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MINERALS EXPLORATION | INDUSTRIAL MINERALS | ENERGY RESOURCES | TENEMENTS MANAGEMENT

Annual Report 2012

Year Ending: 3 June 2012 Title: EL23814

Bulman Project

Bulman Resources Pty Ltd

Job No. 2212-02

Report Date: 20 June 2012

Grant Date: 04 June 2007 **Expiry Date:** 03 June 2013

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SD 5306 Mt Marumba

Map projection datum: GDA 94 Zone 53

Abstract

The Bulman project is located near the Bulman Aboriginal community within Arnhem Land, approximately 320km north east of Katherine. This project consists of two exploration licences (EL 23814 and 25931) and two mineral leases (MLN 726 and 727). This is the fifth annual report for EL 23814.

EL23814 of 77 blocks was granted to Bulman Resources Pty Ltd on 4 June 2007 and expires on 3 June 2013.

Lead and zinc mineralisation was first discovered at Bulman in the late 1880's. Exploration was sporadic between 1911 and 1952 but further exploration continued in the 1950's and 1960's. The Bulman tenements lie within the McArthur Basin. This basin is comprised of Palaeoproterozoic to Mesoproterozoic sediments comprising sandstone, shale, dolostone and interbedded volcanic and intrusive igneous rocks. The most prominent structure in the region is the northwest-trending Bulman Fault, which can be traced over a distance of 300km. The Bulman Fault is a major basement feature that was reactivated several times during the Proterozoic. The Bulman tenements are locally underlain by the Mount Rigg Group which is intruded by the Derim Derim Dolerite. The Mount Rigg Group is a sequence of dolomitic and silicilastic rocks divided into two formations, the Bone Creek Sandstone and the Dook Creek Formation.

The mineralisation style consists of carbonate-hosted stratabound Zn-Pb with lens-like deposits of galena, sphalerite and chalcopyrite. The dololutite and dolostone typically have primary to secondary porosity and almost all mineralisation occurs in carbonate rocks showing contact metamorphic effects within 50m of the intruding dolerite sills.

Exploration completed in 2011 included:

- Airborne EM surveying of the entire tenement, including geophysical and geological interpretation

A number of anomalies were identified as priority targets for further exploration and as a result, proposed exploration for 2012-2013 will include:

- Geological mapping, rock chip and soil sampling
- Access track preparation
- Ground based EM survey of selected anomalies
- Reverse circulation or diamond drilling

Disclaimer

While every effort has been made, within the time constraints of this assignment, to ensure the accuracy of this report, Geos Mining accepts no liability for any error or omission. Geos Mining can take no responsibility if the conclusions of this report are based on incomplete or misleading data.

Geos Mining and the authors are independent of Bulman Resources Pty Ltd, and have no financial interests in Bulman Resources Pty Ltd or any associated companies. Geos Mining is being remunerated for this report on a standard fee for time basis, with no success incentives.

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Figures

Accompanying Data on CD

File Name	Format	Size (Kb)	Description
EL23814_201206_01_ReportText	pdf	7465	Text of Report
EL23814_201206_02_AEM_AcquisitionReport	pdf	1297	AEM Survey – Acquisition and Processing Report
EL23814_201206_03_InterpReport	pdf	6256	AEM Survey – Interpretation Report
EL23814_201206_04_GriddedEM_Data	ers	12023	AEM Survey – Data (on CD)
EL23814_201206_05_AEMInterpReport	pdf	16701	Geos Mining Interpretation Report of AEM Survey

Background

Location

The Bulman project is located near the Bulman Aboriginal community within Arnhem Land, approximately 320km north east of Katherine. This project consists of two exploration licences (EL 23814 and 25931) and two mineral leases (MLN 726 and 727). This is the fifth annual report for EL 23814.

EL 23814 is the larger of the tenements and lies to the north-east of the township of Bulman, approximately 350 km south-east of Darwin (Figure 1). The tenement covers an area of around 215 km^2.

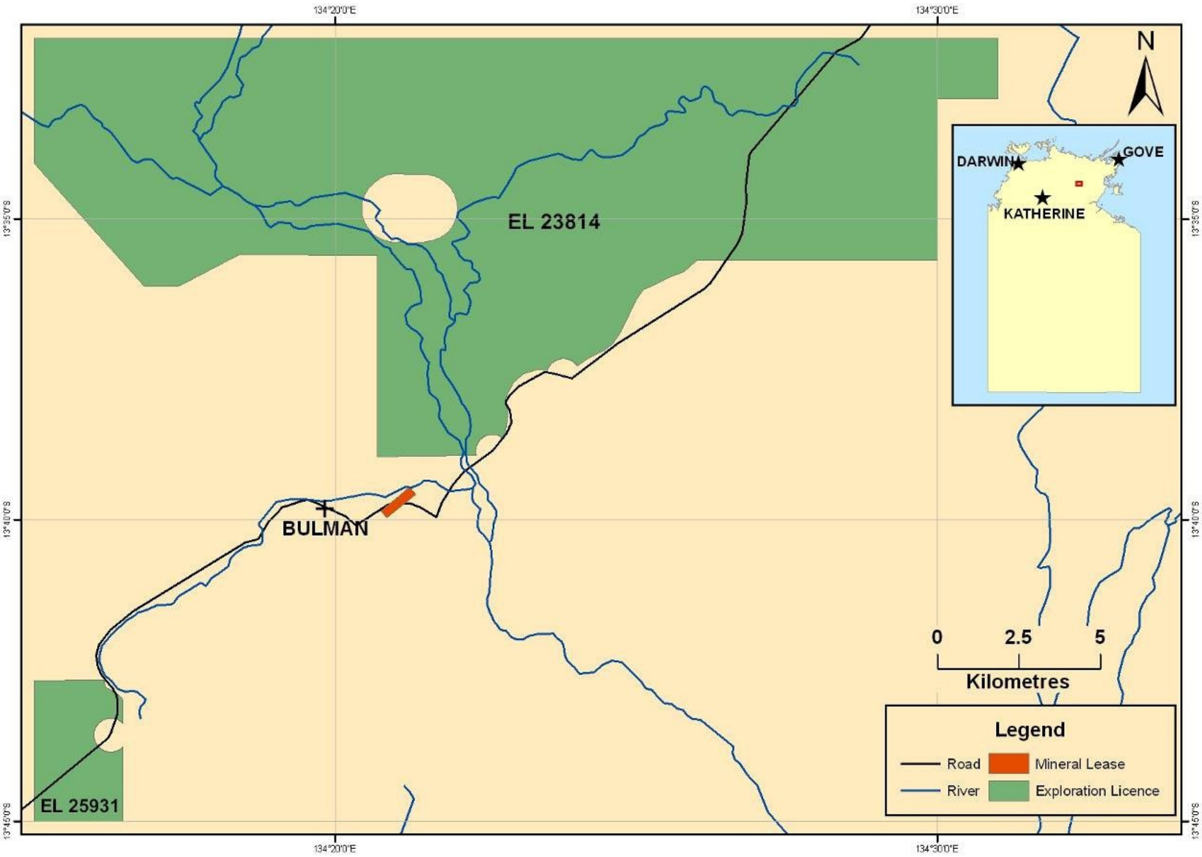

Figure 1: Location of EL 23814

Tenure and Tenement Details

The two mining leases were originally granted in 1955 to a company which later became Admiralty Resources, the parent company of Bulman Resources Pty Ltd (BRS). BRS originally applied for tenure of the exploration project area in 2003 and was granted two exploration licences in 2007. Two other application areas (ELA25929-25930) have not been granted and BRS has recently lodged a second consent to grant application to the Northern Land Council. This has again been refused which will result in the applications again returning to moratorium for a further five years.

EL23814 of 77 blocks was granted to BRS on 4 June 2007 and expires on 3 June 2013. The tenement includes two exclusion zones as shown in Figure 2 (red hatched zones). The tenement overlies land held in trust by the Arnhem Land Aboriginal Land Trust.

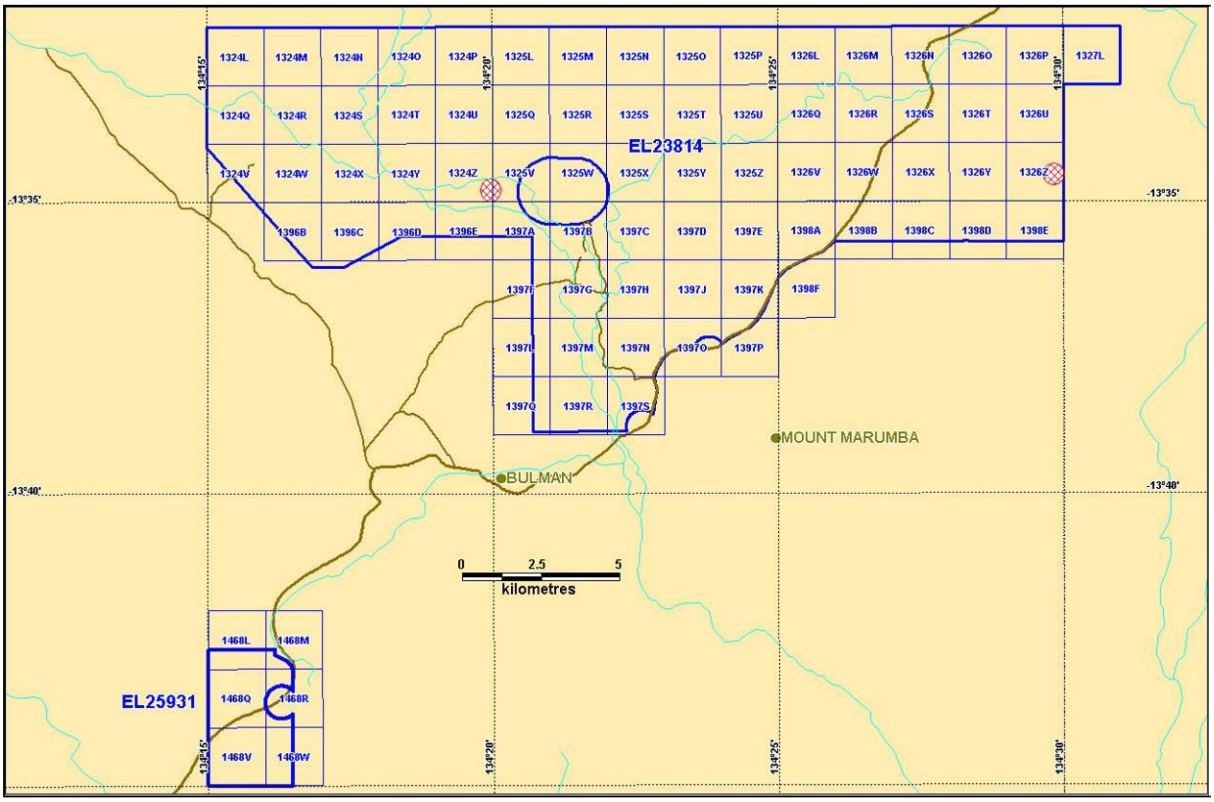

Figure 2: Blocks comprising EL 23814

Geology

Regional Geology

The Bulman tenements lie within the McArthur Basin. This basin is comprised of Palaeoproterozoic to Mesoproterozoic sediments that are up to 12km in thickness. The basin succession comprises of sandstone, shale, dolostone and interbedded volcanic and intrusive igneous rocks. The two main groups within the basin are the Tawallah Group upon which the McArthur Group overlies.

Within the McArthur Group is the Roper Group, this being the youngest in the McArthur Group and is important as it is commonly intruded by dolerite sills, known as the Derim Derim Dolerite. This group is thought to be a cyclic succession of fine to coarse grained siliclastic rocks deposited in a variety of shallow marine, near shore and shelf environments.

Apart from contact metamorphic effects, the region does not show any evidence of regional metamorphism. The most prominent structure in the region is the northwest-trending Bulman Fault, which can be traced over a distance of 300km. The Bulman Fault is a major basement feature that was reactivated several times during the Proterozoic. Second generation faulting, possibly reflecting Phanerozoic tectonism (Nasca, 1979) has north-south trends and a third set of faults (probably the youngest) strikes east-northeast. Primary base metal mineralisation has been associated with this set of faults (Nasca, 1979).

It should be noted that the McArthur Basin is amongst the most prospective regions in northern Australia hosting the world class HYC Pb-Zn-Ag deposit and other smaller uranium and base metal deposits.

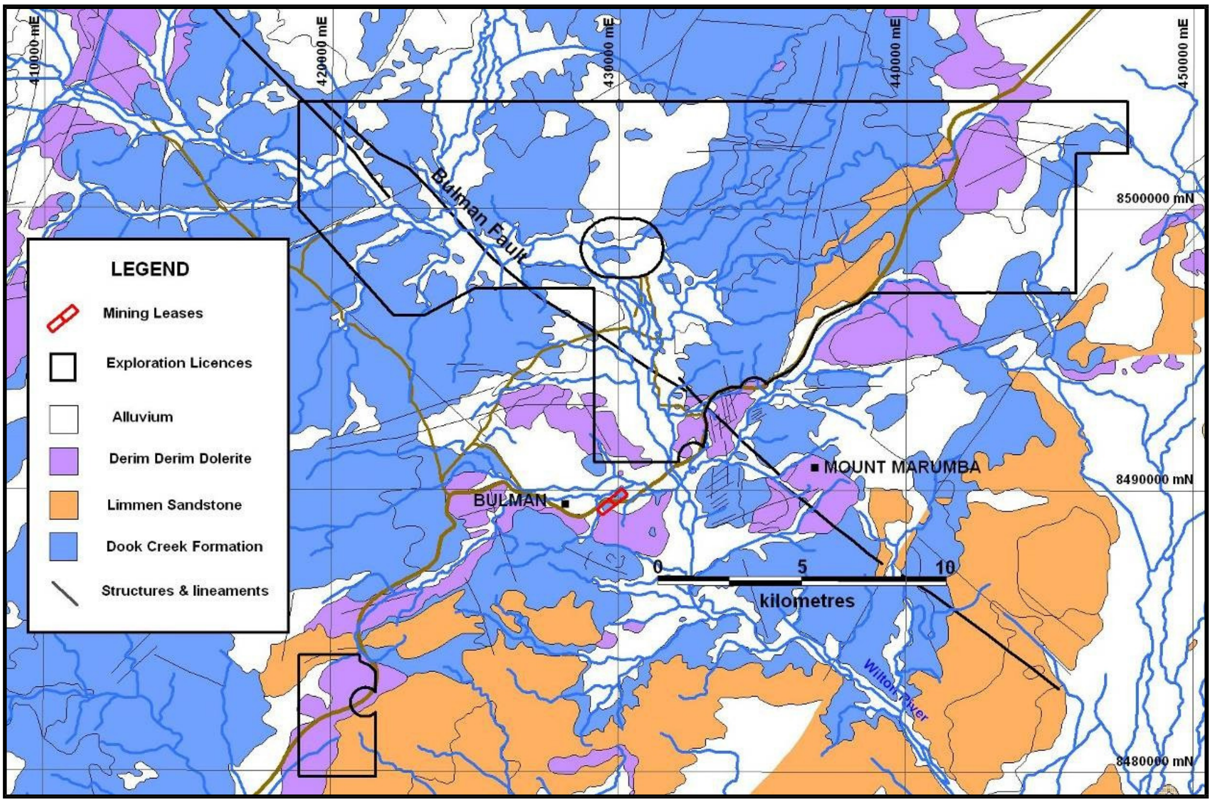

Figure 3: Regional Geology

Local Geology

The Bulman tenements are locally underlain by the Mount Rigg Group which is intruded by the Derim Derim Dolerite. The Mount Rigg Group is a sequence of dolomitic and silicilastic rocks divided into two formations, the Bone Creek Sandstone and the Dook Creek Formation (Table 1: Stratigraphy of the McArthur Basin and Figure 3: Regional Geology).

The Bone Creek Formation is comprised of white to pale yellow, thick bedded, medium to coarse grained quartzose sandstone with local conglomerate and breccia at the base. Unit thickness varies from 40m to 180m.

The Dook Creek Formation is a laminated stromatolitic and oolitic dolostone, dololutite, dolomitic siltstone and sandstone with chert. Exact thickness is unknown however it is estimated at around 600m in thickness.

At Bulman, the Derim Derim Dolerite forms the Bulman sill and intrudes the upper part of the Dook Creek Formation. It is a north east trending body with a thickness of between 20 to 100m. The table below shows the stratigraphy of the area.

AGE		GROUP	FORMATION	LITHOLOGY
Mesoproterozoic	Ectasian		Derim Derim Dolerite	Medium to coarse grained dolerite
		Derim Derim dolerite intrudes Mount Rigg and Roper Groups		
	Calymmian	Roper Group	Bessie Creek Sandstone	Medium-grained quartz sandstone
			Corcoran Formation	Mudstone and fine-grained quartz sandstone
			Hodgson Sandstone	Thick- to very thick-bedded, fine- to very coarse-grained quartz sandstone
			Jalboi Formation	Fine-grained laminated micaceous and glauconitic sandstone, mudstone and siltstone, thick-bedded, medium- to coarse-grained sandstone
			Arnold Sandstone	Cross bedded quartz sandstone
			Crawford Formation	Micaceous glauconitic sandstone, laminated to hummocky cross-stratified, mudstone and siltstone
			Mainoru Formation	Calcareous and non-calcareous mudstone, glauconitic siltstone, sandstone and limestone
			Limmen Sandstone	Granule- and pebble-rich quartz sandstone and fine- to medium-grained quartz sandstone
		Regional unconformity ********************		
		Mount Rigg Group	Dook Creek Formation	Dololutite, dolomitic siltstone and sandstone, stromatolitic and oolitic dolostone
Palaeoproterozoic	Statherian		Bone Creek Sandstone	Sandstone, glauconitic, lithic and pebbly in part, mudstone and rare dolostone
		Unconformity ********************		
		Katherine River Group	West Branch Volcanics	Basalt, dolerite, sandstone and pebbly sandstone
			Gundi Sandstone	Sandstone, boulder conglomerate, mudstone, dolostone, basalt, rhyolite and tuff
			McCaw Formation	Siliciclastic and dolomitic lutite, dolostone and sandstone
			Bonanza Creek Formation	Fine-grained, glauconitic sandstone
			Shadforth Sandstone	Quartz sandstone
			Cottee Formation	Mudstone, stromatolitic/glauconitic dolostone, sandstone

Table 1: Stratigraphy of the McArthur Basin

Mineralisation Models

The mineralisation style consists of a carbonate-hosted stratabound Zn-Pb deposit. This type of deposit consists of carbonates with lens-like deposits of galena, sphalerite and chalcopyrite. The carbonates typically have primary to secondary porosity.

Almost all mineralisation occurs in carbonate rocks, dololutite and dolostone, showing contact metamorphic effects within 50m of the intruding dolerite sills. There are three styles of mineralisation defined:

- Small but rich pods of high grade galena and sphalerite that follow fractures or karst-related cavities along bedding planes and terminate at shallow depths, possibly at the base of the palaeokarst corrosion.
- Surface crusts of high grade zinc mineralisation 0.3 to 0.6m thick. The crust ore is light brown in colour, highly porous and consists of cerrusite, smithsonite, galena, hydrozincite and willemite.
- Sub-surface stratiform mineralisation occurring in several horizons, making up the bulk of the base metal resource at Bulman. The mineralisation consists of low iron sphalerite, galena and traces of chalcopyrite.

Previous Exploration Completed

Lead and zinc mineralisation was first discovered at Bulman in the late 1880's and a number of small scale mines operated until 1911 when mining was abandoned due to decreasing grades of lead with depth. In total approximately 10 tonnes of high grade lead ore was mined over the period.

Other exploration was sporadic between 1911 and 1952 when Enterprise Exploration Company (a precursor to CRA) carried out diamond drilling on known lead-zinc mineralisation. Further exploration continued in the 1950's and 1960's by EEC, including eight drill holes, and sixteen completed by Western Nuclear (five completed in 1968 and eleven in 1969). No significant work has been done since then.

2007-2008

Exploration completed by BRS during 2007-2008 included:

- Air core drilling preparation
- Airborne magnetic and radiometric surveys
- Soil sampling (254 samples) and rock chip sampling (10 samples)

2008-2009

Exploration completed by BRS during 2008-2009 included:

- Air core – Reverse Circulation drilling (15 holes for 415m)
- Analysis of drill chips (400 readings) using an Innov-X Systems portable XRF analyser
- Assaying of selected samples (29 samples) at NTEL laboratories, Darwin
- Geochemical sampling (50 soil samples, 36 termite mound samples, 29 rock chip samples)

2009-2010

There was no field exploration completed by BRS during 2009-2010. Reassessment and remediation of some of the rehabilitated drill holes from the 2008 programme was conducted during September 2009.

2010-2011

Soil sampling carried out on EL 23814 consisted of 189 XRF readings on soil and rock samples, plus readings of supplied standards. Infill sampling was conducted over three recorded anomalous areas; the historic Bulman 1 mineralisation, 2008 drilling area (B1), and the CN (central north) fault zone. In addition one other area was tested, targeting the Bulman Fault intersection with northeast trending lineaments in the western portion of EL 23814.

Results were presented in Appendix 1 and 2 of the 2011 Annual Report for EL 23814 (Ray, H & Sawyer, L, 2011).

Exploration Rationale

A major assumption of the exploration to date has focused on targeting similar or "type" Pb-Zn mineralisation such as the McArthur River Mine in the east of the Northern Territory within the McArthur Basin.

Although this model and areal extent has been used in this work, it is worth noting the differences between the locations of the McArthur River Mine deposit and that of the Bulman mineralisation. The McArthur River Deposit falls adjacent to a major NNW trending fault structure on the edge of and within the Batten Trough Fault Zone. The Bulman mineralisation however lies within a higher shelf sequence on the Arnhem Shelf and adjacent to the long lived reactivated NW trending Bulman Fault. The Bulman Fault, although consider to be a major suture structure reactivated many times during geological history, is not considered as part of the failed rift whose arms comprise the Batten Trough Fault Zone, Walker Trough Fault Zone, and the Urapunga Fault Zone (Figure 4). This implies that the type of mineralisation which formed the McArthur River Deposit may not have been as active or as intensely focused on the Arnhem Shelf as it was in the trough, hence the Bulman mineralisation would not be a direct correlative.

The Bulman mineralisation has been defined as a modified to remobilised stratiform mineralisation style in which zinc-lead mineralisation has been modified and or remobilised by intruding dolerite to form stratabound, contact and or fault focused mineralised pods. As such the area lacks a major continuous focusing active zone. There is however good potential in some regions of the tenement for extensive areas of stratiform mineralisation. The grade and thickness of the mineralisation may be more 'podiform' and / or anastomosing than that of the McArthur River Mine.

The use of the McArthur River Deposit (HYC) as an area extent comparison (footprint overlays) is simply based on the fact that it is the only current economic Pb-Zn deposit within the McArthur Basin (Sawyer, L, 2012).

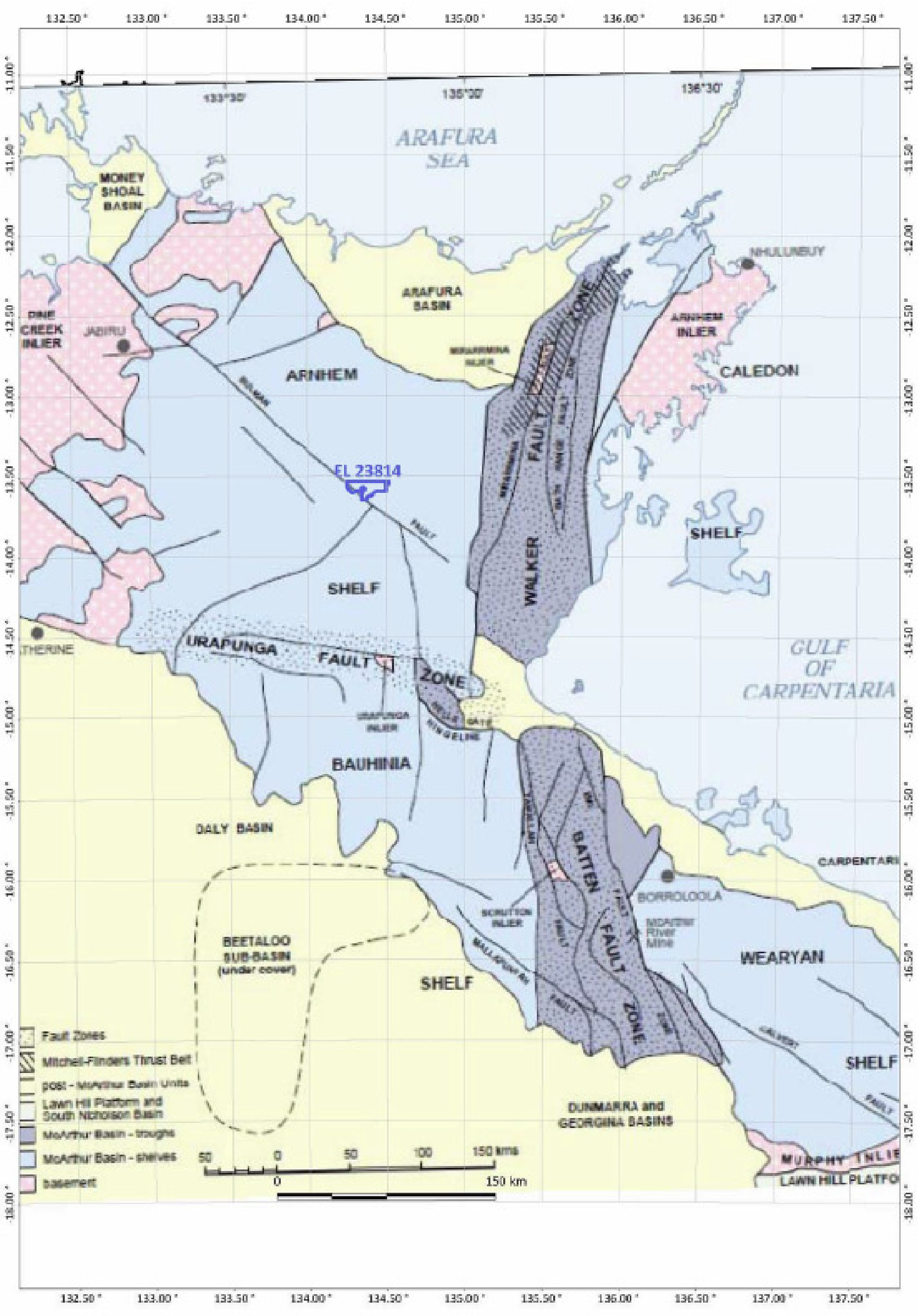

Figure 4: Tectonic setting for Bulman mineralisation (EL 23814)

Exploration Completed 2011-2012

Airborne Electromagnetic Survey

Airborne TEMPEST electromagnetic (EM) and magnetic data was acquired in August, 2011 by Fugro Airborne Surveys Pty. Ltd. (FAS) over the Bulman project area. The primary aim of this programme and interpretation was to determine the 3D geometry of the dolerite sills in the area and to identify any discrete bedrock conductors using the recently acquired EM and magnetic data. Fugro presented several reports documenting the logistics of the flown programme and interpretation of the data (Files 2 and 3). Data and ER Mapper algorithms (.ers files) are presented in accompanying CD: Fugro Tempest 2011 (File 4).

The survey was flown in one area (Figure 5) with a total of 1397 line kilometres flown.

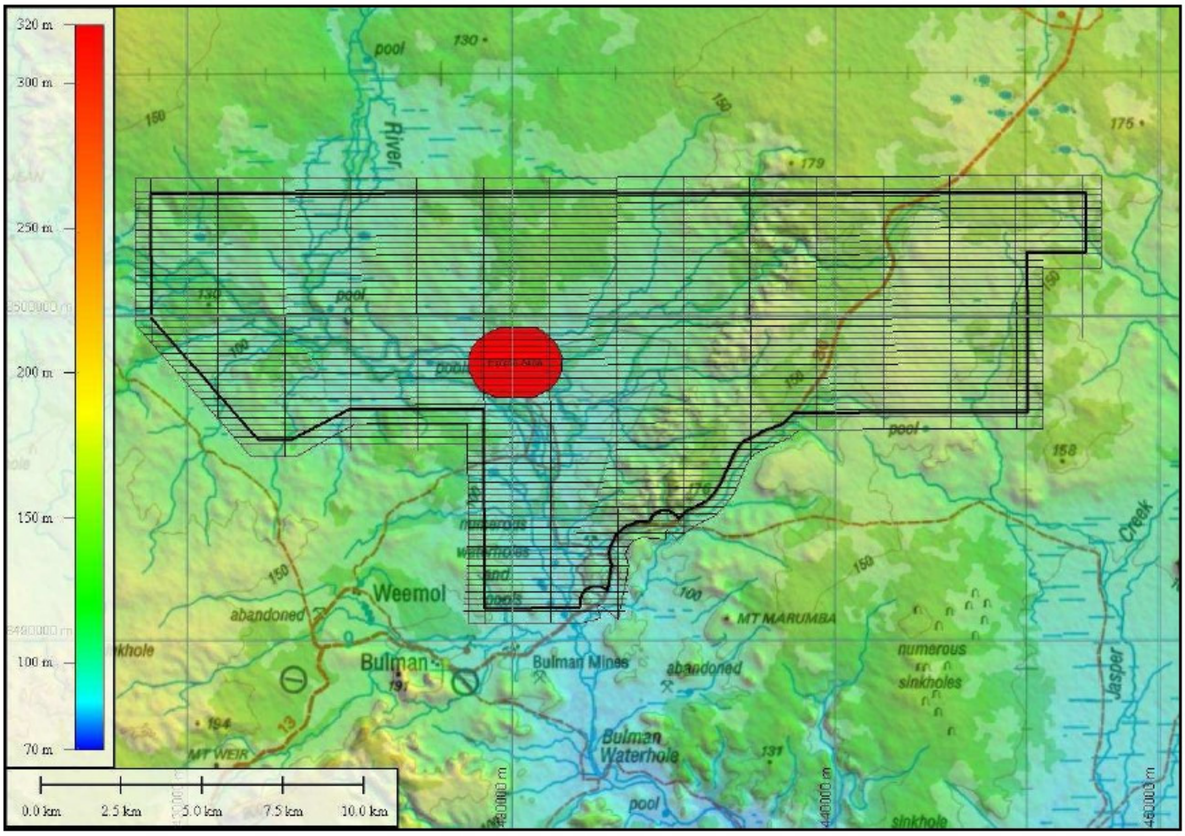

Figure 5: Bulman Survey Area (GDA94 MGA 53)

In addition to the airborne electromagnetic survey, FAS were also appointed to provide a geophysical interpretation of the data with the primary aim of this interpretation to determine the 3D geometry of the dolerite sills in the area and to identify any discrete bedrock conductors.

The results include:

- Magnetic data clearly shows extensive dolerite sills and dykes particularly in the eastern, southern and western areas
- The difference in the magnetic response of the dolerite is interpreted as a function of depth and timing of their emplacement (multiple phases)
- Dook Creek Formation is more conductive than the overlying Limmen Formation sandstone
- A distinct interface highlights a disconformable boundary between the Dook Creek Formation and the Limmen Formation
- Sedimentary unit thickness above the resistive 'basement' is variable up to 170 metres in the central - eastern part of EL 23814 (Figure 6: Sediment Thickness Map (Fugro, 2011).
- There is no marked conductivity contrast between the Derim-Derim Dolerite and other rocks making up the resistive basement (Dolerite is resistive)

- Selected depth to resistive basement horizon corresponds to either the bottom of a surface conductive unit / base of the Quaternary and/or Cainozoic sediments or part of the Dook Creek Formation

To identify discrete bedrock conductors, electromagnetic (EM) anomaly picking was carried out using both the X- and Z-components of the B-field response, and numerous discrete anomalies were subsequently recognised and ranked. Nineteen (19) EM anomaly pick groupings were ranked by Fugro based on both their EM and magnetic response (Figure 7: Nineteen anomaly groups selected and ranked (Fugro, 2011)).

Geos Mining Review of AEM Survey Results

Geos Mining was commissioned by Admiralty Resources to review the airborne electromagnetic (AEM) survey (TEMPEST) data, images, conductive depth images (CDI's), anomaly "picks", anomaly target areas and related interpretation report conducted by Fugro (see File 5). This was done to further interpret the information in relation with known mineralisation and local geological formation knowledge to further document, locate potential mineralisation and exploration targets.

Geos Mining noted the following comments:

- The AEM survey results further highlight the extensive underplating nature of the intrusive Derim Derim Dolerite (Dolerite). This Dolerite extensively underplates the entire region of EL 23814 and several phases of intrusion or Dolerite have been recognised. As well as some later/younger intrusions of dykes of dolerite along/in the dominant regional N-W and N-E trending structures, these may be a related phase but this is not certain.
- A simple "layer cake" of cover sequences with shallow dip to the east/southeast underlain by extensive Dolerite sheeting has been modelled by Fugro. This may be an over-simplification on the local scale but in general holds to the reported geology for the majority of the tenement area. However some parts of the tenement may in fact not be underlain by Dolerite although modelling of the survey data could not differentiate between the intrusive Dolerite and any other form of "basement" [basement rocks to the overlying target sedimentary sequence of the Dook Creek Formation]. It is considered highly probable that the intrusive Dolerite sills occur as a group of extensive nested / stacked probably overlapping saucer shaped occurrences.
- Fugro’s highest conductivity zone was defined as a contact zone between Dolerite (or "basement") and the Dook Creek Formation. In general the definition between Dook Creek Formation and basement rocks was not very intense however the contact zone has a relative higher conductivity. It is this higher conductivity contact zone which has largely been mapped and reported on within the Fugro report.
- The survey interpretation report has also highlighted areas of thicker sedimentary sequence / deeper Dolerite contact of up to 178m in the region just east from the central area and another in the central north area of the tenement.
- Anomaly "picking" from the line data resulted in a large number of anomaly points being recognised. These were categorised by their ‘data type occurrence’ into; "surface", "edge", and "normal" groupings. Further interpretation of these anomaly picks shows that there is a high association of anomalies with shallow geological edge contact and/or surficial linear features. Hence not all of these anomaly picks are recommended for further investigation. Nevertheless, a series of anomalies for immediate investigation and a number of anomalies / anomaly areas which also require field studies have been highlighted.

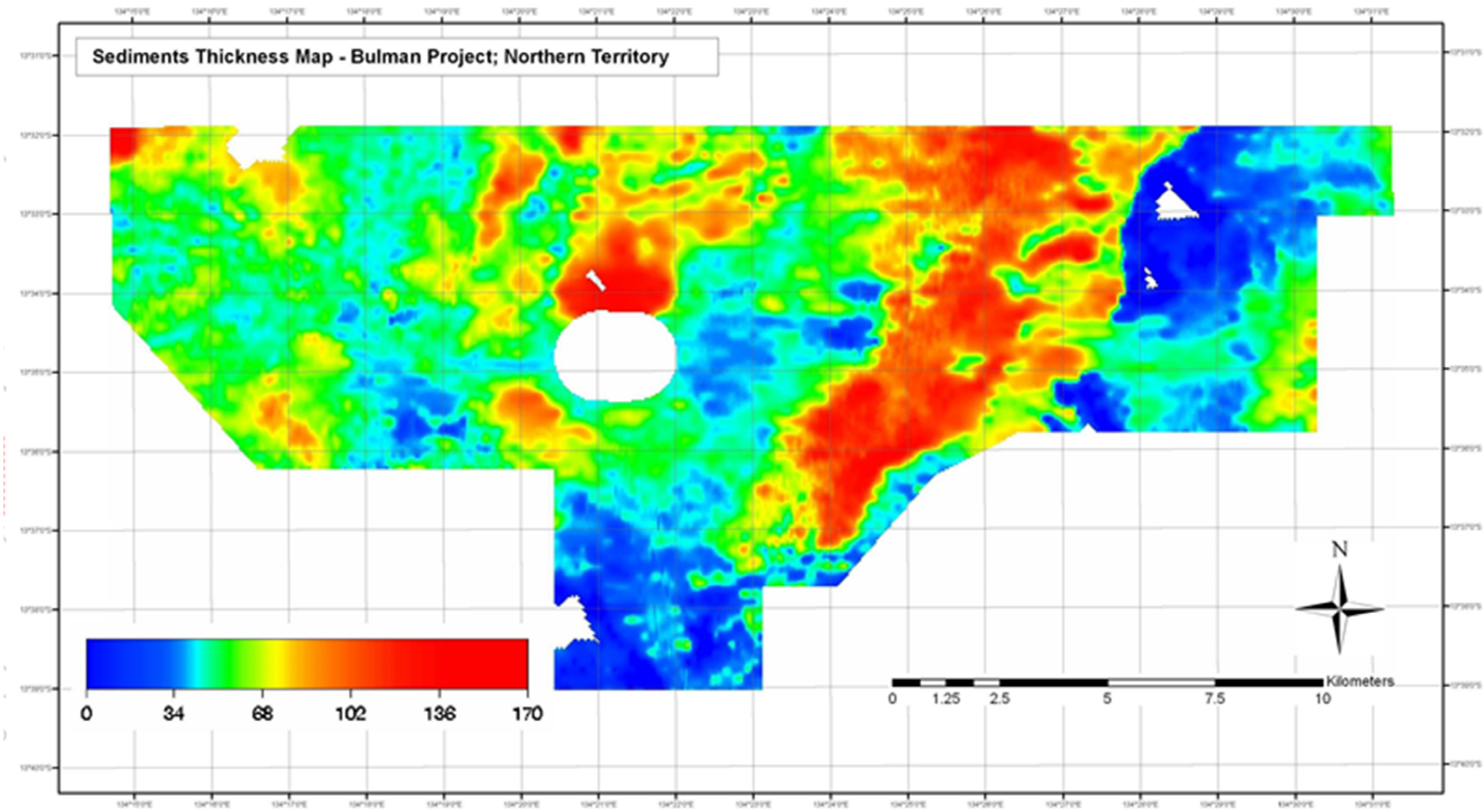

Figure 6: Sediment Thickness Map (Fugro, 2011)

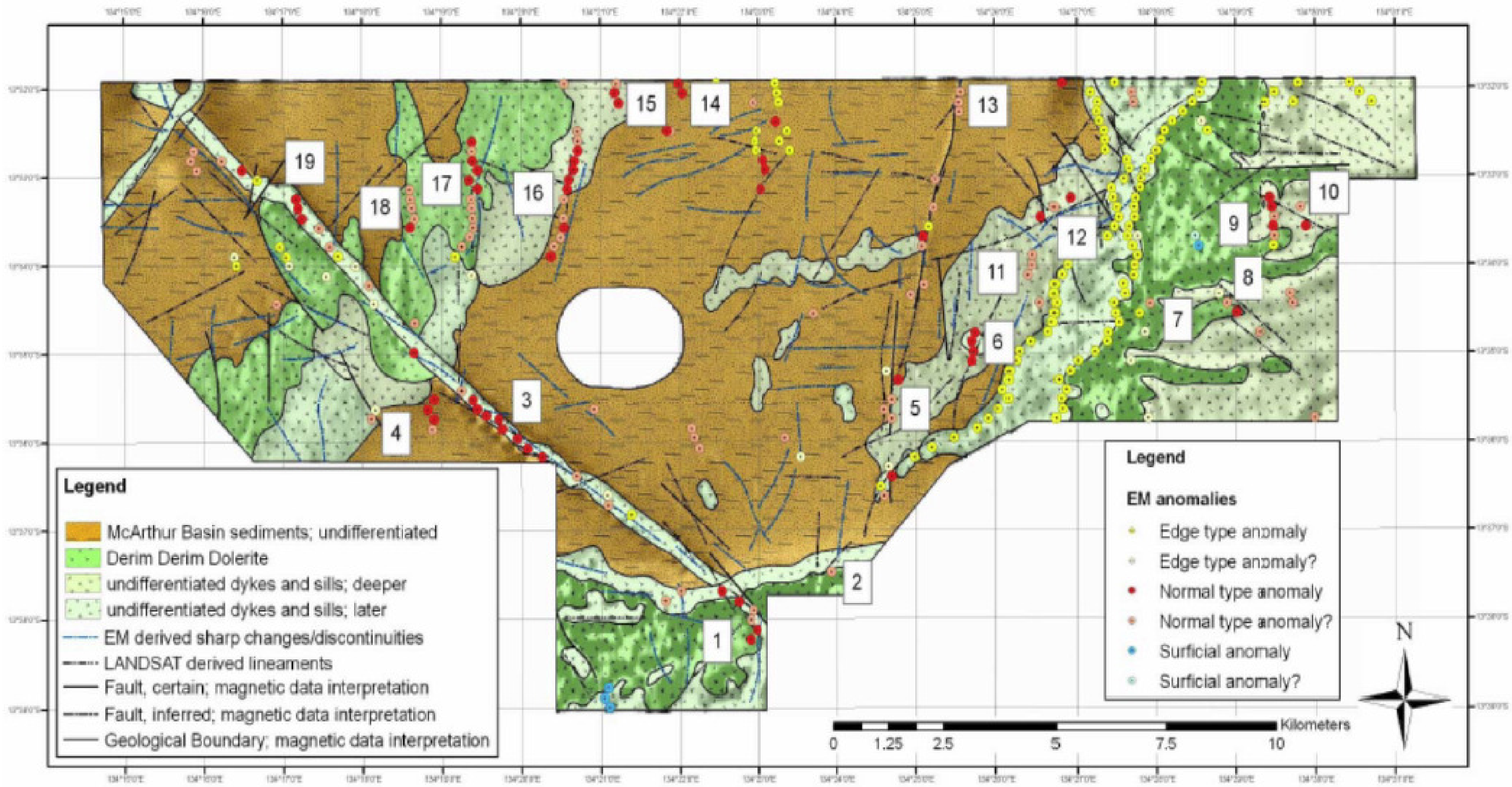

Figure 7: Nineteen anomaly groups selected and ranked (Fugro, 2011)

- Although no conclusive discrete anomalies of clear drill target nature have been forth coming from the interpretation conducted by FAS, there is clear evidence that there are substantial areas with considerable depth of sedimentary package, which include Dook Creek Formation, up to 170m (Figure 6: Sediment Thickness Map (Fugro, 2011)), within which there are notable exploration targets. For example,
  - the 2.5 km wide belt which runs northeast to north for ~12km through the central east zone of the tenement
  - the central north section of the licence
  - to a lesser extent just west of this central north zone. The geochemistry anomaly “Ripple Hill” occurs within this later zone of between ~50 to ~130m of sediment package thickness above the conductive zone.

Geos Mining conducted a review of the interpretation report and more substantially of the provided imaged conductivity channels as well as the Conductivity Depth Images (CDI). An emphasis was placed on the selection of anomalous features within the later channels (12, 13, 14, and 15), as these provide response from features at depth, with relation to anomalies from the magnetic data and interpreted structures.

A series of anomalies were selected and prioritised based on their occurrence from AEM conductivity channels, geological structure and known mineralisation occurrences. These are shown in Figure 8, which is plotted on the late conductivity channel 15 within the Z (vertical) orientation of the receiver coil. A faint northeast and northwest orientated lineament set is able to be distinguished within the central east thicker sedimentary package area. These are probable fault structures within the overlying sedimentary package in this central eastern area.

Out of the 19 ranked anomaly groups of Fugro, four high priority targets were ranked (groups 1, 6, 16 and 18; Figure 7: Nineteen anomaly groups selected and ranked (Fugro, 2011)). These correspond to targets subsequently selected by Geos Mining (Priority 3 and 4

These targets occur in either mid or late conductivity channels within thinner sedimentary cover. Some have only corresponding low level magnetic anomalism and may or may not be coincident with interpreted lineaments. The priority 3 targets areas north and northwest of Ripple Hill target are categorised as priority 3 due to their unexplored nature, lack of proven geological control and access logistics. It is believed that ground based field investigations will alter the prioritisation of these central north targets.

and Figure 9).

- Anomaly group 1 occurs in a previous drilled area of southern EL 23814.
- Anomaly group 2 lies immediately north of the historic Pb-Zn mineralisation, Hill 131. This is a prime target area. Portable XRF field soil geochemistry has not highlighted any significant anomalies but extensions to the north of Hill 131 are valid targets.
- Anomaly group 3 occurs on or within the Wilton River or a major tributary and as such may be difficult to explore. It occurs on the trend of late stage NW striking dolerite dykes and as such is likely to be related to this intrusion.
- Anomaly group 4 is situated south of the Wilton River on the western edge of an unexplored moderately thick sedimentary package area. This anomaly also lies on to just outside of the EL 23814 boundary.
- Anomaly group 5, 6, 11, 12 and 13 are located within the thickest most extensive sedimentary package above the conductive zone and as such are exploration target areas.

- Anomaly group 14 and 15 on the central northern boundary of EL 23814 are in an area of moderate thick sediments above the conductive zone which has not been explored previously.
- Anomaly group 16 and 17 occur north and northeast respectively of the geochemistry anomaly prospect of “Ripple Hill” discovered in 2010.
- Anomaly group 19 occurs on or within the Wilton River or a major tributary and as such may be difficult to explore. Anomaly 19 corresponds with an offset or divergence in a late stage dolerite dyke.

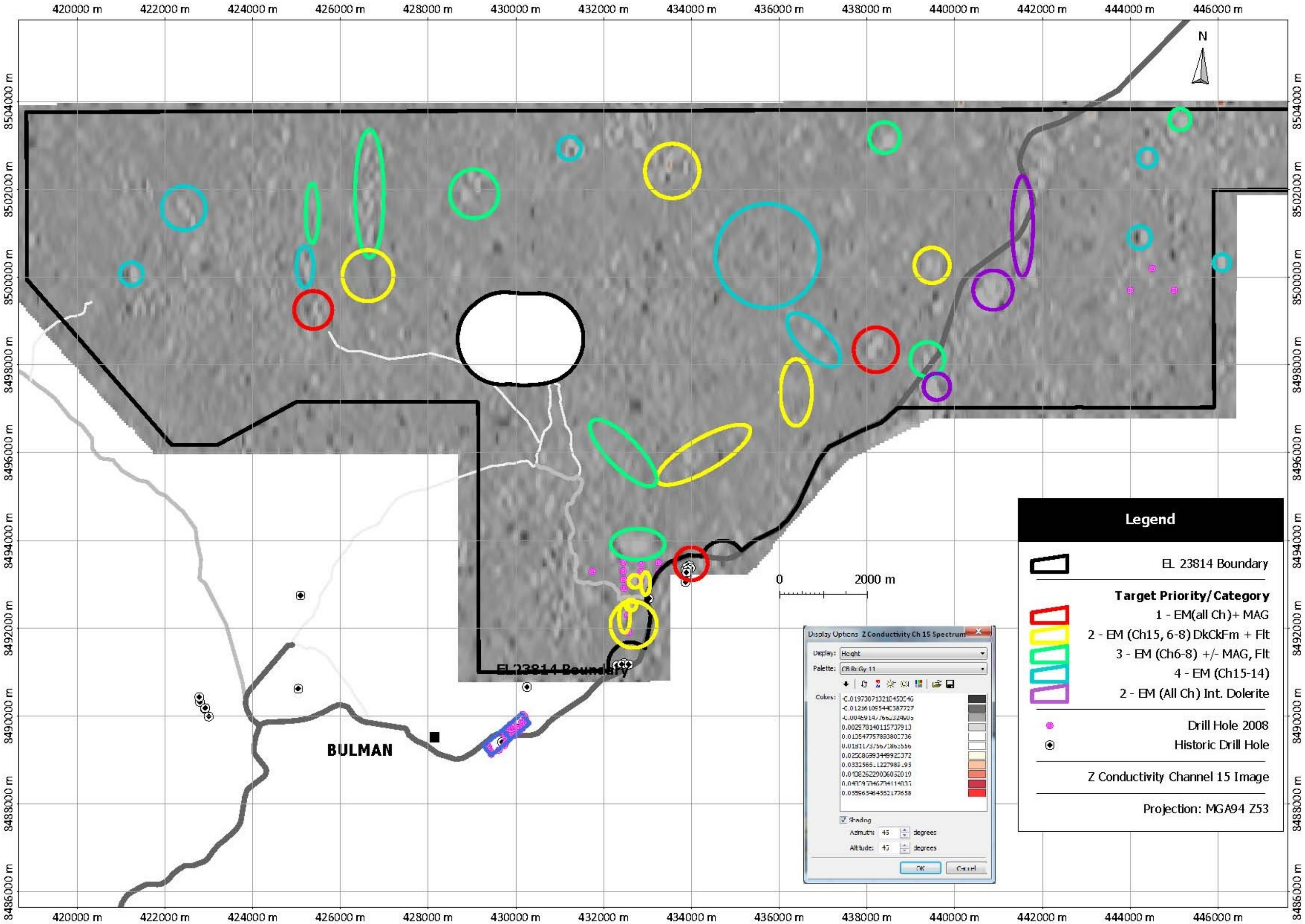

Figure 8: Prioritised selected targets, Geos Mining

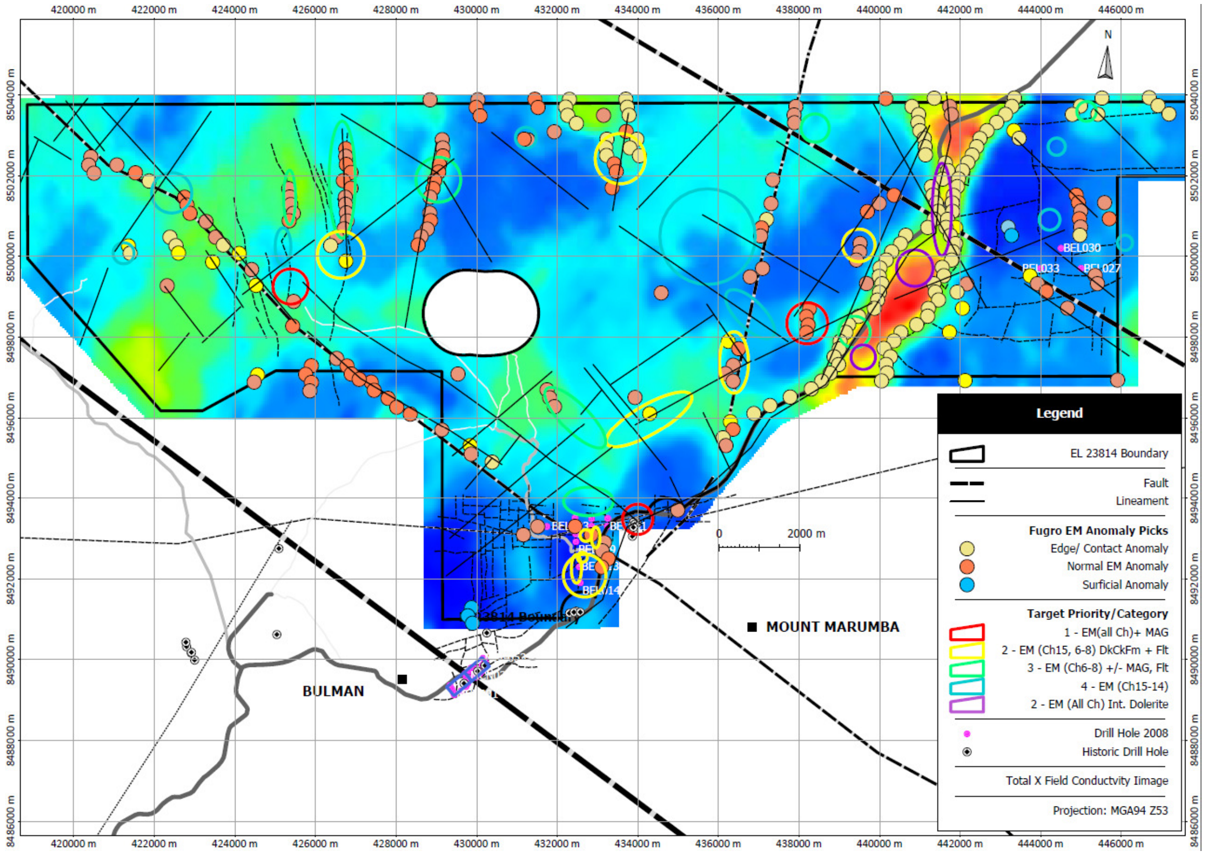

Figure 9: Selected prioritised anomalous areas with interpreted structure and FAS picks

Geos Mining's priority exploration targets are discussed briefly below:

- Priority 1

The eastern target corresponds to the A-1 ranked anomaly of group 6. This anomaly occurs in all Z and X conductivity channels and also corresponds to a magnetic anomaly.

Two other priority 1 anomalies (red ellipses) show weak conductive responses in the late EM channels and no response is apparent in other EM conductivity channels. These anomalies have been selected as high priority based on their geology setting, known occurrences of mineralisation and late EM channel features. The western most of these two anomalies coincides with the recently discovered Zn-Pb geochemistry anomaly of "Ripple Hill". The southern selected anomaly covers the historic (1969) Pb-Zn mineralisation of Hill 131, which lies just south of the tenement boundary.

- Priority 2

Three priority 2 (purple ellipses) targets are noted on the NNE trending highly conductive zone which is highlighted by the edge type anomaly FAS picks and interpreted to be a later (younger)or different phase of dolerite sill by FAS. This zone is interpreted to be conductive pisolitic bearing Cainozoic sediments overlying a dolerite sill or dyke intrusion. However, the areas should be geologically investigated to confirm this interpretation.

With the exception of the anomaly / target selection in the south of EL 23814 all other Priority 2 anomalies are based on conductivity response features in late and mid EM channels as well as interpreted intersecting structures within thicker Dook Creek Formation. After further geological investigation these could potentially be upgraded to drill targets.

- Priority 3 and 4

These targets occur in either mid or late conductivity channels within thinner sedimentary cover. Some have only corresponding low level magnetic anomalism and may or may not be coincident with interpreted lineaments. The priority 3 targets areas north and northwest of Ripple Hill target are categorised as priority 3 due to their unexplored nature, lack of proven geological control and access logistics. It is believed that ground based field investigations will alter the prioritisation of these central north targets.

Proposed Exploration for 2012-2013

A programme of geological mapping, rock chip sampling, ground EM surveying and RC drilling is proposed to be carried out (Figure 10). These surveys are discussed below.

Geological Mapping, Rock Chip and Soil Sampling

Two teams of one geologist with one field assistant will walk/ drive around the anomalous areas and take rock chip samples (1-3kg each) where appropriate. Some soil sampling will be done on a grid pattern using a handheld GPS instrument for navigation. A total of up to 400 samples may be collected with the programme expected to take ~ 3 weeks.

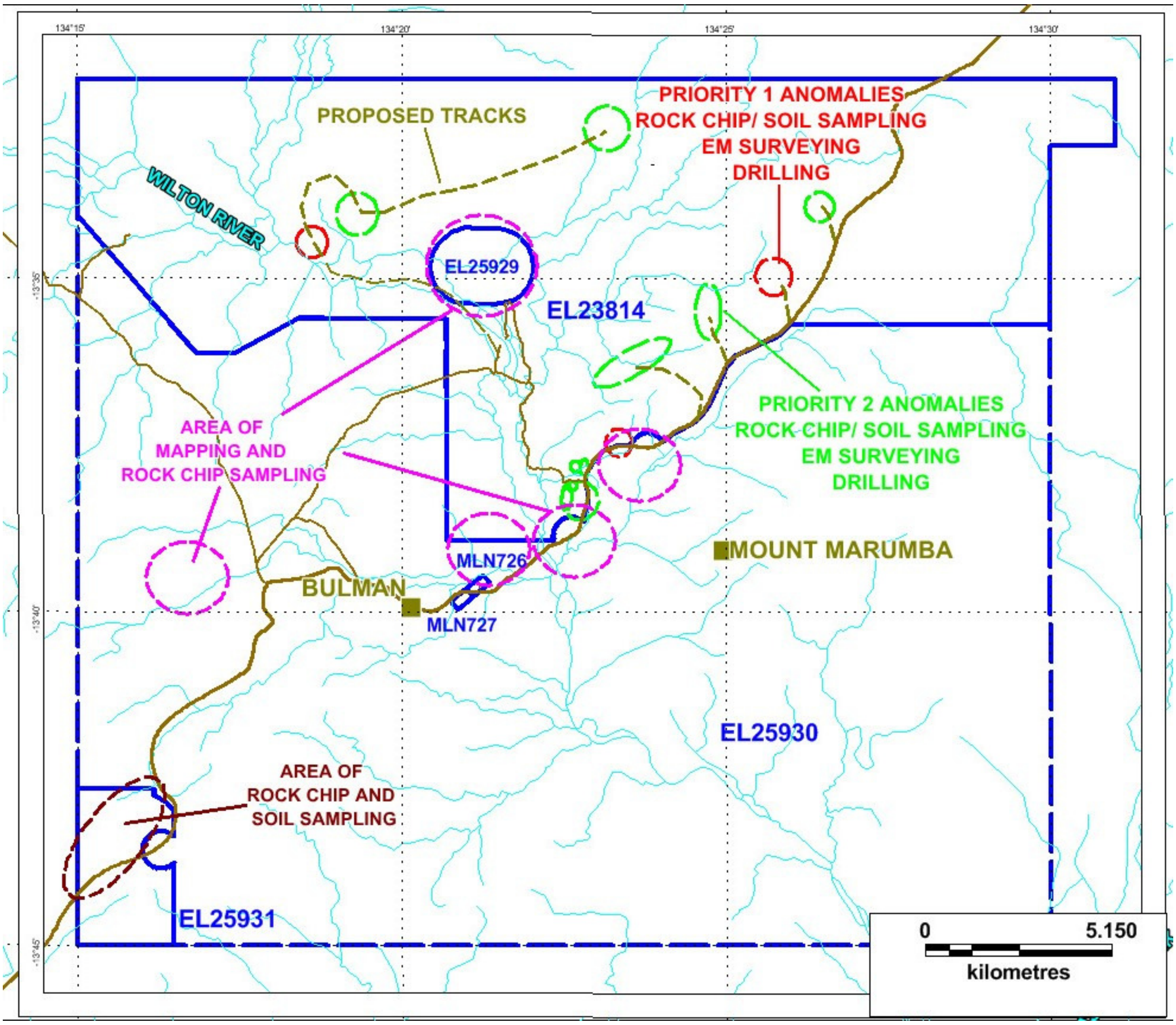

Figure 10: Location of Work Areas

Access Track Preparation

Due to the lack of existing tracks in the areas of interest, a dozer will be required to prepare tracks and drill pads. Track location will be guided by the Traditional Owners who will accompany the geologist in charge of managing the track preparation. Tracks will be constructed so as to limit the width to single vehicle width and to avoid knocking down trees greater than 15cms diameter. Drill pads will be constructed to a maximum size of 20m x 20m. All tracks and drill pads will be rehabilitated after completion of the programme, as requested by the Traditional Owners.

GROUND BASED ELECTROMAGNETIC SURVEY OF SELECTED ANOMALIES

A contractor will be engaged to carry out this survey with a team of 3-4 persons and one or two light vehicles. At each anomaly site, the contractor will lay out a loop of insulated wire over a distance of ~ 600m x 400m, using a handheld GPS unit for navigation. The wire loop is charged with low amperage current and then readings are taken with a separate small recording instrument away from the loop at set intervals.

This survey may take up to 4 weeks.

REVERSE CIRCULATION DRILLING

A contractor will be engaged to undertake reverse circulation percussion drilling of selected targets using a truck mounted drilling rig, rod truck, compressor truck and one light vehicle. The programme will involve ~1000m drilling in 6 or 7 holes and is expected to take up to 14 days to complete (Randell, 2012).

Proposed Expenditure for 2012-2013

Proposed expenditure for the programme outlined above is $526,000 (Table 2).

Programme	Budget
Geological mapping, rock chip and XRF sampling	166,380
Access preparation	2,000
Ground EM surveying	127,460
RC drilling	164,200
Reporting	17,200
Contingency	48,800
TOTAL	**$526,040**

Table 2: Proposed Expenditure for 2012-2013

Conclusions

A major assumption of the exploration to date has focused on targeting similar or “type” Pb-Zn mineralisation such as the McArthur River Mine. Although this model and areal extent has been used in this work, it is worth noting that there are differences between the locations of the McArthur River Mine deposit and that of the Bulman mineralisation. The Bulman mineralisation has been defined as a modified to remobilised stratiform mineralisation style in which zinc-lead mineralisation has been modified and or remobilised by intruding dolerite to form stratabound, contact and or fault focused mineralised pods.

The results of an airborne EM survey indicated that:

- Magnetic data clearly shows extensive dolerite sills and dykes particularly in the eastern, southern and western areas which underplate the entire tenement
- Sedimentary unit thickness above the resistive ‘basement’ (dolerite) is variable up to 170 metres in the central - eastern part of EL 23814
- The highest conductivity zones occur as a contact zone between dolerite and the Dook Creek Formation.
- Anomaly "picking" from the line data resulted in a large number of anomaly points being recognised. However, not all of these anomaly picks are recommended for further investigation.

- Although no conclusive discrete anomalies of clear drill target nature have been forth coming from the interpretation, there is clear evidence that there are substantial areas with considerable depth of sedimentary package, which include Dook Creek Formation within which there are exploration targets.

Nineteen (19) EM anomaly pick groupings were ranked by the geophysical contractor based on both their EM and magnetic response. Of these, Geos Mining considers that there are six priority targets which warrant further exploration.

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