GBS GOLD AUSTRALIA PTY LTD

ANNUAL EXPLORATION REPORT

COMBINED TECHNICAL REPORTING FOR EL's 22966, 22967, 22968, 22970, 23605, 24127 AND 24262

FOR PERIOD ENDING 30 May 2008

MOLINE GROUP

Mt Evelyn SD5305 1:250,000

Ranford Hill 5370 1:100,000

Titleholder: Michael Daniel Teelow

Distribution:
1. DPIFM Darwin NT
2. GBS Gold Australia Perth
3. Burnside Operations P/L Brocks Creek
4. Union Reefs, Pine Creek

GBS Report No. PC/MO/08-02

Zia U. Bajwah
May 2008

SUMMARY

The Moline Group of tenements (EL 22966, EL 22967 EL 22968, EL 22970, EL 23605, EL 24127, EL 24262) comprises 7 exploration licences and surrounds the Moline gold field. It is located about 200 km SE of Darwin along the Kakadu Highway with a distance of about 45 km from Pine Creek.

The exploration tenements are situated within the central region of the Pine Creek Orogen, which is characterised by open to tight, upright N to NW-trending folds of the Palaeoproterozoic meta-sedimentary and volcanic rocks. NW-trending overturned anticlines of the Mt Bonnie Formation sediments dominate the central tenements, with some exposures of refolded Gerowie Tuff further to the northwest. Folded Burrell Creek Formation sediments are the dominant lithology further north and south on EL's 24127, 24262, 22966.

During the reporting period a comprehensive program of soil sampling was undertaken in the project area in order to assess the gold potential of the area. For this purpose, a total of 3241 soil samples were assayed for Au, As and base metals. Of the 3241 samples assayed, 106 samples showed gold concentrations above 100 ppb. Sample EX04798 showed Au concentration as high as 8210 ppb, whereas 7 samples contain Au concentrations form 1 000 to 5 000 ppm. There are 9 samples with Au concentrations from 500 to 1 000 ppb. 88 samples are characterised by Au values from 100 to 500 ppb. Spatial distribution of these samples defines a NW Au anomalous trend covering 6 km by 2 km. It may be noted that this gold anomalous trend is similar to that defined in the NW parts of the Pine Creek Orogen which host significant gold deposits. A program of RC/diamond drilling has been proposed in the project area to explore the Au anomalies, identified during soil sampling program. In addition, some geological mapping and infill soil sampling may also be required.

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1.0 INTRODUCTION

The Moline Group of tenements (EL 22966, EL 22967 EL 22968, EL 22970, EL 23605, EL 24127, EL 24262) comprises 7 exploration licences which surrounds the Moline gold field, located in the Mount Evelyn (1:250 000) sheet. It has produced 2.68 tonnes of gold from 1882-1991. In the following exploration activity conducted during the reporting period is presented.

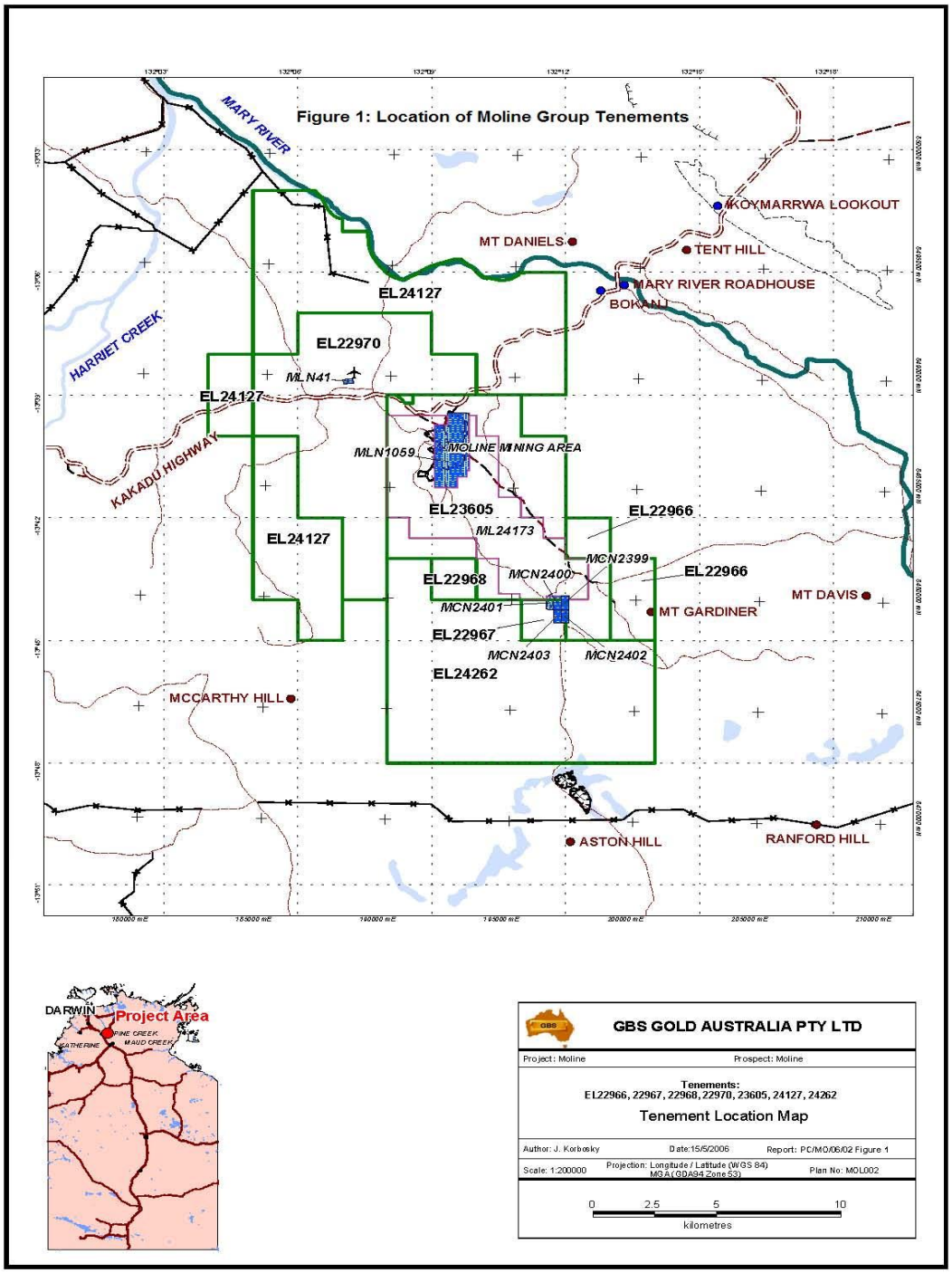
2.0 LOCATION AND ACCESS

The Moline tenement group is located approximately 200 km SE of Darwin, but is further by road. Access is from Pine Creek (220 km SE of Darwin) along the Kakadu Highway (approximately 45 km east of Pine Creek). Access within the tenements is possible during the dry season using old mining tracks and station tracks (Figure 1). Topography consists of low hills and ridges, usually with good rock outcrop, which drain into the Mary River via Bowerbird, Evelyn, Eureka and O'Neil Creeks. The Mary River forms the northern boundary of EL24127, and the Wandie Creek is close to the southern boundary of the tenement group. Vegetation consists of open savannah woodlands.

3. TENEMENT STATUS AND OWNERSHIP

The Moline tenement group is held by Michael Daniel Teelow, who also holds MLN1059 over the Moline mines (Figure 1). An option agreement dated 30 October 2003, and a Deed of Variation dated 12 November 2004 gave GBS subsidiary Terra Gold Mining Limited the option to prospect and explore for minerals on the tenements during the option period. An application (ML 24173; by Teelow) covers all of MLN 1059 and a large portion of EL 23605. Activities on MLN1059 will be reported separately, although exploration in the Moline group covers both the EL's as well as MLN1059. Other tenure within the tenements include; MLN 41 (covers Evelyn base metals; held by Newmont

Figure 1: Tenement Location Map



Woodcutters Pty Ltd); and MCN's 2399-2403 (covering Mt Gardiner base metals; held by Phillip Anthony Johns (50%) and Derek Dixon (50%)). These tenements will expire

on 31 December 2011. The Teelow Moline exploration tenements were granted for 6 years (except EL 24262; 2 years). Underlying cadastre is the Mary River Wildlife Ranch Pty Ltd (No. 1631) for the whole area except for a small portion of Crown Lease (CLP1617) held by the Moline Golf Club (Inc) that underlies EL22970.

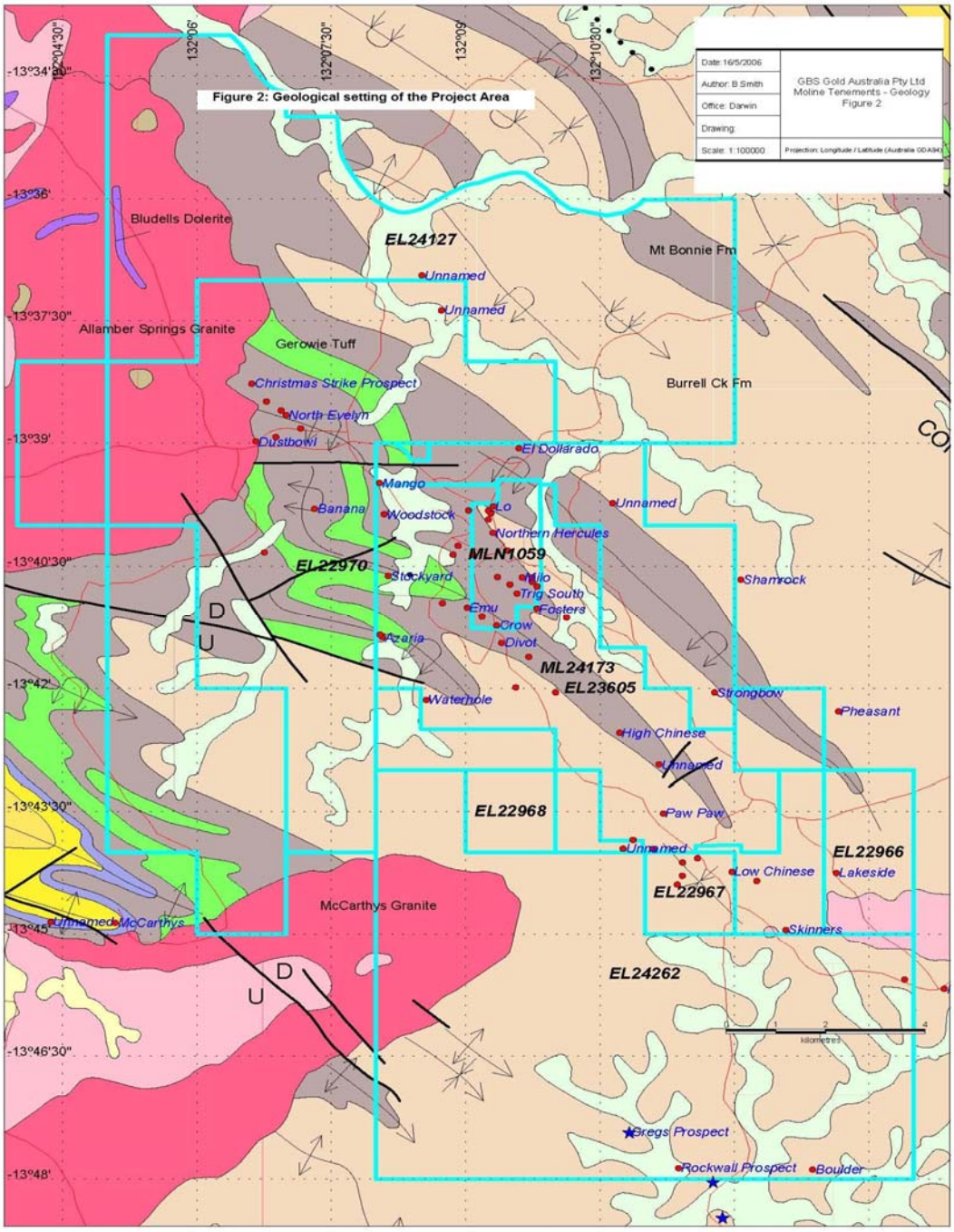
Table 1: Tenement Details for Moline Group

Tenement	Date Granted	Date Expiry	No. Blocks
EL 22966	01/05/2003	30/04/2009	3blocks (10.01km2)
EL 22967	01/05/2003	30/04/2009	1 block (1.0km2)
EL 22968	01/05/2003	30/04/2009	1 block (1.0km2)
EL 22970	01/05/2003	30/04/2009	17 blocks (56.73km2)
EL 23605	20/03/2003	19/03/2009	19 blocks (63.22km2)
EL 24127	15/10/2004	14/10/2010	29 blocks (88.33km2)
EL 24262	03/03/2005	02/03/2009	22 blocks (73.39km2)
		Total (area)	293.68 km

4. GEOLOGICAL SETTING

The tenements are situated within the central region of the Pine Creek Orogen, which is characterised by open to tight, upright N to NW-trending folds of the Palaeoproterozoic meta-sedimentary and volcanic rocks (Ferenczi and Sweet, 2005). The geology (from the 1:250,000 map) within the tenement areas is shown in Figure 2. NW-trending overturned anticlines of Mt Bonnie Formation sediments dominate the central tenements, with some exposures of refolded Gerowie tuff further to the northwest. Folded Burrell Creek Formation sediments are the dominant lithology further north and south on EL's 24127,

Figure 2: Geological setting of the project area



24262, 22966, 22967 and 22968. Portions of McCarthys Granite are mapped on EL24262, and Allamber Springs Granite is recorded on the western boundaries of EL's 22970 and 24127. Bludells Dolerite is mapped as a wormlike body within the Allamber Springs Granite on EL24127, and is considered to be a mafic end-member of the host pluton (Stuart-Smith et al. 1993). Mineralogical evidence suggests that these rocks predate the host granite intrusions, and may represent remnant rafts of Zamu Dolerite (Ferenczi and Sweet, 2005). There is a tendency for gold mineralisation to be focused in anticlinal settings within strata of the South Alligator Group and lower parts of the Finniss River Group. This sequence evolved from initial low energy shallow basinal sedimentation to higher energy deeper water flysch facies. Some of the gold mineralisation appears to be related to the I-type members of Cullen Batholith, formed during the evolution of hydrothermal fluids as a result of fractionation and differentiation processes (Bajwah, 1994).

5. PREVIOUS MINING AND EXPLORATION

Ferenczi and Sweet (2005) summarised the early history of gold discovery in the Moline area. Gold was first discovered at Northern Hercules mine (also called Eureka) by Chinese miners in 1882. Underground mining of the high-grade (31g/t Au) oxidised veins by various companies continued sporadically until 1957, producing 1.15t Au(Stuart-Smith et. al, 1988). Retreatment of tailings in 1987, and open cut mining by Moline Management Pty Ltd from 1988 – 1991 recovered a further 1.23t Au. These mines are almost wholly within MLN1059. United Uranium's work on **AP1488, AP1835, EL44** during the late 1960's/early 1970's is one of the first records of modern exploration in the Moline area. Drilling at Stockyard prospect intersected a pyritic dark grey siltstone with 5ft of 3.67g/t Au and 336g/t Ag at 60ft in PDH4, which tested an outcropping gossan. Follow-up drilling intersected 2.5ft of 3.67g/t Au and 281g/t Ag in DDH5, which was located 80ft away. Other holes intersected only weak sulphide mineralisation, and United Uranium concluded that the lode died out with depth. CRA explored a large area under several tenements for shalehosted base metals (including **EL 1091**) which covered most

of the Moline area for only a year in 1977. Work done showed base metal anomalies at Evelyn (considered to be partly due to contamination) and in the McCarthy's area (outside current tenure) with some minor anomalies 'worth field-checking'. One of the best results came from anomaly 10.7 (approx 192800E / 8488200N; on EL23605) which had 153ppm Pb and 445ppm Zn and found to be caused by thin anomalous ironstone horizons. Follow-up soil sampling repeated earlier results, and rock chip sampling returned a maximum value of 746ppm Pb, 3300ppm Zn and 357ppm Cu. The absolute metal values were not high enough, so CRA relinquished the area.

EL 2029 was held for 1 year in 1979/1980 by Australia and New Zealand Exploration Company. A total of 365 stream sediment and 246 heavy mineral concentrate samples were collected. Best value within the current tenure was 660ppm Pb and 760ppm Zn (Sample 14953; in Evelyn mine area). No anomalies were found 'to warrant further work' and the ground was dropped.

EL2825 covered 3 blocks on the southern boundary of EL24262 for 1 year in 1980. A review of the prospectivity concluded that the EL lay in a portion of the Pine Creek geosyncline where saddle reef mineralisation may occur. No fieldwork was carried out to test the idea, due to 'circumstances beyond the control of the EL holder'.

EL3619 covered the same area as EL2825, and the licence was taken out a few months after the expiry of EL2825, and held for 6 years until 1988. The Wandie JV (Aardeau Mining and RGC Exploration) reported exploration on this licence together with a licence further east (EL 3618) which contained the numerous Mt Davis copper prospects. Eluvial and alluvial sampling on EL3619 by Aardeau returned a max value of 5.35ppm Au from an eluvial sample (which was concentrated by a 'gold separator', similar to a Wilfley Table). The Wandie JV kept 2 of the 3 blocks in EL3619 under **EL 4852** for 2 years. Work consisted of sampling of the eluvial dumps at Rockwall returned an average of 0.49g/t Au and no base metal anomalism. Maximum Au value came from a pyritic quartz dump sample (2.13g/t Au; sample 61666). The Moline tenement area was explored under several different licences by the Greenbushes/Cyprus/Amoco (Moline Joint Venture) in the 1980's. **EL 3008** was held over most of the Moline area, and in 1985 an aeromagnetic

survey and geochemical sampling outlined several new anomalous zones, most notably Moline (Dam) and 'Western Ridge' (Tumbling Dice-Lay lode line). When EL3008

expired, **EL 4492** covered regional prospects while **ERL's 75 and 76** covered the Moline, Tumbling Dice and Hercules prospects (now MLN1059). Areas east of the old workings were explored under **EL 4894**. EL4894 covered one block of EL22966, and eastern blocks of EL23605. Cyprus also explored the 12 blocks on EL 24262 under **EL5094** in the late 1980's. **EL 5674** covered 5 blocks of EL24127, in the northeast of theMoline tenement area. Exploration done by the Moline JV on the various tenements between 1984 and 1989 included;

- Aeromagnetic survey on 200m lines x 15m at 80m height
- Follow-up ground magnetic survey/IP surveys over areas highlighted from aeromagnetic surveys
- Rock chip sampling
- Stream sediment sampling, soil sampling, heavy mineral sampling
- Costeaning
- Gridding
- Drilling - most drilling quickly focussed on prospects within MLN1059 (Moline, Hercules, Tumbling Dice).

Some drilling of Paw Paw, Simple Dreams, High Chinese, Divot, Banana prospects. The aeromagnetic survey outlined 2 anomalies of note:

a) 210 nT anomaly at 3400N (approx MGA 193530E / 8485610N) south of Hercules, on the Hercules line

b) 180nT anomaly at 4600N (Moline Dam / now Moline mine)

c) Western Ridge anomaly (Tumbling Dice line)

The follow-up ground magnetics delineated 2 sub-parallel anomalies at 3400N: i) western anomaly (3450N / 2320E) which is the inferred nose of a plunging anticline, and ii) eastern anomaly, characterised by sheared greywacke and chert, with extensive quartz veining Not much follow-up work has been recorded on the 3400N anomaly; most of the work concentrated on the Moline and Tumbling Dice anomalies. Work on **EL 5094** concentrated around the Skinners prospect, where some free gold was found. 4 RC holes

(MRC548 - 551) had a best intercept of 1m @ 0.87g/t Au from 3m. The intercept confirmed the anomaly but was not ore grade so the ground was relinquished. Moline JV tenements were dropped or expired by 1992, when mining at Moline ceased. Other explorers came into the area.

EL 5851 covered 6 blocks of EL22970, in the area around the Evelyn mine, including Eitherway prospect. Renison carried out BLEG sampling, which returned a maximum value of 1.85ppb so the area was relinquished after one year. Driffield Mining held 3 leases for around a year in 1989 in the Moline tenement area.

EL6083 covered one block on the far south of EL22970, and EL6084 covered 2 blocks on the northern boundary of EL22970. EL6085 covered one block each from EL22967, 22968 and EL24262 (next to Mt Gardiner Cu-Pb-Zn prospect). Work done seems to be limited to reconnaissance rock chip sampling, and the company concluded that there was little likelihood of a successful discovery in the area. **EL6839** covered one block on EL22970 for 3 years from 1989. Northern gold outlined 2 weakly anomalous zones from stream sediment sampling (maximum value of 4.2ppb Au). **EL6599** covered the Eitherway prospect for a year in 1989. Zinnanda collected 43 rock chip samples with anomalous gold values from a quartz vein siltstone which were confirmed in follow-up work. Zinnanda recommended further work and areas of interest were covered by MCN's 3181 – 3187, and MCN's 3088 – 3098. Rock chip sampling on the MLN's returned below level of detection, and the ground was relinquished. **EL 6792** covered the same area as EL 6085. Shell Australia became interested in the area due to its NW-trending linear magnetic anomaly, and saw the area as being in a structurally favourable site for mineralisation. Eleven stream sediment samples taken within the area downgraded the prospectivity, with maximum value of 2.7ppb Au. The area was dropped after less than 18 months. **EL 7007** covered 6 blocks of EL 24262 in the southern portion of the Moline tenements. Stream sediment sampling with a 1km2 density gave 'no results of interest' and no further work was done. **EL 7028** covered 4 blocks of EL22970, including an unnamed Cu and alluvial Au mineral occurrences. Geochemical sampling highlighted a Zn anomaly. Newcrest Mining explored the periphery around Moline under the large **EL 7584**.

Newcrest were searching for gold mineralisation concentrated in structures in carbonate lithologies. Most of the work on the licence was completed in the first year, and comprised gridded magnetics, rock chip and soil sampling, and 4 scout RC holes totalling 427m. The base metal potential of the area had not been evaluated, so Newcrest (later Aztec Mining/Normandy Poseidon) carried out exploration for base metals. A Pb-Zn geochemical anomaly at Skinners prospect was highlighted from this work. The ground was relinquished after Newcrest unsuccessfully offered the ground to several local explorers.

EL7678 covered the same 3 blocks as EL6792 and 6085 did in previous years. Newcrest carried out stream sediment sampling (22 samples at -20#) with all samples returning <1ppb Au. EL8198 also covered the same ground **EL7888** covered one block on EL22970. Newcrest processed the airborne magnetics and concluded that there were no magnetic anomalies on the ground, and dropped the ground.

EL8555 covered the same blocks as EL23506 does today. Nicron Resources (Newcrest/Woodcutters) held an option to explore during Year 1 for base metals. Work carried out included soil sampling, mapping, diamond drilling (2 holes; MOLD1 and MOLD2) and petrography work, concentrating on the Cowbell prospect. Results were unremarkable. Compass Resources carried out gold exploration during Year 2, which included drilling at High Chinese, Paw Paw, Strongbow and Cornwall, as well as BLEG sampling and rock chip sampling. Northern Gold managed exploration from Year 3 to Year 5, and carried out infill soil sampling, MMI geochemical sampling, and RC drilling over Moline North and Low Chinese. Further geochemical sampling and scout drilling were planned but not carried out before the licence lapsed. **EL 8671** covered 2 blocks on EL 22970. A low level NW-trending soil anomaly was outlined by Northern Gold, and earlier prospecting showed elevated Cu, Pb and Zn from rock chip sampling.

EL 8684 covered 3 western blocks of EL 24127, plus areas further west outside the Moline tenements. The part of the tenement on EL24127 was evaluated by soil sampling on 400m x 25m lines, with maximum value of 0.5ppb Au.

EL 9033 covered 2 southern blocks of EL22970, near the Moline golf course. Delta Gold collected 21 stream and 35 rock chip samples which outlined anomalism in the central

eastern portion of the licence. Follow-up soil sampling (338 samples) gave a 1600m x 1000m anomaly (on 2ppb cutoff). Further testing included 10 trenches, with no anomalous values obtained from beneath the Tertiary conglomerate. Delta concluded that the Tertiary Conglomerate (not the underlying Proterozoic rocks) were the source of the anomalism.

EL 9051 covered the 12 SE corner blocks of EL 24262. Northern Gold collected 1140 soil samples over the term of the licence with the several low order gold anomalies outlined. An anomaly of up to 15ppb Au was found over 2 sample lines which were followed up with rock chip sampling (maximum value 6.18g/t Au and 2510ppm As).

EL 9587 covers the same 2 blocks as EL9033. Northern Gold took 74 soil samples in regional sampling, and 18 soil samples to target the extension of a BLEG soil anomaly. Results show a coincident low order anomaly over 'Bowerbird Creek system', with stream sediment sampling also confirming anomalous Au. **EL 9597** covered a large area west of the Moline tenement area, and the western parts of EL22970 and 24127. Northern Gold collated previous historic data and reviewed satellite imagery and digital terrain modelling. The 17 soil samples had a max value of 2.6ppb Au.

EL 10418 covers 22 blocks (from SE corner) of EL 24262. Exploration consisted of prospecting around the old Wandie workings, with some gold nuggets found.

4.1 Gold Mineralisation and Potential

Gold was first discovered at Northern Hercules mine (also called Eureka) by Chinese miners in 1882. Underground mining of the high-grade (31g/t Au) oxidised veins by various companies continued sporadically until 1957, producing 1.15t Au (Stuart-Smith et al. 1988). Retreatment of tailings in 1987, and open cut mining by Moline Management Pty Ltd from 1988 – 1991 recovered a further 1.23t Au. These mines are almost wholly within MLN1059. Ferenczi and Sweet (2005) divided the gold occurrences into 2 types within the Moline goldfield;

a) Quartz vein-hosted Au (discordant to bedding, infilling NNW shear zones which are generally conformable to regional axial plane cleavage. Examples include Hercules

North, Cornwall, Redback and Last Hope. Gold is present as submicroscopic inclusions within arsenopyrite, and less commonly in pyrite and chalcopyrite, with some coarse free gold. Mostly hosted in greywacke beds of Mount Bonnie or Burrell Creek Formation meta-sediments. The High Chinese/Low Chinese trend on EL23605 has yielded coarse nuggety gold from metal detecting prospecting.

b) Sulphide vein-hosted Au (associated with pyritic chert, pyritic carbonaceous shales of lower Mt Bonnie Formation, usually along F3 fold crests. Gold is associated with Fe-As-Zn-sulphides. Examples include Moline Dam, School, Tumbling Dice, Four (Moline North), Trig, Dingo, Swan, Trig South, Stockyard and Sneakys.

The lodes follow 2 main directions;

a) NW (315° magnetic) dipping between 50° and 80° SW, trending nearly parallel to strike of strata (typical of Moline orebody)

b) NNW (345° magnetic), both dipping SW between 50° and 80°, cut across structure and stratigraphy (North Hercules shear zones and reefs). In the previous exploration programs, a number of prospects/occurrences have been discovered over the Moline group of tenements. Some of the significant prospects have been mentioned above and required systematic exploration with fresh ideas. NNW trending Shears and anticlinal structures (D3) appears to be the most promising geological settings within the Mount Bonnie and Burrell Creek formations in the vicinity of I-type fractionated granites such as Allamber Springs Granite. This is a large granite body and has been responsible for the formation of several sizeable gold deposits on the western side (Bajwah, 1994). On the eastern side, skarn gold prospect such as Dustbowl indicates the development of the mineral system. On the Burnside area, high resolution magnetic survey clearly shows magnetic anomalies and ridges which appears to be related to significant gold deposits. Perhaps in the Moline area, similar survey could help to detect magnetic anomalies at buried at depth.

During 2006-07, under GBS Gold Australia a campaign of diamond drilling was undertaken (Bajwah, 2007). This involved 2 diamond drill holes for a total of 231 metres. During drilling, **370 samples** were retrieved and analysed for **Au, AS, Ag, Cu, Pb Zn.** During the reporting period, a reconnaissance visit was undertaken to plan for the

following year's exploration program. During 2006-07, an in-depth review of the project area was undertaken to identify the mineral potential of the area. A soil/rock chip

sampling program was initiated over the project area and so far, 136 geochemical samples have been collected, however, these have not been analysed yet. In addition two diamond holes were drilled on EL 23605 for a total depth of **321 metres**. Details of drillholes are given in appendix 2 and 3. During drilling, **370 samples** were retrieved which were analysed for **Au, AS, Ag, Cu, Pb Zn.**

Both holes were drilled into the Burrell Creek Formation. At a number of depth intervals quartz veins system was encountered with sulfides disseminated in the rock with greywacke and siltstone common lithologies. Variable degree of wall rock alterations were observed, particularly in the vicinity of quartz vein systems. Fist significant quart vein system in drill hole HEX001 was intersected at about 60 metre depth (1.05 g/t to 1.88 g/t). This intersection also characterised by higher Arsenic contents ranging from 220 ppm to 9660 ppm. Drillhole HEX002 also intersected rocks of the Burrell Creek Formation with some Mount Bonnie Formation beds. However, HEX002 was weakly mineralised probably due to poorly developed quartz vein system at various stratigraphic horizons. A note able intersection was observed from 148.96 metre to 150.05 metre and assayed 2.76 g/t.

6.0 EXPLORATION DURING CURRENT TENURE

During the reporting period a comprehensive program of soil sampling was undertaken in the project area in order to assess the gold potential of the area. For this purpose, a total of 3241 soil samples were undertaken. These samples were taken approximately along SW-NE (Figure 3) lines. All survey and assay data are given in Appendix 1.

Field Technicians, under the supervision of Geologist, navigate to each location using the GPS. At soil sampling location a hole approximately 30 cm by 30 cm by 20 cm deep is dug using a pick. This is done to remove the top layer of leached soil and to get to the

transition zone between soil horizons A and B where typically the highest iron concentration is present.

The soil at the bottom of the hole is broken up using a pick until it is of a slightly fine "milled" consistency. Soil is then sieved using a 2 mm pan sieve and a collection pan. Approximate weight of sample collected is 2 kg.

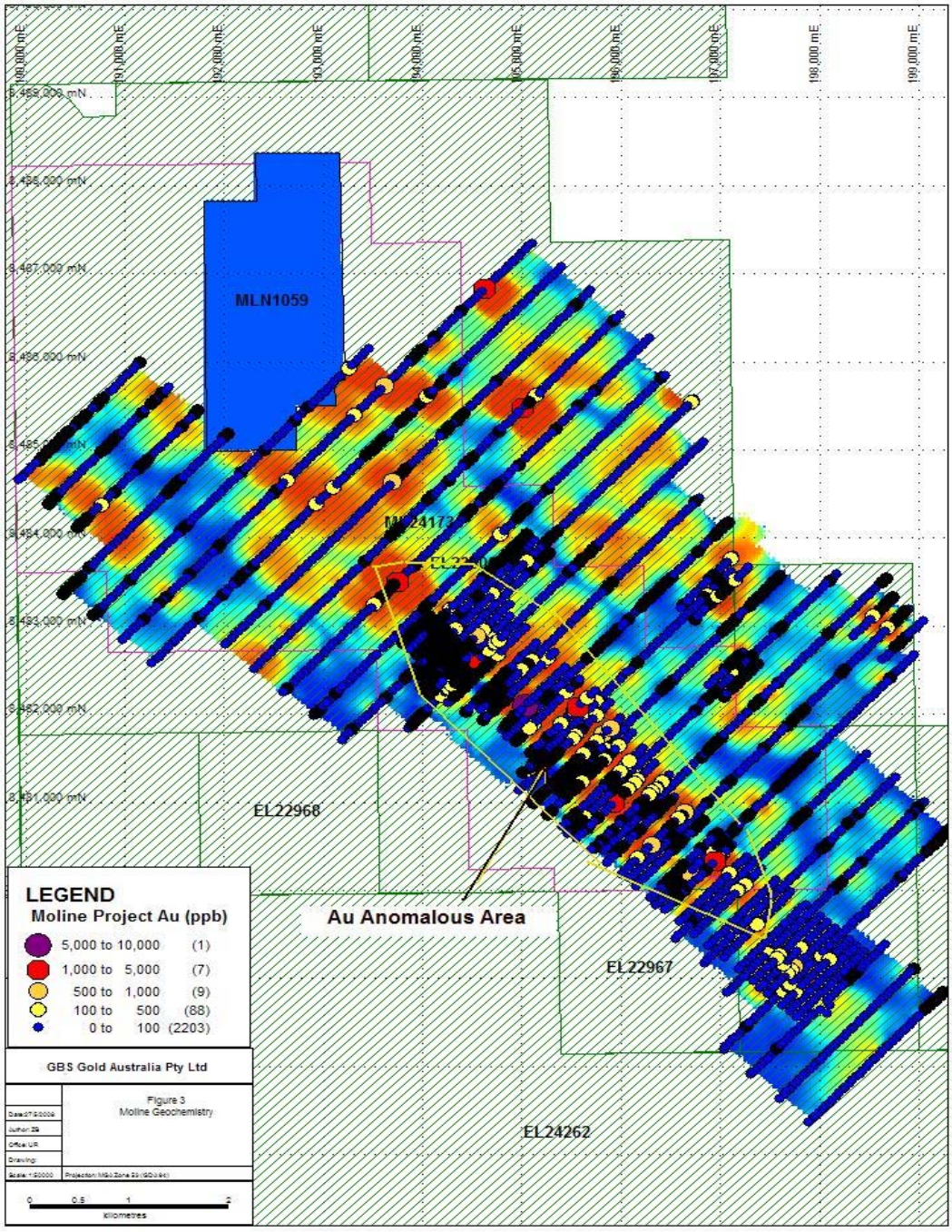
After the soil sample is collected a pin flag is written up with the site location number and sample number and placed in the hole. Hole is then back filled. Field Technician then moves on to the next location. On the Moline soil program sampling grid was 50m by 200 metres. Gold was analysed by Fire Assay with AAS finish, whereas base metals were assayed by AAS (3 acid digestions).

Of the 3241 samples assayed, at least 106 samples show gold concentrations above 100 ppb (Table 2). Sample EX04798 shows Au concentration as high as 8210 ppb, whereas 7 samples contain Au concentrations form 1 000 to 5 000 ppm. There are 9 samples with Au concentrations from 500 to 1 000 ppb. 88 samples are characterised by Au values from 100 to 500 ppb. Spatial distribution of these samples defines a NW Au anomalous trend covering 6 km by 2 km as shown in Figure 3. It may be noted that this gold anomalous trend is similar to that defined in the NW parts of the Pine Creek Orogen which host significant gold deposits (Ahmad et al. 1993).

Table 2: Statistical distribution of Au anomalous samples

No of Samples	Range (ppb)
1	5000 – 10 000
7	1 000 – 5 000
9	500 – 1 000
88	100 - 500
2203	0 - 100

Figure 3: Distribution of Au anomalies in the project area



Base metal assays show a variable concentration in soil samples and do not correspond to Au concentrations. For an example, the highest content of Au in sample no EX04798 do not correspond to the highest concentration of As values; this sample contains negative (-50) ppm As. The highest content of As is present in sample no EX02068 (1860 ppm) which has only Au content of 55 ppb (Appendix 1). Cu ranges from 0 – 580 ppm in the soil samples and again has erratic distribution in the area.

Rocks in the project area, particularly in the anomalous zone are from the Burrell Creek and Mt Bonnie Formations which are folded along NW axis, and cut across by shear zones. Further north, Moline Group of gold deposits is confined in shear zone within similar NW trending anticlinal structure (Bajwah, 2007). It appears that anomalous zone defined in Figure 3 is the continuation of mineralised structures at Moline.

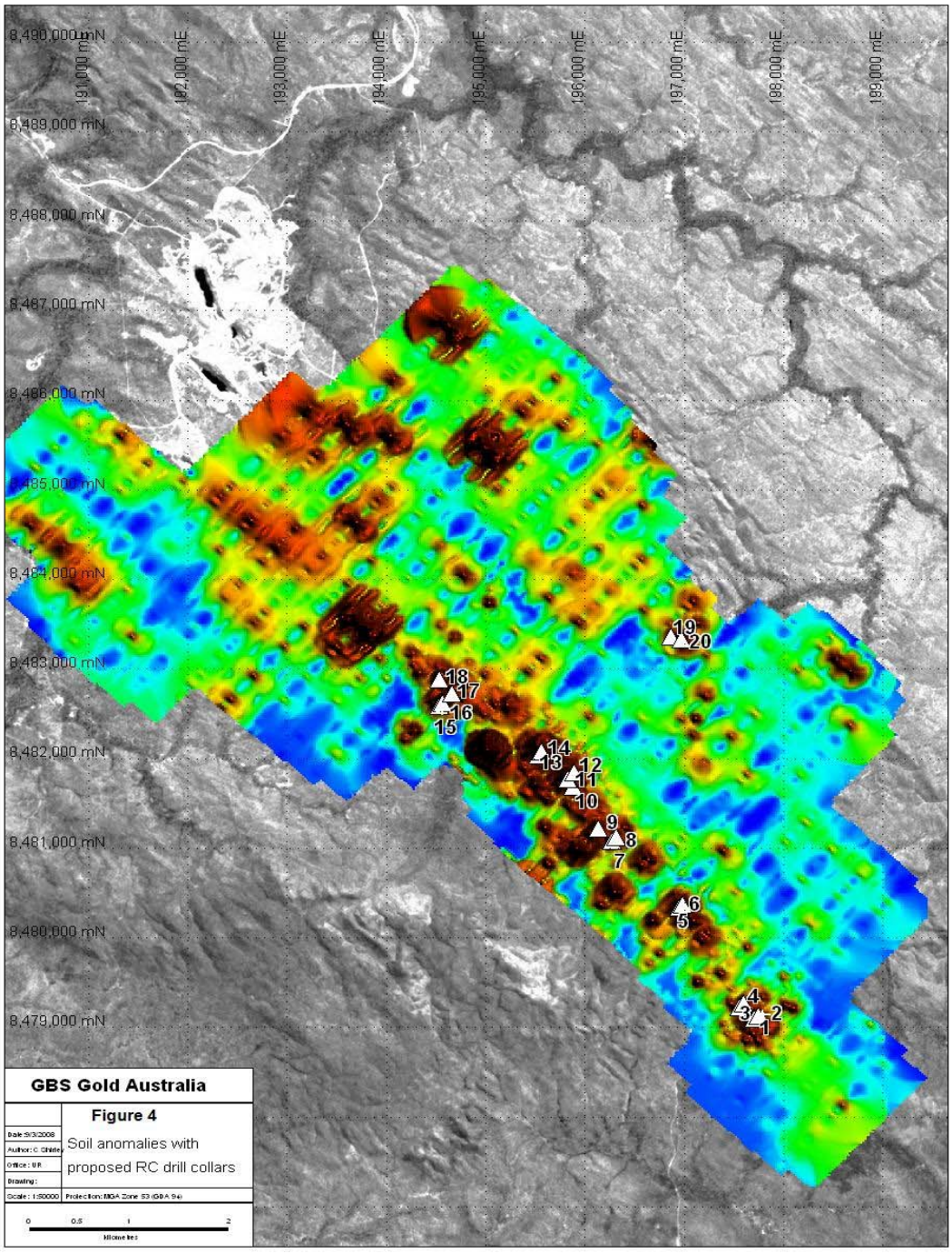
Based on the distribution of Au soil anomalies, a program of RC drilling has been proposed in Figure 4. However, it will be more appropriate if high resolution ground magnetic survey is conducted over the anomalous zone in order to understand the geological setting of the project better.

7.0 PLANNED EXPLORATION FOR 2008-09

During the reporting year, soil sampling program has met with success and a considerable number of Au anomalies in the project area have been generated. This anomalous areas essentially lies in SW of the Moline group of gold mines and appears to be the extension of the same structure which host gold mineralisation at Moline. However, it will be appropriate to conduct high resolution ground magnetic survey to ascertain the structure which is giving anomalous values on the surface.

A program of RC/diamond drilling has been proposed in the project area to explore the Au anomalies, identified during soil sampling program (Figure 4). In addition, some

Figure 4: Proposed drilling program for the Moline Project area



geological mapping and infill soil sampling may also be required. This program for the Moline Group of tenements will cost $145479.00 and a break down of this program with respect to each tenement is given in Appendix 2.

7.0 REFERENCES

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Appendix 2: Exploration Expenditure Statement for the Moline Group

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 Licence
Number	*22966*
Operation Name (optional)	**Moline**

Section 2. Period covered by this return:			
Twelve-month period:		**If Final Report:**	
From	*1 May 2007*	From	
To	*30 April 2008*	To	
Covenant for the reporting period:		$**25000.00**	

Section 3. Give title of accompanying technical report:	
Title of Technical Report	ANNUAL EXPLORATION REPORT COMBINED TECHNICAL REPORTING FOR EL's 22966, 22967, 22968, 22970, 23605, 24127 AND 24262 FOR PERIOD ENDING 30 April 2008, MOLINE GROUP
Author	*Zia U. Bajwah*

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

Section 5. Work program for the next twelve months:

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

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

Estimated Cost: $**22000.00**

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.

Do not include the following as expenditure (if relevant, these may be

- 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	x		1050.00		
Computer modelling					
Reprocessing of data	x		1460.00		
General research	x		1365.00		
Report preparation	x		2500.00		
Other (specify)Admin	x		1550.00		
	Subtotal		$7925.00		
Airborne Exploration Surveys (state line kms)					
Aeromagnetics		kms			

Exploration Work type	Work Done (mark with an "X" or provide details)		Expenditure	Data and Format Supplied in the Technical Report	
				Digital	Hard copy
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	**x**		1689.00		
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)					

Exploration Work type	Work Done (mark with an "X" or provide details)	Expenditure	Data and Format Supplied in the Technical Report	
			Digital	Hard copy
Consultant				

Geochemical Surveying and Geochronology ***(state number of samples)***									
Drill (cuttings, core, etc.)									
Stream sediment									
Soil	**x**					6619.00			
Rock chip									
Laterite									
Water									
Biogeochemistry									
Isotope									
Whole rock									
Mineral analysis									
Laboratory analysis (type)									
Petrology									
Other (specify) Consultant	**x**					3972.00			
Ground Exploration Subtotal						**$12280.00**			
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		**$20205.00**		

Section 7. Comments on your exploration activities:

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:	Zia U. Bajwah	2. Name:	
Position:	Geologist	Position:	
Signature:		Signature:	
Date:	26/05/2008	Date:	

NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

Section 7. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)	
Type	Exploration Licence
Number	*22967*
Operation Name (optional)	**Moline**

Section 8. Period covered by this return:	
Twelve-month period:	**If Final Report:**

From	*1 May 2007*	From	
To	*30 April 2008*	To	
Covenant for the reporting period:		$**10000.00**	

Section 9. Give title of accompanying technical report:	
Title of Technical Report	ANNUAL EXPLORATION REPORT COMBINED TECHNICAL REPORTING FOR EL's 22966, 22967, 22968, 22970, 23605, 24127 AND 24262 FOR PERIOD ENDING 30 April 2008, MOLINE GROUP
Author	*Zia U. Bajwah*

Section 10. Locality of operation:	
Geological Province Geographic Location	***Pine Creek Orogen*** ***Moline***

Section 11. Work program for the next twelve months:			
Activities proposed (please mark with an "X"):		[x]	Drilling and/or costeaning
[ ]	Literature review	[x]	Airborne geophysics
[x]	Geological mapping	[ ]	Ground geophysics
[x]	Rock/soil/stream sediment sampling	[ ]	Other:
Estimated Cost:	$**12000.00**		

Section 12. 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

- 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	**x**		960.00		
Computer modelling					
Reprocessing of data	**x**		1350.00		
General research	**x**		885.00		
Report preparation	**x**		1200.00		
Other (specify)Admin	x		1150.00		
	Subtotal		$3325.00		
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		$		

Exploration Work type	Work Done (mark with an "X" or provide details)	Expenditure		Data and Format Supplied in the Technical Report	
				Digital	Hard copy
Ground Exploration Surveys					
Geological Mapping					
Regional					
Reconnaissance	**x**	1200.00			
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) Consultant					

Geochemical Surveying and Geochronology ***(state number of samples)***					
Drill (cuttings, core, etc.)					
Stream sediment					
Soil	**x**	3863.00			
Rock chip					
Laterite					
Water					
Biogeochemistry					

Isotope								
Whole rock								
Mineral analysis								
Laboratory analysis (type)								
Petrology								
Other (specify) Consultant			x			2972.00		
Ground Exploration Subtotal					**$8035.00**			
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					**$11360.00**			

Section 7. Comments on your exploration activities:

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:	Zia U. Bajwah	2. Name:	
Position:	Geologist	Position:	
Signature:		Signature:	
Date:	26/05/2008	Date:	

NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

Section 13. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)	
Type	Exploration Licence
Number	*22968*
Operation Name (optional)	**Moline**

Section 14. Period covered by this return:			
Twelve-month period:		**If Final Report:**	
From	*1 May 2007*	From	
To	*30 April 2008*	To	
Covenant for the reporting period:		$**8000.00**	

Section 15. Give title of accompanying technical report:	
Title of Technical Report	ANNUAL EXPLORATION REPORT COMBINED TECHNICAL REPORTING FOR EL's 22966, 22967, 22968, 22970, 23605, 24127 AND 24262 FOR PERIOD ENDING 30 April 2008, MOLINE GROUP
Author	*Zia U. Bajwah*

Section 16. Locality of operation:	
Geological Province	***Pine Creek Orogen***
Geographic Location	***Moline***

Section 17. Work program for the next twelve months:			
Activities proposed (please mark with an "X"):		[x]	Drilling and/or costeaning
[ ]	Literature review	[x]	Airborne geophysics
[x]	Geological mapping	[ ]	Ground geophysics
[x]	Rock/soil/stream sediment sampling	[ ]	Other:
Estimated Cost:	$**10000.00**		

Section 18. 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 • Insurance • Transfer costs • Land Access Compensation • Company Prospectus • Title Search • Meetings with Land Councils • Rent & DepartmentFees • Legal costs • Payments to Traditional Owners • Bond • Advertising • 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	**x**	780.00		
Computer modelling				

Exploration Work type	Work Done (mark with an "X" or provide details)		Expenditure	Data and Format Supplied in the Technical Report	
				Digital	Hard copy
Reprocessing of data	x		1120.00		
General research	x		890.00		
Report preparation	x		1260.00		
Other (specify)Admin	x		1000.00		
	Subtotal		$5050.00		
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	x		920.00		
Prospect					
Underground					
Costean					
Ground Geophysics					
Radiometrics					
Magnetics					
Gravity					
Digital terrain modelling					
Electromagnetics					
SP/AP/EP					
IP					
AMT/CSAMT					
Resistivity					

Exploration Work type	Work Done (mark with an "X" or provide details)	Expenditure	Data and Format Supplied in the Technical Report	
			Digital	Hard copy
Complex resistivity				
Seismic reflection				
Seismic refraction				
Well logging				
Geophysical interpretation				
Petrophysics				
Other (specify) Consultant				

Geochemical Surveying and Geochronology ***(state number of samples)***							
Drill (cuttings, core, etc.)							
Stream sediment							
Soil	**x**				3105.00		
Rock chip							
Laterite							
Water							
Biogeochemistry							
Isotope							
Whole rock							
Mineral analysis							
Laboratory analysis (type)							
Petrology							
Other (specify) Consultant	**x**				2642.00		
Ground Exploration Subtotal					**$6667.00**		
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		**$21341.00**			

Section 7. Comments on your exploration activities:

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:	Zia U. Bajwah	2. Name:	
Position:	Geologist	Position:	
Signature:		Signature:	
Date:	26/05/2008	Date:	

NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

Section 19. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)	
Type	Exploration Licence
Number	*22970*
Operation Name (optional)	**Moline**

Section 20. Period covered by this return:			
Twelve-month period:		**If Final Report:**	
From	*1 May 2007*	From	
To	*30 April 2008*	To	
Covenant for the reporting period:		**$20000.00**	

Section 21. Give title of accompanying technical report:	
Title of Technical Report	ANNUAL EXPLORATION REPORT COMBINED TECHNICAL REPORTING FOR EL's 22966, 22967, 22968, 22970, 23605, 24127 AND 24262 FOR PERIOD ENDING 30 April 2008, MOLINE GROUP
Author	*Zia U. Bajwah*

Section 22. Locality of operation:	
Geological Province	***Pine Creek Orogen***
Geographic Location	***Moline***

Section 23. Work program for the next twelve months:			
Activities proposed (please mark with an "X"):		[x]	Drilling and/or costeaning
[ ]	Literature review	[ ]	Airborne geophysics
[x]	Geological mapping	[ ]	Ground geophysics
[x]	Rock/soil/stream sediment sampling	[ ]	Other:
Estimated Cost:		$**22000.00**	

Section 24. 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

- 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	**x**	1260.00		
Computer modelling				
Reprocessing of data	**x**	1670.00		

Exploration Work type	Work Done (mark with an "X" or provide details)		Expenditure	Data and Format Supplied in the Technical Report	
				Digital	Hard copy
General research	x		970.00		
Report preparation	x		1200.00		
Other (specify)Admin	x		975.00		
	Subtotal		$6075.00		
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	x		1180.00		
Prospect					
Underground					
Costean					
Ground Geophysics					
Radiometrics					
Magnetics					
Gravity					
Digital terrain modelling					
Electromagnetics					
SP/AP/EP					
IP					
AMT/CSAMT					
Resistivity					
Complex resistivity					

Exploration Work type	Work Done (mark with an "X" or provide details)	Expenditure	Data and Format Supplied in the Technical Report	
			Digital	Hard copy
Seismic reflection				
Seismic refraction				
Well logging				
Geophysical interpretation				
Petrophysics				
Other (specify) Consultant				

Geochemical Surveying and Geochronology ***(state number of samples)***							
Drill (cuttings, core, etc.)							
Stream sediment							
Soil	**x**				7676.00		
Rock chip							
Laterite							
Water							
Biogeochemistry							
Isotope							
Whole rock							
Mineral analysis							
Laboratory analysis (type)							
Petrology							
Other (specify) Consultant	**x**				6410.00		
Ground Exploration Subtotal					**$15266.00**		
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		**$21341.00**			

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.

Section 7. Comments on your exploration activities:

☐ I have attached the Technical Report

1. Name:	Zia U. Bajwah	2. Name:	
Position:	Geologist	Position:	
Signature:		Signature:	
Date:	27/05/2008	Date:	

NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

Section 25. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)	
Type	Exploration Licence
Number	*23605*
Operation Name (optional)	**Moline**

Section 26. Period covered by this return:			
Twelve-month period:		**If Final Report:**	
From	*1 May 2007*	From	
To	*30 April 2008*	To	
Covenant for the reporting period:		**$22000.00**	

Section 27. Give title of accompanying technical report:	
Title of Technical Report	ANNUAL EXPLORATION REPORT COMBINED TECHNICAL REPORTING FOR EL's 22966, 22967, 22968, 22970, 23605, 24127 AND 24262 FOR PERIOD ENDING 30 April 2008, MOLINE GROUP
Author	*Zia U. Bajwah*

Section 28. Locality of operation:	
Geological Province Geographic Location	***Pine Creek Orogen*** ***Moline***

Section 29. Work program for the next twelve months:

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

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

Estimated Cost: $**28000.00**

Section 30. 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

- 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	x	2558.00	x	
Computer modelling				
Reprocessing of data	x	3450.00	x	
General research	x	2640.00		
Report preparation	x	2500.00	x	
Other (specify)Admin/Wage	x	5742.00		
	Subtotal	$16890.00		
Airborne Exploration Surveys (state line				

Exploration Work type	Work Done (mark with an "X" or provide details)		Expenditure	Data and Format Supplied in the Technical Report	
				Digital	Hard copy
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	**x**		2950.00		
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					

Exploration Work type	Work Done (mark with an "X" or provide details)	Expenditure	Data and Format Supplied in the Technical Report	
			Digital	Hard copy
Petrophysics				
Other (specify) Consultant				

Geochemical Surveying and Geochronology ***(state number of samples)***								
Drill (cuttings, core, etc.)								
Stream sediment								
Soil	**x**				27820.00			
Rock chip								
Laterite								
Water								
Biogeochemistry								
Isotope								
Whole rock								
Mineral analysis								
Laboratory analysis (type)								
Petrology								
Other (specify) Consultant	**x**				26056.00			
Ground Exploration Subtotal					**$56826.00**			
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		**$73716.00**		

Section 7. Comments on your exploration activities:

Boundary demarcation between EL 23605 and ML 24173 costed $28665.00

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:	Zia U. Bajwah	2. Name:	
Position:	Geologist	Position:	
Signature:		Signature:	
Date:	27/05/2008	Date:	

NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

Section 31. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)	
Type	Exploration Licence
Number	*24127*
Operation Name (optional)	**Moline**

Section 32. Period covered by this return:			
Twelve-month period:		**If Final Report:**	
From	*1 May 2007*	From	
To	*30 April 2008*	To	

Covenant for the reporting period:	$**20000.00**

Section 33. Give title of accompanying technical report:	
Title of Technical Report	ANNUAL EXPLORATION REPORT COMBINED TECHNICAL REPORTING FOR EL's 22966, 22967, 22968, 22970, 23605, 24127 AND 24262 FOR PERIOD ENDING 30 April 2008, MOLINE GROUP
Author	*Zia U. Bajwah*

Section 34. Locality of operation:	
Geological Province	***Pine Creek Orogen***
Geographic Location	***Moline***

Section 35. Work program for the next twelve months:

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

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

Estimated Cost: $**25000.00**

Section 36. 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

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

- Bond
- Advertising
- 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	**x**		850.00		
Computer modelling					
Reprocessing of data					
General research	**x**		1878.00		
Report preparation	**x**		1500.00		
Other (specify)Admin/Wage	**x**		3820.00		
	Subtotal		$8048.00		
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	**x**		2560.00		
Prospect					
Underground					
Costean					
Ground Geophysics					
Radiometrics					
Magnetics					

Exploration Work type	Work Done (mark with an "X" or provide details)	Expenditure	Data and Format Supplied in the Technical Report	
			Digital	Hard copy
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) Consultant				
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) Consultant	**x**	5088.00		
Ground Exploration Subtotal		**$7648.00**		
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					**$15696.00**		

Section 7. Comments on your exploration activities:

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:	Zia U. Bajwah	2. Name:	
Position:	Geologist	Position:	
Signature:		Signature:	
Date:	26/05/2008	Date:	