EXPLORATION LICENCE 25119
DOUGLAS CREEK
NEAR MT. MASSON NORTHERN TERRITORY

ANNUAL AND FINAL REPORT

04/10/2006 to 30/09/2013


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TABLE OF CONTENTS.

1. GENERAL INTRODUCTION.
2. GEOLOGICAL SETTING AND KNOWN MINERALISATION.
3. HISTORY OF PAST MINING AND EXPLORATION.
4. EXPLORATION ACTIVITIES CARRIED OUT DURING TENURE.
5. LIST OF REFERENCES.
6. LIST OF TABLES, FIGURES AND ATTACHMENTS.
1. GENERAL INTRODUCTION.

Exploration Licence 25119 was granted to mess’rs M Teelow, G Orridge and G Clarke (TOC) for a six year term commencing 04/10/2006. It covered 27 sub-blocks (an area of 90 square kilometres) located in the NW corner of the Mt Masson 1:50,000 map sheet situated some 140 km. SE of Darwin (Figures 1 & 2).

It adjoined EL24403, then held by mess’rs M Teelow, G Orridge and H Pinniger (TOP), to its northwest.

The Tenement was surrendered on 30th September 2013.

The area covered by the Licence forms part of the Ban Ban Springs Pastoral Lease, and consists of forested low hill ranges with a well developed drainage system formed by Douglas Creek and its tributaries which drain NNE into the Mary River system. Good access is obtained by a formed gravel road connecting the Mt Wells Tin Battery (25 km to the SW) with the derelict Mt Harris tin treatment plant on the Mary River some 8km to the east. Permanent water is available at the Mary River. The abandoned Jessops open pit tin mine lies some 300m south of southern boundary of the EL.

The most prominent topographic feature in the vicinity is the Mt Douglas Range which lies just outside the NW corner of the EL area.

2. GEOLOGICAL SETTING AND KNOWN MINERALISATION IN THE TENEMENT AND ITS IMMEDIATE AREA.

The EL lies centrally within the Early Proterozoic Pine Creek Orogen. The general geology is shown on the McKinlay River 1:100,000 Geological Series Map published by the BMR in 1985. The local succession includes strata ranging from the Mundogie Sandstone of the Mt Partridge Group at the base through to the Mt Bonnie Formation of the South Alligator Group at the top. The succession is summarised as follows:-
SOUTH Mt Bonnie Formation: mainly slate and meta siltstone with beds of massive greywacke GROUP and ferruginous chert.

ALLIGATOR Gerowie Tuff: chert, tuffaceous chert and metasiltstone. Koolpin Formation: graphitic and pyritic shale, banded ferruginous chert and breccias, with common sills of metadolerite.

MOUNT Wildman Siltstone: quartz sandstones and quartzites above, and metasiltstones with with graphitic, pyritic phyllites below.

PARTRIDGE GROUP Mundogie Sandstone; quartzite, quartz sandstone and siltstone.

These metasediments are intruded by a lobe of the Cullen Granite about 1500m to the south of the tenement area. They are complexly folded into a series of five NNW-plunging anticlines and synclines, with numerous strike faults on the fold limbs, forming the apex of a major regional anticlinorium.

Just outside the northwest corner of the Tenement a complex zone of thrust faulting brings the Early Proterozoics into contact with an outlier of Middle Proterozoic Kombolgie Formation which forms the NE-trending Mt Douglas Range (Figure 2).

The Mount Masson Field is known principally for tin mineralization, commonly associated with gold values, which occurs mainly in fracture zones traversing the Mundogie Sandstone around the periphery of the Cullen Granite: the old mines at Mt Masson, Mt George and Mt Harris were of this type.

The Jessops tin mine had a recorded production of about 100t of tin concentrates, from 10,000t of open pit ore, between 1957 and 1965. The ore was associated with superficial iron caps apparently formed over bedded pyrite in graphitic shales of the Wildman Siltstone.

Drilling beneath the old pit by CRA(1982), and Robert Johnston (1987), intersected anomalous values in tin, gold, silver, bismuth and base metals in the primary zone.
3. PAST EXPLORATION IN AND PERIPHERAL TO THE TENEMENT AREA.

A review was completed of some 89 open file company reports dealing with exploration in and around the Mt Masson field between 1979 and 1999. Attached Table 1 summarises the work done on nine EL’s which overlapped or bordered EL25119 and where significant work was done. Figure 3 shows the locations of anomalies or prospects which were identified within this period. These activities are described in more detail in the Year One report (Orridge G R, 2007).

It is evident that the distribution of anomalous gold is closely related to the outcrop of the Koolpin Formation but no potentially economic deposits were discovered.

Extensive uranium exploration was conducted between 1977 and 1988 over the Mt Douglas Kombolgie Formation outlier, just to the northwest of EL25119, and some of this work appears to have overlapped into mainly soil covered portions of the northwestern corner of the EL. No significant uranium mineralization was discovered. More detail on these operations are provided in Orridge 2007.

4. EXPLORATION WORK CARRIED OUT DURING TENURE.

Exploration under the Title, between 4th Oct 2006 when granted, and the surrender date 30th September 2013, is summarised below.

1). In year one (2006/7) a review was completed of 89 Open File Reports dealing with past exploration within the EL and in the surrounding area: refer Orridge 2007 and Table 1 and Figure 3 of this Report. A photogeological map of the entire EL at 1:25,000 scale was commenced.

An option Agreement with Terra Gold and GBS was impending at the end of the period.

2). In the second year (2007/8) work was restricted to technical reviews relating to potential for gold, uranium and base metal mineralization.
3). In year three (2008/9), GBS Gold went into voluntary administration and all assets were under care and maintenance. The main activity was confined to a review, tenement ranking and evaluation in order to prepare all assets for sale. In April 2009 Crocodile Gold Australia announced to acquire all assets held by GBS Gold Australia (liquidated).

4). In year four (2009/10) An option agreement with Element 92 Pty Ltd came into effect on 03/01/2010. Work completed consisted of a desktop GIS review and data compilation using information from open file reports to identify uranium, tin, gold and base metal exploration targets for the 2010/2011 field season. In September 2010 a detailed airborne radiometric and magnetic survey was flown over the tenement as part of a far larger survey.

4). In March 2011 six blocks in the northwest and southeast of the tenement were surrendered. Reviews of previous exploration and detailed aerial geophysical surveys by Element 92 had found no features of significant interest in the surrendered ground (Figure 4 and deKevers N, 2011).

5). In the reporting period 04/10/2011 to 03/10/2012 exploration activity comprised geological data compilation, geological interpretation and modelling, and geophysical data interpretation (Bajwah Z, 2011, Mineral Exploration and Mining Expenditure Report).

6) Element 92 surrendered their option in January 2013.

From January 2013, through to the end of the Group Reporting Period (3rd April 2013) TOC resumed as operators of the Tenement, and carried out a review of works by GBS and Element 92, and reporting (Orridge G, 2013, Annual Combined Report).

In their Mineral Exploration and Mining Expenditure Reporting for the year ending 03/10/012 Element 92 put forward a program for the next 12 months which included geological mapping, soil and rock chip geochemical sampling, ground geophysical surveys and RC drilling, with an expenditure covenant of $41,500. However it appears that no significant work was carried out on the Tenement between 04/10/12 and surrender of the option.

Between 04/April/2013 and surrender of the Title, Teelow/Orridge/Clarke completed comprehensive review and evaluation of records of all past exploration works on the tenement. It was concluded there was little remaining potential for discovery of economically significant gold, base metal or uranium mineralization in the area.
5. LIST OF REFERENCES.


6. LIST OF FIGURES & ATTACHMENTS.

Figure 1, EL25119 Location Plan.

Figure 2, Regional Geology.

Figure 3, Prospect Location Plan.

Table 1. History of Past Exploration.
Figure 1: EL25119 Location Plan
Figure 2: Geology of the Project Area
<table>
<thead>
<tr>
<th>EL No</th>
<th>Company</th>
<th>Location</th>
<th>Period</th>
<th>Work Carried Out and Results Obtained</th>
<th>Open File Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1291</td>
<td>Occidental Minerals</td>
<td>Adjoins EL25119 to NW</td>
<td>1977-79</td>
<td>Photogeology, aeromagnetics and radiometrics, stream sediment samples analysed for U, Cu, Pb, Mn, Ni, Co, Cu, As, Mo. No anomalies worthy of follow up were recognised.</td>
<td>CR1979-0044, CR1979-0180</td>
</tr>
<tr>
<td>3121</td>
<td>Aquitaine Australia, INCO Australia</td>
<td>As EL1291</td>
<td>1982</td>
<td>Helicopter-born gamma ray spectrometer survey, ground follow up of zones of interest. Anomalism was found to be related to felsic tuffs, lithological contrasts, drainage features etc. None could be directly attributed to uranium mineralisation.</td>
<td>CR1982-0203, CR1982-0201</td>
</tr>
<tr>
<td>4500</td>
<td>CEGB Australia</td>
<td>North of EL25119</td>
<td>1986-88</td>
<td>Fixed wing and helicopter radiometric and magnetic surveys. No unusually large uranium anomalies indicating near surface uranium mineralisation were disclosed. Two anomalies just north of EL 25119 (U6 &amp; U7) were drilled without intersecting significant radioactivity.</td>
<td>CR1987-0059, CR1988-0086</td>
</tr>
<tr>
<td>4944</td>
<td>Kennecott Explorations, BP Australia Gold</td>
<td>Douglas Ck area within EL25119</td>
<td>1986-90</td>
<td>Geological mapping, stream slit and pan concentrate sampling. Detailed BLEG gold sampling of drainages and ridge and spur rock chip sampling. Follow up of anomalies by IP, trenching and five drillholes at Hill 5 Prospect. Best result 6m @ 0.61 g/t Au from 2m. BLEG gold anomalies at Hill 156N, Hill 156S and Central Anomaly were followed up by rock chip sampling and were concluded to relate to high background gold in the Koolpin Formation.</td>
<td>CR1988-0292, CR1990-0696</td>
</tr>
<tr>
<td>5139</td>
<td>Dominion Mining</td>
<td>One block overlap with EL25119 NE of Jessops Mine.</td>
<td>1987-90</td>
<td>Geological mapping at 1:10,000 scale, reconnaissance stream sediment sampling with BCL analyses for gold, minor rock chip sampling assayed for gold only. One BCL anomaly of 15.3 ppb Au not followed up since source was to the west outside EL area.</td>
<td>CR1989-0243</td>
</tr>
<tr>
<td>5512</td>
<td>Norgold &amp; Geopoko</td>
<td>Douglas Ck, substantial overlap with EL25110.</td>
<td>1987-90</td>
<td>Detailed stream sediment sampling, follow up soil and rock chip sampling and ground magnetics. Anomaly designated as Area 6 reported BLEG samples to 22 ppb Au, soil samples to 106 ppm Au, and rock chip samples to 0.30 ppm Au, associated with ferruginous outcrops of Koolpin Formation.</td>
<td>CR1990-0648</td>
</tr>
<tr>
<td>170</td>
<td>Northern Gold</td>
<td>Overlaps EL25119 on west and north sides</td>
<td>1993 - 98</td>
<td>Soil sampling of an area over Mt Bonnie Formation in the SW corner of EL25119, on a grid pattern of 40m x 200m, with analyses for Au, As, Cu, Zn, Pb. did not produce significantly anomalous results. Maximum values were 5 ppb Au, 52 ppm Cu, 78 ppm Zn, 78 ppm As and 107 ppm Pb.</td>
<td></td>
</tr>
<tr>
<td>326</td>
<td>Northern Gold</td>
<td>One block overlap in 1996 - 98 the NE of EL25119</td>
<td></td>
<td>Soil sampling carried out in the overlapping block on 100 X 400m grid, with composite samples analysed for Au, As, Ag, Cu, Pb, Zn, Sn. defined a broad area of weak anomalisim over an area of 150m X 600m. Maximum values were 5.3 ppb Au, 184 ppm Ag, 38 ppm As, 114 ppm Cu. Proposals for follow up infill sampling and geological mapping do not appear to have been executed.</td>
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