Exploration Licence 27983
“Bowerbird South”

2nd Annual Report
year ending 7 October 2012

Target Commodity – Gold & Silver

MOUNT EVELYN SD5305
Northern Territory

Submitted by: Gregory Lance Wood

Date: October 2012

Copies to: Gregory & Sandra Wood
Department of Resources
Capricorn Mapping & Mining Title Services

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Report No. WOOD_BOW2
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<th>Plan No.</th>
<th>Title</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOO018</td>
<td>EL27983 “BOWERBIRD SOUTH” Location Plan</td>
<td>1:100,000</td>
</tr>
<tr>
<td>WOO028</td>
<td>EL27983 “BOWERBIRD SOUTH” GEOLOGY</td>
<td>1:120,000</td>
</tr>
<tr>
<td>WOO031</td>
<td>EL27983 “BOWERBIRD SOUTH” Soil Sample Location Plan</td>
<td>1: 30,000</td>
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</tbody>
</table>

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SECTION 1: OUTLINE AND INTRODUCTION

Proponent Details

1.1 Project Name and Location
Exploration Licence (EL) 27983 “Bowerbird South” is located on the centre of the 1:250,000 Sheet of Mount Evelyn SD5305 in the Northern Territory. (Plan No. WOO018 EL 27983 “BOWERBIRD SOUTH” Location Plan).

1.2 Mining Title Details
EL 27983 “Bowerbird South” was granted on the 8th October 2010 for a period of six years. The EL covered an area of 2 graticular sub blocks and approximately 6.674 square kilometres. (Table 1).

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Exploration Licence 27983</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item Information</strong></td>
<td></td>
</tr>
<tr>
<td>Tenure Type</td>
<td>Exploration Licence</td>
</tr>
<tr>
<td>Number</td>
<td>27983</td>
</tr>
<tr>
<td>Date Effective</td>
<td>8/10/2010</td>
</tr>
<tr>
<td>Status</td>
<td>grant</td>
</tr>
<tr>
<td>Area</td>
<td>2 SBKS (6.67 sqkm)</td>
</tr>
<tr>
<td>Grant Date</td>
<td>8/10/2010</td>
</tr>
<tr>
<td>Expiry Date</td>
<td>7/10/2013</td>
</tr>
<tr>
<td>Holders Information</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Percent</td>
</tr>
<tr>
<td>WOOD Gregory Lance</td>
<td>50.00%</td>
</tr>
<tr>
<td>WOOD Sandra Maureen</td>
<td>50.00%</td>
</tr>
<tr>
<td>Transactional History Information</td>
<td></td>
</tr>
<tr>
<td>Transaction Type</td>
<td>Effective Date</td>
</tr>
<tr>
<td>Application</td>
<td>15/03/2010</td>
</tr>
<tr>
<td>Landholder Notification</td>
<td>16/03/2010</td>
</tr>
<tr>
<td>Native Title</td>
<td>19/03/2010</td>
</tr>
<tr>
<td>Advertisements</td>
<td>21/04/2010</td>
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<tr>
<td>Advertisements</td>
<td>21/04/2010</td>
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<tr>
<td>Offer Of Grant</td>
<td>08/10/2010</td>
</tr>
<tr>
<td>Grant</td>
<td>08/10/2010</td>
</tr>
<tr>
<td>Gazettals</td>
<td>20/10/2010</td>
</tr>
</tbody>
</table>
1.3 Operator
The operators for the exploration programme under the Mining Management Act are Gregory Lance and Sandra Maureen Wood (GSW). If substantial disturbance is carried out, a Mining Management Plan will be lodged with all the appropriate Operator and Authorisation forms attached.

1.4 Address
PO Box 194, Pine Creek NT 0847

1.5 Contact Details
Mobile: 04 2772 3301

1.6 Contact Person
Gregory Wood
SECTION 2: CURRENT PROJECT SITE CONDITIONS

Physical Environment

2.1 Land Area Type
The area is moderately undulating with some steep ridges in the form of granite outcrops. (The EL area comprising Archaean granite and gneiss overlain by Palaeoprotozoic sediments). Bowerbird Creek transects the EL in a north south direction and situated to the north east of the licence area. The major vegetation types are eucalypt tall open forests, typically dominated by Darwin woollybutt (Eucalyptus miniata) and Darwin stringybark (E. tetrodonta) woodlands, with smaller areas of monsoon rainforest patches, Melaleuca woodlands, riparian vegetation and tussock grasslands. The climate is monsoonal with rainfall occurring between the months of November and April.

2.2 Hydrology
The water table in the outer Darwin area typically rises to within 2m of the ground surface during the wet season and drops to between 8-10m below the surface during the dry season. The Bowerbird Creeks runs through the North East of the EL, with many tributaries from surrounding area flowing into it.

2.3 Flora and Fauna

Flora
The general area has a wide ranging eucalypt woodland dominated by Eucalyptus tetrodonta and Eucalyptus miniata either singly or in combination. This forms a canopy for the understorey of smaller trees (Erythrophleum chlorostachys, Terminalia ferdinandiana, T. grandiflora, Acacia spp. and Melaleuca spp), as well as shrubs, herbs and vines with dense growth of annual and perennial grasses.

Birds
Birds in the area are all the common birds predominant to the Darwin region. They include several species of finches, honey eaters, kingfishers, parrots, lorikeets and cockatoos.

Mammals
The more common mammals of the general area are the Short-beaked Echidna, Northern Quoll, and different species of Planigale, Red-cheeked Dunnart, Northern Brown Bandicoot, Sugar Glider, Common Brushtail Possum, Agile Wallaby, and Black Flying Fox.
Rodents in the general area include Black-footed Tree-rat, Common Rock Rat, Delicate Mouse and the Western Chestnut Mouse

Introduced are:
Introduced are the wild pig, feral cat and the cane toad.
Socio-Economic Environment

2.4 Current Land Use

The land use is Pastoral Lease 1134 “Mary River East” Station. (See Plan WOO018).

The land title search is shown below in Table 2.

<table>
<thead>
<tr>
<th>Date Registered:</th>
<th>25/10/2000</th>
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<tbody>
<tr>
<td>Duplicate Certificate as to Title issued?</td>
<td>Yes</td>
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<tr>
<td>SEARCH CERTIFICATE</td>
<td></td>
</tr>
<tr>
<td>N.T. Portion 1631</td>
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<tr>
<td>N.T. Portion 649</td>
<td></td>
</tr>
<tr>
<td>Area under title is 1345 square kilometres 4046 square metres</td>
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</table>

**TABLE 2**

<table>
<thead>
<tr>
<th>Number</th>
<th>Dealing Number</th>
<th>Description</th>
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<tbody>
<tr>
<td>531176</td>
<td>Previous title is Volume 621 Folio 823</td>
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</tr>
<tr>
<td>500811</td>
<td>Request to withdraw Caveat (505223)</td>
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</tr>
<tr>
<td>500223</td>
<td>Notice of commencement of proceedings by the Caveator (505223)</td>
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<tr>
<td>435235</td>
<td>Lapseing Caveat to Aquabaix Pty Ltd Expiding 14/02/2003</td>
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</tr>
<tr>
<td>246207</td>
<td>Mortgage Commonwealth Bank of Australia</td>
<td></td>
</tr>
<tr>
<td>435235</td>
<td>Electrify supply easement granted to the proprietor(s) of NT Portion 3619</td>
<td></td>
</tr>
</tbody>
</table>

End of Dealings

Property Name: Mary River (East)

Commencement Date: 1st June, 1993

Reservations and Other Special Provisions:

The lease is, pursuant to section 130(1) of the Pastoral Land Act, subject to the conditions, to the extent that they are not inconsistent with the Pastoral Land Act, applicable as at 25 June 1992 to Pastoral Lease Number 616 entered in the Register Volume 157 Folio 091, being conditions not relating to the development of the lease.

Statutory Reservations and Conditions:

The lease is subject to the conditions and reservations set out in sections 36 and 39 of the Pastoral Land Act.

Exclusions:

Pursuant to section 131(1) of the Pastoral Land Act the following areas are not part of the pastoral lease:

1. A strip of land 150 metres in width, being the land 75 metres each side of the line shown on the attached plan from the boundary of Mary River West Station to the boundary of Kakadu National Park, containing a road constructed by or on behalf of the Territory as a public road.

2. A strip of land 100 metres in width, being the land 50 metres each side of the line shown on the attached plan from Mary River Station Homestead to the Kakadu Highway, containing a road constructed by or on behalf of the Territory as a public road.
2.5 Aboriginal Sacred Sites & Native Title

There are no known registered sacred sites in the EL area (AAPA).

There is a Native Title Claim over the EL area, DC00/18 “Mary River”
SECTION 3: GEOLOGY

References

Lesley Wyborn, Elizabeth Jagodzinski, Irina Bastrakova and Anthony Budd. “PINE CREEK INLIER SYNTHESIS”

3.1 Regional Geology

Historically the Pine Creek Orogen has been the most prospective region of the Northern Territory for Gold. Regional and contact metamorphism granite type, structure and holst lithology are used to indicate prospectivity of the region.

EL 27983 is situated within the Pine Creek Geosyncline, a tight to isoclinally folded sequence of mainly pelitic and Lower Proterozoic with interlayered tuff units. All rocks in the area have been metamorphosed to low, and in places medium grade, metamorphic assemblages.

3.2 Local Geology

Sediments of the Early Proterozoic Burrell Creek Formation outcrop in the area. These consist of inerbedded mudstone and chert grading into massive albitic chert beds and BIF. Overlying the formation are siltstone, mudstone, pebble conglomerate and greywacke beds of the Burrell Creek Formation. Within this area are known mineral resources named “Bowerbird” Prospect to the north east, the abandoned Bowerbird Mine to the East as well as the abandoned Hollis Mine to the east of the EL. (Only Shamrock within EL).

As shown on the accompanying Geology Map (WO0028) the Golden Dyke Formation runs along the south west of EL 27983, which has revealed steep bedding dips toward the southern Cullen Granite Formation.. The Golden Dyke Formation consists of the Goodparla Group - Chert, quartz siltstone, dolomite minor carbonaceous pyritic siltstonewith chert lenses, bands and nodules. This area hosts a known mineral occurrence to the east of the Golden Dyke Formation that is actually shown as the Burrell Creek Formation on the accompanying geology map, which is known as the Shamrock Prospect, which indicates a possible Au resource. Some ridge top veins and outcrops tend to be sub-parallel to the bedding.

The Cullen Granite area to the south of EL 27983 indicates Biotite-hornblend granite. It is within this area (but south of the EL) that there are three known mineral occurrences known as the “Mt Davis” Prospects and Mines. The Granite is surrounded by 400-500 metre wide contact hornfels which forms very prominent steep ridges. Access is very limited in this area, due to steep sided gullies.

See accompanying Geology Map (WO0028)
SECTION 4: PROJECT STATUS

4.1 History of Development and Current Status

4.1 (a) Historical Exploration

Most previous work in the area has been around the Mount Davis and Coronet Hill area. In 1913, a company was set up to develop copper and arsenic mineralisation in the Coronet Hill Area. Ore removed from the area was minimal. Other mineralisation is associated with the Mount Davis granite to the south within the Cullen Granite areas, with tin, bismuth, arsenic, and gold mineralisation.

Some of the other explorers in the area were Geopeko, Australian Coal and Gold Holdings Ltd, Troy Resources, Aztec Mining, Northern Gold N.L., Cyprus Gold and Peartree Resources, Acacia Minerals Pty Ltd.

GSW carried out a reconnaissance soil sampling programme in 2010-11. The results showed traces of both gold and silver.

(b) EL 27983 Exploration Completed Year 2

An infill sampling programme was carried out in 2011-2012 (see Plan No.WOO031 Soil Sample Locations) with 26 soil samples taken. The results of these samples are shown in Appendix 1.

EXPENDITURE FOR 2011-2012 WAS AS FOLLOWS

<table>
<thead>
<tr>
<th>Activity</th>
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<tbody>
<tr>
<td>Geological Activities and Prospecting</td>
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<tr>
<td>Geochemical Activities</td>
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<tr>
<td>Geophysical and Remote Sensing Activities</td>
<td>Nil</td>
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<tr>
<td>Drilling</td>
<td>Nil</td>
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<tr>
<td>Bulk Sampling and Earthworks</td>
<td>$ 1,950.00</td>
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<tr>
<td>Rehabilitation</td>
<td>Nil</td>
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<tr>
<td>Pre-feasibility inc. Metallurgical and Environmental</td>
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<tr>
<td>Office Studies</td>
<td>$ 400.00</td>
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<tr>
<td>Overheads</td>
<td>$ 850.00</td>
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<tr>
<td>TOTAL</td>
<td>$ 10,400.00</td>
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</table>

Expenditure Covenant for 2011-2012 was $9,000.00
4.2 Proposed Exploration Activities and Expenditure for Year 3

Auger drilling is planned to 2 metres where possible at soil sample locations 1,3,5,6,9,18,19,20,21 and 22. (See “Soil Sample Locations” Map WOO027).

**MINIMUM EXPENDITURE FOR 2012-2013 IS AS FOLLOWS**

- Geological Activities and Prospecting $ 9,000.00
- Geochemical Activities Nil
- Geophysical and Remote Sensing Activities Nil
- Auger Drilling $ 2,000.00
- Soil Sampling and Earthworks $ 2,000.00
- Rehabilitation $ 2,000.00
- Pre-feasibility inc. Metallurgical and Environmental Nil
- Office Studies $ 500.00
- Overheads $ 1000.00
- **TOTAL** $ 16,500.00

4.3 Conclusion and recommendations

Soil Samples contained traces of gold with significant readings (.5gm per tn). The exploration rationale is to further seek higher grades of Au through auger drilling in the first instance, prior to RC Drilling if results are shown to be feasible.

4.4 References

Previous Company Report for 1st Year 2010-11 for EL27983 - CR20110934.
Appendix 1

Soil Sample Description