SEL 9927 ANNUAL AND FINAL REPORT

FOR PERIOD ENDING 30 November 2005

MAUD CREEK PROJECT

Katherine SD53-9 1:250,000
Katherine 5369 1:100,000

GBS Report No. PC/MC/06/02

Prepared for GBS Gold Australia Pty Ltd.

By BR Smith

Rocksearch Australia Pty Ltd

26th February 2006

CONTENTS

List of Figures

List of Appendices

Note: Text files come from MaudCreek2000 database, with additions from paper copies in annual reports appended to end.

1. INTRODUCTION

This Final Report summarises exploration on SEL 9927 since it was granted on 1st December 1997. For further details please refer to the annual reports as listed below. Most of the information has come from these annual reports.

1.1 Location and Access

SEL 9927 surrounds the Maud Creek Project, which is around 15km east of Katherine townsite (Figure 1). Access is via the Stuart Highway, 20km south of Katherine, turning east onto Ross Road travelling towards the radar dome and then left (north) past Maud Creek Station homestead along station tracks and fencelines. Access may be impassable during the wet season due to flooding on areas of black soil and across stream channels.

1.2 Tenement Status and Ownership

SEL 9927 was substituted for EL's 7775, 8018, 9131, 9132, 9481 and 9639. It was granted on 1st December 1999 for 4 years and comprised 24 blocks covering 71.4 sq km. Five blocks were surrendered in 1999, reducing the area to 54.8km^2. In 2003, SEL 9927 was renewed until November 2005.

Kalmet Resources NL held a number of the EL's that later comprised SEL 9927, and also acquired other tenements through dealings with the then current holders of adjacent EL's. Kalmet's strategy was to acquire additional exploration ground with mineralisation potential to add to the Main Zone gold deposit at Maud Creek. Kalmet Resources became a wholly owned subsidiary of Kilkenny Gold NL in September 1997. In late 1999 Kilkenny Gold NL was transformed into a technology company and all of the mineral assets were subsequently vendored into a new public listed company named Phoenix Mining Ltd. During 2001, Hill 50 Gold NL purchased the Maud Creek project tenements. Ownership of Hill 50 Gold NL passed to Harmony Gold (Australia) Pty Ltd following a takeover of the company in mid 2002. Harmony developed a focus on other projects at Burnside and Papua New Guinea, and viewed the Maud Creek project as geographically isolated from its core projects and sold the tenements to Terra Gold in 2005.

NT Portion 4192 covers most of the licence, and Terra Gold (now GBS Gold) holds the freehold land title.

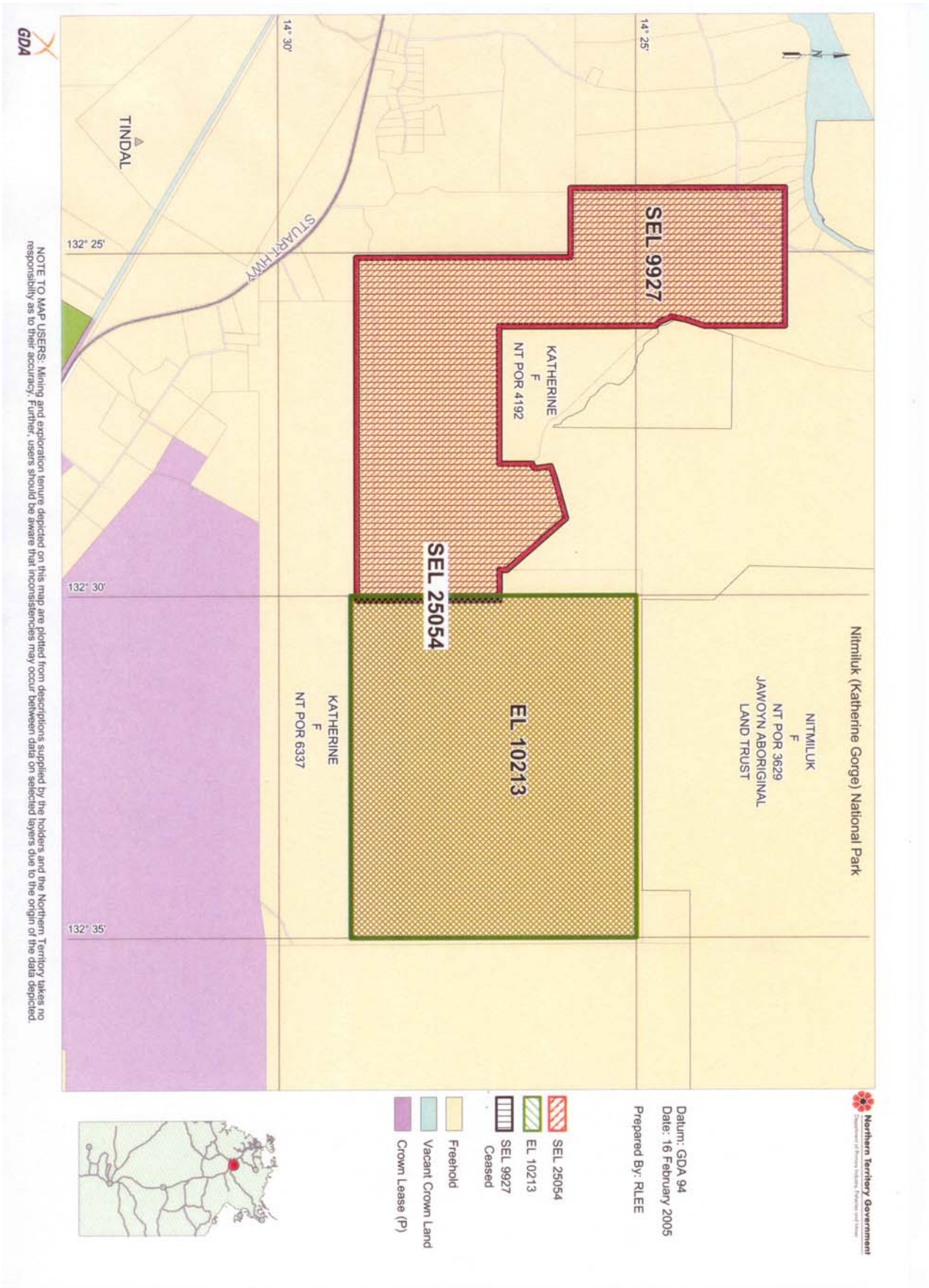


Figure 1 – Tenement Location Map

2. GEOLOGY

The geology of the Maud Creek area comprises folder Lower Proterozoic metasedimentary and volcaniclastic sequences. These are unconformably overlain by Mid Proterozoic Kombolgie Sandstone, which forms scarps. Flat-lying areas are covered by Cambrian Antrim Plateau basalts, and Cambro-Ordovician limestones.

Economically important rock units of the Maud Creek areas comprise greywackes, mudstones and tuffs of the Proterozoic Tollis Formation. The Maud Dolerite intrudes the Tollis Formation and forms irregular bodies up to 200m in width. The margins of the Maud Dolerite are strongly sheared, with mineralised quartz-filled shear zones.

The Tollis Formation hosts the Maud Creek Gold Project on adjacent tenements. Maud Creek has a reported resource of 935,000oz contained Au.

The old Maud Creek workings were hosted within the Maud Dolerite. Gold occurs in quartz-hematite lodes varying from a few centimetres to a metre in width, trending NE and NW.

3. PREVIOUS EXPLORATION

The Maud Creek goldfield was discovered around 1890, but the field was virtually abandoned in 1891. The field was reworked between 1932 and 1934, but due to treatment difficulties only a small amount of gold was recovered. Approximately 400t of ore was extracted from around 20 shallow shafts (6-12 depth) with drives around 15-20m long. The ore grade was around 30-45g/t Au.

Between 1966 and 1973 several companies explored the area for copper and uranium. Drilling of siliceous and gossanous breccias intersected anomalous copper and molybdenum in pyritic zones. Gold was not evaluated.

CSR explored the area for Kalgoorlie-style gold deposits in the basic volcanics during 1985 and 1986. Placer purchased all of CSR's Australian mineral assets in August 1988 and continued exploration of the project until 1992.

In 1992, Placer granted a 5-year option to explore their tenements, and the option was exercised in 1994. Work done on the SEL up to 1997 was done on the individual tenements (EL's 7775, 8018, 9131, 9132, 9481 and 9639). In summary, the work included:

- Grid establishment and reconnaissance RAB drilling
- -80# stream sediment sampling (EL's 9131, 9132, 7775)
- Rock chip sampling (EL's 9131, 9132, 7775)
- Airborne magnetic and radiometric survey (UTS Geophysics in Feb 1997)
- Aerial photography (1:25,000 scale bought from Airesearch Mapping Pty Ltd) which was digitally scanned and orthorectified in ER Mapper for use in MapInfo
- 1:10,000 scale geological mapping

During the 1997 field season, work included:

- Establishing baselines and grids in WGS84 Zone 53 by Forsyth & Associates using a differential GPS (+/- 1m) in 1997
- 112 stream sediment samples, 2491 soil samples, and 33 RAB holes for 878m in 1997 (the period directly before the SEL was granted).
- Total expenditure on all the EL's (which became SEL9927) for 1997 was $353,139 (Barker and Glassock, 1997).

4. EXPLORATION UNDER SEL 9927

4.1 Year 1 of Tenure – 1st December 1997 – 30th November 1998

Glassock (1998) details work done on SEL9927 for the 1998 calendar year, and this work is reported here.

SRK carried out a structural analysis of the Maud Creek region, with emphasis on determining the structural controls on, and possible source of, hydrothermal fluids for gold mineralisation. The main conclusions from this study are;

a) Au-As mineralisation is interpreted as related to high T hydrothermal fluids from more highly-fractionated intrusive phases of the Maud Dolerite. The mineralised hydrothermal fluids have been injected into active structures around the contract aureole of these intrusions
b) Structural controls on mineralisation are dilational sites on reactivated faults, and structural traps
c) Three main fault sets are;
    i) NE-SW faults (reactivated basement transfer structures)
    ii) N-S trending faults (locally subtle sub-surface structures that are reactivated ?Archaean basement structures, and
    iii) NW-SE faults (regionally reactivated as normal or reverse faults)

Five rock chip samples were taken from SEL9927 (Samples A001 – A005; 407334 in Appendix 1). Rock chips were sent to Assaycorp in Pine Creek for Au and As analysis. Samples were jaw crushed to 1mm then split to 1kg and fine pulverised to 100µm in a Keegormill. The samples were assayed for Au using a 50g fire assay to 0.01ppm detection limit. As was determined by hydride AAS from an MA3 digest using method G300H to a detection limit of 1ppm. Samples A001 and A003 were also assayed for copper by hydride AAS from an MA3 digest using method G300I to a detection limit of 1ppm. A001 came back with ore grade copper and a second copper assay was taken using method MA30 ASS method.

59 soil samples were taken on a 200m x 50m grid. A 150-250g sample was taken from the B horizon at –200 mesh. These samples were assayed for gold with a 50g Fire Assay (FALL) to 1ppb Au and As to 1ppm (G300H) by Assaycorp in Pine Creek. All soil samples taken on SEL9927 (including previous tenure) are in Appendix 1.

63 RC holes totalling 3493m were drilled during 1998 at 3 areas; Runways, Kittens and OShea's. Stanley Drilling carried out the drilling using 2 400psi / 1000cfm compressors and a booster with 1100PSI capacity for the deeper holes. Samples were assayed at Assaycorp. Sample prep involved jaw crushing the 3-5kg sample to 1mm, then splitting a 1kg sample which was pulverised to 100µm in a Keegormill. The sample was assayed for gold using 50g Fire Assay with 0.01ppm detection limit. As was determined by hydride AAS from an MA3 digest using method G300H to a detection limit of 1ppm. Holes DRC001 – DRC003 were also assayed for Cu using hydride AAS from MA3 digest (G300I) to a detection limit of 1ppm (Appendix 1).

Other work in 1998 included an application for an MLN (1978), and an EIS for the Maud Creek. Reported expenditure for the year is $318,504.

4.2 Year 2 of Tenure – 1st December 1998 – 30th November 1999

Consultant firm Geologists Australia undertook a review of structures visible within the aerial magnetic data. This work included reviewing structural interpretations done by SRK Consulting, and reviewing geochemical and drillhole databases. Several areas of exploration interest were identified within the Chessman and Main Zone deposits (excised from the SEL) and also adjoining the eastern and western boundaries of the the Maud Dolerite. The main NW structural trend along Maud Creek appears to have displaced the stratigraphy and possibly O'Sheas mineralisation.

Geological mapping of all tenements was carried out in early 1999. The geology map was reported at 1:50,000 scale.

One rock chip sample (#407366) was taken, with no significant result (Appendix 1).

Expenditure was reported as $67,828. Details of the exploration activities are in Glassock (1999) and this includes the report and map done by Geologists Australia.

Five blocks were relinquished at the end of Year 2. Glasson (2000) detailed the work done on the relinquished blocks.

4.3 Year 3 of Tenure – 1st December 1999 – 30th November 2000

Due to a downturn in economic conditions, plus the transfer of the project to a new company, there was little work done during Year 3. Phoenix summarised the exploration to date on the SEL, including some work conducted just prior to the grant of the SEL. Expenditure of $59,795 was largely attributed to the construction of a haulage road by AngloGold for transporting oxide ore from the Main Zone open pit. Approximately 3km of road was constructed on the southern part of the SEL during the year. Glasson (2001) reports on the work done during the year.

4.4 Year 4 of Tenure – 1st December 2000 – 30th November 2001

Hill 50 Gold NL took time to undertake a project familiarisation and review the results from the geology, geochemistry and geophysics work in previous years. The 'Runways' target (8401900N / 22800E) was rock chip sampled, with a best value of 220ppb Au (Appendix 1). A study of the Landsat image suggests that N-S faulting has dextrally displaced and segmented the structure. Total expenditure of $35,164 was reported for SEL9927 for the year (Shaw 2001).

4.5 Year 5 of Tenure – 1st December 2001 – 30th November 2002

Following on from work done in Year 3, a photogeological interpretation was carried out by Stephen Snodin over the SEL. The work included reviewing 1:25,000 aerial photography, Landsat imagery and airborne magnetics. Conclusions from this work include;

a) priority targets include extensions to the Main Zone. The southern extension of the Main Zone falls within SEL9927 under thin Cambro-Ordovician cover.
b) Ten other targets with a lower priority were also recommended for exploration follow-up.

Total expenditure of $20,429 was reported for the year on SEL9927 (Shaw 2002), and the Appendix of this report contains the Snodin work.

4.6 Year 6 of Tenure – 1st December 2002 – 30th November 2003

Work focussed on the Main Zone (Gold Creek) deposit, where a technical review and model was completed. No new exploration activity was carried out on the surrounding SEL9927 tenement, and expenditure was $725 (Shaw 2003a).

Harmony Gold successfully applied for a renewal (Shaw 2003b) showing that SEL 9927 had untested targets (from Snodin's work in 2002) and potential from possible extensions to Main Zone mineralisation.

4.7 Year 7 of Tenure – 1st December 2003 – 30th November 2004

Harmony Gold decided that although the Maud Creek project had a significant resource and resource potential, it was decided that it was geographically isolated from its core projects at Burnside and in PNG. Harmony spent the 2004 year arranging and preparing data for prospective buyers and no field activity was undertaken during the year. Total expenditure was $1008 (Shaw, 2004).

4.8 Year 8 of Tenure – 1st December 2004 – 30th November 2005

Terra Gold Mining Ltd entered into an option agreement with Harmony Gold in December 2004, and this was finalised in June 2005. Terra Gold spent the year conducting capital raising to fund exploration and development, primarily at Maud Creek, and reviewing previous exploration. Terra Gold Mining had feasibility studies underway on the Maud Creek/ Main Zone deposit during the year. A technical report outlining the feasibility of Maud Creek, and exploration potential was released to the Canadian TSX Venture Exchange on 29 June 2005. This report covers SEL 9927, as well as the other tenements (Appendix 1) and states 'prospectivity is high for the delineation of additional resources'.

Terra Gold also took 27 rock chip samples as part of regional exploration in 2005. Results are in Appendix 1.

GBS Gold International acquired Terra Gold Mining Ltd on 7th November 2005.

5. SUMMARY AND CONCLUSIONS

Combined with the daughter tenements, there has been a significant level of exploration on SEL9927, and GBS Gold view the tenement as having great potential for further mineralisation. During the life of the tenement, changes in management and technical personnel, as well as an economic downturn has hampered exploration success. Some rock chip samples were taken in the final year of exploration, but anomalous results have not been followed up due to staff changes.

There are untested exploration targets outlined in Snodin's 2002 report (Shaw, 2002) and GBS intend to substantially progress the Maud Creek Project during 2006.

6. EXPENDITURE

Expenditure is outlined using the Expenditure Reporting Form (see attached). From checking through previous reports, and from figures supplied by GBS Gold, the total expenditure over the life of SEL9927 is $512,394.

7. REFERENCES

Barker, A., and Glassock, M. 1997. Combined Final Year Report on EL's 7775, 8018, 9131, 9132, 9481, 9639, and Annual Report for SEL9927A. Kilkenny Gold NL (unpubl). *NTGS Company Report CR1997-0741*.

Glassock, M 1998. 1998 Annual Report on SEL9927 for the reporting period 1 January 1998 to 31 December 1998. Kilkenny Gold NL (unpubl). *NTGS Company Report CR1999-0008.*

Glassock, M 1999. 1999 Annual Report on SEL9927 for the reporting period 1 January 1999 to 31 December 1999. Kilkenny Gold NL (unpubl). *NTGS Company Report CR1999-0312.*

Glasson, M 2000. SEL9927 Surrender Report for 5 blocks surrendered November 1999. Katherine Mining NL (unpubl). *NTGS Open File Company Report CR2000-0063*.

Glasson, M 2001. SEL9927 Annual Report for the period 01/12/99 to 30/11/00. Phoenix Mining Ltd (unpubl). *NTGS Company Report CR2001-0032*.

Shaw, JA 2002. SEL9927 Maud Creek Year Ending 30 November 2001. Hill 50 Gold NL (unpubl). *NTGS Company Report CR2002-0011*.

Shaw, JA 2003a. Annual Exploration Report SEL9927 Year Ending 30 November 2003. Harmony Gold Operations Limited (unpubl). *NTGS Company Report CR2003-0459*.

Shaw, JA 2003b. SEL9927 Maud Creek Project Renewal Application Report. Harmony Gold Operations Limited (unpubl). *NTGS Company Report CR2003-0289*.

Shaw, JA 2004. SEL9927 Maud Creek Project Year Ending 30 November 2004. Harmony Gold Operations Limited (unpubl). *NTGS Company Report CR2004-0635.*

NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

Section 1. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)	
Type	*SEL*
Number	*9927*
Operation Name (optional)	*Maud Creek*

Section 2. Period covered by this return:			
Twelve-month period:		**If Final Report:**	
From	*01/12/2004*	From	*01/12/1999*
To	*30/11/2005*	To	*30/11/2005*
Covenant for the reporting period:		$**0**	

Section 3. Give title of accompanying technical report:	
Title of Technical Report	*SEL 9927 ANNUAL AND FINAL REPORT for period ending 30 November 2005*
Author	*BR Smith*

Section 4. Locality of operation:	
Geological Province	***Pine Creek Orogen***
Geographic Location	***Katherine***

Section 5. Work program for the next twelve months:

Activities proposed (please mark with an "X"):

- ☐ Literature review
- ☐ Geological mapping
- ☐ Rock/soil/stream sediment sampling
- ☐ Drilling and/or costeaning
- ☐ Airborne geophysics
- ☐ Ground geophysics
- ☐ Other:

Estimated Cost: $

Section 6. Summary of operations and expenditure:

Please include salaries, wages, consultants fees, field expenses, fuel and transport, administration and overheads under the appropriate headings below. Mark the work done for the appropriate subsections with an "X" or similar, except where indicated. Complete the right-hand columns to indicate the data supplied with the Technical Report.

Do not include the following as expenditure (if relevant, these may be discussed in Section 7):

- Insurance
- Company Prospectus
- Rent & DepartmentFees
- Bond
- Transfer costs
- Title Search
- Legal costs
- Advertising
- Land Access Compensation
- Meetings with Land Councils
- Payments to Traditional Owners
- Fines

Exploration Work type	Work Done (mark with an "X" or provide details)		Expenditure	Data and Format Supplied in the Technical Report	
				Digital	Hard copy
Office Studies					
Literature search					
Database compilation					
Computer modelling					
Reprocessing of data				X	
General research					
Report preparation	X		8941.79	X	
Other (specify)					
	Subtotal		$8941.79		
Airborne Exploration Surveys (state line kms)					
Aeromagnetics		kms			
Radiometrics		kms			
Electromagnetics		kms			
Gravity		kms			
Digital terrain modelling		kms			
Other (specify)		kms			
	Subtotal		$		
Remote Sensing					
Aerial photography					
LANDSAT					
SPOT					
MSS					
Other (specify)					
	Subtotal		$		
Ground Exploration Surveys					
Geological Mapping					
Regional					
Reconnaissance					
Prospect					
Underground					
Costean					
Ground Geophysics					
Radiometrics					
Magnetics					
Gravity					
Digital terrain modelling					
Electromagnetics					
SP/AP/EP					
IP					
AMT/CSAMT					
Resistivity					
Complex resistivity					
Seismic reflection					
Seismic refraction					
Well logging					
Geophysical interpretation					
Petrophysics					
Other (specify)					

Geochemical Surveying and Geochronology (state number of samples)								
Drill (cuttings, core, etc.)								
Stream sediment								
Soil								
Rock chip								
Laterite								
Water								
Biogeochemistry								
Isotope								
Whole rock								
Mineral analysis								
Laboratory analysis (type)								
Petrology								
Other (specify)								
Ground Exploration Subtotal					$			
Drilling (state number of holes & metres)								
Diamond		holes		metres				
Reverse circulation (RC)		holes		metres				
Rotary air blast (RAB)		holes		metres				
Air-core		holes		metres				
Auger		holes		metres				
Other (specify)		holes		metres				
	Subtotal				$			
Other Operations								
Costeaning/Trenching								
Bulk sampling								
Mill process testing								
Ore reserve estimation								
Underground development (describe)								
Mineral processing								
Other (specify)								
	Subtotal				$			
Access and Rehabilitation								
Track maintenance								
Rehabilitation								
Monitoring								
Other (specify)								
	Subtotal				$			
TOTAL EXPENDITURE					**$8941.79**			

Section 7. Comments on your exploration activities:

Terra Gold conducted due diligence on the Maud Creek Project, which includes the Main Zone/Gold Creek deposit on an adjacent tenement. A technical report to NI43-101 standard was released on the Canadian TSX Venture Market. The expenditure relates to office overheads, database management, general tenement administration costs.

Expenditure reported here is for the Final Year of tenure. Earlier years expenditure is in earlier reports.

I certify that the information contained herein, is a true statement of the operations carried out and the monies expended on the above mentioned tenement during the period specified as required under the *Northern Territory Mining Act* and the Regulations thereunder.

[x] I have attached the Technical Report

1. Name:	Belinda Smith	2. Name:	
Position:	Geologist	Position:	
Signature:		Signature:	
Date:	25th February 2006	Date:	

APPENDIX 1

GEOCHEM DATA IS ON ACCOMPANYING FILES IN FOLDER MARKED ‘APPENDIX 1’

APPENDIX 2

Report by Independent Engineers on the Maud Creek Gold Project

Independent Engineers

FORM 43-101F1
TECHNICAL REPORT

on the

MAUD CREEK GOLD PROJECT
Northern Territory, Australia

Latitude 14.45° S Longitude 132.45° E

Prepared for

EMERSON EXPLORATION INC

Date: 29 June 2005

Principal Author:

William Ross Mackenzie BE (Mining); MBA, MAusIMM
Managing Director
Independent Engineers (Australia) Pty Ltd
Suite 5, 83 Havelock Street
West Perth WA 6005
Australia
Tel: +61 8 9485 2985
Fax: +61 8 9324 1989
Web: www.iengineers.com.au

Prepared for:

Emerson Exploration Inc.
PH #8 - 1060 Alberni Street
Vancouver, British Columbia
V6E 4K2

Independent Engineers

TECHNICAL REPORT

Prepared for:

Emerson Exploration Inc.

Author(s):	William Ross Mackenzie	Title:	Managing Director Independent Engineers (Australia) Pty Ltd
Date:	29 June 2005		
Copies:	Emerson Exploration Inc Independent Engineers Pty Ltd	(2) (1)	

Mr W. R. Mackenzie
For and on behalf of:
Independent Engineers (Australia) Pty Ltd

INDEX

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

1. SUMMARY

Emerson Exploration Inc. ("Emerson") commissioned Independent Engineers (Australia) Pty Ltd ("IEA") to prepare this Technical Report to provide a review of the Maud Creek Project in the Northern Territory of Australia.

This report is based on reports prepared by Terra Gold Mining Ltd ("Terra Gold") and historic data and reports prepared or commissioned by previous owners including Harmony Gold (Australia) Pty Limited ("Harmony") and Kilkenny Gold NL ("Kilkenny"). Many of these reports were written prior to implementation of the standards set out in National Instrument 43-101, however, they were written by professionals and are considered accurate. IEA has compiled information contained in this report from these sources.

The Maud Creek Project is located approximately 285 kilometres southeast of Darwin and approximately 20 kilometres east-northeast of the township of Katherine in the Northern Territory of Australia. Katherine is a regional centre with excellent infrastructure, transport links and communications servicing a population of approximately 15,000.

Access to the Maud Creek Project is by sealed bitumen roads from Darwin and Katherine with the final 8km of access road to the Project site comprising a good quality unsealed road that was constructed for ore haulage in 2000

In total, the Maud Creek Project tenements cover an area of some 316 square kilometres and comprise a number of granted mineral claims and mining and exploration leases of varying area. The Project property also includes approximately 67 square kilometres of Freehold Land upon which the Maud Creek gold resource is located.

The Maud Creek Goldfield was discovered about 1890 and a battery was set up for gold production but the field was abandoned by 1891. The field was re-opened during the Great Depression between 1932 and 1934. Modern exploration commenced in 1966 with a number of government and private surveys looking primarily for uranium. Gold exploration has been undertaken by several companies in the area, including:

- CSR Limited 1985-1986
- Placer Exploration Limited 1988-1992
- Kalmet Resources NL 1992-1997
- Kilkenny Gold NL 1997-1999
- Phoenix Mining Ltd 2000-2001
- Hill 50 Gold NL 2001
- Harmony Gold (Australia) Pty Limited 2001-2005
- Terra Gold Mining Ltd 2005

Maud Creek lies in the south eastern part of the Pine Creek Geosyncline that comprises a 14 kilometre thick sequence of Lower Proterozoic sediments, inter-bedded volcanics and mafic sills. This sequence was regionally metamorphosed during the period 1870 to 1780 million years ago.

The Maud Creek deposit comprises a meso to hypothermal gold-arsenopyrite-pyrite quartz vein system that formed in the contact aureole of the Maud Creek Dolerite. The favoured depositional site occurred at the contact between more competent, siliceous foot-wall sediments and ductile, chlorite-haematite altered hanging-wall tuffs of the Tollis formation.

Gold occurs as both free gold and as refractory gold in pyrite and arsenopyrite. Common gangue minerals are quartz, pyrite and arsenopyrite with minor graphite. Surrounding alteration assemblages variously consist of silica, chlorite, sericite, carbonate, fuchsite and haematite.

An extensive database of previous metallurgical test work indicates that primary mineralisation at Maud Creek is refractory. Testwork has included pilot scale flotation and BIOX programs.

The Maud Creek project has been subject to detailed investigations in the past, with the most detailed being a feasibility study commissioned by Kilkenny, undertaken by Signet Engineering and advanced to draft form in December 1998.

This comprehensive study proposed that a 300,000 tpa on site BIOX® gold ore treatment plant be established to treat the refractory Maud Creek sulphide ore, but the development did not proceed.

In 2000, AngloGold Australia Pty Ltd ("AngloGold") acquired rights to mine the oxide zone of Main Zone deposit and extracted approximately 170,000 t of non-refractory oxide ore from an open pit. The ore was transported offsite for processing.

Hill 50 Gold NL acquired the property in 2001 and conducted further exploration and resource assessment work prior to a takeover by Harmony.

In December 2004, Terra Gold announced that it had entered into an option agreement to purchase the Maud Creek Project from Harmony, and developed its own resource estimate incorporating all available project data. Terra Gold also commissioned The Mining Centre ("TMC") to provide a mineral resource estimate for the high-grade portion of the Maud Creek main zone only. Terra Gold released these estimates to the Australian Stock Exchange ("ASX") on 10 March 2005.

In June 2005, Snowden Mining Industry Consultants ("Snowden") was engaged by IEA to audit these resource estimates in accordance with the requirements of National Instrument 43-101.

The Snowden audit of the Terra Gold resource estimate endorsed an inferred resource classification containing in excess of 1.1 million ounces as summarised in Table 1 and detailed in Appendix 1.

Table 1 Terra Gold Resource Estimate - June 2005

Classification	Tonnes	g/t Au (cut)	Contained Gold
Inferred	10,048,000	3.41	1,101,600 ounces

The Snowden audit TMC estimate of the high-grade only portion of the resource endorsed an inferred resource classification containing in excess of 650,000 ounces as summarised in Table 2 and detailed in Appendix 2.

Table 2 TMC High Grade Resource Estimate - June 2005

Classification	Tonnes	g/t Au (cut)	Contained Gold
Inferred	2,754,000	7.42	656,000 ounces

In May 2005, Terra Gold exercised an option to purchase the Maud Creek Project from Harmony and the legal process of transfer of title to Terra Gold Mining Ltd was completed on 17 June 2005.

In IEA's opinion, the Maud Creek Project status is as follows:

- Resource estimates show a significant gold resource exists at the Maud Creek Project;
- Prospectivity is high for the delineation of additional resources;

- Metallurgical testing of the primary ore confirms it is refractory to CIL processing, but over 95% of the contained gold can be recovered into a sulphide plus gravity concentrate;
- High gold recoveries in excess of 90% have been demonstrated using BIOX® technology;
- A substantial historical project database is available (at estimated cost in excess of AUD$10 million), with previous development configurations hampered by high capital costs, insufficient reserves and low gold price;
- Further examination of development opportunities is warranted

Terra Gold intends to undertake a two stage program of exploration and feasibility study work on the Maud Creek project over the next 12 months to assess its development potential. IEA endorses this approach.

2. INTRODUCTION & TERMS OF REFERENCE

2.1 Terms of Reference

Emerson Exploration Inc. ("Emerson") commissioned Independent Engineers (Australia) Pty Ltd ("IEA") to prepare this Technical Report to provide a review the Maud Creek project in the Northern Territory of Australia. For the purposes of this report the authors are considered as 'Qualified Persons' in accordance with National Instrument 43-101.

2.2 Report Purpose

This report is to be submitted to regulatory bodies including the TSX Venture Exchange by Emerson for the purposes of compliance with National Instrument 43-101.

2.3 Information Sources

Information has been sourced principally from data sets of past exploration and feasibility study activities of previous operators. A list of referenced documents is provided in Section 21.

2.4 Field Involvement

The principal author has visited the Maud Creek Project during 14 to 16 December 2004 in company with two local geologists, and again on 24 May 2005 with two Terra Gold geologists. The principal author is familiar with the general setting and operational requirements that apply to the project area.

2.5 Independence

IEA does not have and has not previously had any material interest in Emerson or its related entities or interests. IEA's relationship with Emerson is solely one of professional association between client and independent consultant.

This report is prepared in return for fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

3. DISCLAIMER

IEA is familiar with the TSX-V rules and the overall purpose of this Technical Report. IEA consents to this report being used in its entirety in accordance with the TSX-V requirements.

This report is based on reports prepared by Terra Gold and historic data and reports of prepared or commissioned by previous owners including Harmony and Kilkenny. Many of these reports were written

prior to implementation of the standards set out in National Instrument 43-101, however, they were written by professionals and are considered accurate. IEA has compiled information contained in this report from these sources. IEA understands that Terra Gold has agreed to make full disclosure of all information that is material for a National Instrument 43-101 report and has used its best efforts to assist IEA to prepare this report.

The principal author has not personally reviewed the registered ownership of the properties collectively forming the Maud Creek Project. The reader is therefore cautioned that the ownership has not been verified by IEA.

Similarly, neither IEA nor the principal author of this report are qualified to provide extensive comment on environmental issues associated with the Maud Creek project as outlined in Section 4.7 of this report. The assessment of data pertaining to this section relies heavily on information provided to Terra Gold by Harmony, which has not been independently verified by IEA.

All projections and opinions in this report have been prepared on the basis of information made available to IEA prior to the effective date defined on the title page of this report and are subject to uncertainties and contingencies, which are difficult to predict and many of which are beyond the control of IEA. This report has been prepared by IEA in good faith based on site visits to the Maud Creek project and desktop review of information provided by Terra Gold. IEA has made an effort to take into account all information presented by Terra Gold and its consultants. IEA has used its best efforts to review and validate the data provided. Detailed investigations or verification of the original source data has not been undertaken.

This report is to be issued and read in its entirety. Written or verbal excerpts from this report may not be used without the express written consent of the principal author.

4. PROPERTY DESCRIPTION & LOCATION

4.1 Property Area

In total, the Maud Creek Project tenements cover an area of some 316 square kilometres and comprise a number of granted mineral claims and mining and exploration leases of varying area. The Project property also includes approximately 67 square kilometres of Freehold Land surrounding the main mineralisation zone and upon which all future mine development work is anticipated to be undertaken.

4.2 Property Location

The Maud Creek Project is located approximately 285 kilometres southeast of Darwin and approximately 20 kilometres east-northeast of the township of Katherine in the Northern Territory of Australia (See Figure 1).

The property is centred at latitude 14.45°S and longitude 132.45°E.

Access to the Maud Creek Project is by sealed bitumen roads from Darwin and Katherine with the final 8km of access road to the Project site comprising a good quality unsealed road that was constructed for ore haulage in 2000.

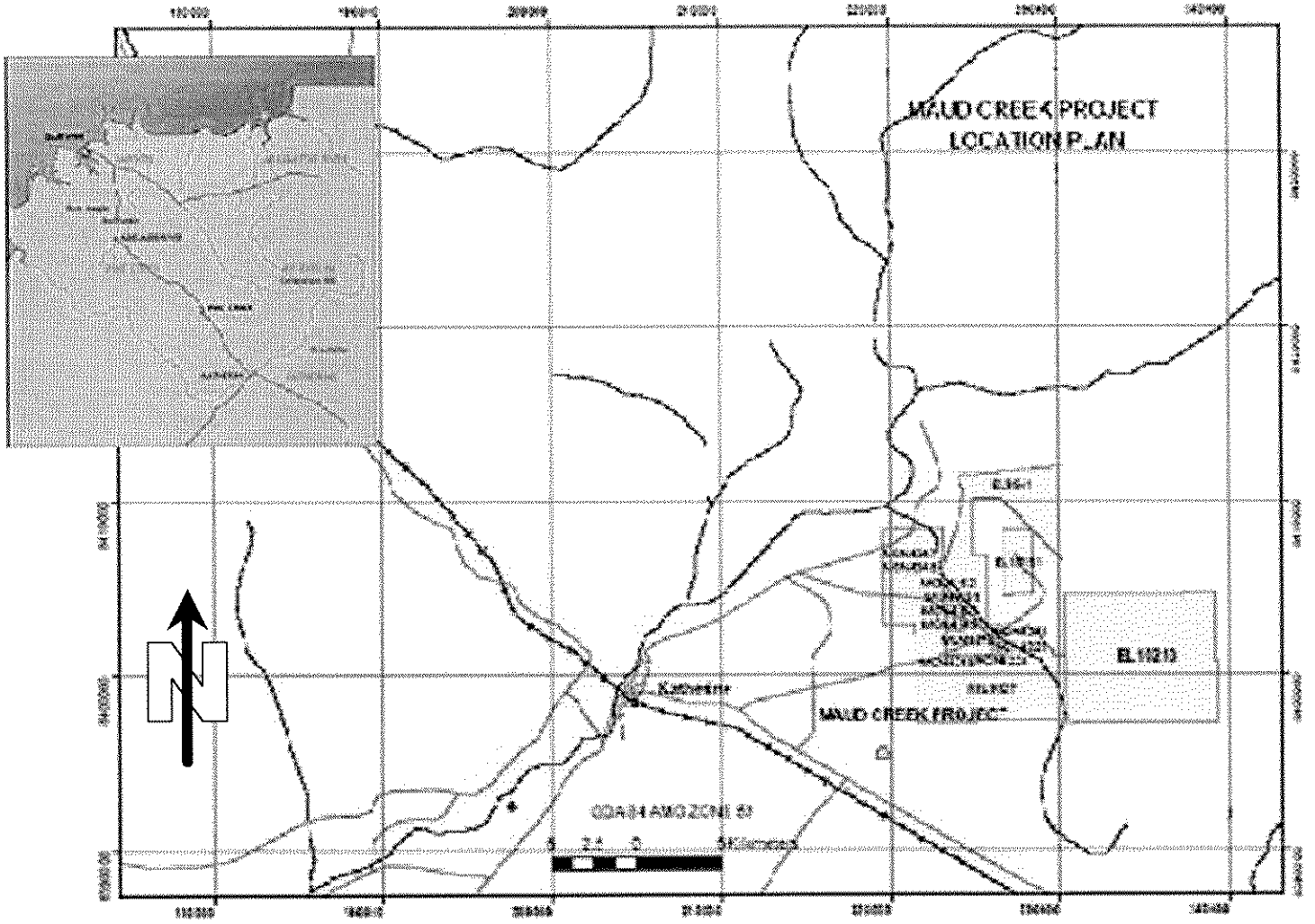


Figure 1 Location Map – Maud Creek

4.3 Mineral Rights

Mineral Rights in the Northern Territory of Australia are governed by the Mining Act, which is administered by the Titles Division of the Northern Territory Department of Business, Industry and Resource Development.

4.4 Property Title

In May 2005, Terra Gold exercised an option to purchase the Maud Creek Project from Harmony. The legal process of transfer of title to Terra Gold was completed on 17 June 2005 following Ministerial Consent to the transfers and all other necessary approvals and third party consents.

The Project tenements comprise a number of granted mineral claims, mining and exploration leases (Table 3, Figure 2 and Figure 3).

Table 3 Maud Creek Tenements				
Tenement Type	**Tenement Number**	**Expiry Date**	**Hectares**	**Blocks**
EL	9541	Under Application		16.00
EL	10151	Under Application		2.00
EL	10213	19-Jun-06		20.00
SEL	9927	30-Nov-05		19.00
MCN	4145	31-Dec-13	39.87	
MCN	4146	31-Dec-13	39.43	
MCN	4149	31-Dec-13	39.87	
MCN	4150	31-Dec-13	39.87	
MCN	4151	31-Dec-13	32.59	
MCN	4152	31-Dec-13	23.47	
MCN	4218	31-Dec-14	40.00	
MCN	4219	31-Dec-14	40.00	
MCN	4220	31-Dec-14	40.00	
MCN	4221	31-Dec-14	40.00	
MCN	4222	31-Dec-14	40.00	
MCN	4223	31-Dec-14	40.00	
MCN	4224	31-Dec-14	40.00	
MCN	4225	31-Dec-14	40.00	
MCN	4343	31-Dec-08	22.07	
MCN	4344	31-Dec-08	36.00	
MCN	4345	31-Dec-08	36.00	
MCN	4346	31-Dec-13	40.00	
MCN	4347	31-Dec-08	40.00	
MCN	4348	31-Dec-08	34.32	
MCN	3839	31-Dec-07	40.00	
MCN	3840	31-Dec-07	40.00	
MCN	3841	31-Dec-07	40.00	
MCN	3842	31-Dec-07	40.00	
MCN	3843	31-Dec-07	40.00	
MCN	3844	31-Dec-07	40.00	
MLN	1978	28-Jan-28	477.30	

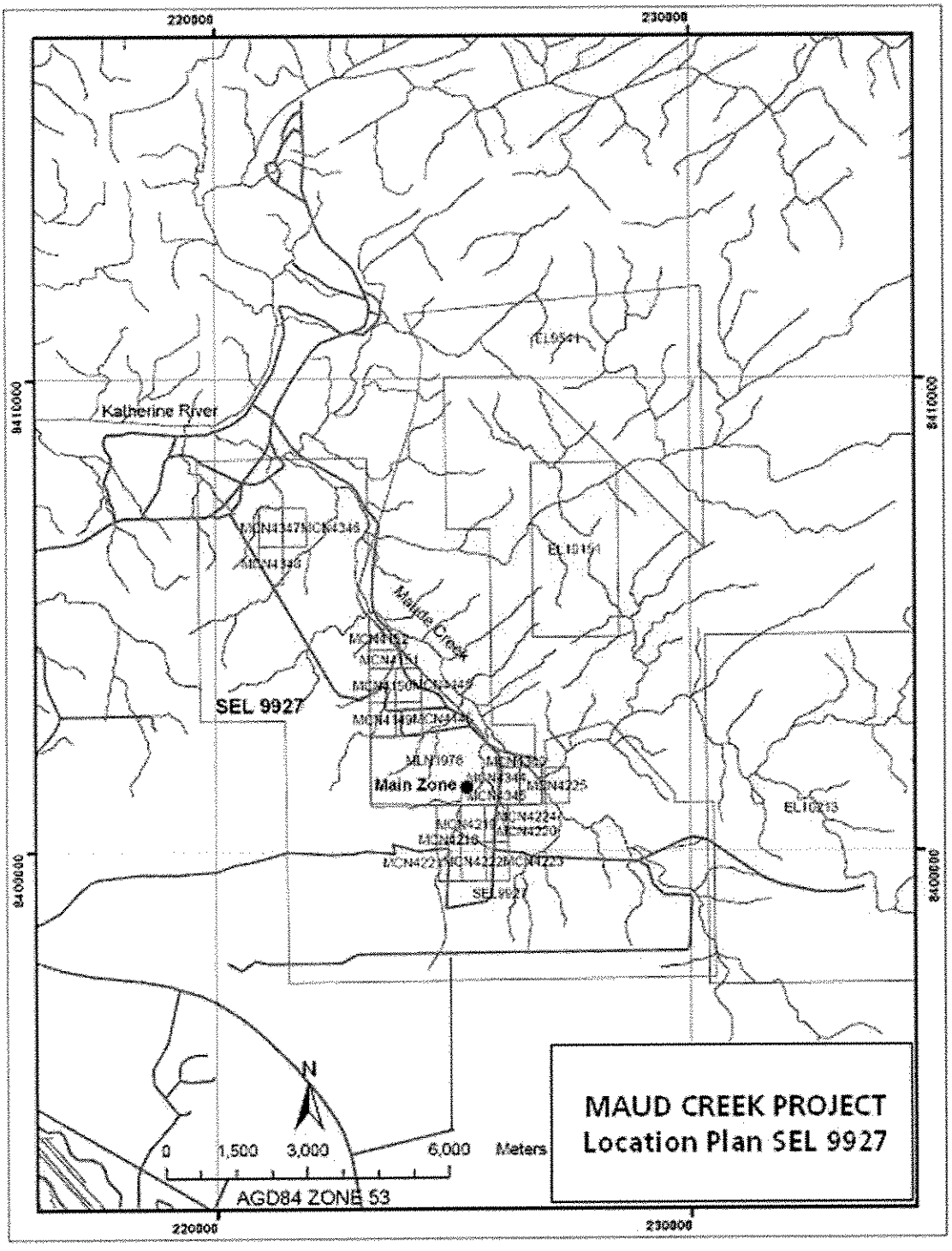


Figure 2 Maud Creek Project Tenements

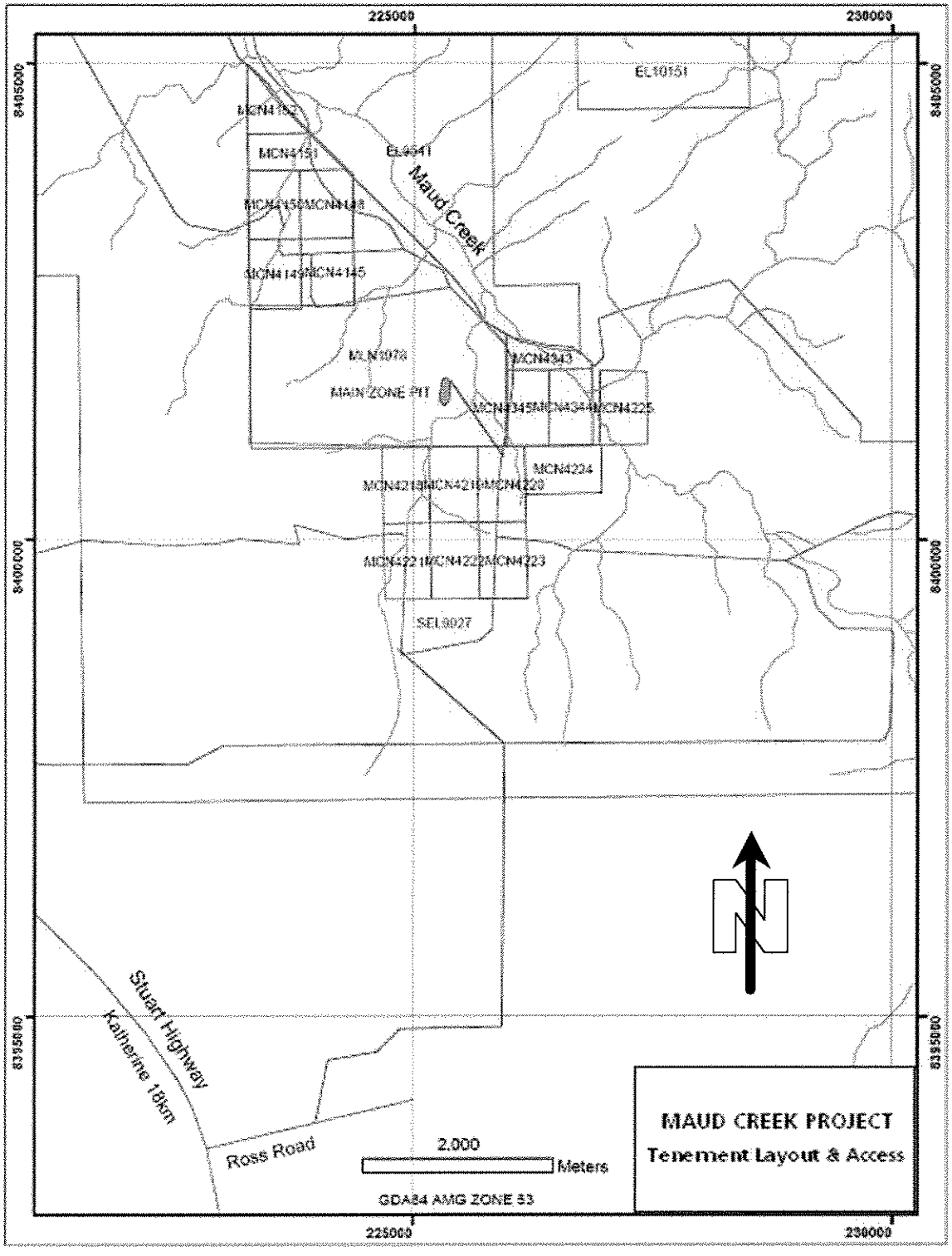


Figure 3 Maud Creek Group Tenements

In addition, the Maud Creek Project properties includes approximately 67 square kilometres of Freehold Land under the Certificate of Title Volume 650 Folio 847 (Plan LT 92/72) located near Gorge Road, Phoenix, Northern Territory.

Terra Gold has submitted a Mine Management Plan for a proposed exploration and resource development drilling program due to commence July 2005. Authorisation Certificate #0249-01has been issued by the Northern Territory Government Department of Business, Industry and Resource Development for this drilling program.

4.5 Property Survey

Forsyth & Associates completed the final survey of Mineral Lease MLN 1978 on 8 April 2002. The survey was conducted in accordance with the Northern Territory's Mining Act, the Licensed Surveyors Act and the Survey Practice Directions thereunder.

4.6 Royalties, Rights and Encumbrances

As part of the current Property purchase agreement between Harmony and Terra Gold, Harmony will retain a 1% gross royalty interest in any future gold production above 250,000 ounces derived from the Maud Creek Project.

A number of additional historical royalty agreements and other encumbrances apply to the Project, namely:

- The Michel Compensation Arrangement – compensation payable to a local landowner in respect of land deprivation and disturbance in the event of the Project requiring additional future land access routes to the project area
- The Biddlecombe MCN 4152 Royalty Arrangement – a royalty payable with respect to mineral extraction from tenement MCN 4152. This tenement is located outside the currently anticipated mineral extraction areas
- The Biddlecombe Conglomerate Royalty Arrangement – a royalty payable with respect to mineral extraction from the tenements MCN 4218-4225 inclusive. These tenements are located outside the currently anticipated mineral extraction areas
- The Holt Extraction Arrangement – a permission granted for the remove sand from a creek bed situated on the Freehold Land under Extractive Permit 23317
- The Virotec Royalty Arrangement – a royalty payable with respect to mineral extraction from the tenements MCN 4218-4225 inclusive. These tenements are located outside the currently anticipated mineral extraction areas

In addition, the Project is subject to the Minerals Royalty Act 1982 (NT). This royalty regime uses the Net Value of a mine's production to calculate royalty instead of production value or tonnage. The current rate of royalty is 18% of the Net Value of mine production, where:

Net Value = GR – (OC + CRD + EEE + AD)

and

GR is the gross realisation from the production unit;

OC represents the operating costs of the production unit for the royalty year;

CRD is the Capital Recognition Deduction on eligible capital assets expenditure;

EEE is any eligible exploration expenditure; and

AD represents additional deduction as approved by the Minister.

4.7 Environmental Liabilities

In common with all other mining projects in the region, water management and discharge quality will be an issue requiring significant engineering, and operational focus.

The waste rock characterisation work undertaken indicates that ARD potential and salinity are favourably low, however it is expected that special attention will be paid by the regulators to the project's impacts on surface and ground water quality due to the proximity of the Katherine drinking water supply scheme

Previous mining activities on the site have been limited to open pit mining, with all ore transported offsite for treatment elsewhere. This mining activity occurred during 2000 and the proponent, Katherine Mining NL, submitted a Public Environmental Report to the Northern Territory government, which was subject to scrutiny by the Northern Territory regulatory authorities and the public.

In its Environmental Assessment Report dated April 2000, the Environment and Heritage Division of the Department of Lands Planning and Environment concluded that:

> *"It is considered that the environmental issues associated with the project have been adequately identified. Most of the issues have been resolved through this assessment process, while the remainder will be addressed through the Mine and Environmental Management Plan required under the Mining Act.*
>
> *Provided that the environmental commitments and safeguards detailed in the PER are implemented, the recommendations in this Assessment Report are adopted and regular reviews and reporting are undertaken, long term environmental impacts should be minimised."*

An unconditional performance bond of AUD$50,000 was lodged with the Northern Territory Government to cover the anticipated cost of the rehabilitation commitments associated with the Project, and this will be replaced by Terra Gold as part of the purchase of the Project from Harmony Gold (Australia) Pty Limited.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

5.1 Topography & Vegetation

Land units occurring within the Project area include:

- rugged terrain with slopes 15-40% with shallow or skeletal soils;
- hilly terrain with slopes 5-15% rocky and boulder strewn with shallow and skeletal soils;
- gently undulating crests and upper slopes to 5% with shallow rocky soils;
- undulating terrain with slopes 5-10% with grey and brown clays; and
- major creeks and gullied tributaries.

The vegetation of the Project area consists largely of woodlands and open woodlands (predominant species – Eucalypts) that have been degraded by the impacts of cattle, buffalo and wild donkeys. No rare, threatened or endangered species have been identified in the Project area.

5.2 Access

The Maud Creek Project is located 285km southeast of Darwin and approximately 20 kilometres east-northeast of the township of Katherine.

Katherine is a regional centre with a population of approximately 15,000 with excellent infrastructure and communications.

The Project area is accessed from Katherine by heading south along the bitumen Stuart Highway, turning east onto Ross Road and then continuing in a north easterly direction along approximately 8km of un-sealed haul road. The Stuart Highway is the major north-south highway linking Darwin with the rest of Australia.

The Adelaide to Darwin standard gauge railway also passes through Katherine and provides a rail link to the port city of Darwin and to the southern states.

Other infrastructure in the Katherine area includes the Amadeus Basin – Darwin gas pipeline and a 132kV power line from Darwin.

5.3 Climate

The Project area has a tropical savannah climate characterised by two distinct seasonal patterns – the 'wet' monsoon and the 'dry' seasons. The wet season generally occurs from November through to April and the dry season between May and October. Almost all rainfall occurs during the wet season (mostly between December and March) and the total rainfall decreases with distance from the coast. The average annual rainfall at Katherine is 971mm.

The mean daily maximum temperature, as recorded at Katherine, is 31°C in the coolest months of June to August and 38°C in the hottest months of October and November. Mean daily minimum temperatures at Katherine range from approximately 13°C (dry season) to 24°C (wet season).

6. HISTORY

6.1 Historical Background

The Maud Creek Goldfield was discovered about 1890 and a battery was set up for gold production but the field was abandoned by 1891. The field was re-opened during the Great Depression between 1932 and 1934. The recorded total production was 540 ounces of gold from about 400t of ore with an average grade of about 30-45g/t Au. Mining was from some 20 shallow shafts and potholes, 6 to 12 metres deep, with drives of 15 to 30 metres in length.

6.2 Past Exploration Work

The accompanying Table 4 summarises the drilling statistics in the vicinity of the Maud Creek resource, and Table 5 summarises that associated with exploration drilling of surrounding areas.

Drilling statistics prior to 1992 have been obtained from reports summarising previous drilling activity and the drilling database has been interrogated to generate the number of holes and metres drilled from Kalmet 1992 onwards.

Table 4 Maud Creek Resource Drilling Statistics

	KALMET		KILKENNY		HILL 50		Terra Gold		**Total**	
Hole Type	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	**Holes**	**Metres**
RC	326	30,115	103	9,960	19	4608	0	0	**448**	**44,683**
RC-precollar	14	1,978	12	2,574	8	1,829	1	132	**35**	**6,513**
Diamond	53	5,980	19	4,612	16	4,077	1	79	**89**	**14,748**
Total	**393**	**38,073**	**134**	**17,146**	**43**	**10,514**	**1**	**211**	**572**	**65,944**

Table 5 Maud Creek Regional Exploration Statistics

	KALMET		KILKENNY		HILL 50		Others		**Total**	
Hole Type	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	**Holes**	**Metres**
RC	63	3,885	118	7,852	12	691	49	3,322	**242**	**15,750**
Costean	14	845							**15**	**845**
RAB	216	4,459	283	3,814					**499**	**8,273**
Total	**294**	**9.189**	**401**	**11,666**	**12**	**691**	**49**	**3,322**	**756**	**24,868**

The drill hole collar location plans for the Maud Creek resource drilling and regional exploration drilling are shown in Figure 4 and Figure 5 respectively.

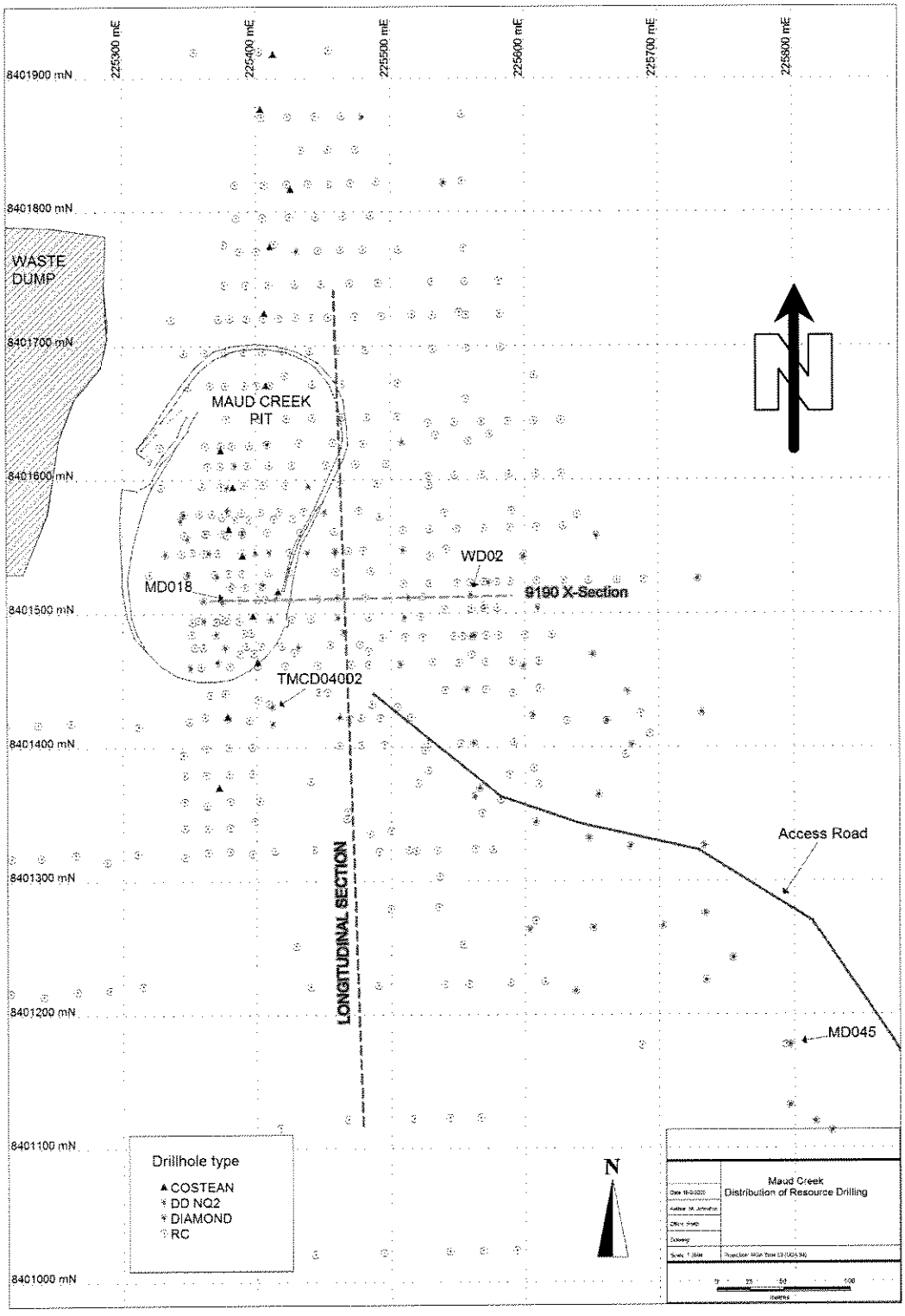


Figure 4 Maud Creek Resource Drilling

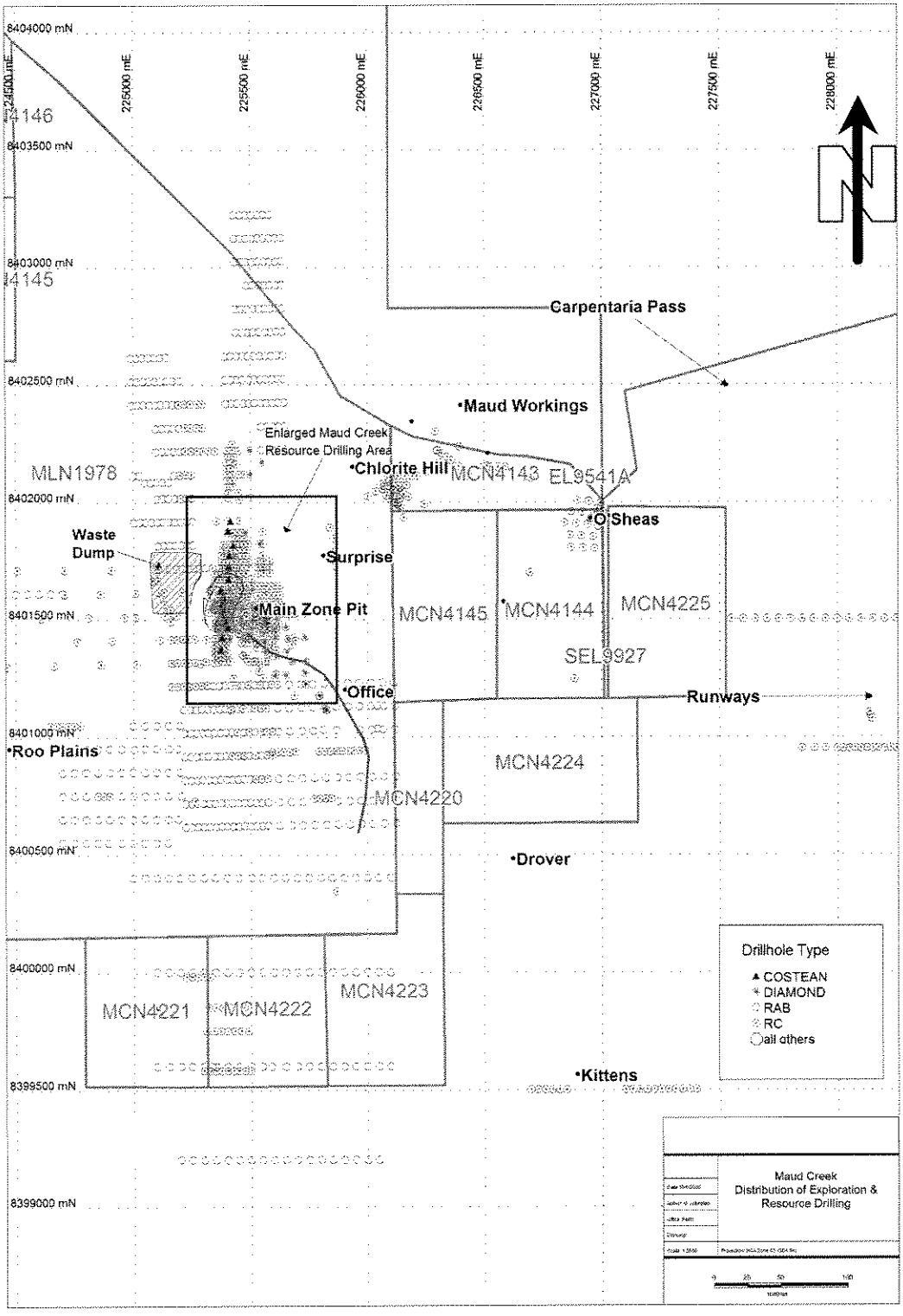


Figure 5 Regional Exploration Drilling

General 1966 – 1973

Between 1966 and 1973 several companies including Western Nuclear Australia and Magnum Exploration NL explored the area for copper, gold and uranium. IP surveys and drilling of siliceous and gossanous breccias intersected low, albeit anomalous, concentrations of copper and molybdenum and numerous pyritic zones.

The Northern Territory Geological Survey carried out IP surveys, soil sampling and petrographic investigations in the late 1970's as part of an assessment of an extension to the nearby Katherine Gorge National Park.

Magnum Exploration NL explored the breccia as part of a copper-uranium search drilling seven holes and encountering pyritic material with low copper values. They also dug trenches and obtained anomalous copper and molybdenum values but did not assay for gold.

CSR Limited 1985-1986

During 1985 and 1986, CSR explored the area in attempt to locate gold mineralisation in the Lower Proterozoic dolerites. Work included airborne magnetic and radiometric surveys, stream sediment sampling, soil sampling, rock chip sampling, petrographic sampling and trenching.

Placer Exploration Limited 1988-1992

Placer Exploration subsequently purchased all of CSR's Australian mineral assets and during 1989-1990 conducted soil and rock chip sampling and initiated the first drilling of the Main Zone gold mineralisation at Maud Creek. Additional drilling was conducted during 1990. In December 1992, Placer Exploration optioned the project to Kalmet Resources NL.

Kalmet Resources NL 1992-1997

Kalmet completed drilling programs between 1993-1997 . Metallurgical testing of five high-grade RC samples was completed and an environmental impact study was commissioned.

Metallurgical studies showed the primary gold-bearing sulphide mineralisation was refractory in nature and bio-oxidation tests were initiated.

Kilkenny Gold NL 1997-1999

In 1997, Kilkenny Gold NL acquired Kalmet and undertook more RC and diamond drilling. Further metallurgical test work was completed including pilot scale flotation and bio-oxidation programs. In 1998, Signet Engineering completed a full feasibility study for the extraction and processing of oxide, transition and primary ore from Maud Creek. A comprehensive draft Environmental Impact Study was also produced.

Phoenix Mining Ltd 2000-2001

Kilkenny Gold NL spun out Kalmet Resources NL, which was renamed Phoenix Mining Ltd and relisted in 2000.

AngloGold (Australia) Ltd 2000

AngloGold acquired rights to mine the oxide zone of Main Zone deposit and treat the ore at its Union Reefs gold plant. Mining operations were conducted during 2000.

Hill 50 Gold NL 2001

Hill 50 Gold NL acquired the Maud Creek project in March 2001 and conducted an extensive review of previous exploration, which identified five gold targets within the property. A program of rock chip sampling was conducted at the Runways prospect. Additional RC and diamond drilling was completed at Maud Creek and surrounding prospects.

Harmony Gold (Australia) Pty Limited 2001-2005

Harmony acquired Hill 50 Gold NL in 2001.

Terra Gold Mining Ltd 2005

In December 2004, Terra Gold acquired an option to acquire the Maud Creek Project from Harmony. In January 2005, Terra Gold drilled a single combined percussion-diamond hole into the mineralised Main Zone to supply a limited quantity of sample for metallurgical test work purposes. Following a preliminary due diligence examination, Terra Gold exercised the option to purchase the Maud Creek Project in May 2005.

6.3 Historic Resource Statements

Kalmet, Kilkenny, Harmony and Terra Gold have each completed resource estimates for the Maud Creek Project. These are presented in Table 6.

Harmony's 2003 resource estimate formed the basis for Terra Gold's initial interest in the Maud Creek Project. As part of Terra Gold's due diligence, an in-house resource estimation was undertaken using a 1g/t wireframe and inverse distance grade estimation techniques to assess the potential size of the Maud Creek resource. Terra Gold subsequently engaged The Mining Centre ("TMC") in 2005 to prepare a resource estimation for the high grade portion of the Main Zone mineralisation.

In June 2005, IEA engaged Snowden Mining Industry Resource Consultants ("Snowden") to audit the Terra Gold and TMC resource estimates in accordance with the requirements of National Instrument 43-101. Further discussion on these resource estimates and the findings of the Snowden audit are presented in Section 16 of this report.

Table 6 Historical Resource Estimates

YEAR	COMPANY	CONSULTANT	CUT OFF GRADE	INTERPOLATION TECHNIQUE	MEASURED			INDICATED			TOTAL MEAS + IND		
					Tonnes	Grade g/t Au	Contained Gold Ounces	Tonnes	Grade g/t Au	Contained Gold Ounces	Tonnes	Grade g/t Au	Contained Gold Ounces
1996	Kalmet	MRT.	1.0g/t Au	Multiple IK	1,410,000	4.57	207,000	887,500	3.93	112,000	2,297,500	4.32	319,000
1998	Kilkenny	In-house	0.5g/t Au	Inverse Distance ^{2}	4,719,000	2.91	442,000	5,000,000	2.24	360,000	9,719,000	2.57	802,000
1998	Kilkenny	MRT	1.0g/t Au	Multiple IK	2,063,000	3.86	256,000	2,364,000	3.01	229,000	4,427,000	3.41	485,000
2003	Harmony	Geostat	1.5g/t Au	Ordinary Kriging	0	0	-	3,208,000	4.82	497,000	3,208,000	4.82	497,000
2005	Terra Gold	In-house	1.0g/t Au	Inverse Distance ^{2}	0	0	-	2,149,000	4.91	339,000	2,149,000	4.91	339,000
2005	Terra Gold	TMC	2.5 to 4.5g/t Au	Inverse Distance ^{2}	0	0	-	693,000	7.92	176,000	693,000	7.92	176,000

YEAR	COMPANY	CONSULTANT	CUT OFF GRADE	INTERPOLATION TECHNIQUE	INFERRED		
					Tonnes	Grade g/t Au	Contained Gold Ounces
1996	Kalmet	MRT.	1.0g/t Au	Multiple IK	651,000	3.17	66,000
1998	Kilkenny	In-house	0.5g/t Au	Inverse Distance ^{2}	3,971,320	2.24	286,000
1998	Kilkenny	MRT	1.0g/t Au	Multiple IK	4,609,000	2.74	406,000
2003	Harmony	Geostat	1.5g/t Au	Ordinary Kriging	2,478,227	4.11	327,000
2005	Terra Gold	In-house	1.0g/t Au	Inverse Distance ^{2}	7,893,000	3.01	760,000
2005	Terra Gold	TMC	2.5 to 4.5g/t Au	Inverse Distance ^{2}	2,061,000	7.25	481,000

NOTE: These estimate summaries have been derived from historical data made available to IEA. The Kalmet, Kilkenny and Harmony estimates have not been audited. The Terra Gold estimates have been audited by Snowden (see Section 16 of this report).

6.4 Production

During 2000, AngloGold developed a shallow 33m deep pit at Maud Creek targeting oxide ore. The pit extended to the 97.5m Mine RL and mined the hangingwall lodes to the Main Zone mineralization. This oxidized ore was processed at Anglogold's Union Reef mining operation, located about 100km to the north of Maud Creek.

Mining terminated at Maud Creek when the fresh rock, oxide-sulphide boundary was intersected because the Union Reef ore processing facility was not designed to process refractory ore types.

The AngloGold pit was estimated to contain an in-pit resource of 138,506 t at 5.17 g/t Au containing 23,025 ounces of gold based on the original Kilkenny - Signet Engineering - MRT pit design and resource model.

Infill grade control drilling by AngloGold consisted of 261 RC holes for an additional 5,048 samples. This data was combined with previous exploration drilling data and resource estimations prepared using conditional simulation. Gold recovery was adjusted to 60% below the 110mRL to take into account the refractory nature of the ore. This resulted in a revised in-pit resource estimate of 156,750 t at 3.32 g/t Au containing 16,733 ounces of gold.

Total production reported by AngloGold was 173,581 t at 3.32 g/t Au.

In excess of AUD$6 million was spent during 2000 on the mining operation at Maud Creek. A small, rehabilitated waste dump exists adjacent to the now flooded pit.

7. GEOLOGICAL SETTING

7.1 Regional Geology

Maud Creek lies in the south eastern part of the Pine Creek Geosyncline that comprises a 14 kilometre thick sequence of Lower Proterozoic sediments, inter-bedded volcanics and mafic sills. This sequence was regionally metamorphosed during the period 1870 to 1780 million years ago. During this period, granitoid plutons were emplaced and overlapped with the development of two unconformably bound felsic volcanic sequences.

Proterozoic rock units of the Maud Creek area comprise the Tollis Formation, Maud Dolerite, Edith River Volcanics, and Kombolgie Formation.

The Tollis Formation outcrops in the centre and northwest of the Maud Creek area and is the most prospective rock unit for gold mineralisation. It is typified by thin to thick beds of alternating greywacke and mudstone, tuff and minor conglomerate, altered mafic to intermediate volcanic rocks and banded ironstone. The Maud Dolerite intrudes the Tollis Formation and outcrops as irregular bodies up to 200 metres in width.

In the northern portion of the Maud Creek area, felsic volcanics of the Edith River Group unconformably overlie the Tollis Formation and the Maud Dolerite and are in turn unconformably overlain by the fluvial sediments of the Kombolgie Formation. In the south and west, the Tollis Formation is masked by the Cambrian Antrim Plateau Volcanics and the Tindals Limestone.

7.2 Local Geology

The Maud Creek Project area is located south of the Edith Falls Basin. The rock units within the Project area are the Tollis Formation, the Maud Dolorite, the Edith River Volcanics, the Kombolgie Formation and the Antrim Plateau Volcanics.

The Tollis Formation represents the uppermost unit of the El Sherana Group and unconformably overlies the Burrell Creek Formation. The Tollis Formation consists of inter-bedded greywacke, siltstone, phyllite and tuffs. Low grade metamorphism is associated with a period of intense folding referred to as the Maud Creek Event (a minor tectonic phase of the Top End Orogeny), which has also affected the folded metasediments of the Burrell Creek Formation.

The Maud Dolerite intrudes the Tollis Formation and crops out as irregular bodies up to 200m across. Quartz veining with associated gold mineralisation has been observed within the intrusive and in the adjacent sediments.

Figure 6 illustrates the geology of the Maud Creek regional tenements and Figure 7 illustrates the geological units of the Mining Lease area (MLN 1978).

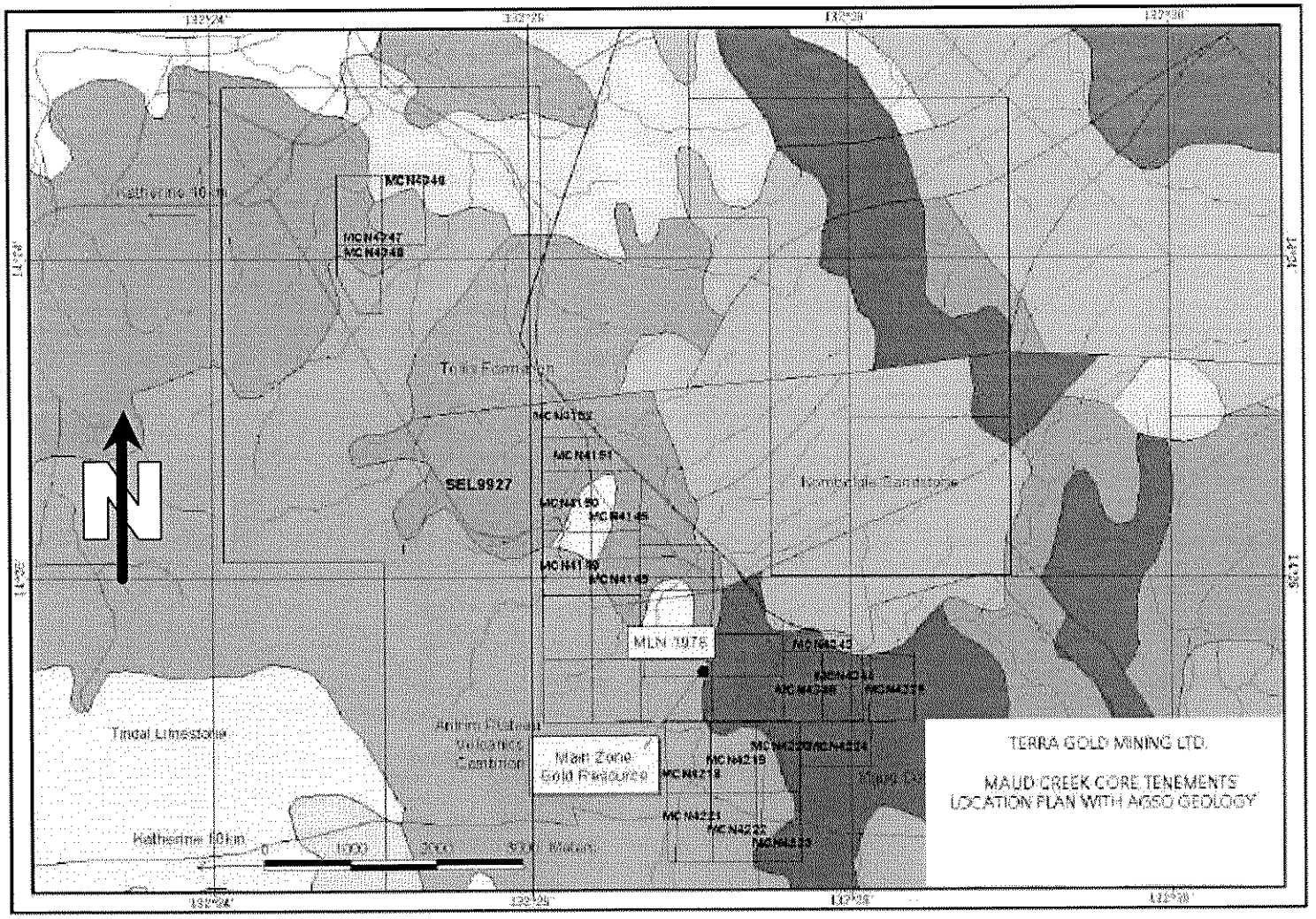


Figure 6 Core Tenements Location Plan with AGSO Geology

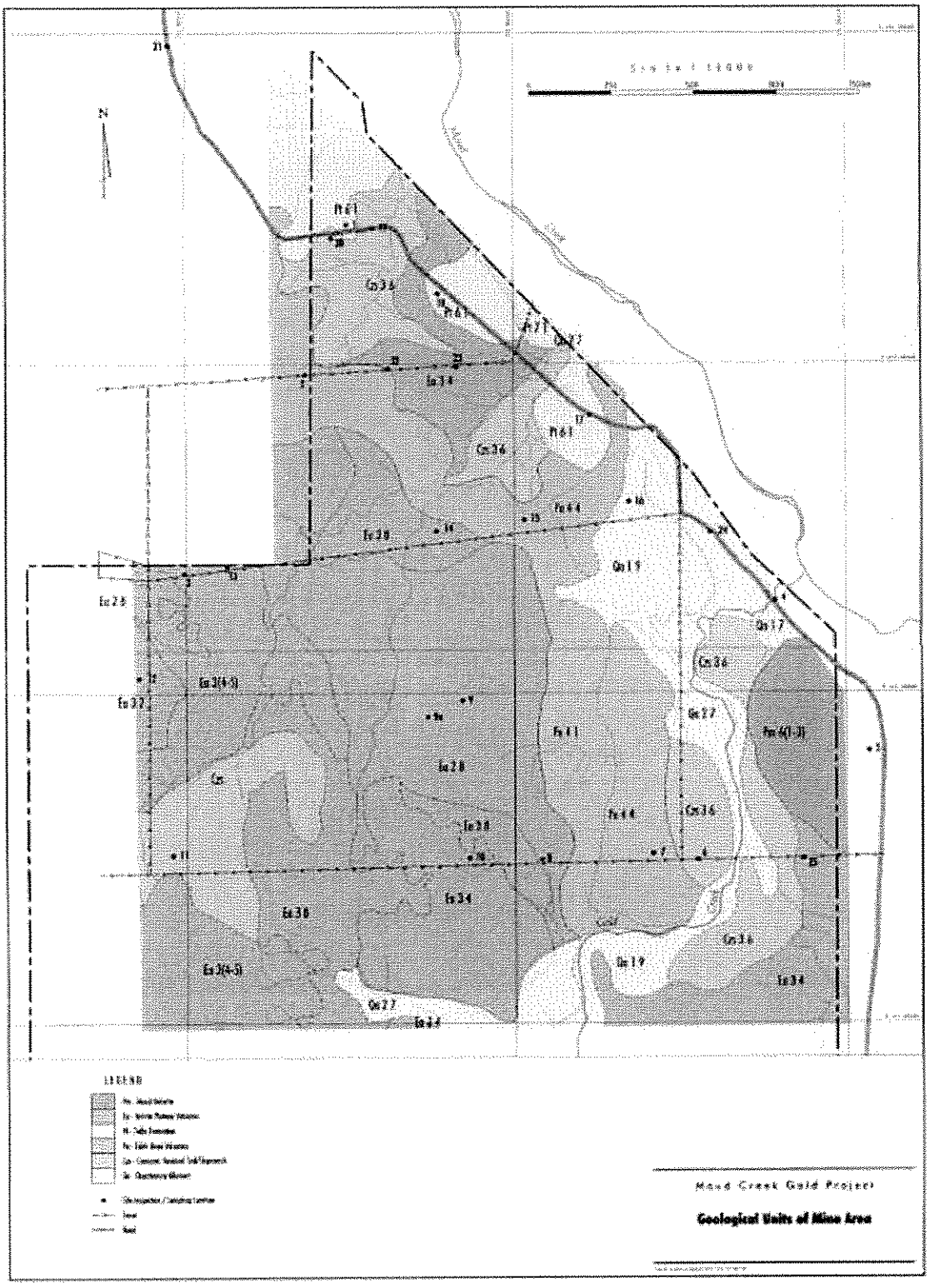


Figure 7 Geological Units of Mine Area

8. DEPOSIT TYPES

The Maud Creek deposit comprises a meso - to hypothermal gold-arsenopyrite-pyrite quartz vein system that formed in the contact aureole of a magmatic intrusive (Maud Creek Dolerite). The favoured depositional site occurred at the contact between more competent, siliceous foot-wall sediments and ductile, chlorite-haematite altered hanging-wall tuffs of the Tollis formation.

SRK Consulting undertook a detailed structural assessment and aeromagnetic interpretation of the structural controls and style of mineralisation at Maud Creek in April 1998 and identified three plausible ore deposit models.

- Intersections of three separate NE-SW, N-S and NW-SE trending fault orientations, where brecciation of the chemically reactive Tollis Formation promotes fluid flow and precipitation of mineralisation.
- Mineralisation related to the contact aureole of the Cullen Batholith located to the north and the Grace Creek Granite at depth.
- Bonanza Coronation Hill gold-platinum-uranium style of mineralisation. SRK noted that the structural and stratigraphic setting between Maud Creek and El Sherana – Coronation Hill are strikingly similar.

Hill 50 Gold NL also developed a successful model for the Maud Creek area with anomalous gold mineralisation being located at Chlorite Hill and O'Sheas, both of which are located along the contact margins of the Maud Creek Dolerite.

For exploration of Maud Creek type gold deposits, the main features of the model are;

- Hydrothermal fluids are related to more highly fractionated phases of the Maud Creek Dolerite.
- Meso to hypothermal arsenopyrite - pyrite mineralisation forms in the contact aureole of the intrusion where there is active emplacement, high temperatures and high heat flow.
- Hydrothermal fluids are channelled into same re-activated structures. Structural dilatant traps cause precipitation of metals from solution.
- Mineralising fluids replace pre-existing Fe-Mg +/- C rich alteration from a previous alteration/deformation and/or original Fe-Mg-C rich facies in the Tollis Formation, including Fe rich dolomites and tuffs.
- Pre-existing Fe-C rich structures are the likely key to high grade gold mineralisation in dilatant traps.

9. MINERALISATION

The main gold deposits within the Maud Creek Project area formed as a result of multiple mineralising events within a wide, steep easterly dipping shear zone on the contact between overlying mafic volcanics and footwall Tollis Formation sediments. Within the shear zone, a southerly plunging pipe-like structure, probably as a result of a dilation 'jog' is evident.

Three main zones of mineralisation have been defined at Maud Creek:

- Main Zone – This is on the north striking sheared contact of mafic tuffs and sediments. The mineralisation envelope is bound by north-east trending faults with the higher grade along the intersection of the tuff-sediment and north-east trending faults
- Hanging Wall Lodes – Located within dilational sites bound by north-east trending faults within the hanging wall tuffs
- Eastern Shear Lodes – A set of mineralised lodes around the contact areole of the tuff and the Maud Creek Dolerite

Gold occurs as both free gold and as refractory gold in pyrite and arsenopyrite. Common gangue minerals are quartz, pyrite and arsenopyrite with minor graphite. Surrounding alteration assemblages variously consist of silica, chlorite, sericite, carbonate, fuchsite and haematite.

The principal portion of the deposit is 250 metres long, up to 57 metres wide, open at depth, striking north and dipping at 60° E. The strike extensions of this mineralised Main Zone lode are open to the north where near surface drilling over an >800m strike length has intersected a similar style of mineralisation, though at lower grades and widths. To the south the mineralisation is most probably truncated and off-set by a cross fault.

The Main Zone mineralisation extends for 150 metres strike and is typically 10 to 20 metres thick. Approximately 80% of the mineralisation has been defined in the Main Zone, which is open at depth. A typical cross section of the Main Zone at 9190m N is shown in Figure 8.

Additional prospects within the Maud Creek tenement package are illustrated in Figure 9.

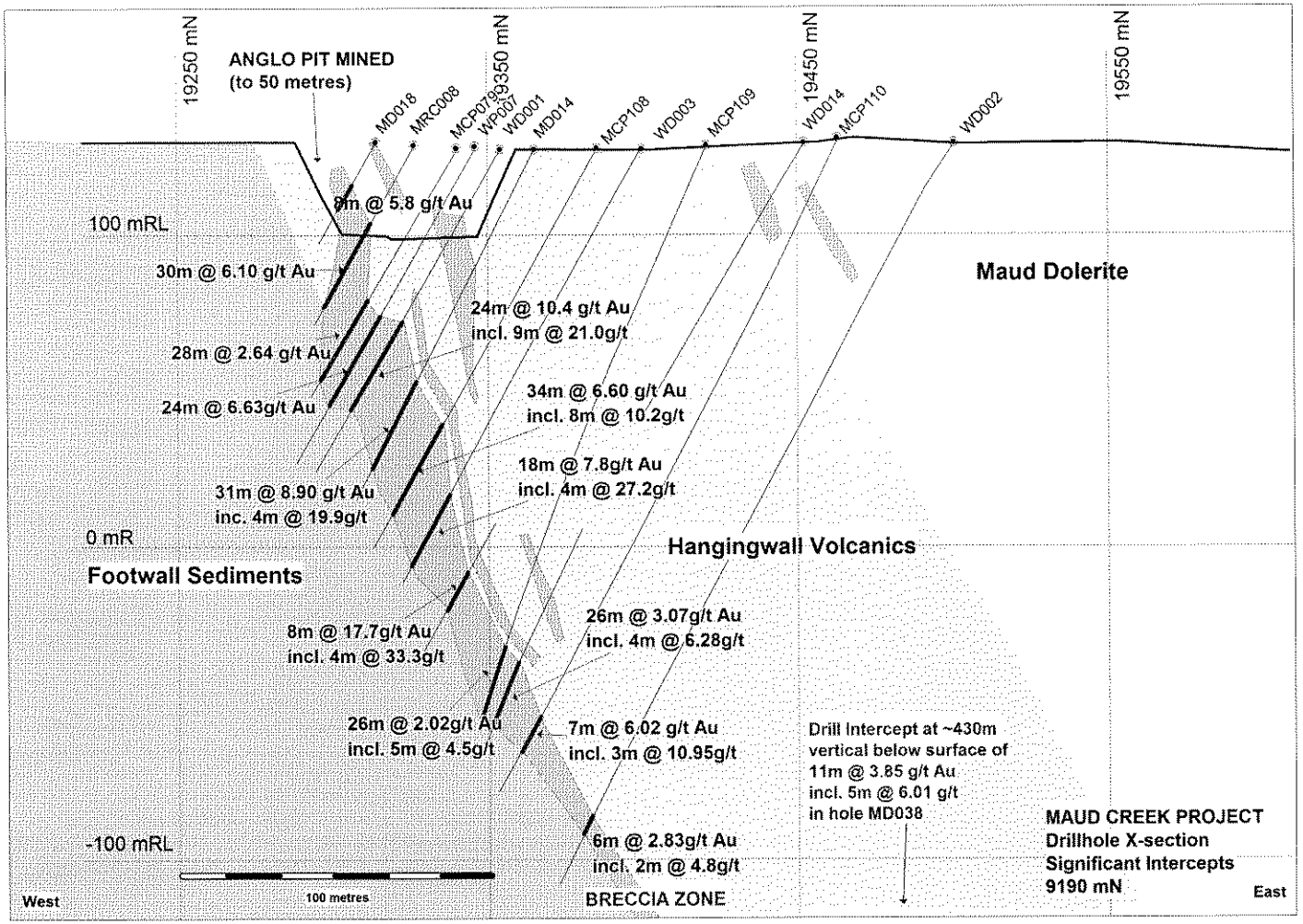


Figure 8 Drill Hole Cross Section 9190mN

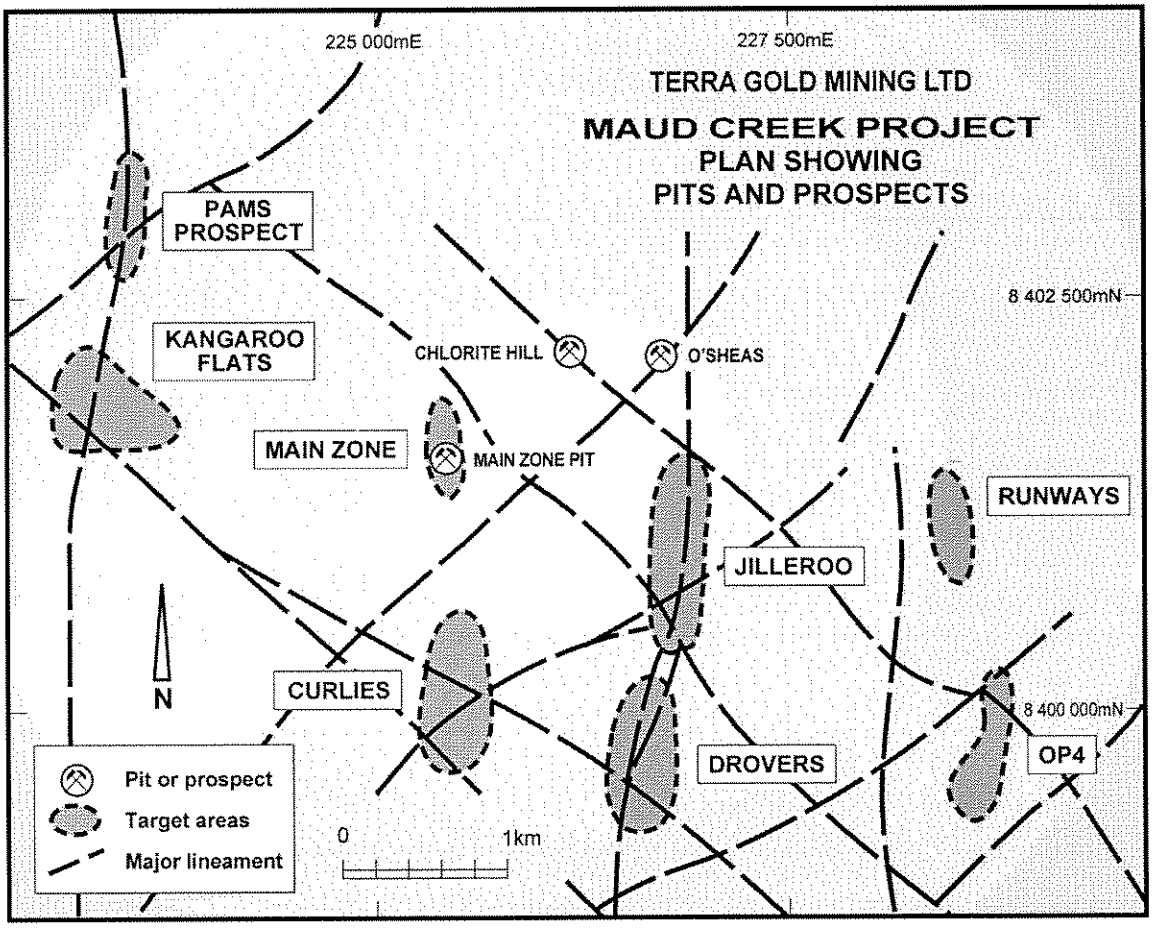


Figure 9 Plan showing Pits & Prospects

10. EXPLORATION

The exploration history of the property is outlined in Section 6.2.

Since it acquired the option to purchase the Maud Creek Project in December 2004, Terra Gold has engaged in an extensive review of the historical data including all drilling, costean, stream sediment, soil and rock chip sampling conducted since 1966. Reviews of geophysical surveys include ground and airborne magnetics, radiometrics and IP.

Terra Gold's proposed exploration activity is focussed on extending the Main Zone mineralisation down-plunge to the south and upgrading portions of the resource from Inferred to Indicated whilst extracting additional core samples for metallurgical and geotechnical test work.

The prospectivity of adjoining lease areas is also considered to be high as a result of the interpretation of aeromagnetics and radiometrics for Maud Creek look-alike regional lineaments. Terra Gold has recently identified numerous additional target areas.

- Preliminary sampling of old workings located about 2 kilometres northeast of the Maud Creek pit, has consistently returned anomalous rock chips associated with an east trending, north dipping shear zone that has been recently sampled over a 200 metres strike length.
- Recent reconnaissance sampling about 6km southeast of the Maud Creek pit has located a prominent silicified knoll, where previous shallow pitting and blasting has exposed a 50m wide, strong copper (malachite) occurrence associated with a +50m wide north north-west trending zone of intensely brecciated mafic volcanic.
- Inspection of the O'Sheas historic diggings about 3km north east of Maud Creek has identified a north trending, west dipping shear zone and associated north west trending, south west dipping silicification. Previous RC drilling of this feature was ineffective in that it was orientated to the west, sub-parallel to the structural targets. Strong gossanous boxworks occur at this locality as does malachite at the northern extremity of the workings, which extend for about 200 metres.

Terra Gold has identified that these prospective areas warrant follow-up sampling, mapping and drilling.

11. DRILLING

11.1 Historic Drilling

As discussed in Section 6.2, over 90,000 metres of RAB, RC and diamond drilling had been completed at the Maud Creek Project and surrounding areas. This drilling spanned the period from 1966 until the acquisition of the Project by Terra Gold.

Table 7 lists significant intersections associated with the Main Zone mineralisation. Estimated true widths have been interpreted from the geological model. Generally, the 60 degree east dipping Main Zone mineralisation when intersected by 60 degree west dipping drill holes will result in true width intersection which are half the downhole intersection. Any variation to this is a reflection of holes flattening or steepening with depth.

Table 7 Significant Gold Results

Lower cut-off 1.0 g/t Upper cut-off 30 g/t

Hole ID	From	To	Downhole Width	Estimated True Width	g/t Au
MCP053	63	73	10	8	9.25
MCP055	59	68	9	7	4.61
MCP057	121	125	4	2	8.28
MCP058	146	157	11	8	11.35
MCP059	128	134	6	3	8.59
MCP060	165	171	6	4	11.45
MCP061	155	159	4	3	8.76
MCP061	166	183	17	8	11.86
MCP067	65	75	10	6	10.3
MCP068	41	49	8	3	9.5
MCP071	101	109	8	4	9.26
MCP075	93	102	9	4	6.77

Table 7 Significant Gold Results

Lower cut-off 1.0 g/t Upper cut-off 30 g/t

Hole ID	From	To	Downhole Width	Estimated True Width	g/t Au
MCP077	95	105	10	10	4.13
MCP078	51	64	13	6.5	7.75
MCP079	65	73	8	4	4.7
MCP080	78	82	4	2	5.08
MCP080	86	96	10	7	7.25
MCP081	92	107	15	7.5	9.25
MCP085	154	172	18	13	8.49
MCP090	229	245	16	13	7.25
MCP091	209	216	7	7	6.72
MCP092	161	184	23	12	9.06
MCP139	164	171	7	4	4.42
MCP121	130	146	16	8	7.88
MCP132	160	171	11	10	10.48
MCP129	173	181	8	6	7.4
MCP113	90	110	20	8	8.95
MCP104	104	111	7	5	4.71
MCP106	132	139	7	5	5.29
MCP107	153	161	8	6	6.21
MCP101	84	89	5	3	8.45
MCP102	103	108	5	4	3.47
MCP099	78	83	5	3	5.73
MCP285	94	105	11	8	8.91
MCP286	58	67	9	6	15.33
MCP287	40	56	16	8	9.16
MCP288	71	79	8	5	3.91
MCP288	87	95	8	5	4.6
MCP289	45	67	22	12	4.79
MCP290	49	54	5	3	9.14
MCP291	21	28	7	4	4.78
MCP291	32	43	11	7	5.57

11.2 Recent Drilling

In January 2005, Terra Gold completed a vertical metallurgical drill hole (TMCD04002) targeting an eight metre true width, 65 degree east dipping zone of high grade gold mineralisation within the Main Zone. A 79 metre interval was core drilled for metallurgical test work.

This hole was percussion drilled to a depth of 132.5 metres and a diamond tail was then drilled for a further 79 metres. The core was geologically logged on site prior to being sealed and refrigerated for transport by road to SGS Laboratories in Welshpool, Western Australia for analytical test work.

Hole Statistics include:

TMCD04002

- Coordinates- Local Grid : 9110N 19300E
- Coordinates - WGS84 Grid : 8401430N 225411.8E
- Orientation : -90 dip / - Azimuth
- Total Depth : 211.5m
- RC Precollar Interval : 000.0m to 132.5m
- HQ diamond core : 132.5m to 136.6m
- NQ2 diamond core : 136.6m to 211.5m

The entire length of core was sawn in half then quarter cored, with a quarter core analysed for gold, arsenic and sulphur so as to determine intervals to be bulked and submitted for metallurgical test work.

Selected intervals of the remaining half core were submitted for metallurgical test work. The remainder of the quarter core has been kept in cold storage.

This hole returned a down-hole intersection of 22 metres at 8.15g/t Au from 188m, including a high-grade interval of 3 metres grading 33.17 g/t Au from 199 metres. Given the attitude of the hole and 65 degree east dipping mineralisation, the true width of this intersection is estimated to be approximately 9.3 metres.

12. SAMPLING METHOD & APPROACH

12.1 Sample Quality and Representivity

A total of 43,615 drill samples from RC and diamond drilling exist in the Maud Creek data base. The majority of these are one metre sample intervals, though occasional two metre and four metre composite samples were also taken. The majority of the RC and diamond drilling focussed on the Main Zone mineralisation at Maud Creek and was conducted over a 650 metres strike length and a width of 300 metres.

12.2 Sampling Methodology

Sampling of RC chips and drill core reported by previous operators before 2004 varied according to drilling methods used.

Kalmet Resources documented procedures used during their drilling activities, which included 6 RC and 2 diamond drilling campaigns, all of which used different sampling methodologies at the drill rig.

From a review of these procedures, it is assumed that during drilling, rod advance was stopped at the end of each metre until the cyclone was cleared and sample taken. Alternatively, the Gomex rig used a knife valve installed in the upper part of the cyclone, which isolated the cyclone from the sample splitter for each sample. This kept each sample separate and lowered the risk of contamination.

Single one metre and two to four metre composite samples were generated using either a riffle splitter or spearing of samples. Anomalous composite samples were re-sampled at one metre intervals.

For RC sampling, a 5.25inch face sampling hammer typically produced 20-30kg of sample per metre and a 5.5inch face sampling hammer produced 25-35kg per metre.

RC samples were taken as either composites varying in length and the sampling method included spearing of sample bags with 50 mm diameter PVC pipe so as to obtain a representative sample. Subsequent re-sampling of anomalous intervals was undertaken at one metre intervals.

Selected intervals of drill core were cut on site and half core sampled for analyses. Subsequent metallurgical test work resulted in quarter core intervals being cut and sampled.

Not all cored intervals were cut, only those intervals that appeared to be prospective for gold mineralisation.

12.3 Drilling Conditions

Previous operators have reported occasional localised drilling difficulties due to excessive water flows and broken ground conditions. Low sample recoveries correlate with high water flows and core loss was recorded and documented whilst drilling.

These drilling conditions have not been correlated with assay results, though several diamond holes were drilled to twin previous RC intersections and no significant variation in assay results indicating any bias either way is recorded.

12.4 Sample Quality and Representivity

A review of the historical data has not revealed any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results

12.5 Geological Controls

The four principal rock types identified at Maud Creek include;

- A basal sandstone-shale sedimentary sequence, which strikes north-south and dips about 60 degrees to the east:
- A thin <10m carbonaceous silicified siltstone unit overlying the sandstone unit;
- A chloritic (mafic) tuffaceous volcanic unit; and,
- A medium to coarse grain dolerite sill-dyke or mafic lava flow.

Kalmet and Kilkenny relogged the previous RC chips and diamond core so as to standardise the lithological nomenclature used for the geological interpretations and resource modelling. This work highlighted the litho-structural controls influencing the distribution of the mineralisation.

Structural features such as shears, faults, associated brecciation, geological contacts and competency contrast between the different rock types principally control the mineralisation associated with the Maud Creek deposit. These structures include;

- The graphitic Main Zone Shear overlying the sandstone, associated with the variably silicified sulphidic carbonaceous sediment;
- The interpreted sub-vertical shear zone located along the contact of the sub-vertical dolerite; and,
- The intersection of these two shears, where a broad zone of brecciation and associated mineralization occurs.

Widths of mineralisation are usually influenced by the intensity of deformation such as shearing, faulting and associated brecciation. This may range from several metres to 50m in true width.

13. SAMPLE PREPARATION, ANALYSES & SECURITY

Details of the sample collection, preparation and quality control techniques employed by each of the previous operators of the Project are not fully documented. Procedures documented in annual reports written by Kalmet Resources (1996) note that:

- Sampling techniques varied for each of the six drilling programs;
- A review of the assay database, analytical quality control and sampling techniques was undertaken in July 1996 by Geocraft Pty Ltd, an independent consultant;
- Kalmet utilised ALS in Alice Springs for gold and arsenic assays;
  - Two metre composite RC samples were collected by riffle splitting;
  - 5-6kg samples were dispatched to Alice Springs, where they were riffle split to a nominal 3kg prior to pulverizing of the entire sample;
  - All samples were analysed by ALS in Alice Springs for gold by fire assay method PM209 and for arsenic by AAS method G003 or G102;
  - Selected holes as MD21 to MD31 were assayed for Cu, Pb, Zn, Ag, Ni, Sb, Bi, Cr by AAS method G102. Samples from MD21 were also analysed for Hg by AAS method G008
  - Check samples for gold were analysed by Analabs in Townsville;
  - Duplicate check samples were assayed for gold by either ALS in Alice Springs or Assaycorp in Pine Creek
- All core was photographed and critical geotechnical information recorded before sampling. Geotechnical logging was completed on all sampled core.
- SG measurements were completed on 22 oxide and transition ore and wall rocks, selected from MD15 to MD19. Measurements were completed by Assaycorp in Pine Creek

Hill 50 Gold, Harmony Gold and Terra Gold have since completed exploration and drilling programs and this work has been the subject of several resource studies. Both Harmony and Terra Gold have issued resource estimates to the ASX that have been authorised by Competent Persons under the JORC Code.

Kalmet and Kilkenny undertook rock density measurements during the 1990s. Terra Gold verified these results in 2005 using 50 samples of drill core taken from the Main Zone mineralization.

14. DATA VERIFICATION

14.1 Quality Control Measures

Kalmet Resources noted in 1994 that three RC holes were twinned with diamond core to assess sample representivity and check assays were performed by laboratories and compared with the original assays to assess for any laboratory bias. No significant issues were reported.

Kalmet 1996 engaged Geocraft Pty Ltd to review the analytical quality controls for the Maud Creek data base. At this time there were 11,179 sample records, which were reviewed.

Analytical laboratories used to date by the various Project operators are well-established entities such as ALS and SGS. These laboratories have their own in-house analytical standards.

In 2005, Terra Gold Mining utilised SGS Laboratories in Welshpool, Western Australia for the preparation and analysis of samples derived from the metallurgical drill hole TMCD04002. As part of SGS standard

quality control regime, samples were analysed in batches of 50 with each batch containing a blank, replicate, control and second split (sampled at preparation stage).

SGS Mineral Services, Welshpool is accredited by the National Association of Testing Authorities, Australia (NATA), and complies with the requirements of ISO/IEC 17025 (1999)

14.2 Data Verification

Multiple owners have generated the Maud Creek data set in several phases over a period in excess of 10 years. A consolidated QA/QC report has not been prepared, but the following references are noted:

- Kalmet Resources engaged Lantana Exploration Pty Ltd in 1995 to re-enter all the analytical data obtained up to that time. This work included all drill hole data up to and including hole number MCP061
- Kalmet 1996; engaged geological consultant Geocraft Pty Ltd to verify the database and analytical procedures.
- Kilkenny 1998; the MRT 1998 resource study states that data files were merged into an Access database and validated using MRT internal systems and no significant errors were detected.
- Harmony 2003; a competent person has classified the mineral resource estimates for the Maud Creek Project in accordance with the JORC Code and these estimates have been released by Harmony to various Stock Exchanges. This chain of Competent Person Statements as required under the JORC Code has been relied upon by Terra Gold to attest to the validity of the drilling data.

Terra Gold did not undertake any data verification of the digital data base prior to undertaking in-house resource modelling and commissioning The Mining Centre to undertake resource studies in 2004 and 2005.

Terra Gold has recently undertaken a validation of the database using Micromine validation routines and reported that no significant errors were detected.

14.3 Adjacent Properties

There are no resource projects immediately adjacent to the Maud Creek Project that exhibit significant mineralisation.

However, one of the major northwest trending fault lineaments in the immediate vicinity of Maud Creek passes through the Mt Todd gold mining centre, some 60km to the northwest.

The Coronation Hill platinum-gold-rare earth deposit is located about 100km to the north, located in the vicinity of a major NW trending shear zone.

Both the Mt Todd and Coronation Hill deposits are located near the intersections of major N-S, NW and NE trending shear zones. Maud Creek is also located near the intersection of similarly orientated shear zones.

15. MINERAL PROCESSING & METALLURGICAL TESTING

15.1 Historical Testing

An extensive database of previous metallurgical test work exists for the project (estimated at some AUD$2-3 million in historical expenditure), including pilot scale flotation and BIOX programs. In addition, an extensive flotation variability program was undertaken using a range of samples of varying compositions located from throughout the mineralised zone.

The existing metallurgical database indicates that all Maud Creek primary ore is refractory in nature and exhibits the same general characteristics of:

- A high milling work index and a high abrasion index;
- Up to 10% recovery of gold by conventional gravity processes;
- Excellent flotation characteristics;
- Excellent gold recovery of ~95% into a ~10% mass sulphide flotation concentrate; and
- Excellent gold recovery from oxidised sulphide concentrate by conventional CIP/CIL processing.

Due to the refractory nature of the gold mineralisation, recovery via conventional direct cyanidation is not possible without an upstream oxidation process. Previous metallurgical test work programs have identified the amenability of Maud Creek flotation concentrate to bio-oxidation prior to gold recovery.

In 1998, Signet Engineering completed a Feasibility Study for the treatment of both oxide and primary ore from the Maud Creek Project. The proposed metallurgical extraction process for the primary ore type is shown in Figure 10.

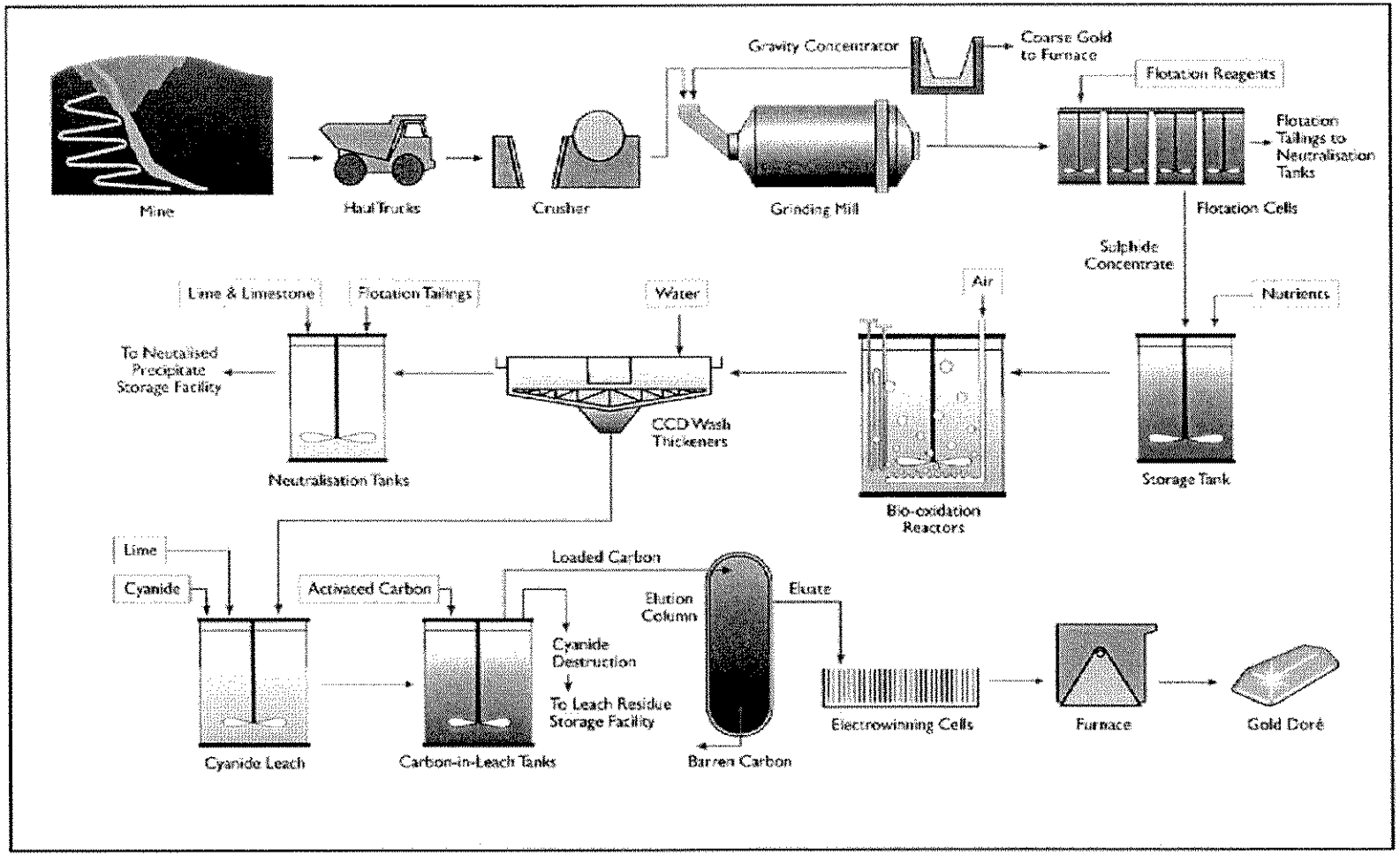


Figure 10 Proposed Metallurgical Process Flowsheet

The proposed circuit for the recovery of gold from primary (refractory) Maud Creek ore incorporated a conventional crush-grind-float circuit with a gravity circuit to recover free gold from the milling circuit. The flotation concentrate would then be bio-oxidised in a BIOX® process circuit and the oxidised concentrate subjected to conventional CIL and gold recovery processing.

15.2 Recent Testing

As described in Section 11.2, in January 2005, Terra Gold completed a vertical metallurgical drill hole (TMCD04002) targeting an eight metre true width, 65 degree east dipping zone of high grade gold mineralization within the Main Zone.

A program of confirmatory flotation tests was conducted on a composite and three individual samples at the AMMTEC metallurgical laboratory facilities in Perth. The head assays of the samples are presented in Table 8 and the results of the flotation test work are outlined in Table 9.

Table 8 Head Assays of Flotation Test Work Samples

Sample Details	Gold (g/t)	Arsenic (ppm)	Iron (%)	Sulphur (%)
TMCD04002 192-198m	2.88	2497	3.63	0.62
TMCD04002 198-203m	25.90	18100	3.10	2.18
TMCD04002 203-208m	7.24	8760	2.73	1.61
TMCD04002 Composite	11.20	8890	3.16	1.30

Table 9 Flotation Test Work Results

Sample Details	Total Cleaner Concentrate						
	Wt	Gold		Arsenic		Sulphur	
	(%)	g/t	% rec	g/t	% rec	g/t	% rec
TMCD04002 192-198m	2.86	152	95.7	6.77	86.8	22.6	95.0
TMCD04002 198-203m	7.15	319	87.6	19.6	84.4	28.4	91.6
TMCD04002 203-208m	6.18	118	92.9	11.5	87.9	25.3	92.6
TMCD04002 Composite	5.32	190	95.3	11.8	92.1	24.4	93.3

This test work program provided further confirmation of the amenability of the Maud Creek ore to flotation processing for the production of a high-grade, low-mass concentrate. Gold recovery is high, with the average from the composite sample at 95.3% at a grade of 190g/t. This represents an upgrade of approximately 17 times in terms of gold grade from ore to flotation concentrate.

16. MINERAL RESOURCE & ORE RESERVE ESTIMATES

16.1 Terra Gold Resource Model

In early 2005, Terra Gold undertook an in-house analysis of the Maud Creek geological and resource model. This work utilised a 1g/t wire-frame resource model and inverse distance grade estimation techniques to assign estimated grade to the block model.

The modelling generated a resource estimate for the Maud Creek mineralisation, which was published in a March 2005 ASX release. Table 10 shows the classification of the mineralisation into the Indicated and Inferred categories for all Lodes as reported to the ASX.

Table 10 Maud Creek Combined Resource Model (1g/t Wireframe, ID Squared)

	INDICATED			INFERRED		
LODES	Tonnes '000	Grade g/t (Cut *35 g/t*)	Ounces (rounded)	Tonnes '000	Grade g/t (Cut *20 g/t*)	Ounces (rounded)
Main Zone	2,149	4.91	339,000	3,338	3.22	346,000
HW/FW* and Eastern Lodes	-	-	-	4,555	2.83	414,000
Totals	**2,149**	**4.91**	**339,000**	**7,893**	**3.01**	**760,000**

** Hangingwall and Footwall Lodes*

All the information in this Table that relates to Mineral Resources is based on information compiled by Phil Mattinson, who is a member of the Australian Institute of Geoscientists. Phil Mattinson is employed by Terra Gold Mining Ltd as Exploration Manager and has sufficient experience in mineral resource estimation which is relevant to the style of mineralisation and type of deposit under consideration. Phil Mattinson is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Phil Mattinson consents to the inclusion in this report the Exploration Results and Resource Statements in the form and context in which they appear.

In June 2005, IEA engaged Snowden to audit this resource estimate in accordance with the requirements of National Instrument 43-101. The results of this audit are attached in Appendix 1 and in summary, Snowden endorses the Mineral Resource tabulation in Table 11 for the Maud Creek Resource Estimate.

Table 11 Terra Gold Resource Estimate - June 2005

Classification	Tonnes	g/t Au (cut)	Contained Gold
Inferred	10,048,000	3.41	1,101,600 ounces

In reaching its conclusion to classify the entire resource as Inferred, Snowden considered the following issues:

- The lack of systematic submission of certified reference materials (CRMs – also commonly known as standards) and blank materials as part of standard industry accepted Quality Control and Quality Assurance (QAQC) programmes undertaken during data collection. The CRMs sighted as part of this study all have values equal to or less than TGM's lower cut-off value of 1 g/t Au. The values ranged between 0.548 g/t Au and 1.344 g/t Au. Snowden considers that these results have little relevance to the estimate.

  Snowden contends that 5% of the assay database should comprise data relating to QAQC checks, reflecting standard industry procedures. The supplied Maud Creek database did not reflect this.

- The methodology employed by TGM in defining the estimate is not supported by Snowden. TGM has used grade cut-off of 1 g/t Au, without providing any support for the adoption of this cut-off in a geological context. Accepted industry practice is to define an orebody model, based upon geological controls on mineralisation, which can be reported or assessed at a range of cut-off grades, and then to report that model at an appropriate cut-off grade.
- The resource estimate does not sufficiently incorporate geological controls on mineralisation, and as such does not meet the NI 43-101 requirements to meet Indicated classification. These state that 'Mineralization may be classified as an Indic ated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization' (Form 43-101F1, 2002). While Snowden acknowledges that TGM does have a geological framework, the current resource estimates do not reflect this. Snowden believes that it would be a relatively straightforward exercise to regenerate the geological model, which forms the basis of the resource estimate to incorporate TGM's interpreted controls.
- Overall, in consideration of the statement in NI 43-101 that 'A Mineral Resource...has reasonable prospects for economic extraction', Snowden believes that the Inferred category is appropriate at the current time for the Maud Creek deposit.

16.2 High Grade Resource Model

In February 2005 Terra Gold commissioned The Mining Centre (TMC) to prepare a mineral resource estimate based on all available historical and new data.

Table 12 shows the high-grade resources estimates calculated by TMC.

Table 12 Maud Creek High Grade Resource Model

	INDICATED			INFERRED		
LODES	Tonnes '000	Grade g/t (Cut *50 g/t)*	Ounces (rounded)	Tonnes '000	Grade g/t (Cut *variable)*	Ounces (rounded)
Main Zone	693	7.92	176,000	1,377	7.34	325,000
HW/FW* and Eastern Lodes	-	-	-	684	7.07	156,000
Totals	**693**	**7.92**	**176,000**	**2,061**	**7.25**	**481,000**

** Hangingwall and Footwall Lodes*

All the information in this Table that relates to Mineral Resources is based on information compiled by Phil Mattinson, who is a member of the Australian Institute of Geoscientists. Phil Mattinson is employed by Terra Gold Mining Ltd as Exploration Manager and has sufficient experience in mineral resource estimation which is relevant to the style of mineralisation and type of deposit under consideration. Phil Mattinson is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Phil Mattinson consents to the inclusion in this report the Exploration Results and Resource Statements in the form and context in which they appear.

TMC used the following parameters for the modelling:

- the Maud Creek resource was block modelled based on wire-frames, which used a lower cut-off grade of 2.5g/t gold above the -50m Mine RL and 4.5g/t gold below the -50m Mine RL, which is the equivalent of 180m below surface.
- The grades were selected on the basis that they are close to the estimated incremental cut off grades for an open cut and underground operations respectively.

- Due to concerns over representivity, the resource grade estimation was based on a database which excluded eight holes drilled down-dip and surface trench assays, though this analytical data was used to construct the wireframe.
- Block sizes of 20m x 10m x 2.5m were used to reflect the largest drill spacing of 40-50m, and the potential open cut flitches of 2.5 metres from benches of 5 metres in height.
- To adequately model complex ore shapes TMC selected sub-blocks of 5 metres along strike, 2.5 metres down dip and 0.625 metres across strike and dip.
- No weathering surface was used as the existing AngloGold oxide pit mined to the fresh rock interface. A density of 2.8gm/cc was used based on specific gravity measurements determined for Terra Gold and historic density determinations generated by Kalmet Resources.
- The majority of the drill hole assay sampling was carried out at one metre intervals, thus sample compositing was also at one metre intervals.
- Resultant composite files were then analysed to determine top cut-off grades, which were then utilised for resource estimations.
- Top cuts were selected using a variety of criteria, though grades in the range of the 97.0 to 99.5 percentile for the uncut composite population were favoured.
- Different cut grades were determined for each Lode and for the Main Zone the open cut domain, ie above the -50m Mine RL was analysed separately to the underground domain ie below the -50m Mine RL. The top cuts used are presented in Table 13.

Table 13 Cut Grades

Top Cuts	Grade
Main Zone above the -50mMine RL	50.0 g/t gold
Main Zone below the -50m Mine RL	30.0 g/t gold
Main Zone Hanging Wall Stringers	27.5 g/t gold
Main Zone Footwall Stringers	29.0 g/t gold
East Lode	22.0 g/t gold

- The Maud Creek model gold grades were estimated using an inverse distance squared process with search distances and orientations of the search ellipse determined by variography analysis, as presented in Table 14.

Table 14 Variography Analysis

Search Direction	Dip (degree)	Dip Direction (degrees)	Range (Metres)
Major	0	000	45
Semi-major	-60	090	30
Minor	30	090	7

- Grade estimations for indicated resources were based on search distances (ie ranges) as shown in Table 14 above. The grade estimated for Inferred Resource blocks were based on a second pass, using double the search distance.
- Block grades were based on a minimum of two and maximum of fifteen informing samples.
- All resource blocks within the Main Zone, which were above the -50mRL were categorised as Indicated Resources and those resource blocks below the -50mRL were classified as Inferred. This was based on the density of drilling and definition of the geological model.
- All Hangingwall, Footwall and Eastern Lodes were classified as Inferred Resources due to the discontinuous nature of the mineralization and density of drilling.

TMC validated this resource model and remedial action was taken where errors were identified

In June 2005, IEA engaged Snowden to audit this resource estimate in accordance with the requirements of National Instrument 43-101. The results of this audit are attached in Appendix 2 and in summary, Snowden endorses the Mineral Resource tabulation in Table 15 for the Maud Creek Resource Estimate.

Table 15 TMC High Grade Resource Estimate - June 2005

Classification	Tonnes	g/t Au (cut)	Contained Gold
Inferred	2,754,000	7.42	656,000 ounces

In reaching its conclusion to classify the entire resource as Inferred, Snowden was cognisant of the same issues identified in the audit of the Terra Gold Model, but also noted that:

- ... TMC has used grade cut-offs reflecting perceived economic thresholds to define the resource. In order to reflect the change from a surface operation to an underground operation the cut-off value changes at RL -50 m from 2.5 g/t Au to 4.5 g/t Au. This changeover pre-judges the open pit/underground cut-over point, which can and will change with changing gold price, capital expenditure considerations, and exchange rates. Accepted industry practice is to define an orebody model which can be reported or assessed at a range of cut-off grades, and then to apply an optimisation algorithm to fix the cut-over depth.

16.3 Ore Reserve Estimates

An Ore Reserve estimate has not been prepared for the Maud Creek Project

17. OTHER RELEVANT DATA & INFORMATION

The Maud Creek project has been subject to detailed investigations in the past, with the most detailed being a feasibility study undertaken by Signet Engineering and advanced to draft form in December 1998.

This comprehensive study proposed that a 300,000 tpa on site BIOX® gold ore treatment plant be established to treat the refractory Maud Creek sulphide ore. The scope of the study, which was claimed to be to a "bankable" standard, included:

- Geology definition and resource estimation;
- Open pit Mining Studies;
- Underground Mining Studies;
- Environmental Assessment and Investigation;

- Surface and Groundwater Studies;
- Process Testwork and design, including BIOX® pilot plant testing;
- Tailings storage facility design;
- Infrastructure design;
- Capital cost estimation;
- Operating cost estimation; and
- Financial Analysis.

This study was never completed, but demonstrated the technical effectiveness of BIOX® processing technology for the recovery of gold from the Maud Creek refractory ore.

18. INTERPRETATION & CONCLUSIONS

In reviewing the Maud Creek Project data, IEA has concluded that:

- Resource estimates show a significant gold resource exists at the Maud Creek Project;
- Prospectivity is high for the delineation of additional resources;
- Metallurgical testing of the primary ore confirms it is refractory to CIL processing, but over 95% of the contained gold can be recovered into a sulphide plus gravity concentrate;
- High gold recoveries in excess of 90% have been demonstrated using BIOX® technology;
- A substantial historical project database is available (at estimated cost in excess of AUD$10 million), with previous development configurations hampered by high capital costs, insufficient reserves and low gold price;
- Further examination of development opportunities is warranted

19. RECOMMENDATIONS

Terra Gold intends to embark on a two-stage program of exploration and feasibility study work on the Maud Creek project over the next 12 months.

19.1 Exploration

The exploration history of the property is outlined in Section 6.2.

Since it acquired the option to purchase the Maud Creek Project in December 2004, Terra Gold has engaged in an extensive review of the historical data including all drilling, costean, stream sediment, soil and rock chip sampling conducted since 1966. Reviews of geophysical surveys include ground and airborne magnetics, radiometrics and IP.

Terra Gold's planned exploration activity is focussed on extending the Main Zone mineralisation down-plunge to the south and upgrading portions of the resource from Inferred to Indicated whilst extracting additional core samples for metallurgical and geotechnical test work. Figure 11 shows a long section of the Main Zone illustrating the mineralization plunging southward at about 60 degrees, the down-dip and down plunge extensions of which remain open at depth. Proposed drill holes are shown on this figure.

A contract for drilling services has been let and the program is expected to commence in July 2005.

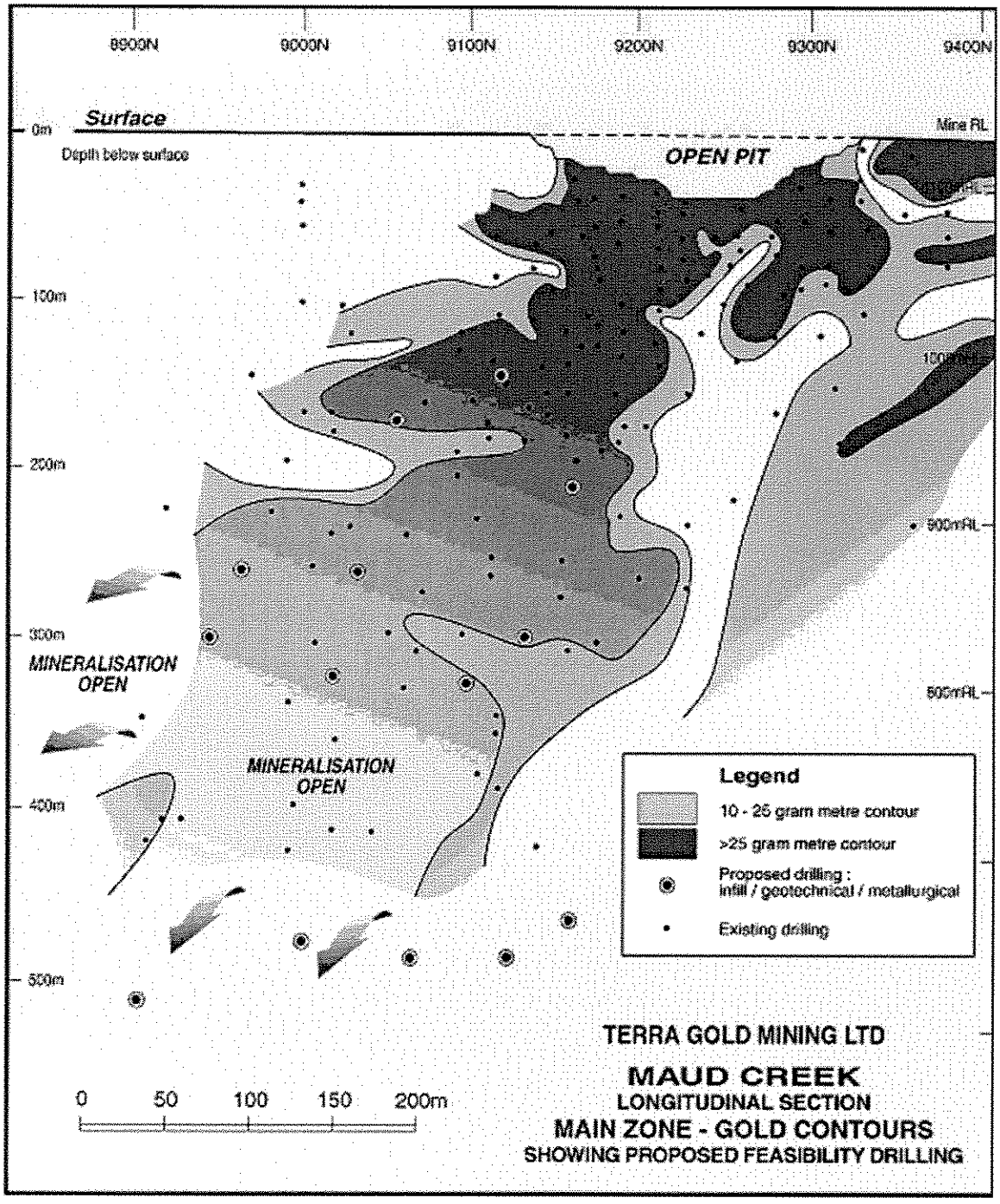


Figure 11 Long Section

The prospectivity of adjoining lease areas is also considered to be high as a result of the interpretation of aeromagnetics and radiometrics for Maud Creek look-alike regional lineaments. Numerous additional target areas have recently been identified by Terra Gold.

- Preliminary sampling of old workings located about 2 kilometres northeast of the Maud Creek pit, has consistently returned anomalous rock chips associated with an east trending, north dipping shear zone that has been recently sampled over a 200 metres strike length.
- Recent reconnaissance sampling about 6km southeast of the Maud Creek pit has located a prominent silicified knoll, where previous shallow pitting and blasting has exposed a 50m wide, strong copper (malachite) occurrence associated with a +50m wide north north-west trending zone of intensely brecciated mafic volcanic.
- Inspection of the O'Sheas historic diggings about 3km north east of Maud Creek has identified a north trending, west dipping shear zone and associated north west trending, south west dipping silicification. Previous RC drilling of this feature was ineffective in that it was orientated to the west, sub-parallel to the structural targets. Strong gossanous boxworks occur at this locality as does malachite at the northern extremity of the workings, which extend for about 200 metres.

Terra Gold has identified that these prospective areas warrant follow-up sampling, mapping and drilling.

As well as drilling for supplementary resources at depth, extending zones of known mineralisation both down-dip and along strike and exploration drilling of nearby prospects for additional resources, the planned Terra Gold programme of exploration and resource drilling at Maud Creek will also encompass the following:

- Structural studies including structural contour plans for targeting strike extensions of known mineralisation and also assist with mine designs and geotechnical appraisal.
- Resource delineation drilling to upgrade Inferred resources to Indicated Resource category.
- Metallurgical drilling to understand mineralogy in the various ore zones and provide samples for metallurgical test work.
- Geotechnical drilling of the footwall position of the main zone to assist with design of decline development.
- Testing and reviewing ore and waste characterisation and hydrology.

The full exploration programme and interpretation of results is expected to have a duration of some six months at a cost of approximately AUD$2.0 million

19.2 Feasibility Study

In conjunction with the above detailed exploration programme, Terra Gold has also commenced activities associated with the preparation of a full feasibility study for the Maud Creek project which will cover all of the following issues:

- Environment and permitting
- Safety and risk management
- Geology & resource modelling, including sampling
- Mining & ore reserves
- Mineral processing – all options to be considered in terms of applicability, risk and commercial viability
- Waste management

- Infrastructure
- Human resources
- Information technology
- Project management and execution
- Operations
- External relations
- Capital and operating costs.
- Ownership and other legal issues
- Commercial evaluation, including financial modelling.

The feasibility study programme is expected to take up to nine months to complete at a cost of approximately AUD$2.0 million (excluding associated exploration costs)

IEA endorses these work programs and recommends that they be undertaken.

20. DATE & SIGNATURE

I, William Ross Mackenzie, a consulting mining engineer. project manager and Managing Director of Independent Engineers (Australia) Pty Ltd, with business address at Suite 5, 83 Havelock Street, West Perth WA 6005, Australia, do hereby certify that:

1. I am a graduate of the University of Queensland, Australia and hold a B.E in Mining Engineering that was awarded in 1981.
2. I am a graduate of Bond University, Australia and received a Distinction in being awarded an M.B.A degree in 1993.
3. I hold an Open-Cut Coal Mine Manager's Certificate (Queensland) and a Quarry Manager's Certificate (Western Australia).
4. Since 1981 I have been continuously and actively involved in the resources sector and engaged in the assessment, development and operation of mineral projects both within Australia and overseas including directing operations at a range of underground and open pit environments in gold, coal and base metal mines.
5. I am a current Member in good standing of the Australian Institution of Mining and Metallurgy ("AusIMM").
6. As a result of my education, professional affiliation and past relevant experience, I am classified as a "qualified person" as defined in NI-43-101.
7. I do not have any material interest, direct or indirect, in the any of the projects owned or controlled by Emerson Exploration Inc or in the securities of Emerson Exploration Inc nor any of their affiliated companies. I am independent of Emerson Exploration Inc and I certify that I have applied the tests set out in Section 1.5 of NI-43-101.
8. I am responsible for the overall preparation and editing of all sections of this report and I have supervised the work of all contributing personnel. I have read and understand National Instrument 43-101 and its companion documents, as well as the Joint Ore Resource Reserves Committee Code (JORC Code) and its companion documents, and has written the report with the intention of complying with NI 43-101, Form 43-101F1 and JORC.
9. I consent to the use of this Report entitled "Technical Report on the Maud Creek Gold Project Northern Territory, Australia" as of the Effective Date below for any lawful purpose as may be required by Emerson Exploration Inc and their affiliated companies and appointed advisors or brokers.
10. I am not aware of any material fact or change with respect to the subject matter contained in this report that by omission would make the report misleading. Information contained in this Report has been compiled with the permission and aid of Terra Gold Mining Ltd from sources believed to be reliable. However, the accuracy and completeness of the data contained herein cannot be guaranteed. The reader is directed to read the Disclaimer contained in the aforementioned report for additional comments.

W Mackenzie B.E, M.B.A, MAusIMM

29 June 2005

21. REFERENCES

AMMTEC Ltd May 2005. Flotation Testwork on Maud Creek Sample TMCD04002 for Terra Gold Ltd.

Anglogold April 2001 Geology of the Maud Creek Gold Deposit and Maud Creek Resource Reconciliation; by N. Payne.

Ausenco December 1994. Maud Creek Gold Project. Geological and Metallurgical Progress Report.

Dames & Moore September 1998. Maud Creek Gold Project. Draft Environmental Impact Study.

Geocraft 1996 Kalmet Resources N.L. Maud Creek Project Drill Hole Sampling Review Of Analytical Quality Control

Geostat Services Pty Ltd May 2003 Resource Model Report, Maud Creek, by Fleur Dyer

Hatch Consulting October 2004. Maud Creek Gold Project – Exploration Potential. Report No. 317757-0000-MG-24-002.

John W MacIntyre and Associates Pty Ltd., September 1998. Metallurgical Evaluation of the Maud Creek Project.

Kalmet Resources N.L. June 1994 Maud Creek Gold Project Status Report

Kalmet Resources N.L. October 1995 Updating and Correcting Maud Creek Database , by Lantana Exploration Kaylene Camuti and Ian Morrison

Kalmet Resources N.L. 1996 Maud Creek Progress Report For the Period July 1st 1995 to December 31st , 1996

Kalmet Resources N.L. August 1997 Main Zone Prospect, 'Maud Creek' Ore Resource Estimation; by Mark Glassock. Report mcaug97.doc.

Katherine Mining NL, 2000. Maud Creek Oxide Project – Public Environmental Report.

Kilkenny Gold N.L. July 1998 Main Zone Prospect Ore Resource Estimate by Mark Glassock

Mining Centre, The February 2005. Maud Creek Mineral Resources Report.

Mining Centre, The March 2005. Maud Creek Mineral Resources Report.

MRT February 1998 Maud Creek Gold Project Resource Estimation For Kilkenny Gold N.L.

MRT September 1998 Maud Creek Gold Project Feasibility Resource Estimation For Kilkenny Gold N.L.

Northern Territory Department of Lands Planning and Environment, Environment and Heritage Division, April 2000, Environmental Assessment Report for the Maud Creek Oxide Project PER

Pheonix Mining Ltd February 2000 Annual Report MCN4134-4152, 4218-4225, 4343-4345

Snowden November November 1998 Kilkenny Gold NL Maud Creek Project Check Resource Estimate .

SRK Consulting, April1998. Maud Creek Structural Assessment and Aeromagnetic Interpretation. Report No. MG-10/001.

Signet Engineering Pty Ltd December 1998.Maud Creek Gold Project. Draft Study Deliverables. Sections 1-2 & 4-7.

Terra Gold Mining Ltd March 2004 Maud Creek Project – JORC Compliance Mineral Resource Statement MLN1978.

Terra Gold Mining Ltd 2005. Prospectus for a Non-Renounceable Rights Issue.

Treacy, J. A. 1996 Maud Creek Progress Report on MCN's 4134-4152, 4218-4225, 4343-4345 for the Period July 1, 1995-December 31, 1996. Report No. KMT196

APPENDIX 1

87 Colin Street West Perth WA 6005
PO Box 77 West Perth WA 6872
Telephone +61 8 9481 6690
Facsimile +61 8 9322 2576
perth@snowdengroup.com
www.snowdengroup.com

Perth, Brisbane, Vancouver, Johannesburg, London

24 June 2005

Bill Mackenzie
Independent Engineers
PO Box 298
WEST PERTH WA 6872

Dear Bill

MAUD CREEK 1 g/t 2005 RESOURCE AUDIT

1 INTRODUCTION

Snowden Mining Industry Consultants (Snowden) was commissioned by Independent Engineers (IE) to review the Maud Creek Mineral Resource estimate prepared by Terra Gold Mining Ltd (TGM). Snowden understands that this review is required as part of an independent Technical Report to be filed on the Toronto Stock Exchange (TSE), for which Bill Mackenzie of IE is acting as the principal QP; as such, the estimate needs to comply with Canadian National Instrument 43-101 (NI 43-101). Snowden has therefore been asked to review the estimate in the context of NI 43-101 compliance. This resource estimate, generated at a 1 g/t cut-off, is distinct from that generated by The Mining Centre on behalf of TGM, which was characterised by cut-offs of 2.5 g/t and 4.5 g/t gold.

2 FINDINGS

Snowden endorses for publication the Mineral Resource estimate for Maud Creek at a 1 g/t cut-off as presented in Table 2.1

Table 2.1 Snowden endorsed resource estimate (> 1 g/t Au cut-off) as at March 2005

Classification	Tonnes kt	Au Cut g/t	Contained Gold kozs
Inferred	10,048	3.41	1,101.6

Snowden has reached this conclusion upon consideration of the following issues:

- The lack of systematic submission of certified reference materials (CRMs – also commonly known as standards) and blank materials as part of standard industry accepted Quality Control and Quality Assurance (QAQC) programmes undertaken during data collection. The CRMs sighted as part of this study all have values equal to or less than TGM's lower cut-off value of 1 g/t Au. The values ranged between 0.548 g/t Au and 1.344 g/t Au. Snowden considers that these results have little relevance to the estimate. Snowden contends that 5% of the assay database should comprise data relating to QAQC checks, reflecting standard industry procedures. The supplied Maud Creek database did not reflect this. The level of QAQC is appropriate for an Inferred Resource. It should be possible to increase these levels of data confidence upon completion of a

resampling programme for QAQC purposes and by carrying out industry-standard levels of QAQC in future drilling campaigns.

- The methodology employed by TGM in defining the estimate is not supported by Snowden. TGM has used grade cut-off of 1 g/t Au, without providing any support for the adoption of this cut-off in a geological context. Accepted industry practice is to define an orebody model, based upon geological controls on mineralisation, which can be reported or assessed at a range of cut-off grades, and then to report that model at an appropriate cut-off grade.
- The resource estimate does not sufficiently incorporate geological controls on mineralisation, and as such does not meet the NI 43-101 requirements to meet Indicated classification. These state that *'Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization*' (Form 43-101F1, 2002). While Snowden acknowledges that TGM does have a geological framework, the current resource estimates do not reflect this. Snowden believes that it is a relatively straightforward exercise to regenerate the geological model which forms the basis of the resource estimate to incorporate TGM's interpreted controls, and this may result in an upwards adjustment to resource confidence.

TGM is addressing these issues in the next iteration of the resource estimate and has separately commissioned Snowden to provide TGM with an updated resource estimate.

Overall, in consideration of the statement in NI 43-101 that '*A Mineral Resource…has reasonable prospects for economic extraction*', Snowden believes that the Inferred category is appropriate at the current time for the Maud Creek deposit.

3 DATA PROVIDED

Snowden was supplied with a digital version of the Maud Creek database ***GD_Maud_Creek_mel.mdb***. Snowden has not audited the database, and has used it as part of the validation. When importing assay, collar and survey data from the database into Datamine mining software and desurveying it, standard validation routines were run and no errors were reported.

Snowden recommends that as part of the next iteration of the Maud Creek resource estimate TGM undertakes or commissions a full audit of the database.

4 ANALYSIS OF QAQC DATA

Digital files of QAQC data were supplied by TGM, together with some hardcopy reporting of QAQC results. No report or reports summarising the complete programme of QAQC relating to the Maud Creek resource estimate were supplied.

4.1 CRM & BLANK ANALYSIS

4.1.1 Certified Reference Material

Snowden was supplied with a digital file relating to 4 CRMs inserted during the Maud Creek data collection programme. Table 4.1 summarises the CRMs used on the Maud Creek project in the data package supplied to Snowden and their certified values.

Table 4.1 CRM summary

Sample code	Gold concentration
0xE20	0.548
0xE21	0.651
0xG22	1.035
0xH19	1.344

Figure 4.1, Figure 4.2, Figure 4.3 and Figure 4.4 are plots sourced from the supplied data, and show difference (%) and absolute difference (%) for each CRM assay on the left-hand vertical axis, with Au grade (g/t) on the right-hand vertical axis. The CRM value is plotted in mauve, and the CRM lab value is plotted in blue. Values of greater than 20% difference between certified value and the determined value would appear to be related to submission or record of the incorrect CRM.

Figure 4.1 Standard OxH19

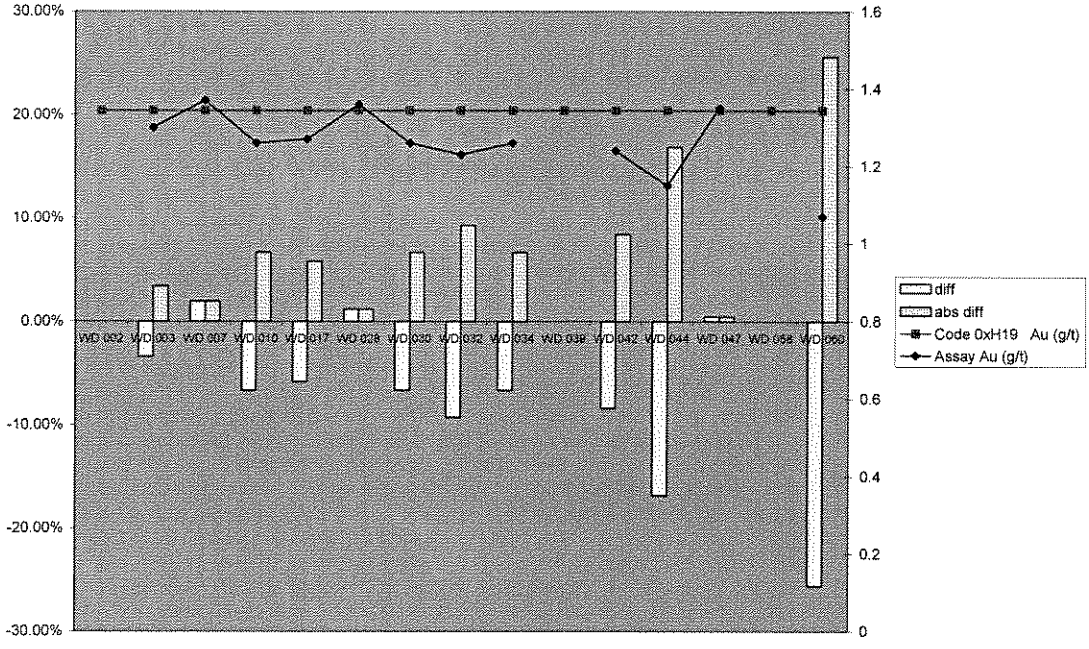


Figure 4.2 Standard OxE20

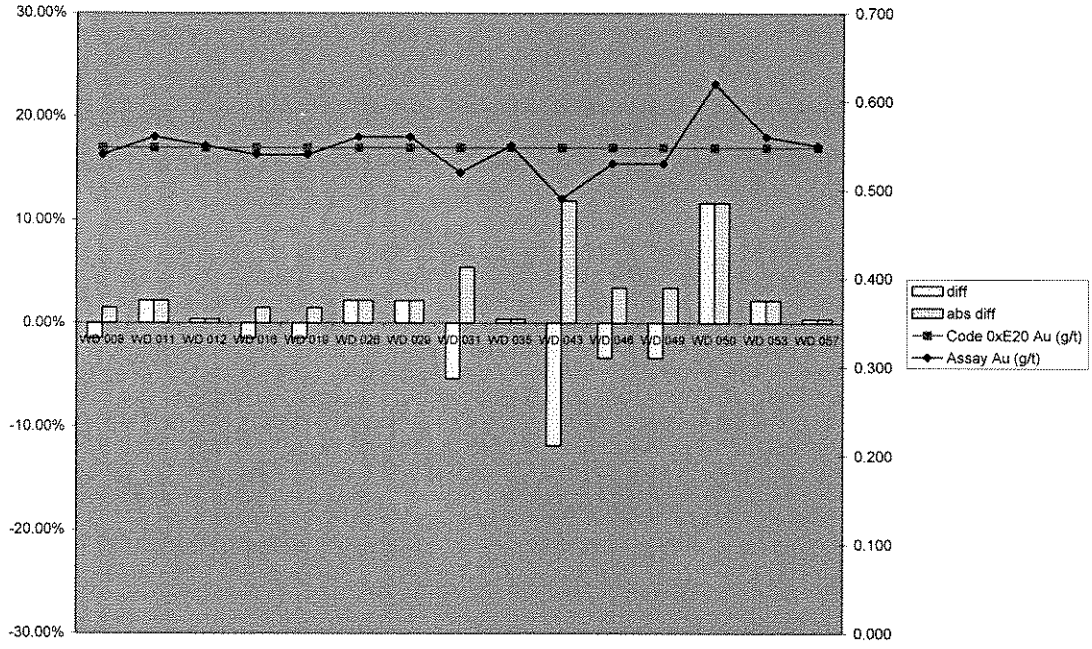


Figure 4.3 Standard OxE21

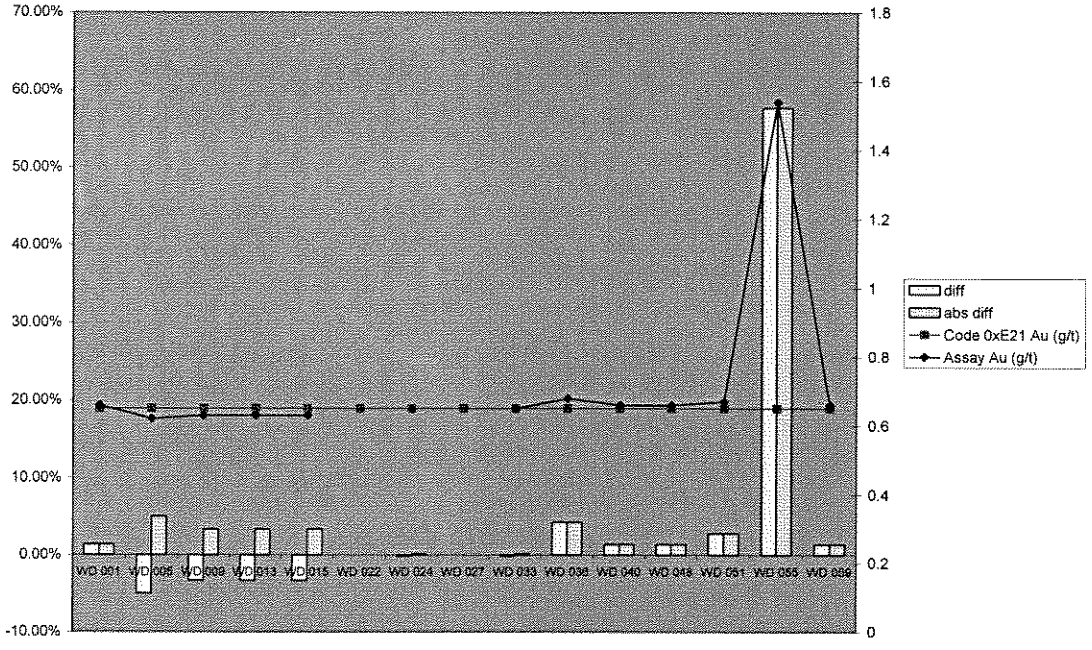
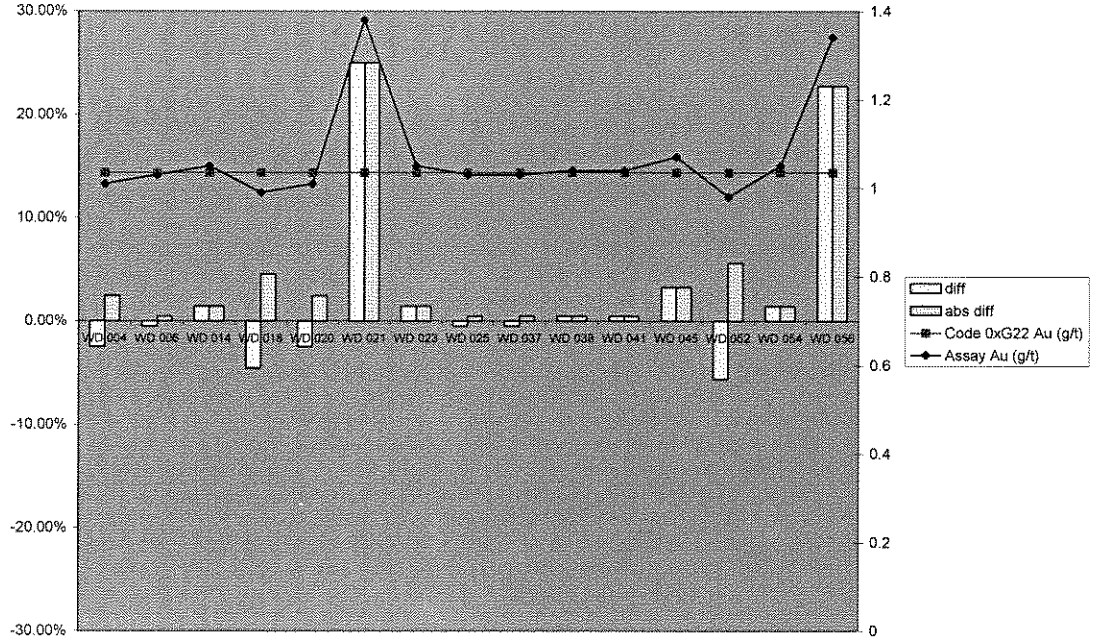


Figure 4.4 Standard OxG22



The values of the CRM used in comparison to the average orebody grades and number of determinations mean that the results have little relevance to the TMC Maud Creek estimate'

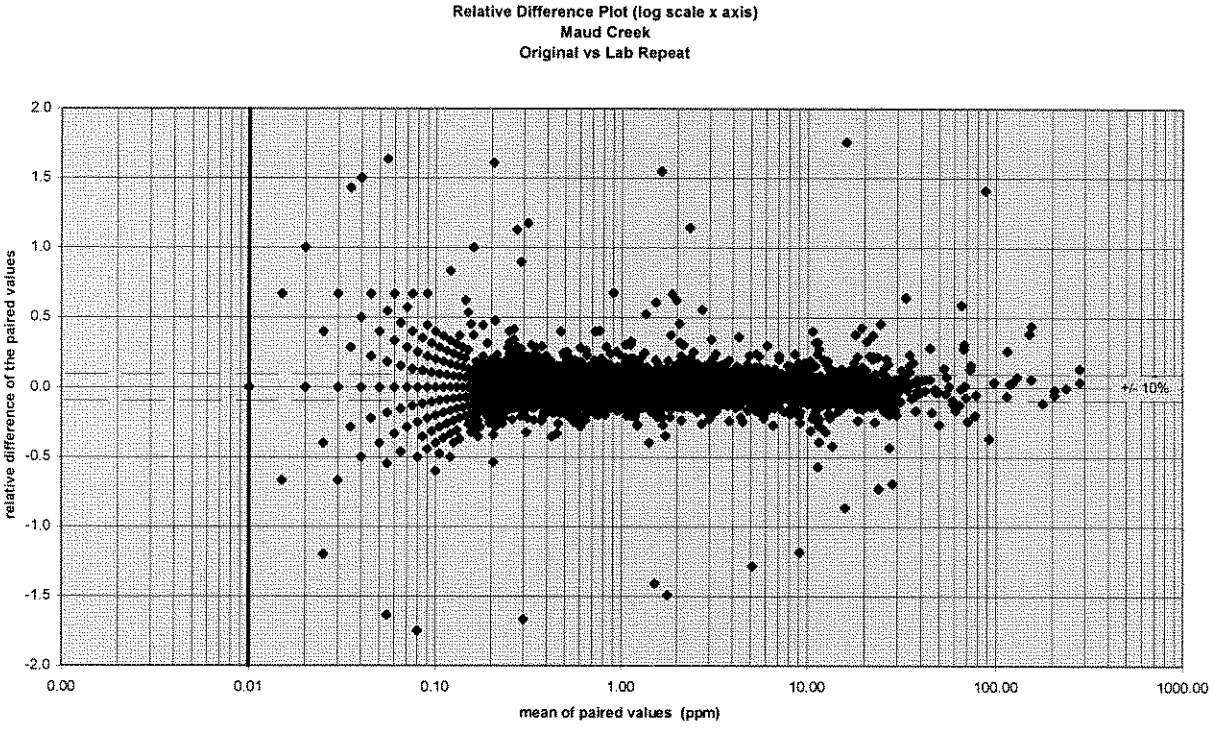
4.1.2 Blank Material

Snowden has not sighted any reporting of the use of blank material independently inserted with samples submitted to laboratories. It is standard industry practice to insert blank material to help assess whether the laboratory is cleaning its equipment adequately so that gold does not incorrectly report to the wrong sample intervals.

4.2 REPEAT ANALYSES

The supplied database contains laboratory repeat data (Au1 and Au2). This data was extracted from the database and analysed. Figure 4.5 is a relative difference plot of the two data sets. It would generally be expected that as the average grade of each pair of data increases the relative difference between the paired data would decrease. The plot does not indicate this, suggesting some issues with laboratory precision. This may reflect the presence of coarse or nuggety gold. It is understood that no screened fire assay analyses have been undertaken to help assess whether coarse gold is an issue at Maud Creek. Furthermore it must be noted that these are (presumably) repeats initiated by the laboratory, and not blind submissions of field duplicates, which may be normally expected to show poorer precision than laboratory repeats.

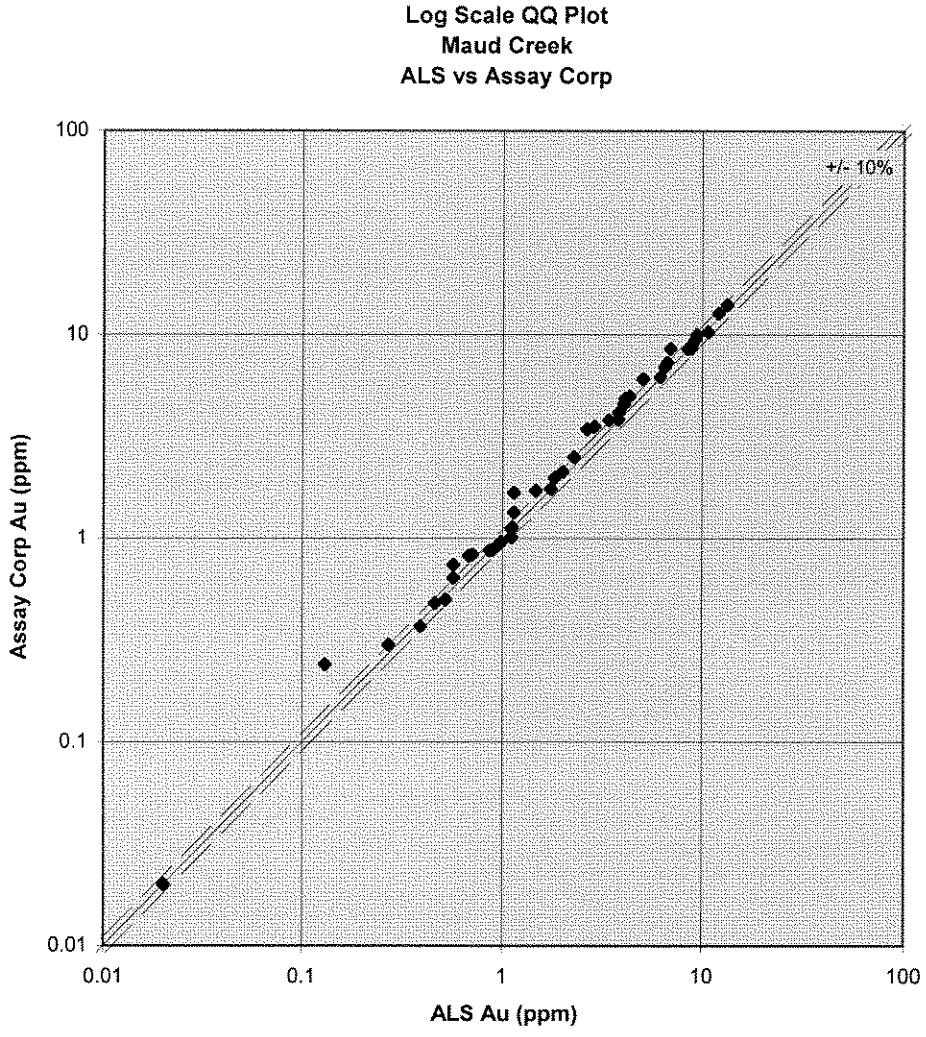
Figure 4.5 Relative difference plot



4.3 UMPIRE ANALYSIS

Some umpire analysis was undertaken between ALS (the primary laboratory) and Assay Corp laboratories. It is not known whether any common CRM was submitted to both laboratories to assist in calibrating the results. Figure 4.6 is a log Q-Q plot of the ALS data against the Assay Corp data and suggests that ALS is slightly under-reporting relative to Assay Corp.

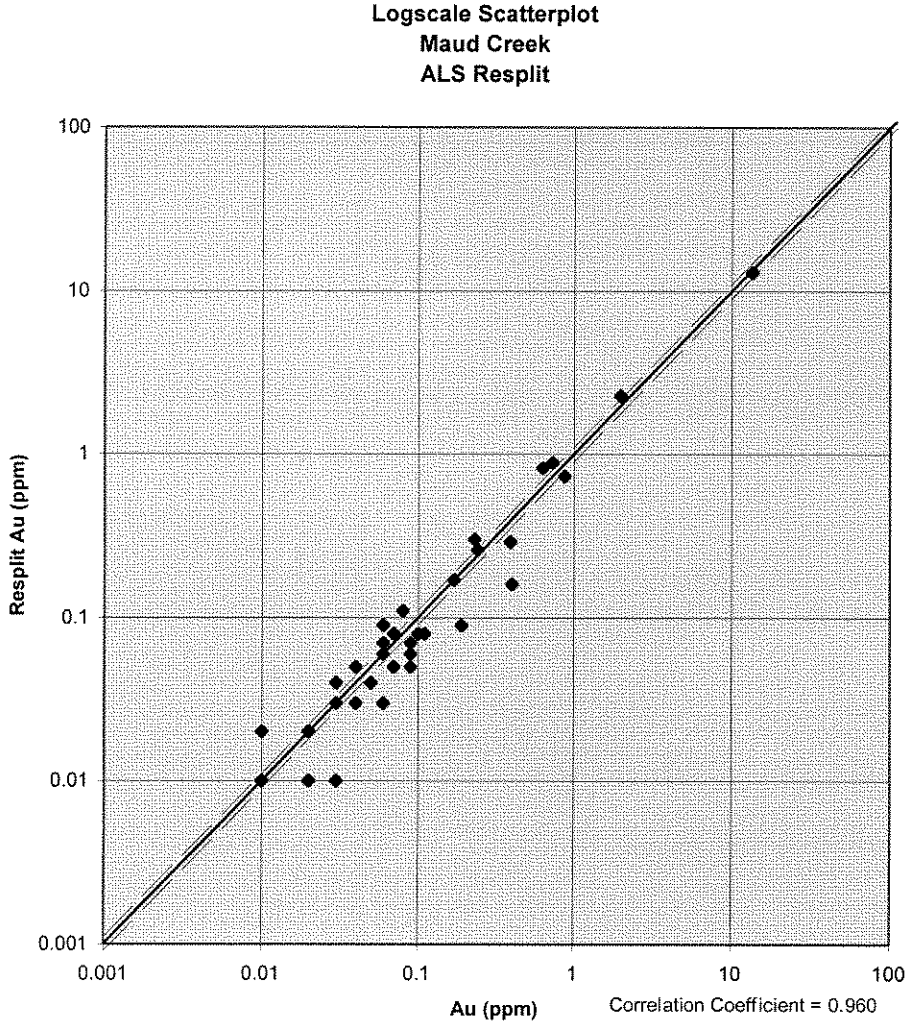
Figure 4.6 Log QQ plot umpire analysis



4.4 SAMPLE RESPLIT

Some data was resplit, reassayed and compared against the original data. Figure 4.7 is a log scatter plot of the resplit data which suggests a slight bias towards the original assay, although the overall correlation is acceptable. However, as the bulk of the data grades are less than 1 g/t Au, the results have little relevance to the Maud Creek estimate.

Figure 4.7 Log scatter plot resplit data



5 RESOURCE ESTIMATE

5.1 RESOURCE ENVELOPE

The Maud Creek resource estimate is based on a cut-off grade of 1 g/t Au. TGM does not provide any support for the appropriateness of the cut-off in a geological context. The methodology does not appear to incorporate any consideration of geology.

Snowden does not support the use of arbitrary (in a geological sense) grade cut-offs to define resource envelopes, and this is not common or good industry practice. Use of this approach at other projects has been demonstrated to lead to the overestimation of grade and underestimation of tonnes when the resource is quoted for a range of cut-offs above the cut-off used to define the envelope.

5.2 GRADE CAPPING

Snowden has reviewed the grade capping employed by TGM and found it to be appropriate. 35 g/t Au was used for the Main Lode while 20 g/t was used for all other lodes.

5.3 ESTIMATION PARAMETERS

Table 5.1 summarises the block model extents and block size used in the Maud Creek estimate.

Table 5.1 Block model extents

Model Limits	Extent of Model	Block Size	Sub block Size
8755-9655 mN	900m	10m	2.5m
19150-19650 mE	500m	5m	1.25m
(-500)-150 mRL	650m	5m	1.25m

Table 5.2 summarises the interpolation parameters used in the estimate. The documentation supplied with the estimate by TGM states that a maximum of 20 samples was used; this discrepancy needs to be resolved. Block discretisation of 3 by 3 by 3 was used. A search ellipse with a range of 60 m was used with anisotropy as described in Table 5.2. The range was increased to 120 m for a second interpolation run in order to inform unfilled blocks. The ellipse orientation is presented in Table 5.2, and Snowden notes that the orientation described is at odds with the check variography undertaken by Snowden, which identified the mineralisation having a southerly dipping plunge and dipping to the east. TGM needs to check the orientation of the search ellipse used in the estimate, as it is incorrect with respect to the orebody as reported by TGM.

Table 5.2 Interpolation parameters

Sample data	1m down hole composites of whole hole data			
Interpolation Method	Inverse distance Squared			
Search type	Ellipsoid			
Number of Samples	Minimum = 3, Maximum = 25			
Search Ellipse	Main Lode	HW Lodes	FW lodes	East Lodes
Bearing of major axis	0	0	0	0
Plunge of major axis	40 to S	0	0	0
Dip of major axis	-60 to W	-60 to W	-60 to West	-70 to West
Anisotropy	1:3	1:2	1:2	1:2

An inverse distance squared (IDS) algorithm was used to estimate grades into the block model. No Kriging neighbourhood analysis (KNA) was presented to support the parameters used in the estimate. KNA is often undertaken to minimise conditional bias (and thus potential misclassification of grades) in the estimate. Snowden has not undertaken KNA as part of this review. Based on previous experience with similar style deposits Snowden considers it likely that that the combination of minimum and maximum sample numbers used and the search ellipse, may result in a conditionally biased estimate, but that the impact of the conditional bias cannot be quantified from the existing model.

As the IDS method was used to interpolate grade into the block model, Snowden recommends that a declustered data set be used for the estimate. Unlike Kriging, IDS does not decluster data during the estimation process, and IDS using undeclustered data can result in biased estimates.

5.4 DENSITY ASSIGNMENT

A default density value of 2.8 was assigned to the resource model. Snowden understands that in previous interpretations oxide and transition zones with lower density material have been modelled. The model needs to be corrected to reflect these domains.

5.5 MODEL VALIDATION

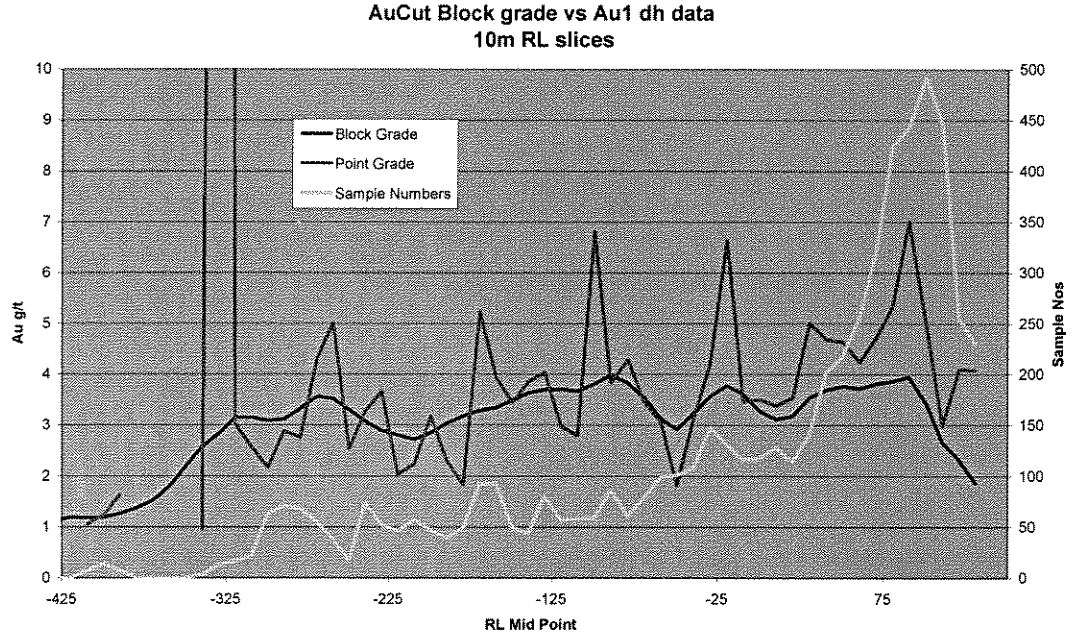
Snowden imported the Maud Creek estimate into Datamine and interrogated the model. Table 5.3 summarises the grade and tonnage over a range of cut-off grades.

Table 5.3 Maud Creek grade tonnage summary as at March 2005

Cut-off Au g/t	Tonnes kt	Au Cut g/t	Contained Gold kozt
0	10,736	3.23	1,114.9
1	10,048	3.41	1,101.6

Moving window comparative means were calculated by elevation slices to allow comparison of the model estimates with the input data on a local basis. Figure 5.1 is a plot of a moving window comparative mean based on 10 m slices by elevation, comparing drill data and the cut Au block grades. The block grade reflects the trend of the data used to inform it below RL 0 m, above RL 0 m the model does not reflect the drill data trend despite the increase in sample numbers. From this Snowden concludes that the model is not a fair representation of the input data.

Figure 5.1 Moving window comparative mean



Yours sincerely
Snowden Mining Industry Consultants

M C Andrew
BSc, MAusIMM
Principal Consultant

APPENDIX 2

87 Colin Street West Perth WA 6005
PO Box 77 West Perth WA 6872
Telephone +61 8 9481 6690
Facsimile +61 8 9322 2576
perth@snowdengroup.com
www.snowdengroup.com

Perth, Brisbane, Vancouver, Johannesburg, London

20 June 2005

Bill Mackenzie
Independent Engineers
PO Box 298
WEST PERTH WA 6872

Dear Bill

RE: MAUD CREEK RESOURCE AUDIT

1 INTRODUCTION

Snowden Mining Industry Consultants (Snowden) was commissioned by Independent Engineers (IE) to review the Maud Creek Mineral Resource estimate prepared for Terra Gold Mining Ltd (TGM) by The Mining Centre Ltd (TMC). It is understood that this review is required as part of an independent technical report to be filed on the Toronto Stock Exchange (TSE); as such, the estimate needs to comply with Canadian National Instrument 43-101 (NI 43-101). Snowden has therefore been asked to review the estimate in the context of NI 43-101 compliance.

2 FINDINGS

Snowden endorses for publication the Mineral Resource estimate for Maud Creek as presented in Table 2.1

Table 2.1 Snowden endorsed resource estimate (no cut-off) as at March 2005

Classification	Tonnes kt	Au (cut) g/t	Contained Gold kozs
Inferred	2,754	7.42	656

Snowden has reached this conclusion upon consideration of the following points:

- The lack of systematic submission of certified reference materials (CRMs – also commonly known as standards) and blank material as part of standard industry accepted Quality Control and Quality Assurance (QAQC) programmes undertaken during data collection. The CRMs sighted as part of this study all have values less than TGM's lower cut-off value of 2.5 g/t Au. The values ranged between 0.548 g/t Au and 1.344 g/t Au. Snowden considers that these results have little relevance to the estimate. Snowden contends that 5% of the assay database should comprise data relating to QAQC checks, reflecting standard industry procedures. The supplied Maud Creek database did not reflect this. The level of QAQC is appropriate for an Inferred Resource. It should be possible to increase these levels of data confidence upon completion of a resampling programme for QAQC purposes and by carrying out industry-standard levels of QAQC in future drilling campaigns.

- The methodology employed by TMC in defining the estimate is not supported by Snowden. TMC has used grade cut-offs reflecting perceived economic thresholds to define the resource. In order to reflect the change from a surface operation to an underground operation the cut-off value changes at RL -50 m from 2.5 g/t Au to 4.5 g/t Au. This changeover pre-judges the open pit/underground cut-over point, which can and will change with changing gold price, capital expenditure considerations, and exchange rates. Accepted industry practice is to define an orebody model which can be reported or assessed at a range of cut-off grades, and then to apply an optimisation algorithm to fix the cut-over depth.
- The resource estimate does not sufficiently incorporate geological controls on mineralisation, and as such does not meet the NI 43-101 requirements to meet Indicated classification. These state that '*Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization*' (Form 43-101F1, 2002). While Snowden acknowledges that TGM does have a geological framework the current resource estimate does not reflect this. Snowden believes that it is a relatively straightforward exercise to regenerate the geological model which forms the basis of the resource estimate to incorporate TGM's interpreted controls, and this may result in an upwards adjustment to resource confidence.

Snowden understands that TGM is addressing these issues in the next iteration of the resource estimate.

Overall, in consideration of the statement in NI 43-101 that '*A Mineral Resource...has reasonable prospects for economic extraction*', Snowden believes that the Inferred category is appropriate at the current time for the Maud Creek deposit.

3 DATA PROVIDED

Snowden was supplied with a digital version of the Maud Creek database ***GD_Maud_Creek_mel.mdb***. Snowden has not audited the database, and has used it as part of the validation. When importing assay, collar and survey data from the database into Datamine mining software and desurveying it, standard validation routines were run and no errors were reported.

Snowden recommends that as part of the next iteration of the Maud Creek resource estimate TGM undertake or commission a full audit of the database.

4 ANALYSIS OF QAQC DATA

Digital files of QAQC data were supplied by TGM, together with some hardcopy reporting of QAQC results. No report or reports summarising the complete programme of QAQC relating to the Maud Creek resource estimate were supplied.

4.1 CRM & BLANK ANALYSIS

4.1.1 Certified Reference Material

Snowden was supplied with a digital file relating to 4 CRMs inserted during the Maud Creek data collection programme. Table 4.1 summarises the CRMs used on the Maud Creek project in the data package supplied to Snowden and their certified values.

Table 4.1 CRM summary

Sample code	Gold concentration
0xE20	0.548
0xE21	0.651
0xG22	1.035
0xH19	1.344

Figure 4.1, Figure 4.2, Figure 4.3 and Figure 4.4 are plots sourced from the supplied data, and show difference (%) and absolute difference (%) for each CRM assay on the left-hand vertical axis, with Au grade (g/t) on the right-hand vertical axis. The CRM value is plotted in mauve, and the CRM lab value is plotted in blue. Values of greater than 20% difference between certified value and the determined value would appear to be related to submission or record of the incorrect CRM.

Figure 4.1 Standard OxH19

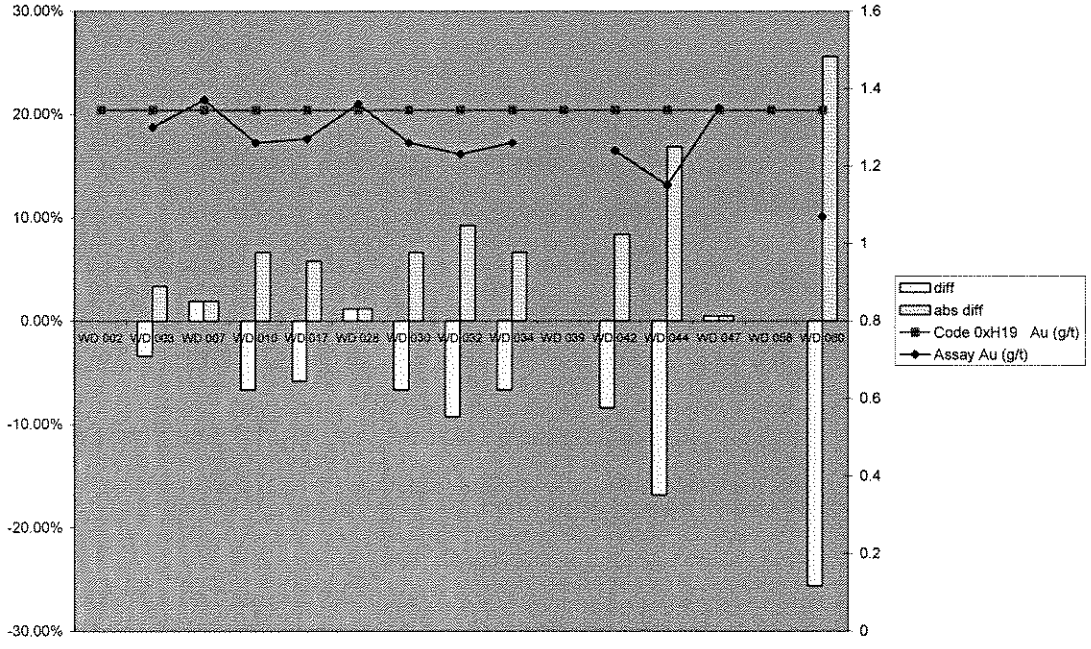


Figure 4.2 Standard OxE20

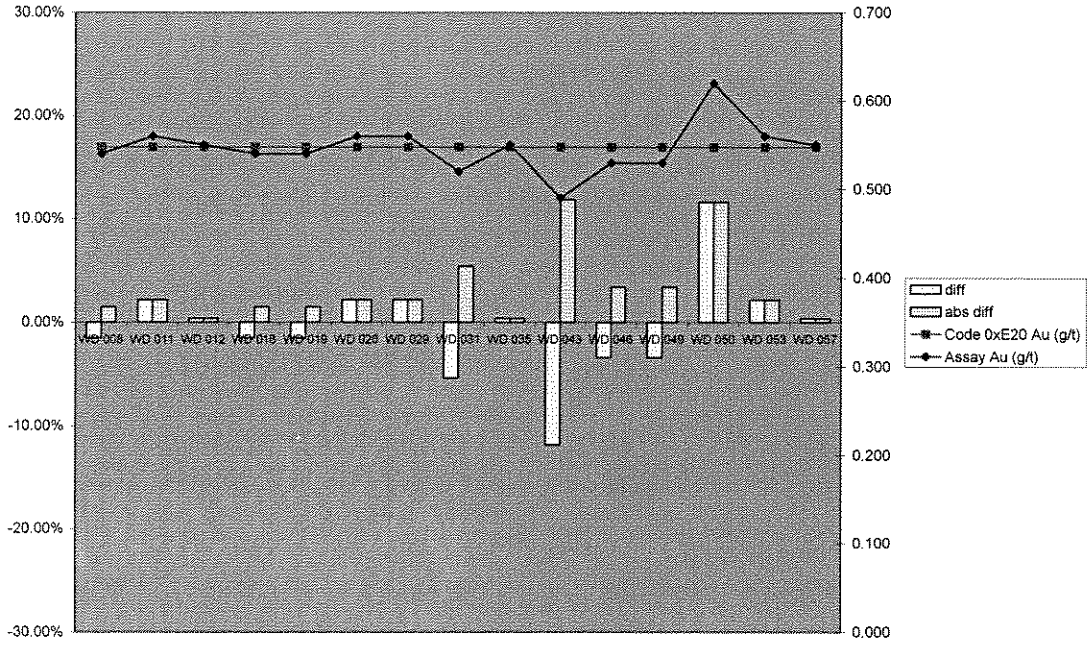


Figure 4.3 Standard OxE21

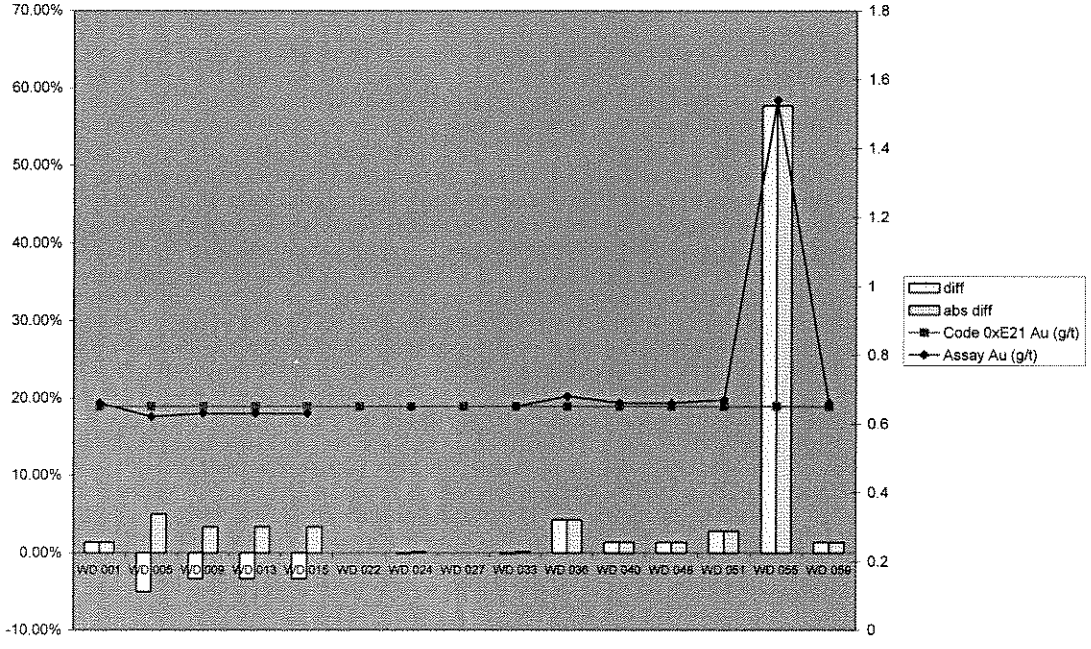
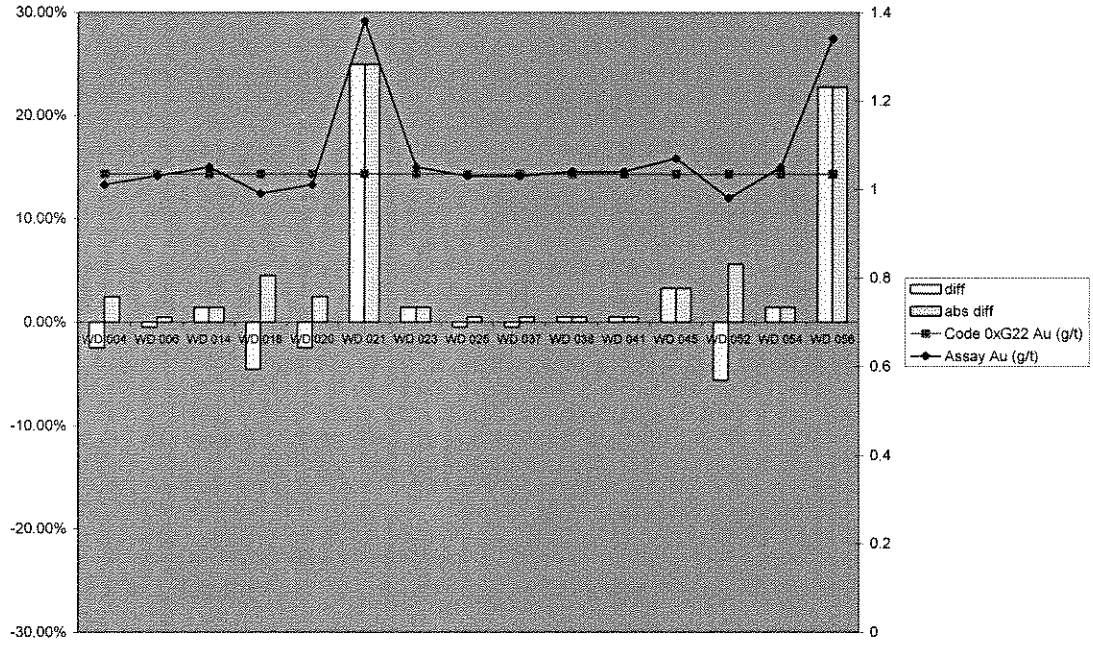


Figure 4.4 Standard OxG22



The values of the CRM used in comparison to the average orebody grades and number of determinations mean that the results have little relevance to the TMC Maud Creek estimate'

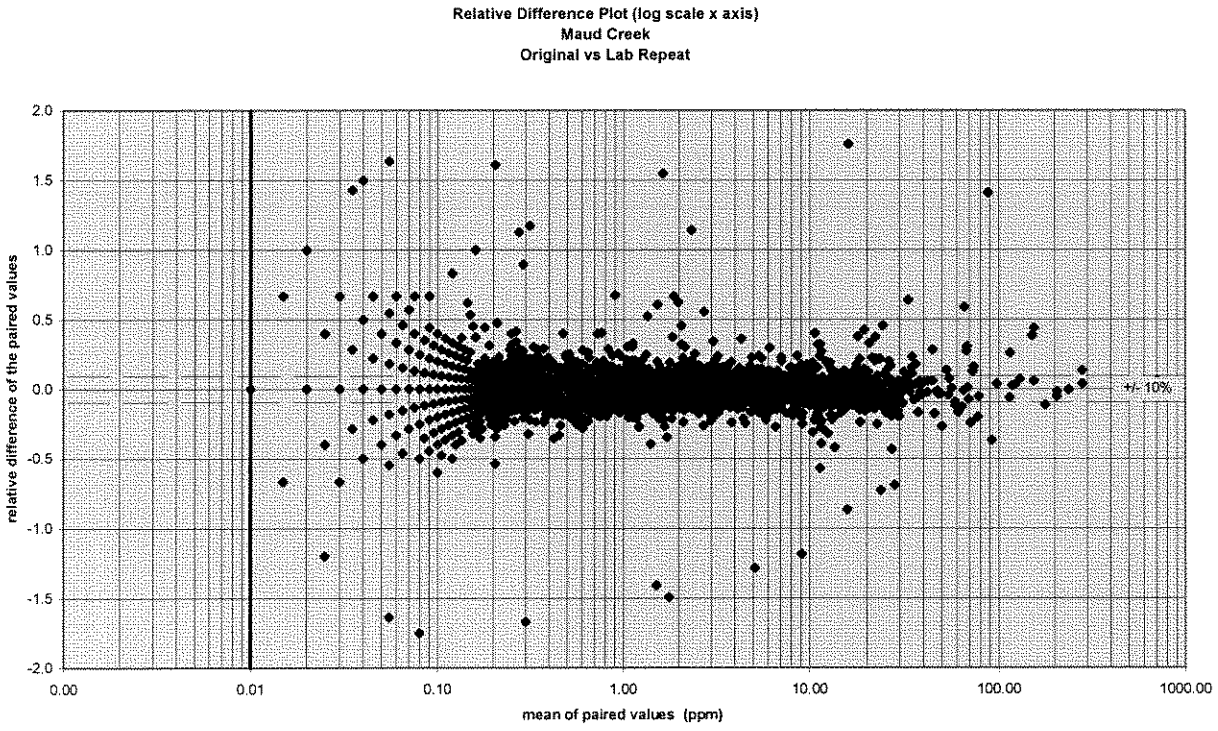
4.1.2 Blank Material

Snowden has not sighted any reporting of the use of blank material independently inserted with samples submitted to laboratories. It is standard industry practice to insert blank material to help assess whether the laboratory is cleaning its equipment adequately so that gold does not incorrectly report to the wrong sample intervals.

4.2 REPEAT ANALYSES

The supplied database contains laboratory repeat data (Au1 and Au2). This data was extracted from the database and analysed. Figure 4.5 is a relative difference plot of the two data sets. It would generally be expected that as the average grade of each pair of data increases the relative difference between the paired data would decrease. The plot does not indicate this, suggesting some issues with laboratory precision. This may reflect the presence of coarse or nuggety gold. It is understood that no screened fire assay analyses have been undertaken to help assess whether coarse gold is an issue at Maud Creek. Furthermore it must be noted that these are (presumably) repeats initiated by the laboratory, and not blind submissions of field duplicates, which may be normally expected to show poorer precision than laboratory repeats.

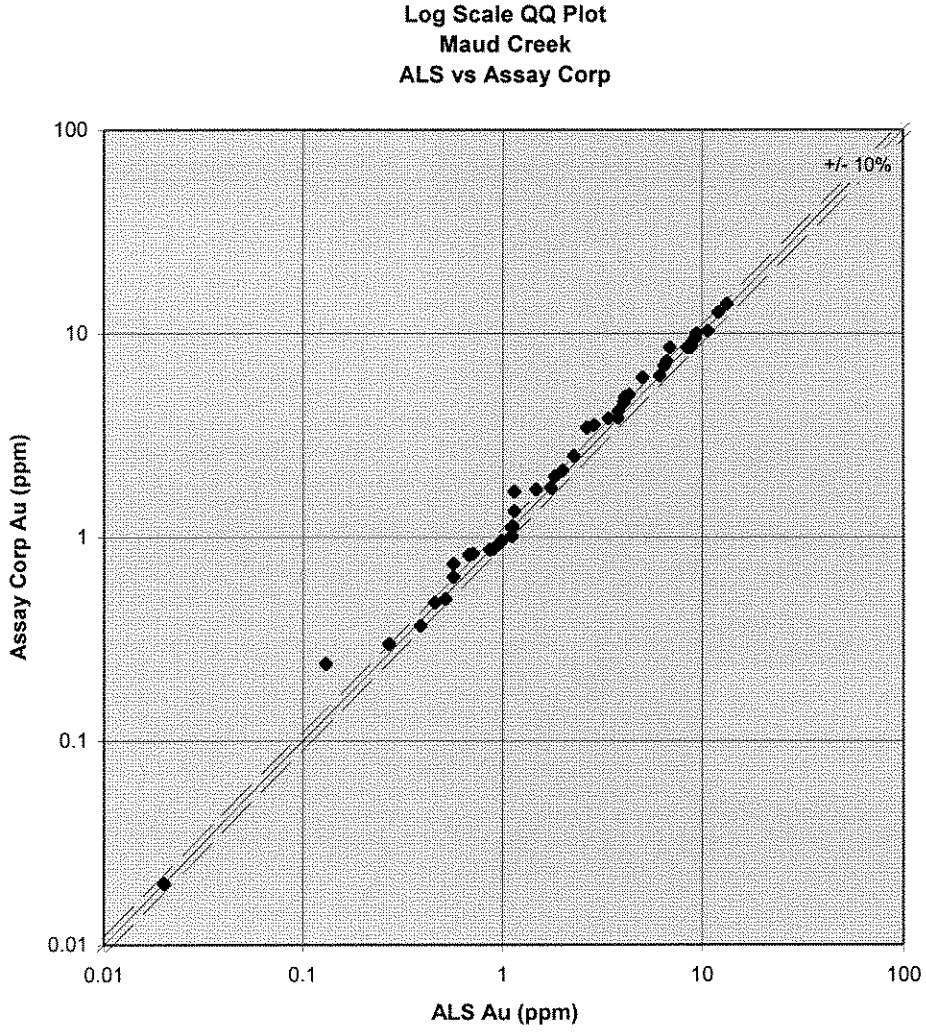
Figure 4.5 Relative difference plot



4.3 UMPIRE ANALYSIS

Some umpire analysis was undertaken between ALS (the primary laboratory) and Assay Corp laboratories. It is not known whether any common CRM was submitted to both laboratories to assist in calibrating the results. Figure 4.6 is a log Q-Q plot of the ALS data against the Assay Corp data and suggests that ALS is slightly under-reporting relative to Assay Corp.

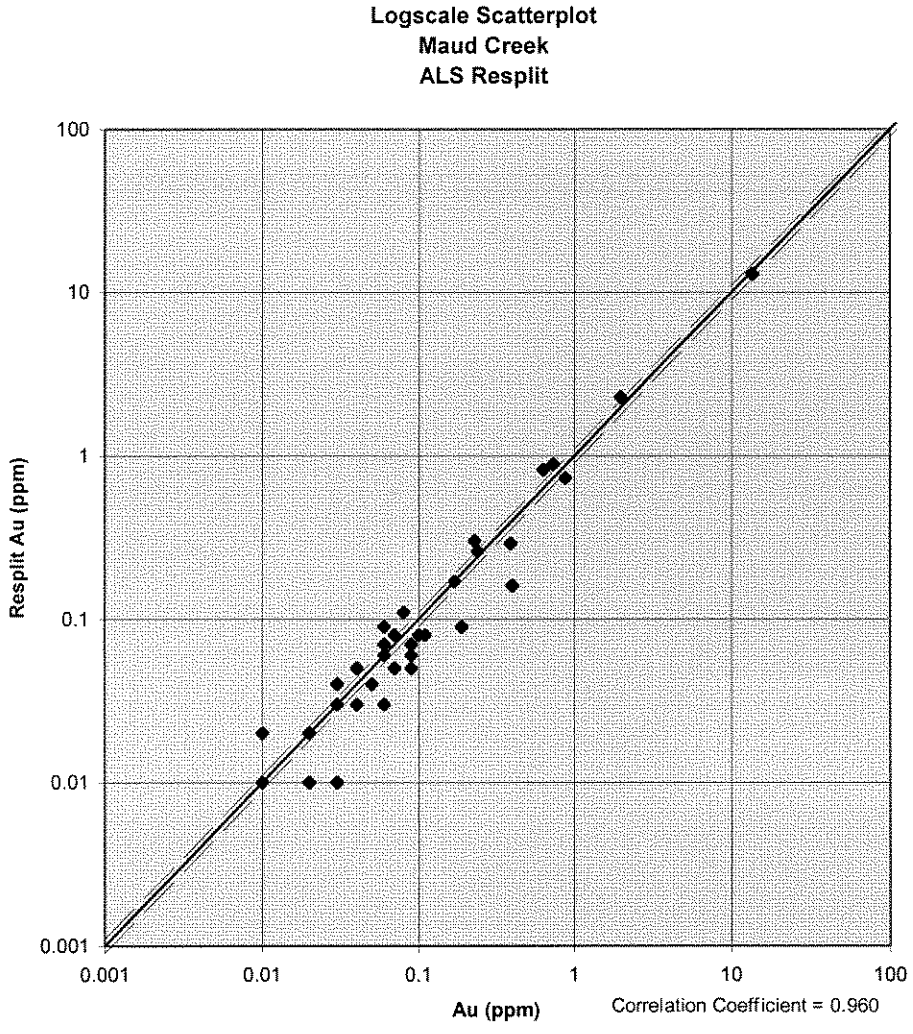
Figure 4.6 Log QQ plot umpire analysis



4.4 SAMPLE RESPLIT

Some data was resplit, reassayed and compared against the original data. Figure 4.7 is a log scatter plot of the resplit data which suggests a slight bias towards the original assay, although the overall correlation is acceptable. However, as the bulk of the data grades are less than 1 g/t Au, the results have little relevance to the Maud Creek estimate.

Figure 4.7 Log scatter plot resplit data



5 RESOURCE ESTIMATE

5.1 RESOURCE ENVELOPE

The Maud Creek resource envelope is based on two cut-off grades that reflect anticipated economic cut-off grades for surface and underground operations; the values are 2.5 g/t Au and 4.5 g/t Au respectively. The interface between the two cut-off values is -50 mRL. The methodology does not incorporate any consideration of geology into the resource estimate.

Snowden does not support the use of arbitrary (in a geological sense) grade cut-offs to define resource envelopes, and this is not common or good industry practice. This approach at other projects has been demonstrated to lead to the overestimation of grade and underestimation of tonnes when the resource is quoted for a range of cut-offs above the cut-off used to define the envelope. Snowden notes that an independent review of the TMC estimate made essentially the same point.

5.2 GRADE CAPPING

Table 5.1 summarises the grade capping used to limit the effect of extreme values on the estimate. Snowden has reviewed these levels and found them to be appropriate.

Table 5.1 Maud Creek grade capping

Domain name	Cut grade Au g/t	Composite file
Main Zone >-50mRL	50.0	maudsckcomps_mz_gtneg50_cut50_1.str
Main Zone <-50mRL	30.0	maudsckcomps_mz_ltneg50_cut30_1.str
Main Zone hanging wall stringers	27.5	maudsck_mzhw_cut27_1.str
Main Zone footwall stringers	29.0	maudsck_mzfw_cut29_1.str
East Lode	22.0	maudsck_eastlode_cut22_1.str

5.3 ESTIMATION PARAMETERS

Table 5.2 summarises the block model extents and block size used in the Maud Creek estimate. A minimum of 2 samples and a maximum of 15 samples were used to inform the blocks. Block discretisation of 3 by 3 by 3 was used. A search ellipse with ranges of 45 m (major), 30 m (semi-major) and 7 m (minor) was used. The ellipse was oriented such that the major axis had an azimuth of 000° and the semi-major axis dipped at 60° to an azimuth of 090°. An inverse distance squared (IDS) algorithm was used to estimate grades into the block model.

Table 5.2 Block model extents

Type	mN	mE	mRL
Minimum Coordinates	8505	19000	-500
Maximum Coordinates	9805	19800	200
User Block Size	20	10	2.5
Min. Block Size	5	2.5	.625
Rotation	0	0	0

No Kriging neighbourhood analysis (KNA) is presented to support the parameters used in the estimate. KNA is often undertaken to minimise conditional bias (and thus potential misclassification of grades) in the estimate. Snowden has not undertaken KNA as part of this review. Based on previous experience with similar style deposits Snowden considers it likely that that the combination of minimum and maximum sample numbers used and the search ellipse, will result in a conditionally biased estimate, but that the impact of the conditional bias cannot be quantified from the existing model.

The same search ellipse was used for the 2.5 g/t Au and 4.5 g/t Au resource envelopes. Snowden undertook some variography which indicates that the 4.5 g/t Au envelope does not have the same spatial continuity as the 2.5 g/t Au envelope. Snowden's check variography confirmed the southerly plunge of the ore body as described in the geology of the resource; Snowden notes, however, that this plunge was not used to orient the search ellipse in the current estimate.

As the IDS method was used to interpolate grade into the block model, Snowden recommends that a declustered data set be used for the estimate. Unlike Kriging, IDS does not decluster data during the estimation process, and IDS using undeclustered data can result in biased estimates.

5.4 DENSITY ASSIGNMENT

A default density value of 2.8 was assigned to the resource model. Snowden understands that in previous interpretations oxide and transition zones with lower density material have been modelled. The model needs to be corrected to reflect these domains.

5.5 MODEL VALIDATION

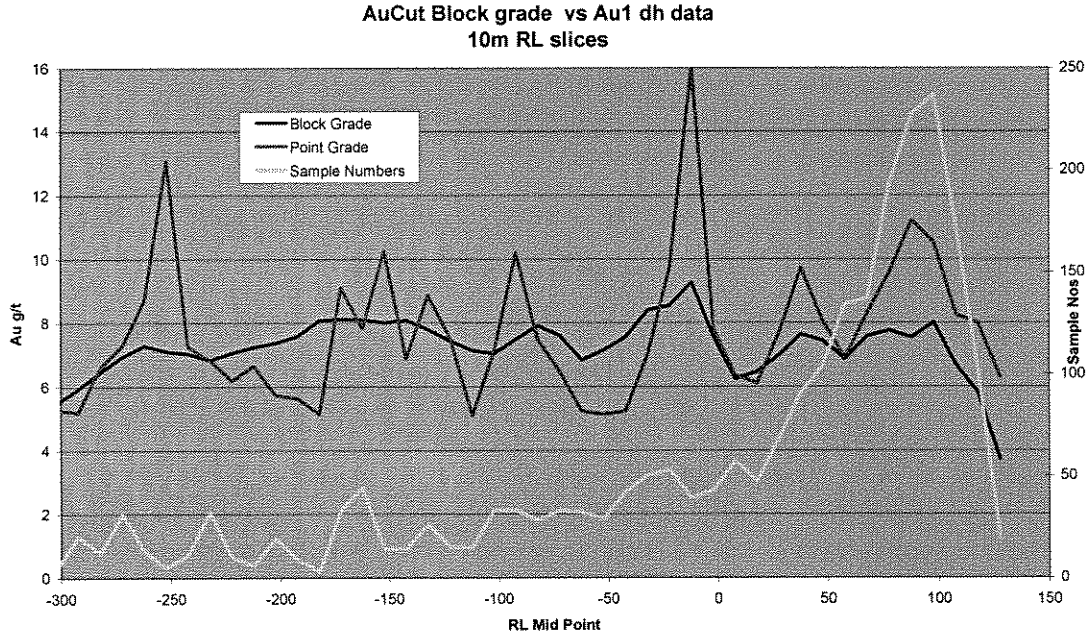
Snowden imported the Maud Creek estimate into Datamine and interrogated the model. Table 5.3 summarises the grade and tonnage over a range of cut-off grades. The table conforms to the grade-tonnage summary presented in the TMC report.

Table 5.3 Maud Creek grade tonnage summary

Cut-off Au g/t	Tonnes kt	Au Cut g/t	Contained Gold kozs
0	2,755	7.42	656
3	2,731	7.46	655
6	1,814	8.76	511
9	610	11.49	225
12	169	14.65	80

Moving window comparative means were calculated by elevation slices to allow comparison of the model estimates with the input data on a local basis. Figure 5.1 is a plot of a moving window comparative mean based on 10 m slices by elevation, plotting drill data against the cut Au block grades. The block grade reflects the trend of the data used to inform it. It should be noted that the number of samples used to inform the model starts to decrease below RL 25 m. From this Snowden concludes that the model is a fair representation of the input data.

Figure 5.1 Moving window comparative mean



Yours sincerely
Snowden Mining Industry Consultants

Michael Andrew

M C Andrew
BSc, MAusIMM
Principal Consultant

SNOWDEN

87 Colin Street West Perth WA 6005
PO Box 77 West Perth WA 6872
Telephone +61 8 9481 6690
Facsimile +61 8 9322 2576
perth@snowdengroup.com
www.snowdengroup.com
Perth, Brisbane, Vancouver, Johannesburg, London

29 June 2005

Bill Mackenzie
Independent Engineers Australia Pty Ltd
PO Box 298
WEST PERTH WA 6872

Dear Bill,

Emerson Exploration Inc – Canadian NI 43-101 Technical Report on the Maud Creek Gold Project-CONSENT

By this letter, in my own right and on behalf and on behalf of Snowden Mining Industry Consulting Group I:

1. Consent to being named in the Technical Report on the Maud Creek Gold Project as a person who prepared or certified a statement, report or valuation for or on behalf of Emerson Exploration during the period 1 June 2005 to date.

2. Confirm that, by virtue of the fact that I prepared or certified a statement, report or valuation for or on behalf of Emerson Exploration during the period 1 June 2005 to date, I will not receive a registered or beneficial interest, direct or indirect, in any securities or other property of Emerson Exploration.

3. Confirm that during the period 1 June2005 to date, I had no registered or beneficial interest, direct or indirect, in any securities or other property of Emerson Exploration.

In this letter a reference to Emerson Exploration means Emerson Exploration Inc and each of its subsidiaries.

Yours sincerely
SNOWDEN MINING INDUSTRY CONSULTING GROUP

Michael Andrew

Principal Consultant – Resources