THIRD YEAR ANNUAL AND FINAL REPORT

FOR

EXPLORATION LICENCE  26927

MT. PEAKE PROJECT

NORTHERN TERRITORY

FOR THE YEAR ENDED 15 February 2012

Author : A.W.Mackie
Submission Date: 6th March 2012
Reporting Period: 31st March 2011 – 15th February 2012 (Year 3)
Tenement : EL 26927 “Mt Peake”
Commodity: Base metals, Gold
Map Sheets: Mt Peake 1:250,000 (SF5305)
Conical Hill 1:100,000 (5555), Anningie 1:100,000 (5554)
EL26927 MT PEAKE FINAL REPORT

1. INTRODUCTION

The area under licence is centrally located within MT PEAKE overlying an area of fluvial deposits between Enuggan Creek to the south and Mt Peake Creek to the north 65km east of Barrow Creek township. Aeromagnetically the area was deemed prospective for mafic/ultramafic intrusive-hosted Cu-Ni-PGEs type deposits.

2. LOCATION and ACCESS (Figure 1)

The licence area turnoff to the east from the Stuart Highway near Stirling Well is 225km north of Alice Springs or conversely 25km south west of Barrow Creek. A well formed beef road trends east north east for 15km crossing the Gas pipeline then another 30km to Mud Hut Well located on the southern boundary of the licence. A station track trending north from Mud Hut Well to Mt Peake Bore (12km) provides good access to most of the licence area.

3. TENURE

EL26927 was granted to A.W. Mackie March 31, 2009 for 6 years comprising 30 sub blocks. 15 sub blocks were surrendered at the end of year 2. Remaining blocks surrendered on February 15, 2012.

4. PREVIOUS EXPLORATION

Historically the region has been explored for Ni, Cu, PGEs, Au, iron, bauxite, uranium and diamonds.

In 1970 Kewanee completed 11 core drill holes testing a 2km long by up to 9m wide ultramafic sill 100km to the east of the licence area for a best result of 0.9m averaging 4.65%Ni and 1.36% Cu located at Prospect D, delineating an Inferred resource of 3.16 Mt averaging 0.56%Cu and 0.19% Ni. In addition to the eleven core holes Airtrac percussion holes intersected high grade copper and nickel from surface to end of hole for a best result of 3.32% Cu, 0.21% Ni from 0 to 33 metres.

In 2004, following up Kewanee, BHP Billiton/Mithril Alliance conducted a $1 million exploration program of geophysical surveys delineating 4 bedrock conductors followed up by limited drilling intersecting 6.8m averaging 0.27% Ni, 0.24% Cu and 5.2 g/t Ag commencing at 138m.

From 1979 – 82 CRAE conducted a regional drainage sampling of MT PEAKE for kimberlitic indicators results were generally negative except for ultramafic chromites near the headwaters of Mt Peake Creek 15km west of licence area. Stockdale Prospecting also were active in the area mainly on BARROW CREEK re diamond exploration.

Western Mining Corporation conducted regional gold exploration over the licence area from 1991 – 97 followed by Aberfoyle Exploration in 1998. From 2001 – 2004 Falconbridge were active in the area assessing perceived mafic/ultramafic potential firstly by flying a regional GEOTEM electromagnetic/amag geophysical survey which delineated several mafic/ultramafic lookalike responses unfortunately for Falconbridge they withdrew allowing TNG to take up the area who recently published a JORC inferred resource of 160Mt averaging 0.3% vanadium oxide, 0.5% titanium oxide and 24% iron hosted by a magnetitite (magnetite gabbro) mafic intrusive body (ASX 2011).
5. GEOLOGY
EL26927 is located near the boundary of the north east embayment of Palaeoproterozoic Aileron Province, NE Arunta Inlier on Mt PEAKE which is poorly exposed. Locally the landscape is dominated by inselbergs of remnant Neoproterozoic quartzite and Central Mt Stuart Beds of the partially onlapping Georgina Basin succession. The flat-lying licence area is overlain by fluvial deposits emanating from Enunngan and Mt Peake Creeks ephemeral flooding. Regional AMAG interpretation of Mt Peake geophysical survey data shows the licence area is underlain by a central ridge of moderately magnetic 1856Ma Lander Rock Beds trending northward beyond the northern boundary of the licence. The remaining licence area is intruded by 1789Ma Esther Granite.

6. EXPLORATION PROGRAM
The south east corner of the licence area butts up to a north west trending hi-AMAG interpreted magnetitite intrusive 4km x 2km on TNG’s ground which may possibly pass into EL 26927 however after acquiring, modelling and image processing Mt Peake AMAG/RADS and Falconbridge Regional AEM data the magnetic response was only moderate hence the presence of titanium/vanadium/iron oxide and possibly nickel/copper/PGEs sulphide mineralisation within the licence area is considered very unlikely.

7. CONCLUSIONS and RECOMMENDATIONS
In view of the above geophysical interpretation it is unlikely the area under licence is prospective for mineralised magnetitite hence it is recommended EL26927 be surrendered.

A.W. Mackie
March, 2012
Area: 30 sub blocks
Actual Area: 95.90 sq km

ALISTAIR MACKIE
Exploration Licence Application
"MOUNT PEAKE CREEK"
Cadastre, Topographic & ELA Location

Drawn: CAPRICORN  Date: AUG 08  Ref: SF5305
Scale: 1:250,000  Plan No: MAC048
ALISTAIR MACKIE

EL 26927
INTERPRETED GEOLOGY MAP
(NTGS, 2007)

Figure 3
ALISTAIR MACKIE

EL 26927
TOTAL MAGNETIC INTENSITY
REDUCED TO POLE

Fig No: 4