

**OLYMPIA RESOURCES LTD
HARTS RANGE GARNET PROJECT
ANNUAL REPORT
YEAR ENDING 22 JANUARY 2006
ML23868
ATURGA PROJECT**

During the year ended 22 January 2006 the company has engaged a experienced marketing manager to identify and establish markets for abrasives from the Aturga operation. This study is on-going and will be complete in April, 2006 and the results will be reported in the 2007 Annual Report. Initial indications are that sufficient market can be identified to move the project forward.

A series of pits were dug on the project to assess the possibility of screening the sand dry prior to magnetic separation. The test work was successful and is reported in the attached Appendix. Further testwork on the blasting characteristics of the garnet and amphibole were conducted and the report is appended. In 2006 a complete test on the dry circuit will be completed.

Costs incurred to January, 2006.

| | |
|---------------------------------|-------------------|
| Geological Studies | \$ 4,055 |
| Metallurgical studies | \$ 16,005 |
| Exploration and pitting | \$ 8,400 |
| Travel Expenses | \$ 586 |
| Blast Testwork | \$ 5,042 |
| Market Studies | \$ 36,498 |
| Mine Planning & Scheduling | \$ 24,435 |
| Environmental Studies | \$ 2,413 |
| Rents and Rates | \$ 25,300 |
| Legal Fees and CLC Negotiations | \$ 12,786 |
| Administration | \$ 447 |
| Total | \$ 135,967 |

In 2006-2007 proposed expenditure is:

| | |
|------------------------|-------------------|
| Marketing Studies | \$ 60,000 |
| Engineering Design | \$ 120,000 |
| Logistics Finalisation | \$ 30,000 |
| Metallurgy | \$ 10,000 |
| Total | \$ 220,000 |

In future the expenditure on the ML will be reported with the M to August.