
EL28791 FIRST ANNUAL REPORT

**For period from 21/12/2011 to 20/12/2012
GEORGINA BASIN PROJECT NT**

**Brunette Downs SE5311 1:250,000
Mount Drummond SE5312 1:250,000**

Titleholder: Tropical Resources Pty. Ltd

**Report No. 2013-003
Tropical Resources Pty. Ltd
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CONTENTS

1. SUMMARY	1
2. LOCATION AND ACCESS.....	1
3. TENEMENT STATUS AND OWNERSHIP.....	3
4. GEOLOGY.....	4
5. PREVIOUS EXPLORATION.....	5
6. EXPLORATION DURING YEAR 1.....	6
7. PREPARING EXPLORATION FOR YEAR 2.....	6
8. EXPENDITURE	6
9. CONCLUSION AND RECOMMENDATION	7
10. REFERENCES	7

List of Figures

Figure 1 Location Map of EL28791	2
Figure 2 Landholders and Lease Numbers displayed inside EL 28791.....	3
Figure H Geological Map of EL 28791.....	4

List of Tables

Table 1 List of the previous exploration Licenses.....	6
Table 2 Expenditure on EL28791.....	7

1. SUMMARY

EL 28791 is about 4km just east side of the Tableland Highway (No.11). Tropical Resources Pty Ltd applied for EL28791 primarily to explore for Diamond, Gold and secondly to evaluate the potential for other types of economic mineralization such as Iron and Phosphate. Work during Year 1 of tenure consisted of a review of NTGS data and Open File Company reports (geological and geophysical), and a short time fieldtrip.

Work during Year 2 will include field reconnaissance, data evaluation and progressing to geological and geophysical survey.

2. LOCATION AND ACCESS

EL 28791 is about 910Km of SSE140⁰ of Darwin, and about 260km of NEE66⁰ of Tennant Creek, about 120km of north side of the Barkly Highway (Figure 1). There is just about 30km east side of Tableland Highway (No.11). Access is along the Tableland Highway via Barkly Highway and Stuart Highway from Darwin. There are several rough road can be reach to the Lease. Topography is plains with some hills but the relative elevation is less 50m, several rivers cross the land. Access is advisable in the dry season only.

The tenement has numerous creeks which can flood in heavy rains during the wet season.



Google earth

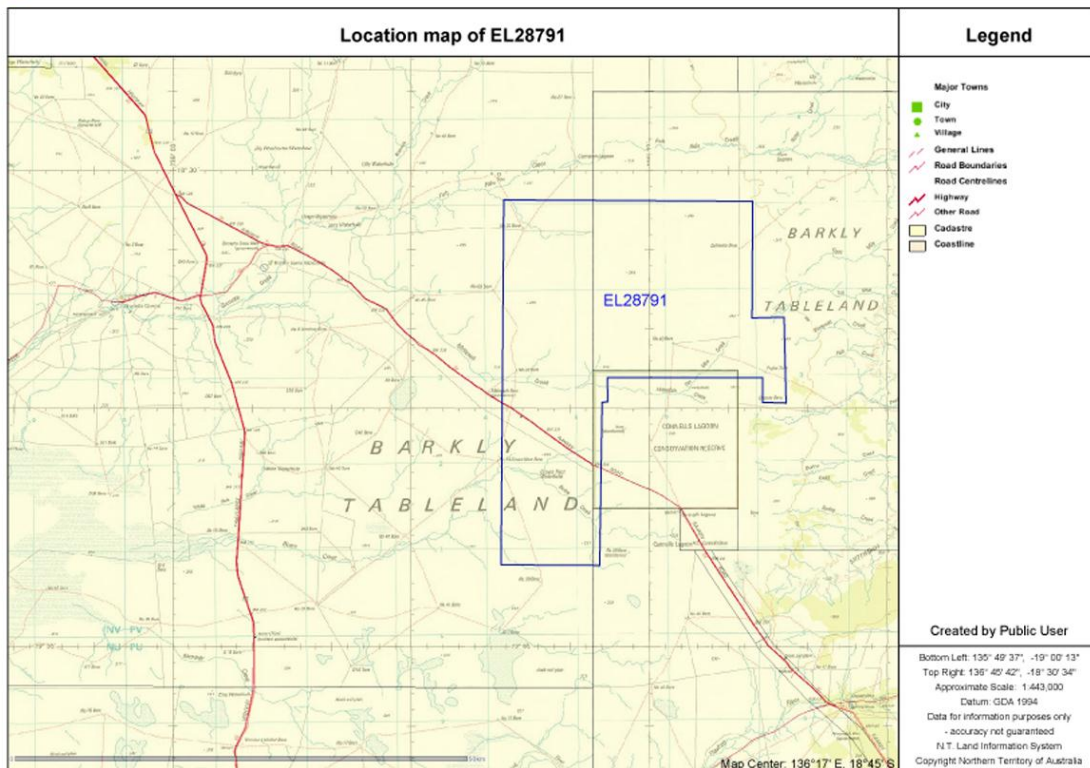


Figure 1 Location of EL28791 in Topography

3. TENEMENT STATUS AND OWNERSHIP

EL 28791 was granted on 21th December 2011 and expires on 20th December 2017 for a term of six years. It comprises 142 graticular blocks (772.98 sq km). There are no other mining leases or mineral claims shown within the Licence boundaries.

Underlying cadastre is mainly Pastoral Lease. Landholders show below: 1-NT Portion 561, Special Pastoral Lease 573,Nicholson; 2-NT Portion 1483, Perpetual Pastoral Lease 925,Nicholson; 3- NT Portion 1033, Perpetual Pastoral Lease 962,Nicholson;) (Figure 2).

The expenditure covenant set for the first year was \$48,000.

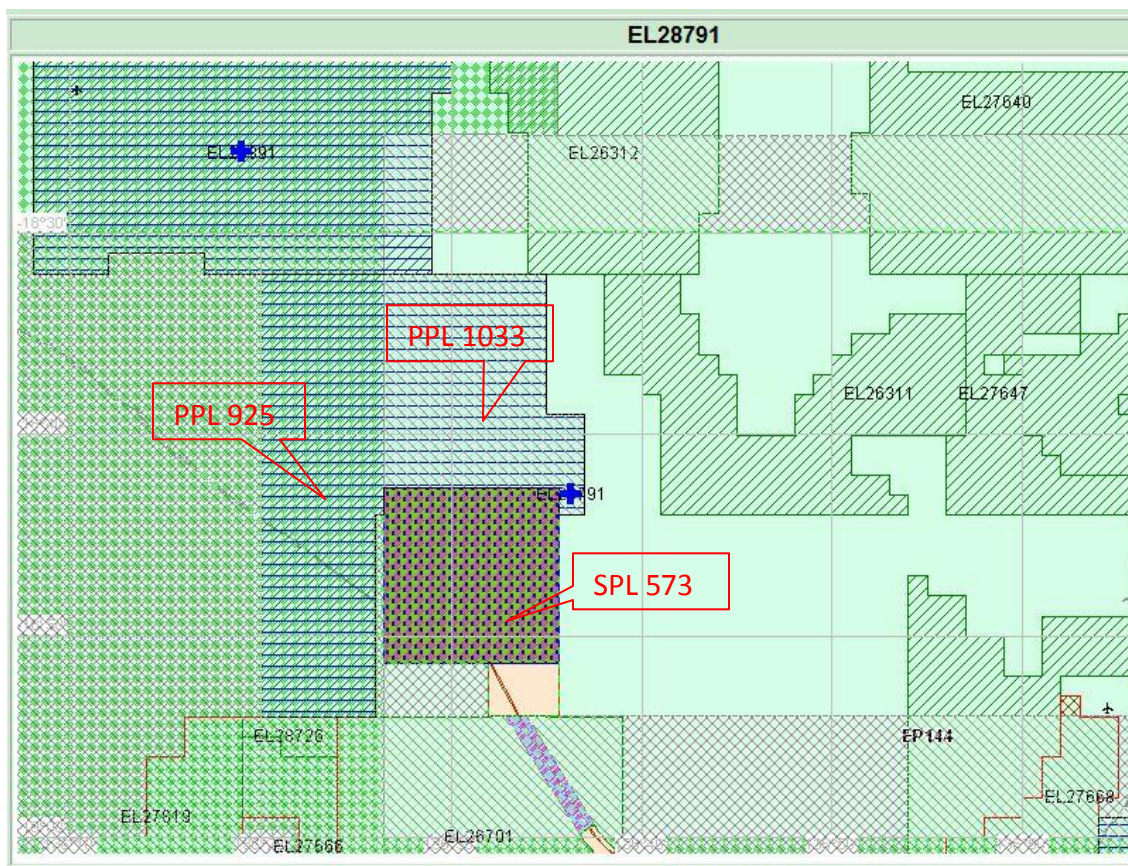


Figure 2 Landholders and Lease Numbers displayed inside EL 28791

4. GEOLOGY

EL28791 is situated within the Georgina Basin, a wildly folded sequence of Cambrian rocks. The 1:250,000 Geological maps cover the tenement area (Brunette Downs, 1966 and Mt. Drummond, 2006) (Figure 3).

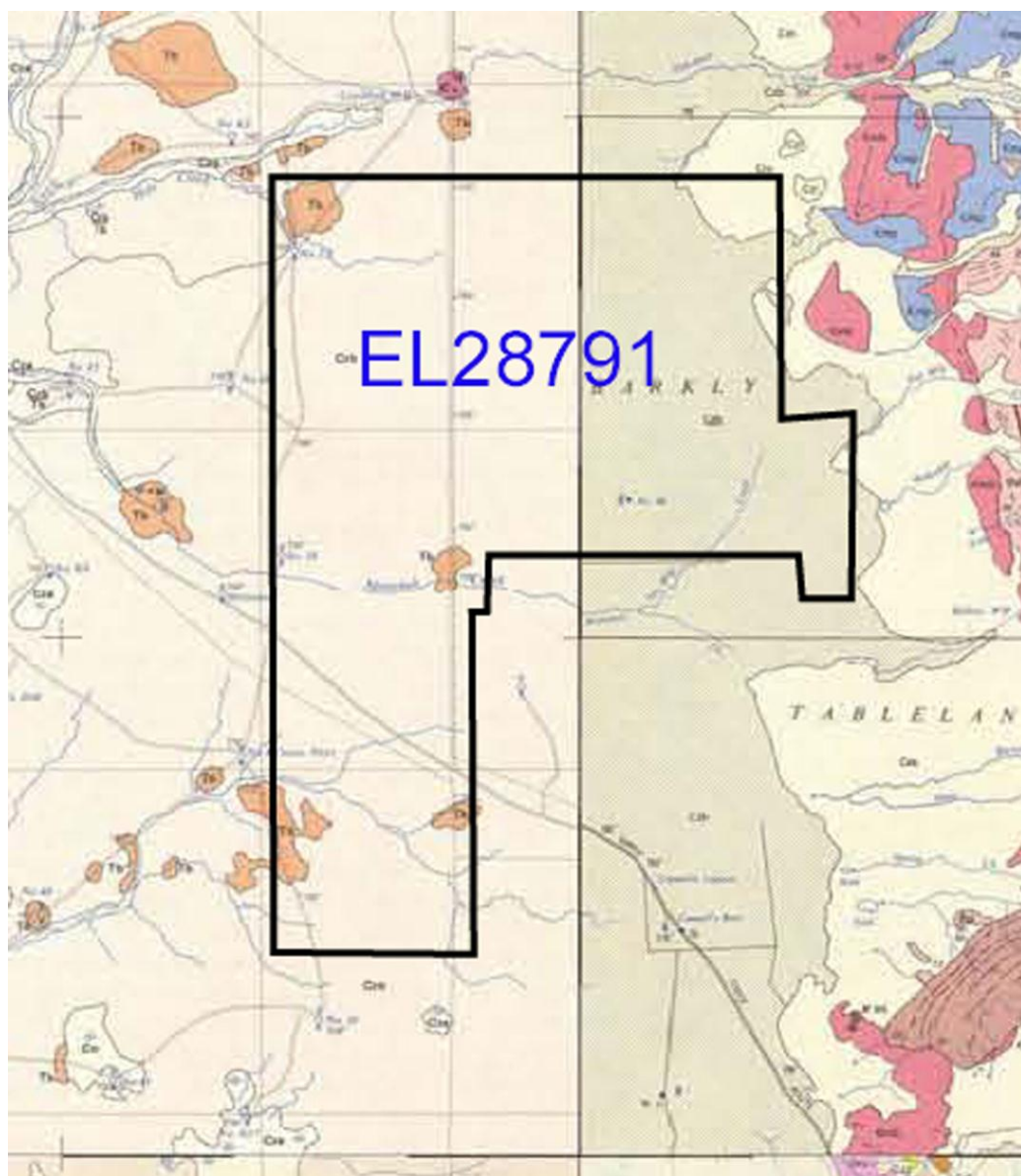


Figure 3 Geological Map of EL 28791 from 1:250000 geologic maps of the sheets of Brunette Downs and Mount Drummond

All of the economic diamond deposits and other significantly diamondiferous occurrences in Australia occur on the North Australian Craton (“NAC”). The NAC underlies the Kimberley region of northern WA, the northern two thirds of the NT and the north western part of Queensland. It is also host to many significant base metal, gold and uranium deposits. The NAC was formed at about 1850Ma during the Barramundi Orogeny by the amalgamation of Archaean and early Proterozoic rocks which now form the basement rocks to the younger sequence. Proterozoic (1820-1600Ma) platform cover sediments, Palaeozoic volcanics and sediments, and Mesozoic sediments cover these basement rocks.

The Georgina Basin is one such platform cover which developed above the NAC between 1800-1500Ma. Its sedimentary package consists of unmetamorphosed and less intensely deformed rocks of carbonate, siliciclastic and interbedded volcanics deposited in a shallow intracratonic basin.

The Georgina Basin is overlain by the remnants of the Cambrian Karkly Group Ranken Formation Limestone: Bioclast, bioclast rudestone; Grey Biological Dolomite, rudestone, Sandstone; and Cambrian Helen Springs Volcanic Rocks. There is a widespread distribution of Cenozoic Limestone, dolomite; and sandy soil, laterite and alluvium cover.

5. PREVIOUS EXPLORATION

Exploration has been carried out in the area since 1984, there are several companies worked on this area (Some of them show in Table 1), Exploration primarily involved rock chip, soil and stream sampling for Diamond, gold and some base metal analysis.

Table 1 List of the previous exploration Licenses

EL Number	Expiry Date	Company Reports
EL4335	25/08/1989	CR1987-0217 CR1984-0226 CR1985-0235
EL4342	25/08/1989	CR1987-0201 CR1988-0344 CR1989-0288 CR1989-0289 CR1989-0652 CR1984-0229 CR1985-0231 CR1986-0258
EL4343	25/08/1989	CR1984-0230 CR1986-0022
EL4351	25/02/1991	CR1986-0110 CR1988-0223
EL4353	20/09/1989	CR1989-0289 CR1989-0288 CR1984-0237 CR1986-0001 CR1987-0007 CR1989-0166
EL7905	10/12/1998	CR1995-0012 CR1995-0332 CR1995-0917 CR1994-0077
EL8122	27/05/1999	CR1994-0487
EL4583	25/02/1991	CR1986-0025
EL7238		CR1993-0560 CR1994-0677 CR1995-0433 CR1995-0897 CR1994-0426 CR1993-0392 CR1992-0391

6. EXPLORATION DURING YEAR 1

In 2012, Tropical Resources exploration consisted of historic data compilation including tenure, datasets, open file reports and geo-referencing of relevant maps. This enabled an informed review of the tenements prospectively in regards to Diamond and Gold, Iron and Phosphate. Also field reconnaissance was completed.

7. PREPARING EXPLORATION FOR YEAR 2

Working program for Year 7 included:

- a) Some geological surveying
- b) Proposal Geophysical survey after Geological survey
- c) Proposal IP Section survey

Expenditure is expected to be at least \$73,000.

8. EXPENDITURE

Expenditure consisted of:

Table 2 Expenditure on EL28791

Ground Geological survey	\$12,000.00
Office studys	\$32,000.00
Overheads	\$4,000.00
TOTAL	\$48,000.00

9. CONCLUSION AND RECOMMENDATION

The exploration target is Diamond and Gold, Base metal and Iron, Phosphate. However throughout analysis history exploration date and superficial traversing the EL28791 property, after field trip, there is no large scale host rock of Diamond occurrence. Next year, TRC geologist thinks it can do some Geophysical survey and pay attention on the basement rocks or phosphate and base metal or Iron.

10. REFERENCES

Rawlings DJ, Sweet IP and Kruse PD, 2006. Mount Drummond, Northern Territory (Second Edition). 1:250,000 Geological map series, SE 53-12. Northern Territory Geological Survey, Darwin.

M. A. Randal and R. A. Nichols, 1962. Brunette Downs, Northern Territory (First Edition, 1966), 1:250,000 Geological map series, SE 53-11. Northern Territory Bureau of Mineral Resources, Geology and Geophysics, Darwin.