

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	<i>EL</i>
Number	<i>7739</i>
Operation Name (optional)	<i>Rover</i>

Section 2. Period covered by this return:

Twelve-month period:		If Final Report:	
From	<i>1 June 2007</i>	From	
To	<i>31 May 2008</i>	To	
Covenant for the reporting period:		<i>\$100,000</i>	

Section 3. Give title of accompanying technical report:

Title of Technical Report	<i>EL 7739 Annual Report for the period ending 4 June 2008</i>
Author	<i>Chris Drown</i>

Section 4. Locality of operation:

Geological Province	<i>Tennant Creek Block/Wiso Basin</i>
Geographic Location	<i>~75km SW of Tennant Creek</i>

Section 5. Work program for the next twelve months:

Activities proposed (please mark with an "X"):		<input checked="" type="checkbox"/> Drilling and/or costeaning
<input type="checkbox"/> Literature review		<input type="checkbox"/> Airborne geophysics
<input type="checkbox"/> Geological mapping		<input checked="" type="checkbox"/> Ground geophysics
<input type="checkbox"/> Rock/soil/stream sediment sampling		<input type="checkbox"/> Other:
Estimated Cost:		\$100,000

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 & 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 Supplier in the Technical Report	
				Digital	Hard copy
Office Studies					
Literature search					
Database compilation	X			X	X
Computer modelling					
Reprocessing of data					
General research					
Report preparation	X			X	X
Other (specify)					
Subtotal		\$14,899.38			
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			8,018.40		
Geological Mapping					
Regional					
Reconnaissance					
Prospect					
Underground					
Costean					
Ground Geophysics					
Radiometrics					
Magnetics					
Gravity	X			X	X
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)				8,866.91		
Drill (cuttings, core, etc.)		X				X
Stream sediment						
Soil						
Rock chip						
Laterite						
Water						
Biogeochemistry						
Isotope						
Whole rock						
Mineral analysis						
Laboratory analysis (type)						
Petrology						
Other (specify)						
Ground Exploration Subtotal				\$16,885.31		
Drilling (state number of holes & metres)						
Diamond		holes	metres	16,290.19		
Reverse circulation (RC)	3	holes	684 metres	174,414.16	X	X
Rotary air blast (RAB)		holes	metres			
Air-core		holes	metres			
Auger		holes	metres			
Other (specify)		holes	metres			
Subtotal				\$190,704.35		
Other Operations						
Costeaining/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				\$222,489.04		

Section 7. Comments on your exploration activities:

Unallowable expenditures (listed at top of section 6) totaled \$61,271.55 and related principally to compensation for Traditional Owners, and payment of tenement rental.

The figure of \$16,290.19 which appears in the diamond drilling row of the sheet relates to costs incurred in the drilling program completed in 2006 but which were not paid until 2007.

The exploration drilling program undertaken in 2007 was cut short by the mechanical failure of the drill rig compressor. Before the rig break down, a drill hole intersected 15 metres at 2.07% copper and 0.15 g/t gold at the Rover 4 prospect, a most encouraging result.

The company was not able to secure another rig until late May 2008 when drilling activities re-commenced. No data has been returned from the field at the time of reporting. The company is also considering conducting ground geophysical surveys in the coming months.

The re-commencement of drilling activities will see a substantial program of exploration and expenditure completed in the 2008/09 tenure year.

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: Chris Drown

2. Name:

Position: Managing Director

Position:

Signature:



Signature:

Date: June 17, 2008

Date: