CAMFIELD AMETHYST EXPLORATION

Annual and Final Report

EXPLORATION LICENCE 10416

For the period: 13 June 2006 to 12 June 2013

Tenement Holder: Barry Kayes

Prepared by: Barry Kayes
August 2013

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INTRODUCTION

This report documents the exploration programme completed on Exploration Licence 10416 during the period 13 June 2012 to 12 June 2013.

It also incorporates a summary of the exploration activities undertaken during the course of the tenements Ufe.

1.1 Location and Access

The Exploration Licence is now wholly within Camfield Station, approximately 380 km south west of Katherine. The tenent is accessed along the Buntine Highway, which diagonally bisects the tenement.

1.2 Tenure

Exploration Licence 10416 was granted on 13 June 2006 for a period of 6 years. The original tenement covered an area of approximately 246 sq.km or 75 graticular blocks. This was reduced to 28 graticular blocks in May 2009. In August 2010 it was reduced further to 14 blocks and in August 2011 to 5 blocks. The tenement was reduced again in 2012 to 3 blocks. The tenement was held by Barry Kayes and was operated by Aradon Pty Ltd, of which Barry Kayes is a Director.

2.0 GEOLOGY

2.1 Regional Setting

The tenement lies within the Wave Hill 1:250 000 Map Sheet in the Victoria River District. The area of the tenement lies on the Victoria River Plateau and Benches and is overlain by the Lower Cambrian aged Antrim Plateau Volcanics, which consist of a series of flood basalt lava flows with thin interbeds of sandstone, chert, silicified carbonate rocks, Umestone and pyroclastic rocks.

2.2 Local Geology

There has been limited detailed mapping undertaken in the tenement area. The topography is mostly undulating plains with rounded hills and mesas. The Antrim Plateau Volcanics are dominant across the tenement and consist of massive and amygdaloidal basalts. The amygdales are frequently filled with Quartz, Amethyst and to a lesser extent Agate, all of which can be in geode form. In many areas, the geodes and nodules have been weathered from the basalt and can be found lying exposed on the surface. Less common is the evidence of vents or veins of Quartz and Amethyst which were the main focus of our exploration.
In the north eastern parts of the tenement, outcroppings of Red Chert are prominent and were again examined during this reporting period. Sampling and marketing were undertaken during this reporting period to gauge the stones suitability for the lapidary market, with limited success. Further work will be required in these areas to prove the stone commercially viable.

3.0 PREVIOUS MINING AND EXPLORATION

Amethyst and Quartz was mined previously within the tenement from Mineral Claims 4490 and 4491, by Kajar Pty Ltd.

The main focus was on MC4490, where Amethyst of good colour and quality was extracted. The material was best suited for lapidary purposes, but was found in large, solid pieces suitable for fashioning into ornaments and beads. Good tonnages were found, but the extraction became difficult as the vein dipped deeper under a small hill (personal communication with previous tenement holder).

Kajar Pty Ltd and others have performed other exploration in the general area previously, but little is known of the results.

4.0 EXPLORATION

Work undertaken on EL10416 during the current reporting period was aimed at identifying areas most prospective for conversion to Mining Leases.

A depressed gemstone market and ongoing difficult trading conditions, meant work on the ground was focussed on evaluating the remaining ground. This work was restricted to identifying potential boundaries for proposed Mining Lease areas, in order to estimate a cost for conversion, rents, Native Title and other relevant expenses. Some samples were also collected and shipped back to the Perth workshop. 2 persons took part in this program.

5.0 SUMMARY

In addition to the exploration carried out, further marketing was undertaken in key markets by attendance at two trade shows to gather information on pricing and potential sales volumes.

Ultimately, it was decided that under the current market conditions, it was not viable for us to proceed further with the tenement.
6.0 SUMMARY OF TENEMENT EXPLORATION- 2006 to 2013

Exploration of this tenement began with much anticipation. Highlights include:

Year 1 - 2006/07:
- A.A.P.A. clearance received.
- 7 costeans excavated.
- Ground mapping of tenement.
- Communication problems identified.
- Logistics problems identified.
- Machinery difficult to find due to location.

Year 2 - 2007/08:
- 4 costeans and small pit excavated during this program.
- Further ground mapping of tenement.
- Samples collected for test cutting and marketing.
- North/south orientation of veining becomes evident.
- Consideration given to relinquishment of blocks.

Year 3 – 2008/09:
- Collection of Red Chert samples from new areas.
- Further Amethyst samples taken for test cutting and marketing.
- Improved communications.
- Better relations with local Pastoral Lease holders resulting in cost savings.
- Fly in/fly out style of travel used to lower costs.
Year 4 – 2009/10:

- Evaluation of most prospective areas to allow for relinquishment of blocks.
- Collection of samples for test cutting by prospective customers.
- Marketing undertaken at major Gem Shows in U.S.A.
- Focus on most prospective targets.
- Gemstone market declining due to flow on effects of G.F.C.

Year 5 – 2010/11:

- Further work performed to allow for reduction in blocks.
- Hand collection of samples for testing continues.
- Focus on target areas for potential conversion to Mining Leases.
- Continued deterioration of world gemstone market.

Year 6 – 2011/12:

- Focus on target areas to allow for final reduction in blocks.
- Smaller scale exploration program due to higher costs and weak market.
- Plan location and size of proposed Mining Leases.

Year 7 – 2012/13:

- Visit site to finalise boundaries for proposed Mining Leases.
- Undertake cost benefit analysis on Mining Leases and associated costs.
- Gemstone market still weak.
- Decision made to surrender Licence and abandon plan for Mining Leases.

Signed: [Signature]

Date: 8/08/13