

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	Exploration License
Number	23573
Operation Name (optional)	Lagoon Creek

Section 2. Period covered by this return:

Twelve-month period:		If Final Report:	
From	21/12/07	From	
To	22/12/08	To	
Covenant for the reporting period:		\$212,750.00	

Section 3. Give title of accompanying technical report:

Title of Technical Report	Annual Report, Lagoon Creek, NT Period Ending 22/12/08
Author	Warrick Rafferty

Section 4. Locality of operation:

Geological Province	Murphy Inlier – McArthur Basin
Geographic Location	

Section 5. Work program for the next twelve months:

Activities proposed (please mark with an "X"):	
<input type="checkbox"/> Drilling and/or costeaning	
<input checked="" type="checkbox"/> Literature review	<input type="checkbox"/> Airborne geophysics
<input checked="" type="checkbox"/> Geological mapping	<input checked="" type="checkbox"/> Ground geophysics
<input checked="" type="checkbox"/> Rock/soil/stream sediment sampling	<input type="checkbox"/> Other:
Estimated Cost:	\$100,000.00

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. Note overheads are not to exceed 15% of total.

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

- Insurance
- Company Prospectus
- Rent & Department Fees
- 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				
General research				
Report preparation	x	\$18,162.44		
Other (specify)	x	\$6,594.29		
Subtotal		\$24,756.73		
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	x	\$1,200.00		
Reconnaissance	x	\$26,219.30		
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					
<i>(state number of samples)</i>					
Drill (cuttings, core, etc.)					
Stream sediment		480		\$2,496.31	
Soil					
Rock chip					
Laterite					
Water					
Biogeochemistry					
Isotope					
Whole rock					
Mineral analysis					
Laboratory analysis (type)					
Petrology					
Other (specify)					
Ground Exploration Subtotal				\$53,638.60	
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					
Costeaming/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				\$78,395.33	

Section 7. Comments on your exploration activities:

Exploration drilling at Lagoon Creek targeting uranium mineralisation along near flat lying sedimentological contacts and in near-vertical structural zones has not identified any new significant resources and has downgraded the exploration potential for these styles of mineralisation. Airborne radiometric surveys and stream sediment sampling has identified anomalies for follow-up. Preliminary assessment of exploration models suggests potential for Paleochannel sandstone hosted mineralisation that has not been tested. Integration of existing datasets and re-logging of core is required to progress this concept, and is proposed for year 6.

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.

I have attached the Technical Report

1. Name:	Warrick Rafferty	2. Name:	
Position:	Exploration Manager	Position:	
Signature:		Signature:	
Date:	27 February 2009	Date:	