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EL23814, MLN 726 & MLN 727

Bulman, Northern Territory

Bulman Resources Pty Ltd

(A wholly owned subsidiary of
Admiralty Resources NL)

Exploration Closure and Rehabilitation Report

Completion of Drill Program

2008

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SUMMARY

Admiralty Resources NL holds EL23814, EL25931, MLN 726 and MLN 727, which is known as the Bulman Prospect in Arnhem Land, Northern Territory. An initial drilling program was completed in July 2008, consisting of 41 drill holes.

The program lasted about 4 weeks and a campsite was established near the Gulin Gulin community. Extreme attention was given planning the drill pads, access tracks and clearing as to minimise the tree clearing.

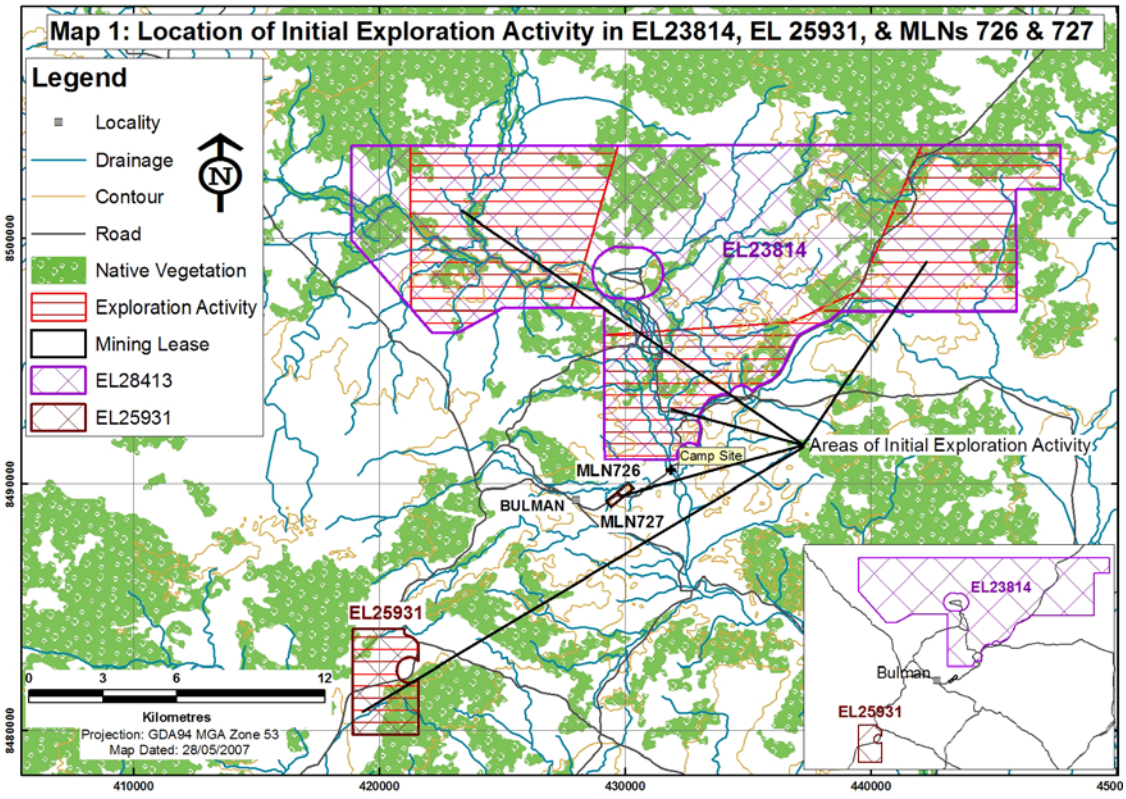
Rehabilitation of the drill sites, campsite, access tracks and any other area were completed on the completion of the drill program.

INTRODUCTION

Admiralty Resources NL holds EL23814, EL25931, MLN 726 and MLN 727, which is known as the Bulman Prospect in Arnhem Land, Northern Territory. An initial drilling program was completed in June-July 2008, consisting of 41 drill holes.

The program was carried out for about 4 weeks and a campsite was established near the Gulin Gulin community (Bulman) (Map 1). Extreme attention was given planning the drill pads, access tracks and clearing as to minimise the tree clearing.

Rehabilitation of the drill sites, campsite, access tracks and any other area were completed on the completion of the drill program.



Map 1; Location of El 23814, EL 25831, MLN 726 and MLN 727

The drilling was carried out during June-July 2008 by Australian Mineral & Waterwell Drilling Pty Ltd (AMWD) using a 4x4 mounted Air-Core / Slim-Line RC Rig (Photo 1).

All drill hole pads and tracks, where necessary, were prepared with the Ranger front-end loaded hired from the Gulin Gulin Community Council. The plant was of small-medium size with a bucket ~3m wide.

Photo 1; Drilling on EL23814

LOCATION AND ACCESS

The Bulman Prospect is located 310 kilometres by road northeast of Katherine in the Northern Territory. The leases are centred on the Aboriginal community of Bulman (Map 2) and lie wholly within the Arnhem Land Aboriginal Reserve.

Access to Bulman is via the partially sealed Central Arnhem Road, which is the main access road to Gove and Nhulunbuy. Access within the tenements is restricted to a small number of rough bush tracks.

STATUS OF CURRENT REHABILITATION

A total of 95 drill holes for a total of 24m^2 were proposed to drill over the period of the program, however only 41 holes covering 11 m^2 of slimline (100mm) RC drilling, totalling drill 670 drill metres, was completed. The locations of the completed and rehabilitated drill holes are show on Map 3 and Map 4.

REHABILITATION PLANNING

Rehabilitation of all drill holes shall include back-filling and plugging / capped 0.5-1m below ground level and buried, with the material mounded to no higher than 0.3m above the surrounding ground surface in accordance with departmental guidelines.

All drill sites shall be cleaned of rubbish and raked to promote revegetation. Revegetation is to be monitored for the duration of the program and on a periodic basis for the life of the tenure.

The continued stability and revegetation of all drill holes will be monitored for the duration of the program and on a periodic basis for the life of the tenure.

Exploration tracks will be back bladed or 'raked' where necessary and bunds positioned to control water runoff where applicable. These will be periodically monitored for the life of the tenure.

TOPSOIL MANAGEMENT

Earth works were carried out in a manner to minimize the damage to the top soil. "Blade up" method was used (as stated in the department guidelines) to construct tracks, build drill pads and any hole dugs around camp site. The top soil has been replaced where applicable and has been redispersed around drill holes.

REVEGETATION METHODS

Where there will be temporary flattening of grass by light vehicles such as four wheel drives and a truck mounted drill rig in areas where there are no existing roads or tracks no further impact by raking or scraping will be conducted. Rather the area will be left to revegetate naturally within one or two seasons. Such tracks will be monitored for regeneration of vegetation for the life of the tenure. Where evidence of such tracks should remain after two seasons regrowth the remaining area of impact shall rehabilitated in such a manner as to promote revegetation as suggested by the departmental guidelines and under consultation.

Where such routes are repeatedly used, whether cleared or uncleared, the surface soil may become slightly compressed. Light scarifying or 'raking' to redistribute natural seed and spores may be used as required to repair this and will be investigated during the course of the program. Natural regrowth will be allowed to ensue with the onset of the wet season and monitored for the life of the tenure.

FIRE MANAGEMENT

No scheduled burning is planned for the duration of the program. The area is subject to periodic wildfires during the 'dry' season and such wildfires will be monitored for the safety of the personnel and equipment.

A limit size and range fire break will be cleared by 'blade-up' scrapping around the small camp site of approximate 200m^2 maximum area.

CLOSURE PLANNING

The overall end use objective would be to engender natural regeneration of the environment to a near native self sustaining condition so that within one season no major impact is apparent.

All non-organic waste materials shall be bagged / contained and removed from site. No pits are planned for the duration of the program however any pits constructed will be backfilled and revegetation encouraged by raking and spreading of native seed and spore.

Temporary camp sites will have all camp structures / infrastructue removed and a clean up of the site conducted at the end of programme.

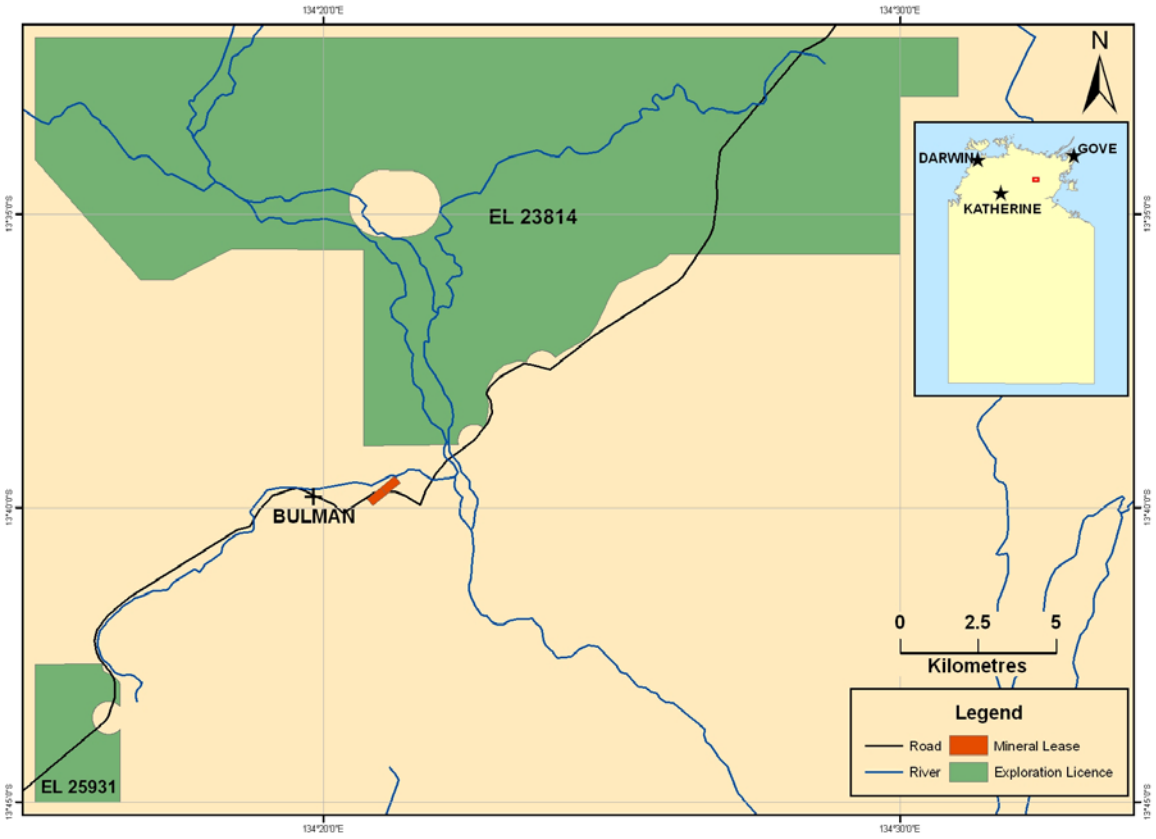
Exploration tracks shall be returned to near natural state by back blading or 'raking' where necessary and bunds positioned to control water runoff where applicable prior to onset of next wet season. All track, drill hole and sample sites will be subject to periodic inspection, any sites requiring active rehabilitation will be registered and further work conducted to meet departmental guidelines and under consultation with local and professional stakeholders.

Low impact exploration areas are expected to regenerate to a near natural self sustaining condition within one season with no major impact remaining apparent. Continual periodic monitoring for life of tenure will be undertaken.

REHABILITATION ACTIVITIES CONDUCTED

Rehabilitation of Access Tracks

No land clearance was done on environmentally sensitive areas or any heritage site. Land clearance was carried out to minimize the sapling clearance and avoid mature trees altogether. Only 7 Km of light impact access tracks were made with a Ranger front-end loaded with a 3m bucket hired from the Gulin Gulin Community Council. In accordance with departmental guidelines, access tracks were not made wider than the loader (~3m) and 'blade-up' method was used wherever possible. Scrapings were avoided (ref photo 2) where possible and no scrapings (if necessary) were conducted to depth greater than ~15cm for levelling purposes. It was concluded during the assessment of the tracks that minimal disturbance was done to the root stock, and thus could rehabilitate with the light infill to revegetate in the 'wet' season.



Map 2: Bulman area location map

Photo 2; Track clearance was avoided where possible

Tracks were manoeuvred through vegetation (Photo 2), only removing flora and termite bounds when no other reasonable option was left. No mature trees were removed at any stage, creating no threat to the natural environment. No water courses were filled although a few dry water courses have been crossed to get to the drill locations, minimal disturbance was made.

No windrows were constructed during the program as the drilling was carried out on nearly flat topography. No permanent survey markers were used instead biodegradable coloured tape was used as marker at places along the tracks. The marker tapes were not removed to facilitate the next stage of exploration program in the region.

As all the drill holes were shallow, no track was used for long time; temporary flattening of grass occurred which would be regrown with the wet season.

Rehabilitation of Drill Pads

Drill pads were typically rectangle shape and rarely larger than 9m x 12m and all drill sites would cover a total area of 4400 m^2. Each drill site equated to a minimum of 3 'bucket up' scrapings (as outlined in the drill pad /site departmental guidelines) in width and twice the length of the drill rig (refer to fig.2, fig.3) to minimise any impact. No scrapings were conducted to depth greater than ~15cm for levelling purposes. Assessment of the drill pads concluded that the minimal amount of disturbance was best rehabilitated by light infill of any divots by hand and then left to revegetate from moderately disturbed root stock and wind-blown seed during the high growth stormy season before the onset of the 'wet' season. Due to the high vegetation growth over the wet season little if any sign of the low impact drill sites would be evident.

Tracks between pads were a single 'bucket-up' width so as not to form a windrow (as described in the departmental exploration activities guidelines on track work), also wherever possible and where terrain allowed, the bucket was raised and only tyre width tracks were left. The design and forming of the tracks in a minimal disturbance manner was completed to require minimal rehabilitation after use. The tracks were assessed to require no close out work by plant as this would cause further disturbance, the tracks will rehabilitate naturally by regrowth from root stock and seeding during the 'stormy' and 'wet' seasons.

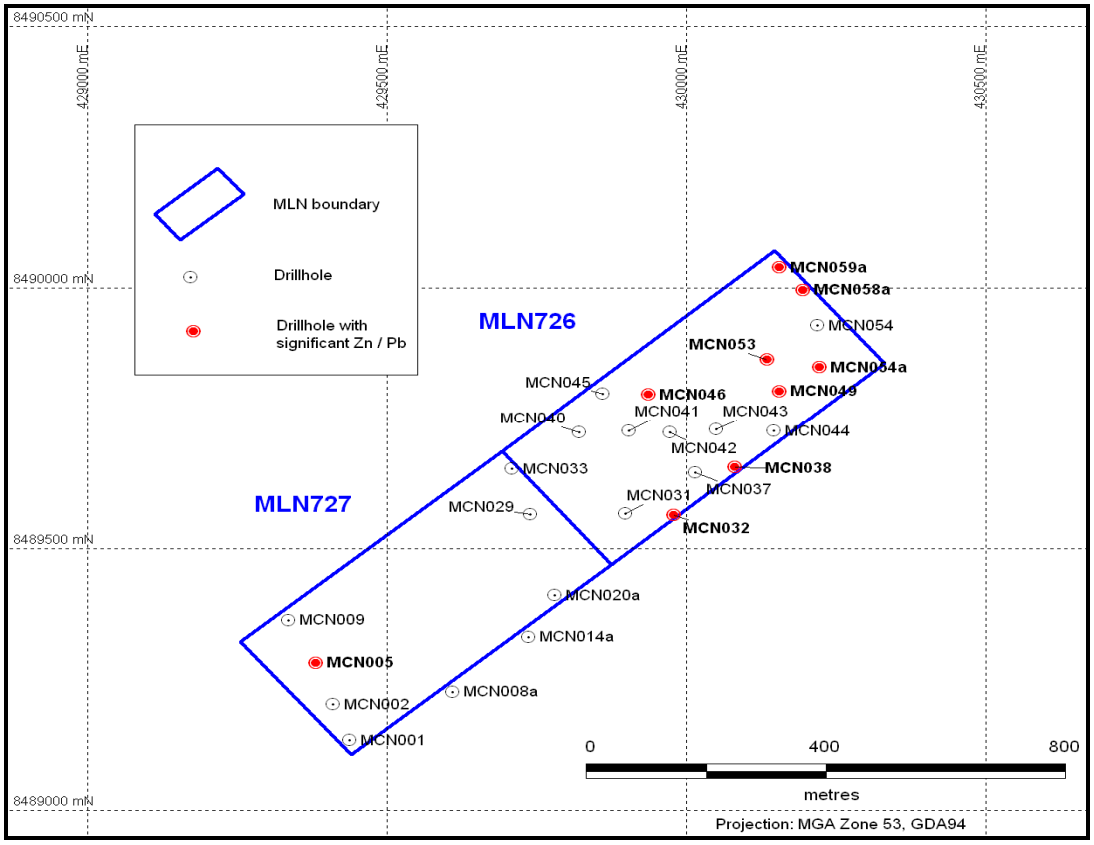
No stream beds were filled as agreed before clearing; however dry water courses were occasionally crossed to reach certain drill locations, minimal disturbance was made.

Wooden pegs were used to mark the drill holes; these were left on site to mark the drill sites for later identification of the site for ongoing appraisal of the rehabilitation. No permanent survey markers were used.

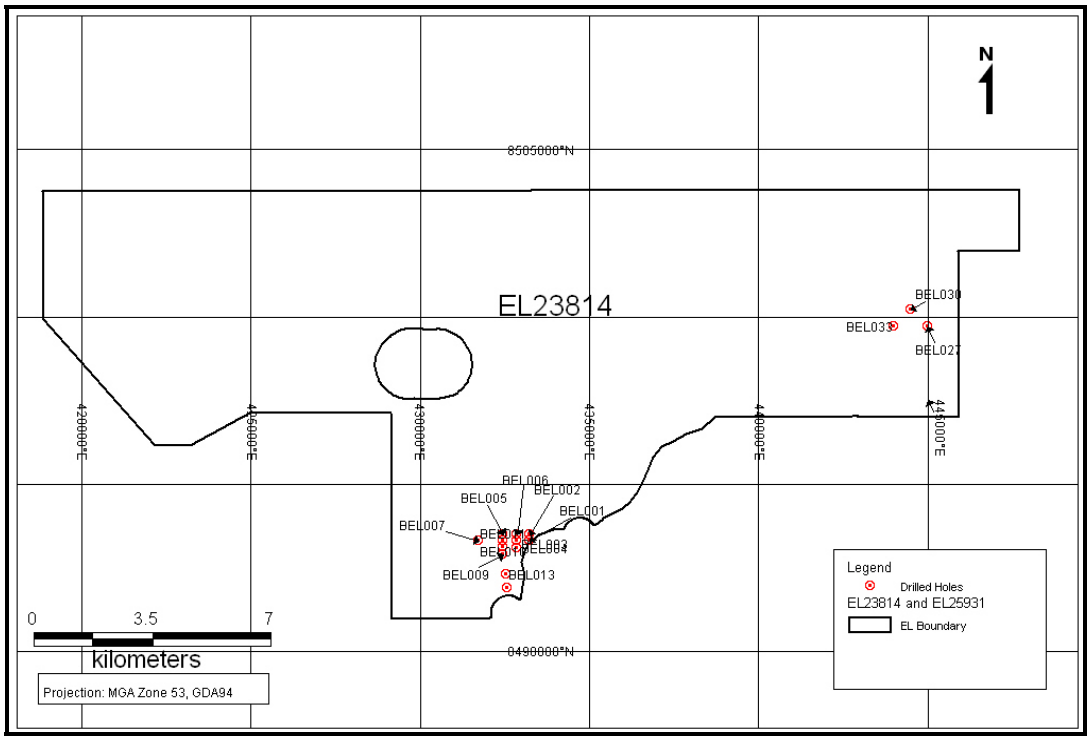
Photo 3; Drill pad 3x loader scrapings wide and twice drill rig length.

Photo 4; Drill pad location selected between trees

Photo 5; Typical drill pad size



Map 3; Drilled holes in MLN 726 and 727



Map 4; Drilled holes in EL23814

Rehabilitation of Drill holes

A total of 41 drill holes were drilled over the entire area; totalling 670 metres (Maps 3 & 4). Samples were taken in plastic bags which were then transported to storage in Katherine. Sample tailing and the dust were kept to a minimum, any remaining were dispersed on the ground adjacent to the drill hole. This method was selected to ensure no bags of excess sample were left onsite after completion of drill program and to guarantee that with the onset of 'wet' season any flooding would not wash away the tailings.

Drill holes were abandoned and closed. Closure of the drillholes was carried out in accordance with the department guidelines on capping and plugging of exploration drillholes.

The holes were plugged with plastic caps pushed upto 0.7m below ground level where possible and were then backfilled with the drill tailings and mounded to 20-30cm height. All the drill holes were shallow and most of them did not hit any major water aquifer, some minor surficial ground water was encountered in a couple of drill holes which caused drilling issues, the holes were sealed after the water subsided and rehabilitated. However, the drill holes were abandoned in conditions near to that which existed prior to drilling to prevent any contamination of any aquifers or environmental hazards.

The drill holes were backfilled with the drill tailings and the respreading of the tailings was done near the hole assuming that the 'wet' season could wash away the same. No plastic bags or trash was left on the drill sites. All the remaining samples were moved to storage in Katherine.

Rehabilitation of the camp site

The camp site was chosen considering the environment, no trees were knocked down and little excavation was done to set up the camp (Photo 5). The camp site was chosen close to the main access road to avoid any more clearing.

All the trash was dumped in the nearest designated refuse disposal site located in Gulin Gulin (Bulman). No trash was left on the campsite and excavated soil re-spreading was done after the completion of the drill program.

All camp infrastructures were removed from the campsite on completion of the program.

Photo 6; camp site

CONCLUSIONS

Under the Mining Management Act 2001 and in accordance with the Mine Management Plan submitted for the program, rehabilitation work has been completed on the exploration sites of EL23814 and MLN 726 & MLN 727. Drill pads and campsite have been rehabilitated to allow natural regrowth of the vegetation. Drill holes have been plugged and capped to avoid any contamination of the any aquifers. Access tracks have been made to avoid any serious damage to the top soil or to the root stock to assist rapid regrowth of the vegetation in the following wet season.

The rehabilitation work has been completed but will be monitored on a periodic basis for the life of the tenure.