EL9608 PROPOSED WORK PROGRAM AND BUDGET

FOR THE PERIOD ENDING 24TH MAY 2006

a) Introduction

The tenement of three blocks lies 18km SE of Brocks Creek and 140km SE of Darwin, NT. It falls within the Burrundie 1:50,000 topographic sheet.

The tenement was granted to Territory Goldfields NL and Buffalo Creek Mines NL on 25th May 2004. The expenditure covenant was initially set at $102,000 for year one, and on application this covenant was varied to a minimum of $15,000 subject to approval of a resubmitted second year program and covenant.

b) Geological Setting

The tenement encloses rocks of the Lower Proterozoic Koolpin Formation. These are interlayered with intrusive sills of the Zamu Dolerite event and are overlain by Gerowie Tuff Formation. The sequence has been folded into a series of tight anticlines and synclines whose axes trend NNW. Strike faults represent limb failure during the folding event.

It occupies a geological setting analogous to that of the Golden Dyke Dome some 3.5km to the west. The latter area is well known for gold occurrences that have been the subject of regional exploration and open pit mining operations at Golden Dyke and Langley's.

c) Previous Exploration

The area was subjected to programs of prospecting, stream sediment sampling, soil sampling and RAB/RC drilling during the 1980s and 1990s. Several anomalous locations were identified, in particular within the southernmost block of EL9608. BLEG soil sampling within this area outlined an anomaly at plus 25ppb Au.

During the first year of grant of the title the Burnside Joint Venture focused on establishing its gold resource base through RC and diamond drilling programs at first priority locations such as Cosmo Howley where a resource of over 1million ounces of gold has now been outlined. Other open pit targets were elevated to optimised resource model status. The Zapopan mine, developed and drilled in 2003, was kept on care and maintenance in readiness for full production.

In the first year EL9608 was subjected to a remote sensing study that defined the structural and stratigraphic framework of the tenement. The historical geochemical database was reviewed for identification of gold targets.

d) Proposed Forward Exploration Program 2005-2006

i. Geological Mapping

A program of geological mapping at photoscale is proposed. This will focus on the principal structural target zones of the southern EL block and include reconnaissance mapping of the remainder of the northern blocks. The work will be attended by rock chip sampling and determination of regolith conditions as affecting soil sampling programs. Any evidence of previous work including grids and drilling will be recorded.

ii. Geochemical Database

All historic records relevant to the tenement will be sought and integrated into the regional database.

iii. Orientation Soil Sampling

Principal target zones identified from the mapping work will be tested by a trial orientation soil sampling program. This will establish the level of response of basement mineralisation and confirm the optimum sample parameters and analytical requirements.

iv. RAB and/or RC Drilling

In the event that targets are quickly identified through the mapping and rock chip work a short program of RAB and/or RC drilling is proposed to determine the potential of the setting.

e) EL9608 Budgeted Expenditure, 2005-2006

Geological Activity (Salaries)	$11,000.00
Non technical support (Salaries/Wages	$ 5,000.00
Rock chip assays	$ 300.00
Geochemical assays	$ 1,500.00
RAB/RC Drilling	$24,000.00
Drilling Assays	$ 2,000.00
Consumables and vehicles	$ 2,000.00

	$45,800.00