

## NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

**Section 1. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)**

|                           |                     |
|---------------------------|---------------------|
| Type                      | Exploration Licence |
| Number                    | 24955               |
| Operation Name (optional) | Sandover            |

**Section 2. Period covered by this return:**

| Twelve-month period:               |          | If Final Report: |  |
|------------------------------------|----------|------------------|--|
| From                               | 07/09/10 | From             |  |
| To                                 | 06/09/11 | To               |  |
| Covenant for the reporting period: |          | \$50,000         |  |

**Section 3. Give title of accompanying technical report:**

|                           |   |
|---------------------------|---|
| Title of Technical Report | Annual Report, EL24955 Sandover, Northern Territory |
| Author                    | Grant Davey   |

**Section 4. Locality of operation:**

|                     |         |
|---------------------|---------|
| Geological Province | Arunta  |
| Geographic Location | Aileron |

**Section 5. Work program for the next twelve months:**

|   |  |  |
|---|--|--|
| <b>Activities proposed</b> (please mark with an "X"):       |  | <input checked="" type="checkbox"/> Drilling and/or costeaning |
| <input type="checkbox"/> Literature review                  |  | <input type="checkbox"/> Airborne geophysics                   |
| <input type="checkbox"/> Geological mapping                 |  | <input type="checkbox"/> Ground geophysics                     |
| <input type="checkbox"/> Rock/soil/stream sediment sampling |  | <input type="checkbox"/> Other:                                |
| <b>Estimated Cost:</b>                                      |  | <b>\$50,000</b>  |

**Section 6. Summary of operations and expenditure:**

Please include salaries, wages, consultants fees, field expenses, fuel and transport, administration and overheads under the appropriate headings below. Mark the work done for the appropriate subsections with an "X" or similar, except where indicated. Complete the right-hand columns to indicate the data supplied with the Technical Report.

**Do not include the following as expenditure (if relevant, these may be discussed in Section 7):**

- Insurance
- Company Prospectus
- Rent & Department Fees
- Bond
- Transfer costs
- Title Search
- Legal costs
- Advertising
- Land Access Compensation
- Meetings with Land Councils
- Payments to Traditional Owners
- Fines

| Exploration Work type                                | Work Done<br>(mark with an "X" or<br>provide details) | Expenditure       | Data and Format Supplied<br>in the Technical Report |           |
|--|---|-------------------|---|-----------|
|  |   |                   | Digital   | Hard copy |
| <b>Office Studies</b>                                |   |                   |   |           |
| Literature search                                    |   |                   |   |           |
| Database compilation                                 | X   | \$570.43          |   |           |
| Computer modelling                                   |   |                   |   |           |
| Reprocessing of data                                 | X   | \$386.54          |   |           |
| General research                                     |   |                   |   |           |
| Report preparation                                   | x   | \$163.50          |   |           |
| Other (specify) - Admin                              |   |                   |   |           |
| <b>Subtotal</b>                                      |   | <b>\$1,120.47</b> |   |           |
| <b>Airborne Exploration Surveys (state line kms)</b> |   |                   |   |           |
| Aeromagnetics  |   | kms               |   |           |
| Radiometrics   |   | kms               |   |           |
| Electromagnetics                                     |   | kms               |   |           |
| Gravity  |   | kms               |   |           |
| Digital terrain modelling                            |   | kms               |   |           |
| Other (specify)                                      |   | kms               |   |           |
| <b>Subtotal</b>                                      |   | <b>\$</b>         |   |           |
| <b>Remote Sensing</b>                                |   |                   |   |           |
| Aerial photography                                   |   |                   |   |           |
| LANDSAT  |   |                   |   |           |
| SPOT   |   |                   |   |           |
| MSS  |   |                   |   |           |
| Other (specify)                                      |   |                   |   |           |
| <b>Subtotal</b>                                      |   | <b>\$</b>         |   |           |
| <b>Ground Exploration Surveys</b>                    |   |                   |   |           |
| <b>Geological Mapping</b>                            |   |                   |   |           |
| Regional   |   |                   |   |           |
| Reconnaissance                                       | x   | \$51.82           |   |           |
| Prospect   |   |                   |   |           |
| Underground  |   |                   |   |           |
| Costean  |   |                   |   |           |
| <b>Ground Geophysics</b>                             |   |                   |   |           |
| Radiometrics   |   |                   |   |           |
| Magnetics  |   |                   |   |           |
| Gravity  |   |                   |   |           |
| Digital terrain modelling                            |   |                   |   |           |
| Electromagnetics                                     |   |                   |   |           |
| SP/AP/EP   |   |                   |   |           |
| IP   |   |                   |   |           |
| AMT/CSAMT  |   |                   |   |           |
| Resistivity  |   |                   |   |           |
| Complex resistivity                                  |   |                   |   |           |
| Seismic reflection                                   |   |                   |   |           |
| Seismic refraction                                   |   |                   |   |           |
| Well logging   |   |                   |   |           |
| Geophysical interpretation                           |   |                   |   |           |
| Petrophysics   |   |                   |   |           |
| Other (specify) Borehole<br>Gamma Logging            |   |                   |   |           |

|  |            |       |        |                   |  |
|--|------------|-------|--------|-------------------|--|
| <b>Geochemical Surveying and Geochronology</b>       |            |       |        |                   |  |
| <i>(state number of samples)</i>                     |            |       |        |                   |  |
| Drill (cuttings, core, etc.)                         |            |       |        |                   |  |
| Stream sediment                                      |            |       |        |                   |  |
| Soil   |            |       |        |                   |  |
| Rock chip  |            |       |        |                   |  |
| Laterite   |            |       |        |                   |  |
| Water  | 11 samples |       |        | \$131.12          |  |
| Biogeochemistry                                      |            |       |        |                   |  |
| Isotope  |            |       |        |                   |  |
| Whole rock   |            |       |        |                   |  |
| Mineral analysis                                     |            |       |        |                   |  |
| Laboratory analysis (type)                           |            |       |        |                   |  |
| Petrology  |            |       |        |                   |  |
| Other (specify)                                      |            |       |        |                   |  |
| <b>Ground Exploration Subtotal</b>                   |            |       |        | \$182.94          |  |
| <b>Drilling (state number of holes &amp; metres)</b> |            |       |        |                   |  |
| Diamond  |            | holes | metres |                   |  |
| Reverse circulation (RC)                             |            | holes | metres |                   |  |
| Rotary air blast (RAB)                               |            | holes | metres |                   |  |
| Air-core   |            | holes | metres |                   |  |
| Auger  |            | holes | metres |                   |  |
| Other (specify)                                      |            | holes | metres |                   |  |
| <b>Subtotal</b>                                      |            |       |        | \$                |  |
| <b>Other Operations</b>                              |            |       |        |                   |  |
| Costeaning/Trenching                                 |            |       |        |                   |  |
| Bulk sampling  |            |       |        |                   |  |
| Mill process testing                                 |            |       |        |                   |  |
| Ore reserve estimation                               |            |       |        |                   |  |
| Underground development (describe)                   |            |       |        |                   |  |
| Mineral processing                                   |            |       |        |                   |  |
| Other (specify)                                      |            |       |        |                   |  |
| <b>Subtotal</b>                                      |            |       |        | \$                |  |
| <b>Access and Rehabilitation</b>                     |            |       |        |                   |  |
| Track maintenance                                    |            |       |        |                   |  |
| Rehabilitation                                       |            |       |        |                   |  |
| Monitoring   |            |       |        |                   |  |
| Other (specify)                                      |            |       |        |                   |  |
| <b>Subtotal</b>                                      |            |       |        | \$                |  |
| <b>TOTAL EXPENDITURE</b>                             |            |       |        | <b>\$1,303.41</b> |  |

**Section 7. Comments on your exploration activities:**

The Year 5 program was disjointed due to confusion relating to the status of the tenement particularly the areas required to be relinquished. During 2010 further interpretation of water sampling and survey programs has taken place with a view to carrying out additional field work in late 2011/early 2012.

The program for Year 6 is to complete the integration of basement geology, magnetics and gravity with groundwater geochemistry and airborne electromagnetic surveys to define potential targets for scout drilling. With this proposed program the company proposes a covenant of \$50,000 for Year 6.

I certify that the information contained herein, is a true statement of the operations carried out and the monies expended on the above mentioned tenement during the period specified as required under the *Northern Territory Mining Act* and the Regulations thereunder.

☒ I have attached the Technical Report

1. Name: Grant Davey

Position: Senior Geologist

Signature:



Date: 04 October 2011

2. Name:

Position:

Signature:

Date: