 to 16th February 2009. This included a major review of the parent company's exploration strategy and priorities in the Northern Territory and the commencement of field work. Desktop studies the previous year had identified targets.

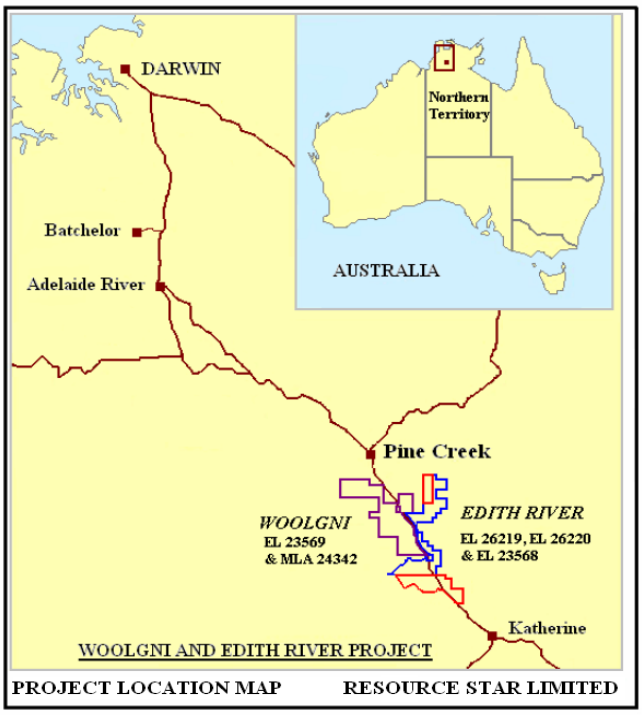

Figure 1. Project Location Map

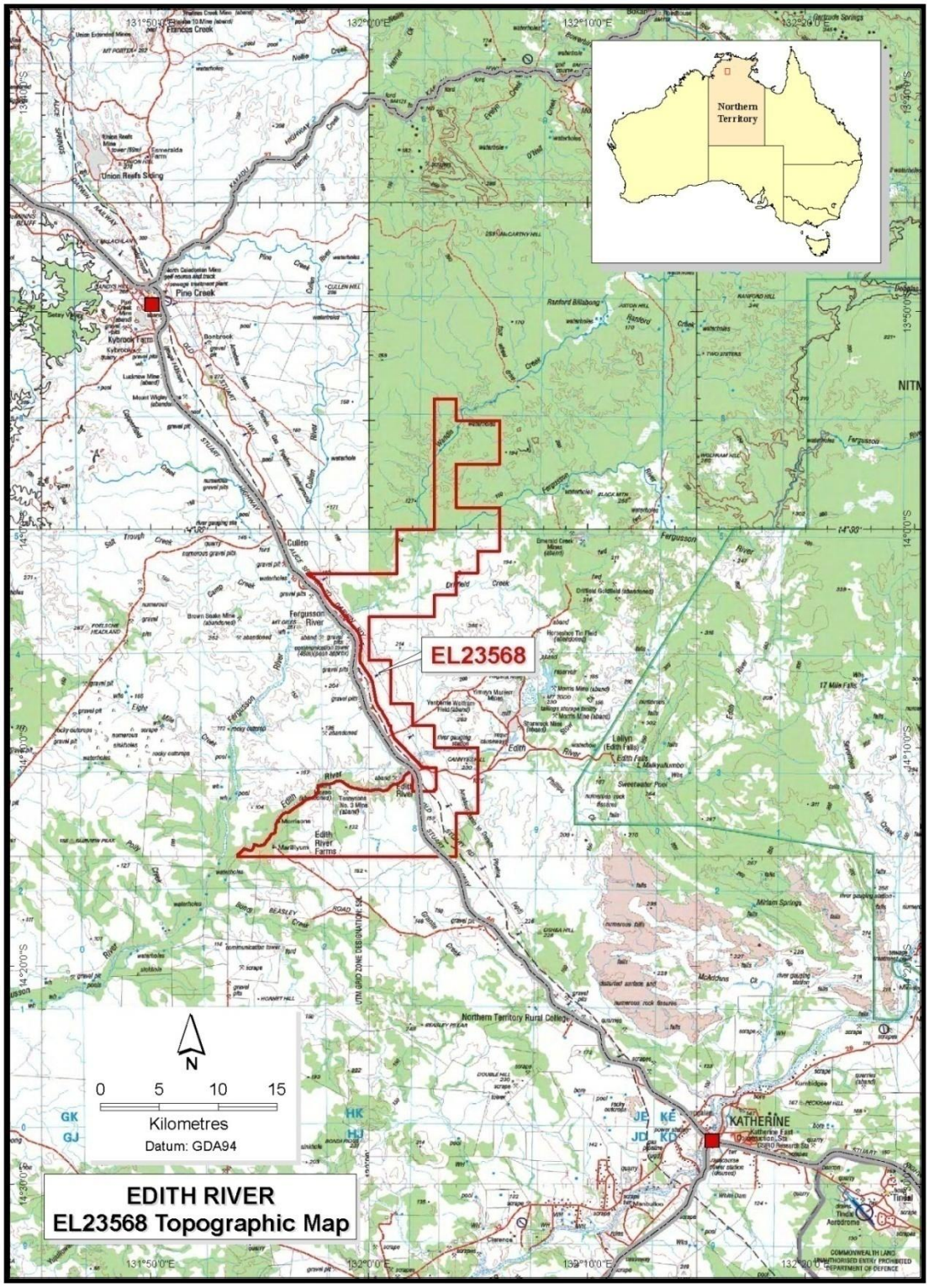

Figure 2: Topographic map of EL23568

2. TENEMENT DETAILS

The Woolgni-Edith River project is made up of four granted tenements. These are EL23568 and EL23569 which are held by Orion Exploration Pty Ltd and EL26219 and EL26220, held by Eastbourne Exploration Pty Ltd (also a wholly owned subsidiary of Resource Star Limited). Tennant Creek Gold (NT) Pty Ltd ('TCG') has applied for a Mineral Lease (MLA 24342) within EL23569. An agreement is in place whereby TCG will transfer its rights to Orion after the grant of the lease and once the necessary statutory approvals are in place. A new application (EL27149) over aboriginal freehold land, recently excised from EL23569 has been applied for by Orion Exploration Pty Ltd. The exploration potential of EL23568 is assessed in conjunction with the other tenements that comprise the Woolgni-Edith River Project. Tenements details are presented in Table 1.

EL23568 was granted to Orion Exploration Pty Ltd on 17th February 2003 with tenancy for six years. A renewal of the lease was sought in November 2008.

Table 1 : Woolgni-Edith River Project tenement details

Tenement	Registered Holder	Beneficial Holder	Date Granted	Expiry Date	Area (km^2)	Min Annual Expenditure
EL26219	Eastbourne Exploration Pty Ltd	Resource Star Limited	16/11/07	15/11/03	124.2	A$10,000
EL26220	Eastbourne Exploration Pty Ltd	Resource Star Limited	16/11/07	15/11/13	34.3	A$10,000
EL23568	**Orion Exploration Pty Ltd**	**Resource Star Limited**	**17/06/03**	**16/06/09**	**228.8**	**A$70,000**
EL23569	Orion Exploration Pty Ltd	Resource Star Limited	17/06/03	16/06/09	232.8	A$70,000
EL27149	Orion Exploration Pty Ltd	Resource Star Limited	Application		78.2	N/A
MLA 24342	TCG	Resource Star Limited	Application		1.63	N/A

3. LOCATION AND ACCESS

The tenement is located approximately 220 km SSE of Darwin, midway between the towns of Pine Creek (~30 km to the NNW) and Katherine (50 km to the SE). The lease can be accessed all year round as it transects the Stuart Highway; however travel along unsealed roads away from the Stuart Highway is normally limited to the dry season only.

Access to the licence is very good, with the sealed Stuart Highway running along much of the western edge of the licence. Several old tracks shown on the maps provide reasonable access to the known mineral occurrences.

The area varies from flat to moderately undulating terrain with moderate cover of wooded savannah.

4. REGIONAL GEOLOGY AND MINERALISATION

The Project area is located within the Pine Creek Inlier, a Mid-Proterozoic geosyncline that hosts a number of major uranium, gold and base metal deposits. Regional deformation and metamorphism took place during the Barramundi Orogeny (1860-1850 Ma) followed by widespread felsic intrusive activity referred to as the Cullen Event. This igneous activity was characterised by the emplacement of granite batholiths which produced thermal metamorphic aureoles in the country rocks, overprinting regional metamorphic mineral assemblages.

Synchronous with the waning of this event and within the South Alligator Valley region was the development of two consecutive rift-controlled volcanic and clastic sedimentary graben-fill successions, the El Sherana and Edith River Groups (1830- 1822 Ma respectively). Bounded by unconformities this sequence was folded prior to deposition of the McArthur Basin sediments (Lally & Bajwah, 2006).

The major Alligator Rivers Uranium Field that includes the Ranger, Narbalek and Jabiluka deposits is in the northeast of the Pine Creek Inlier. The smaller deposits of the south alligator Valley Mineral Field are situated to the northeast of Pine Creek (Figure 3).

The Pine Creek Geosyncline consists of Paleoproterozic metasedimentary rocks that overlie a gneissic and granitic basement outcropping in two domes northwest of the region near the town of Batchelor. Uranium and polymetallic mineralization is present within the Palaeoproterozoic sediments that surround the domes, and is associated with major faults

and shears. This geosynclinal sequence was intruded by granitic plutons that are also of Palaeoproterozoic age.

A regional north-northwest trending shear zone, the Pine Creek Shear, passes through Resource Star's Woolgni-Edith River Project. This shear zone contains a number of sub-parallel faults present within a corridor that has a width of up to 5km (Figure 5). It postdates the granitic intrusions and is considered to have been a major locus for the passage of gold-bearing fluids being spatially related to a number of major gold deposits.

Gold mineralization occurs in two main structural settings; in quartz vein sets that are parallel or sub-parallel to the axial plane cleavage, and in bedding parallel saddle reef position quartz veins. Many of the deposits are located on anticlinal crests. Stockwork, fault related, and stratiform gold mineralization are also present in the region.

Uranium mineralization is considered to have arisen from fluids remobilising the ore out of enriched source rocks, although it is still unclear as to whether these originated from the granitic basement material and/or uranium-bearing detrital minerals held within the platform cover sandstones (Lally and Bajwah, 2006). However, precipitation of the uranium is thought to have occurred by redox reaction when the oxidised fluids came into contact with the overlying sediments. This promoted the deposition of uraninite where any lithological, structural or tectonic weaknesses effectively acted as chemical and physical traps for ore accumulation (eg. Lally, 2002; Lally & Bajwah, 2006; Lambert & McKay, (2006).

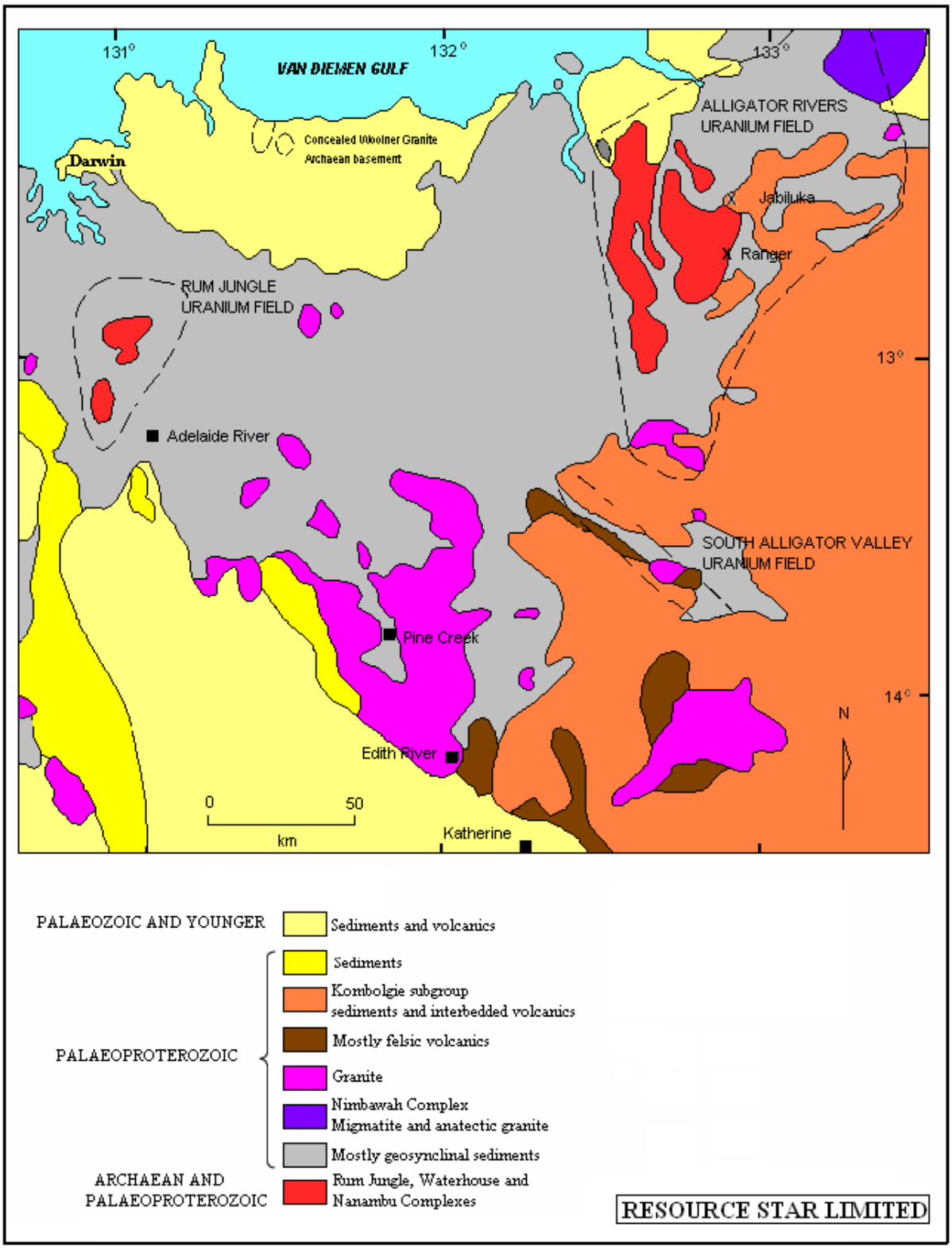

Figure 3: Regional geology of the Pine Creek Inlier. Adapted from McKay & Miezistis (2001)

5. PROJECT GEOLOGY

The Edith River/Woolgni Project lies at the southern end of the Pine Creek Geosyncline. Its northern and central sections are within the granitic Cullen Batholith, whilst the south section is hosted within the greywackes, siltstones, minor conglomerate and rare tuffs that comprise the Lower Proterozoic Burrell Creek Formation (Figure 4). This sequence forms an inlier within the Cullen Batholith and is overlain by Cambrian-Ordovician and Cretaceous rocks to the west, which are in turn, largely overlain by Cainozoic cover. Small portions of mafic and felsic volcanics are also present.

The granite and the metasediments are overlain by an outlier of acid volcanics of the Meso-Proterozoic Edith River Group in the centre-east and by the Meso-Proterozoic sandstones and dolomites of the Tolmer Group in the northwest. Younger sediments occupy the southwest portion of the area. From younger to older (top to bottom) they include:

- Quaternary alluvium
- Cainozoic sand
- Lateritised Cretaceous mudstone and shale
- Ordovician and Cambrian to Ordovician sandstone, shale, and dolostone
- Cambrian limestone and shale

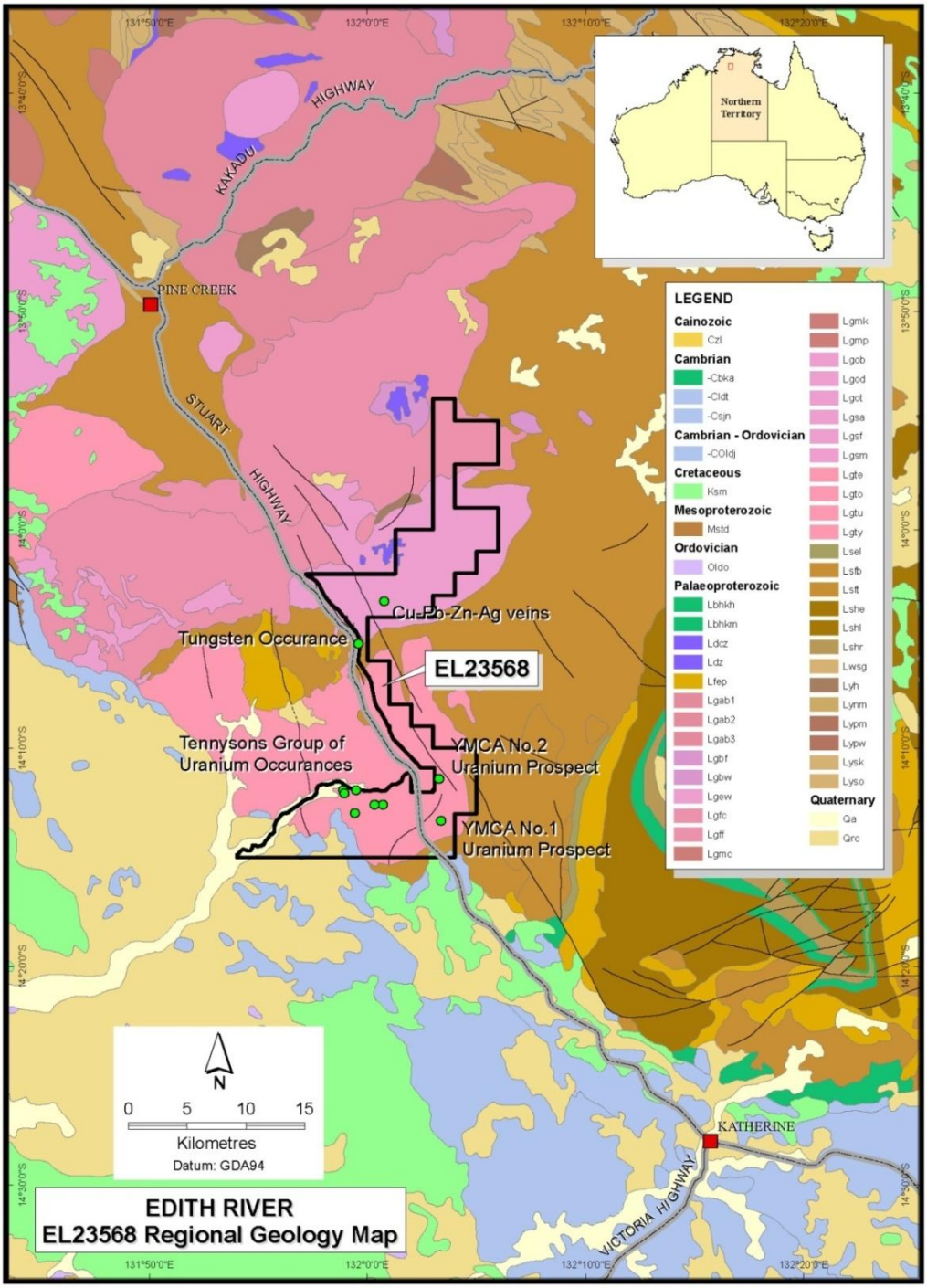

Figure 4: Geological setting of project area

6. PREVIOUS EXPLORATION

Previous exploration is described in detail in the last annual report (Wipf, 2008).

There were two main periods of exploration in the area. There was a uranium focus in the 1950s and 60s. After 1972 the exploration focus shifted to gold and there appears to have

been little exploration for uranium although the occasional sample may have been assayed for this commodity.

Earlier exploration tended to focus on mineralization associated with the shear zones in the Cullen granite. These shears follow a north-northwest trend and are associated with occurrences of uranium mineralization first discovered by prospectors in 1952 and explored by the Bureau of Mineral Resources (BMR) to 1954. These were named the YMCA and Tennyson Prospects and lie to the south of Edith River (Figure 4). Historical shafts at the YMCA Prospects were sunk on breccias that were interpreted to occur at the intersection of shears and cross-fractures. Two diamond drill holes were completed by the BMR into each of two of the YMCA Prospects, for a total length of 315 metres. The best BMR intersections, as measured by a downhole radiometric logging tool, were 1.5m @ 1000eppm U_3O_8 at one prospect and 1m @ 1000eppm U_3O_8 at the other.

The Hore and O'Connor's uranium occurrence lies in the south of tenement EL23569 (fig 5).

Three gold prospects are also present in the adjacent EL23569. These are the Woolgni Gold Mine, the Tower Prospect and the Copperfield South Prospect (Figure 5). A summary is provided in the EL23569 Annual Reports.

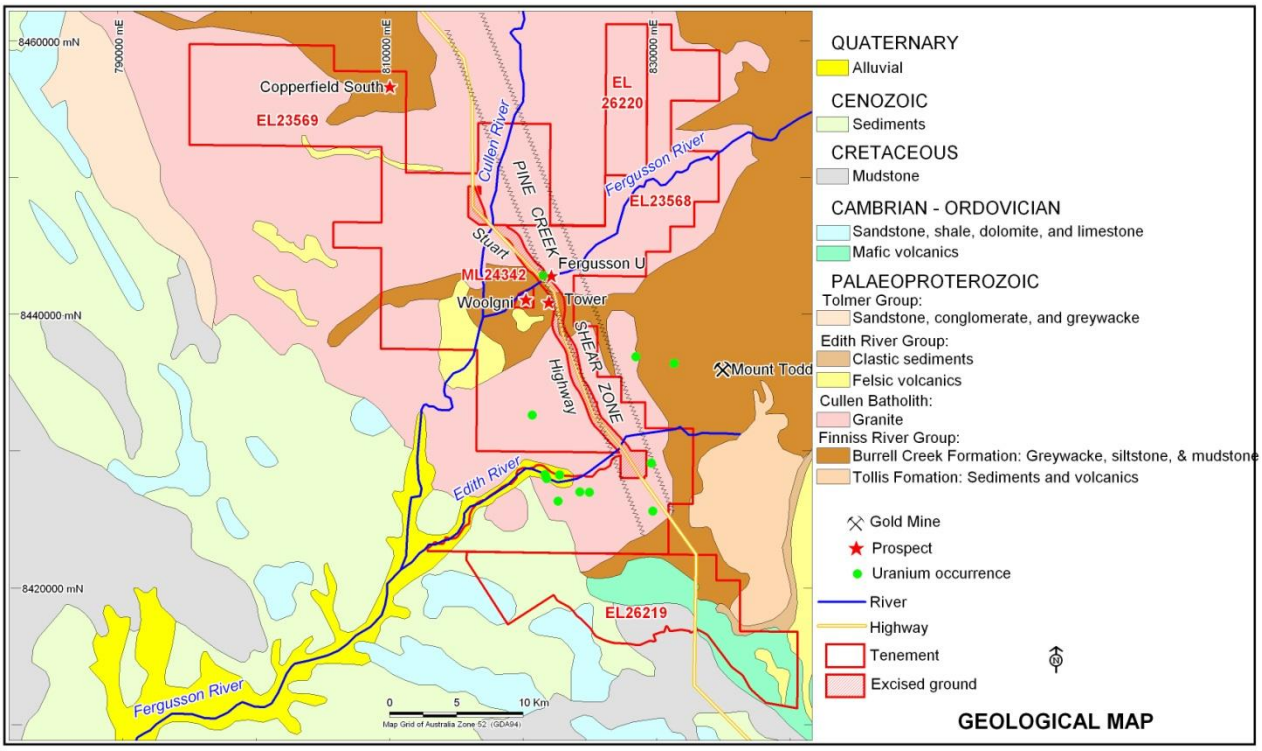

Figure 5: Summary geology and historical prospects in the Woolgni-Edith River Project

During 2006 Orion commissioned the geophysical consultants, AsIs International Pty Ltd ('AsIs') to carry out a reinterpretation of exploration data over the Woolgni and Edith River project areas, with an emphasis on the existing geophysical data. AsIs concluded that the area was highly prospective for uranium mineralization, including vein and Iron Oxide Copper Gold Uranium (IOCGU) deposit types.

7. WORK CARRIED OUT DURING THE PERIOD FEBRUARY 2008 TO FEBRUARY 2009

Summary

In 2008/09, a major review of exploration strategy, potential and prioritisation of all Resource Star Limited's Northern Territory prospects was completed. CSA Global Pty Ltd, who undertook the study, identified the Woolgni-Edith River Project as the highest priority target. Data subsequently acquired included high resolution satellite images of the Woolgni-Edith River project area. The images assisted in mapping zones of significant alteration and structures in the Cullen Granite and facilitated field activities. This review was followed up with field reconnaissance and a rock chip sampling program. Efforts focussed on the Tennysons and YMCA uranium prospects located in EL23568. 247 rock chip samples were analysed by field spectrometer. A significant number are strongly anomalous in uranium. Samples were submitted to a NT laboratory. A drilling program was proposed and the Mine Management Plan was approved by the NT Government. The plan was subsequently allowed to lapse due to funding considerations. The fieldwork was undertaken by Darwin-based geological consultants, CSA Global Pty Ltd.

Discussion

1. High resolution satellite images were purchased and assisted in mapping zones of significant alteration and structures in the Cullen Granite. Delineation of these zones facilitated field activities.

2. Contact was established with the relevant land owner and approvals obtained for work.

3. Field activities focused around several old uranium prospects in the south of EL23568. The old small-scale workings at YMCA 1 and 2 were located and the surface rocks re-sampled.

4. New areas of interest were identified. These are to the east of the recorded locations of old prospects, Tennyson's Nos 1 & 2 and west of Tennyson's Nos 5 & 6 (figure 6).

5. Field spectrometer readings were taken over the area of interest. 247 composite rock chip samples were collected from several shear zones containing strong iron alteration within the Cullen Granite. Anomalous uranium was measured by field spectrometer in samples throughout this area. Summary statistics from the samples collected are tabled below. Results are represented graphically in figure 6. The area sampled covers 2.2 kilometres by 2.9 kilometres.

6. Sampling procedure

   The RS-125 Spectrometer is a state of the art portable hand held survey instrument with a Sodium-Iodide detector providing high sensitivity performance. It has "assay" capability with results reported in %K and ppm U and Th. A reading time (usually 120 seconds) is recommended to ensure the best possible results are obtained. However, with a short period of time and large area to cover, 30 seconds per sample was permitted for the first 60 rock samples but for subsequent readings, 60 seconds was required.

   To obtain a spectrometer "assay" of a sample, the background near the sample site was measured. The instrument then calibrated itself before the reading time (30 sec) started.

   The spectrometer was placed 1 to 2 cm from the highest source on the outcrop and left in place for 30 seconds or 1 minute.

   The rock chip samples were collected by taking not less than 20 fragments from the outcrop and within a 5m radius of the spectrometer reading. Thus the rock chips represented the total outcrop and not just the highest value.

   The rock chip sampling was carried out along the lines of iron alteration and high (>50ppm U) uranium content as determined by the spectrometer.

Table 2: Rock sample statistics (spectrometer results)

Number of samples collected:	247
Minimum value (eppm[1] U):	2
Maximum value (eppm U):	1291
Average value (eppm U):	248

7. The results obtained from YMCA 1 and 2 were of a similar magnitude to those measured at the new areas selected for drilling.

8. The size (length and width), degree of iron alteration, brecciation and quartz veining was visibly much stronger in the new areas selected for drilling than at the YMCA prospects.

9. The highest spectrometer readings always came from quartz veins, which vary in width from 1cm to 30cm.
10. There were quartz veins present that were not mineralized.
11. There was mineralisation located in the iron-altered granite where there were no quartz veins.

12. Point spectrometer uranium readings for outcrops were generally higher than those for pulverized bulk rock chip samples from the same area. Comparisons are available in the accompanying report. These results are as expected for the following reasons;

    - The outcrop measurements were deliberately the highest possible on a given outcrop whilst the rock chip samples were randomly collected from the total outcrop.

    - The samples are probably too small to give representative results

    - The highest results on an outcrop often came from quartz veins (resistant to weathering) whilst the rock chip samples represent the entire outcrop. The iron altered zones are more deeply weathered than the quartz veins and

[1] eppm: Equivalent parts per million; in the case of uranium interpreted from radiometric data rather than chemical analysis. Uranium grades thus reported are derived from spectrometer logging and should be regarded as approximations only.

there is an expectation that some uranium has been removed from these zones due to the weathering process.

- Pulverised samples provide a more homogenous mass.

13. Lower uranium readings in the near surface weathered zone indicates that only drilling to fresher rock will give a more accurate indication of the uranium potential.

14. Samples were submitted to Northern Australian Laboratories Pty Ltd in Pine Creek. Long delays were experienced in obtaining laboratory analyses. Despite initial reassurances that the laboratory would be able to provide uranium analyses, they finally said that they were unable to provide the analyses (explaining that their equipment, an ICP-OES, was unable to give the quality of results that would satisfy the analytical staff). Arrangements were made to transport the samples to a laboratory in Darwin, but the samples went missing in storage or transit. Despite extensive investigations by both RSL and the geological consultants, CSA Global, the samples have not been located. The initial results were required to assist in calibration of spectrometric results. Without the assays, the spectrometer results are unable to be confirmed, although spectrometer measurements on the pulverised rock chip samples are expected to be reasonably accurate. Au, Cu, Ag, Pb and As were analysed and results provided are tabulated in the accompanying reports. The spectrometer results are also provided in the accompanying reports.

15. A reverse circulation drilling program was proposed (based on spectrometer results) and the Mine Management Plan was approved. The approval was allowed to lapse due to funding considerations. It is intended that this program (and the approvals process) be revisited when funding permits.

16. The following prospects were identified as the highest priority drilling targets. The prospect locations are shown in figure 6. Spectrometer uranium readings from outcrops in the main drill target areas are shown in the embedded tables. Full data can be found in the accompanying data reports.

Drilling Prospects

Dacus Prospect

The Dacus Prospect is over 1000m long and between 4-20m wide. There are 3 major parallel veins trending north-south and one cross cutting vein striking NNE-SSW. Each vein varies

from 10-50cm thick and dips vertically. The prospect area consists of deeply weathered, iron altered dark brown coarse grained granite with multiple quartz veins. High spectrometer readings were returned from areas of intense iron alteration, quartz veining, shearing and breccia zones. Quartz, micas (biotite), feldspar, haematite, epidote and iron were common minerals on the area. A creamy light yellow coloured mineral (interpreted as uraniferous) was observed 350m south of the area.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8037	156	601	176878	8427180
RSL8038	157	1123	176880	8427164
RSL8039	159	278	176858	8427164
RSL8040	160	166	176884	8427124
RSL8041	161	964	176879	8427132
RSL8042	162	154	176901	8427030
RSL8043	163	213	176925	8426968
RSL8044	164	216	176924	8426960
RSL8045	165	254	176932	8426950
RSL8046	167	230	176988	8426840
RSL8047	168	10	177003	8426808
RSL8189	388	112	177166	8426410
RSL8190	389	179	177126	8426506
RSL8191	390	229	177055	8426560
RSL8192		152	177055	8426560
RSL8193	391	554	177049	8426576
RSL8194	392	299	177026	8426616
RSL8195	393	146	177018	8426644
RSL8196	394	8	176990	8426728

Jeray Prospect

Jeray prospect is approximately 600m long and 4m wide. There is only one major vein trending NNE-SSW and three cross cutting veins striking E-W. The veins vary from 1- 40cm thick and are steeply west dipping. The prospect area is structurally complex. The prospect area consists of granite, deeply weathered and intensely iron altered with some residual quartz grains. High spectrometer readings were returned from areas of intense iron alteration, quartz veining, shearing and breccia zones. Common minerals are quartz, biotite, feldspar, epidote, iron and haematite.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8143	345	77	176484	8426192
RSL8144	346	557	176479	8426202

RSL8145	347	272	176468	8426238
RSL8146	348	98	176438	8426278
RSL8147	349	134	176423	8426304
RSL8148	350	265	176420	8426322
RSL8149	351	94	176408	8426342
RSL8150	352	59	176395	8426404
RSL8151	353	385	176379	8426438
RSL8152	354	284	176358	8426480
RSL8153	355	275	176336	8426530
RSL8154	356	266	176330	8426550
RSL8155	357	328	176323	8426566
RSL8156	358	114	176326	8426616
RSL8157	359	359	176320	8426638
RSL8158	360	170	176312	8426658
RSL8159	361	134	176300	8426684

Dicus Prospect

Dicus prospect is 300m long and 2m wide. The maximum thickness of the quartz vein is 1m. The quartz veins strike NE-SW with some irregular thin cross cutting veins. Strong spectrometer readings were obtained from areas of iron alteration (mostly on quartz veins) and breccia zones, (matrix support breccias). Common minerals are quartz, feldspar, biotite, epidote, iron and haematite. The prospect area consists of altered quartz veins and deeply weathered black coarse grained granite.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8115	289	757	177397	8425658
RSL8116	290	237	177432	8425694
RSL8117	291	161	177448	8425720
RSL8118	292	426	177452	8425728
RSL8119	293	127	177465	8425762
RSL8120	294	97	177478	8425782
RSL8121	295	128	177510	8425842
RSL8122	296	56	177515	8425858
RSL8123	297	194	177524	8425882
RSL8124	298	188	177535	8425906

Northern Prospect

The Northern prospect is about 300m long and 3m wide. It consists of deeply weathered dark brown iron altered coarse grained granite and minor quartz veins. The major vein is 40cm thick with some irregular cross cutting veins. Strong Spectrometer readings were returned from iron altered zones, narrow veins and a silicified breccia. The veins are almost

vertically dipping and strike N-S. Common minerals are quartz, feldspar, biotite, iron, epidote and haematite.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8201	397	280	821915	8428086
RSL8201	398	271	821915	8428086
RSL8202	399	326	821919	8428066
RSL8203	400	258	821926	8428054
RSL8204	401	208	821933	8428036
RSL8205	402	183	821948	8428014
RSL8206	403	385	821945	8427990
RSL8207	404	233	821952	8527966
RSL8208	405	421	821944	8427956
RSL8209	406	104	821944	8427956
RSL8210	407	308	821934	8427864
RSL8211	408	506	821927	8427844
RSL8212	409	186	821945	8427806

YMCA 2 Prospect (for comparison with the new targets above)

YMCA2 prospect is over 150m long and 2 m wide. Common rocks were deeply weathered granite and greywacke. Both rocks were dipping west and striking NW-SE. The prospect area is cross cut by 30cm thick quartz vein trending E-W.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8001	81	32	182361	8428814
	80	260	182351	8426812
	82	220	182357	8428826
RSL8002	83	790	182346	8428848
	84	23	182323	8428902
RSL8003	85	574	182304	8428930
RSL8004	86	1027	182345	8428800
RSL8005	87	259	182350	8428786
	88	17	182403	8428666
	89	18	182412	8428620
RSL8006	90	135	182181	8425408
RSL8007	91	250	182082	8425526

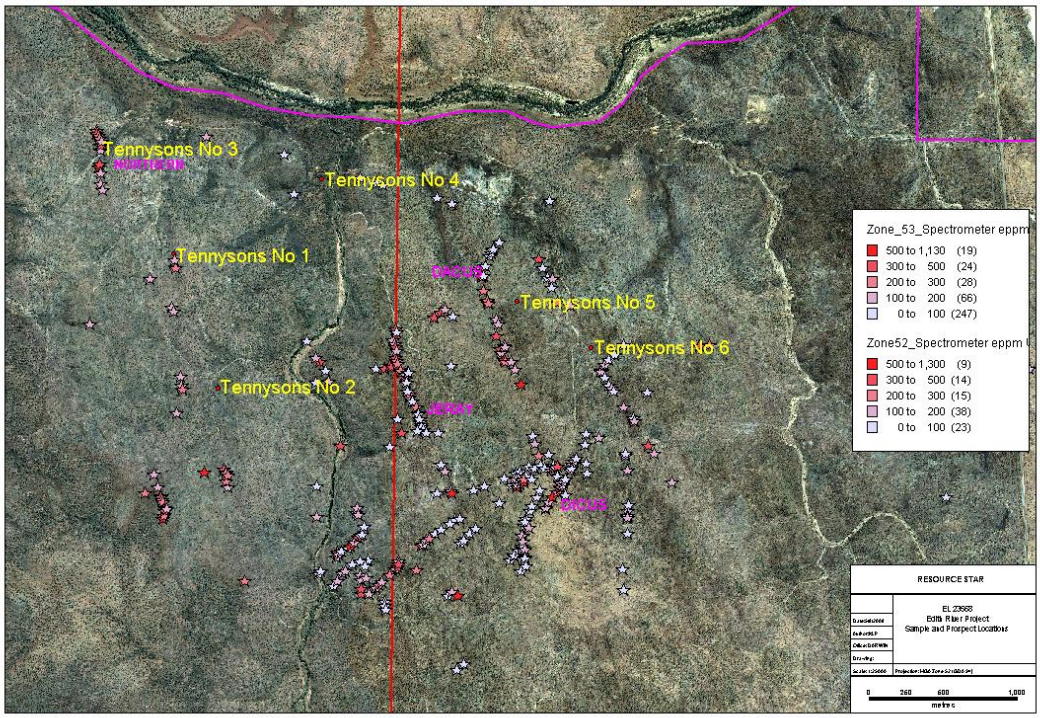

Figure 6: EL23568 Location of prospects and field spectrometer results

Map projection: MGA Zones 52 and 53 (GDA 94)

Field spectrometer: Fugro Instruments RS-125 Super-SPEC Handheld Gamma-Ray Spectrometer

8. EXPLORATION POTENTIAL

Previous exploration within the combined Woolgni-Edith River Project region has demonstrated that the area is prospective for both uranium and gold mineralization. Uranium exploration within EL23568 conducted prior to 1972 discovered several shear-hosted vein style deposits. Limited drilling demonstrated that the mineralization persists to at least 80m depth and field mapping confirms along strike continuity. Early workers commented that the shear systems that host the mineralisation are recognizable in aerial photography and that remote sensing data would be effective during the planning of exploration. Field work in 2008 has confirmed anomalous uranium.

There is also potential for sediment-hosted uranium in the sediments immediately adjacent to and overlying the granites.

There are known gold occurrences in the region, as previously described.

9. PROPOSED EXPLORATION

Resource Star Limited proposes to continue its systematic exploration of the shear zones within the Cullen Batholith and the sediments that surround it for uranium and gold mineralization. As good outcrop and only skeletal soil development is present over most of the prospective area, the application of spectral imagery should enable the identification of zones of alteration to be done efficiently. The areas of alteration identified should be mapped in detail and surveyed with soil geochemistry and detailed ground radiometrics. Targets identified from these surveys should then be drill tested. Geophysics (EM, magnetics) will be required to assist in targeting potential mineralisation traps in the sediments adjacent to the granites.

Exploration of the Burrell Creek Formation for gold should initially be by compilation of all past exploration within that section of the project area, with particular attention being given to the assembly of a levelled geochemical database.

The exploration proposed here will be carried out in conjunction with the exploration program outlined for the Woolgni-Edith River project as a whole.

Proposed program

- After approvals have been obtained, complete the planned uranium drilling program around the historical Tennysons prospect areas.
- Open negotiations with the Jarwon Association for permission to drill at the YMCA N^{o} 1 and YMCA N^{o} 2 historical prospects.
- Apply spectral imagery to identify structures and alteration chemistry that may indicate potentially uranium or gold mineralised zones, elsewhere on the tenement. Structures of particular interest include those on a bearing of 330 degrees magnetic and associated with iron alteration.
- Where required, acquire and interpret detailed electromagnetic, magnetic and radiometric data over sediments adjacent to outcropping granite.
- Review historical data to prepare a levelled geochemical database for gold exploration of the Burrell Creek Formation.
- Undertake field reconnaissance and sampling to identify and prioritise new target zones for drilling.

- Prepare and submit Exploration Management Plans to the NT Government for approval.

10. EXPENDITURE STATEMENT

Total expenditure for the specific tenement was **$154,689**. The expenditure covenant for this period was $70,000. Actual exploration expenditure has substantially exceeded this covenant.

See separate expenditure report for details.

11. PROPOSED EXPENDITURE

Based on a 3000m drilling program with associated site preparation/rehabilitation, analyses and reporting, estimated expenditure is ~$350,000.

However, this program is subject to funding availability.

12. REFERENCES

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