Annual Report for Period Ending 26 February, 2009

Exploration License 22440

Licensees: Grant Archer, Demetrios Kastrissios, David Langley

Area: Mount Evelyn Standard 1:250,000 sheet (SD53-5)
Ranford Hill Standard 1:100,000 sheet (5370)

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Summary and Recommendations

The vast majority of expenditure and work over the period was reported by Jim Kastrissios. A full account of this work and his results are found in appendix 2. In summary significant field work was carried out and post survey work in the form of analysis and geochemical assaying. Geochemical analysis data are also found in appendix2 with ALS data submitted separately in spreadsheet format.

Various geoscientific, exploration and project advice was supplied to Jim Kastrissios over the period. Magnetic modeling and airborne EM survey data was reviewed.

Year 6 looks to undertake a $100,000 drilling program and $30,000 of field work, geochemical analysis, and further interpretation.

All geophysical airborne data had been previously submitted and accepted. ALS geochemical analysis results from the period have been submitted in spreadsheet format.

Tenement Location

EL22440 is located within the western boundary of the Ranford Hill 1:100,000 map sheet in the Northern Territory. The EL consists of 11 graticule blocks and is located approximately 30km East-NorthEast of the township Pine Creek and 80km North-NorthEast of Katherine, both townships situated on the Stuart Highway. Figure 1 displays a map of the tenement location.

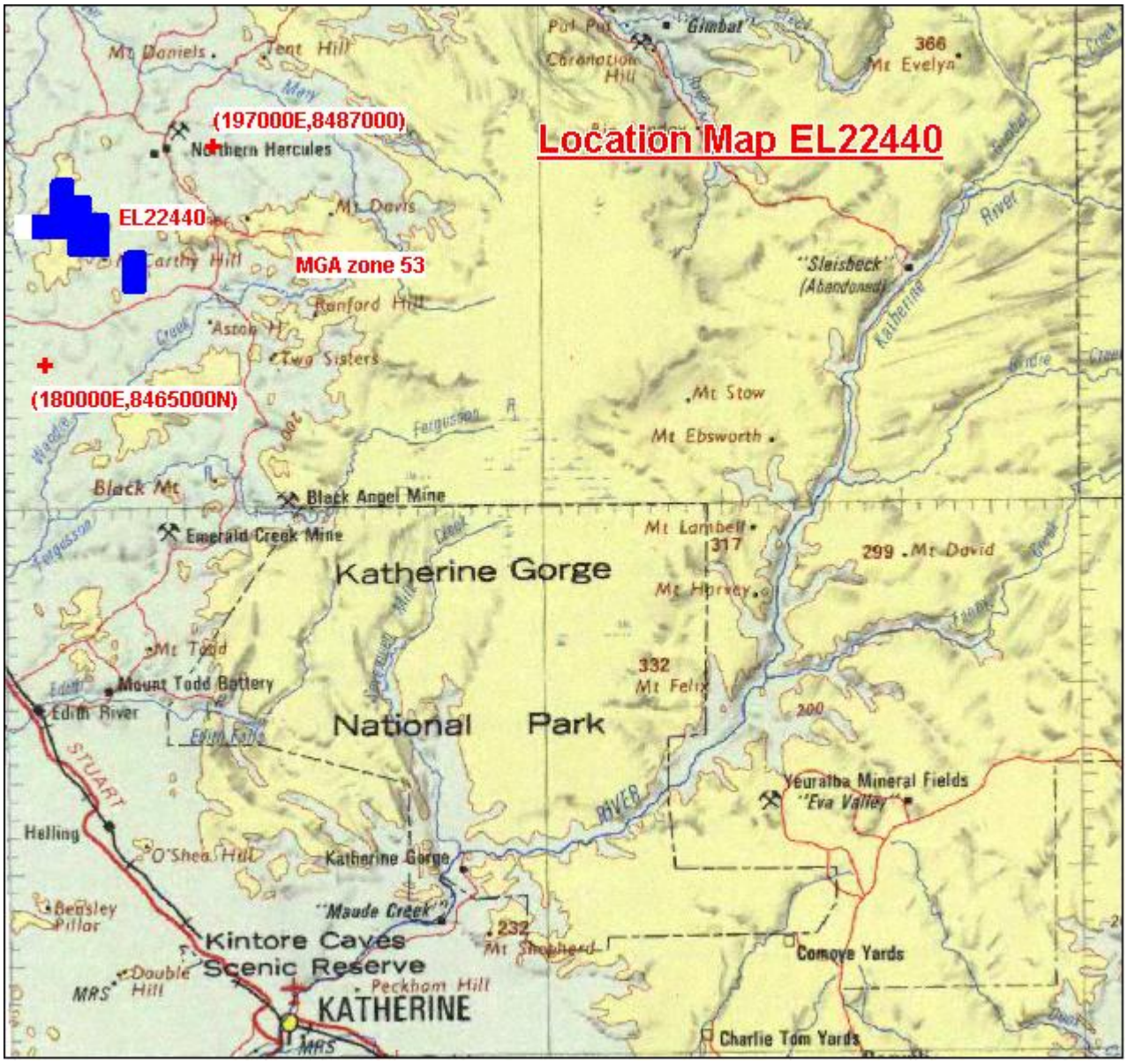


Figure 1 Location map of tenement EL22440

Commodity focus and Geology

Primary commodities being explored for are base metals, particularly lead/zinc/silver, iron ore and gold deposits. Numerous mineral deposit occurrences exist in the general wider region.

Mapped geology of the EL 22440 local area consists of the Mount Paltridge Group (Wildman siltstone and Mundogie sandstone) and the South Aligator Group (Mount Bonnie Formation, Gerowie Tuff and Koolpin Formation) and Zamu dolerite. The Allamber and McCarthys granite contacts occur in the western and southern regions of the tenement.

A detailed account of local geology by Melville (1995) is given in appendix 1 of this report.

Results of Work Completed

The report of the majority of work completed is found in appendix 2 of this report and is exclusively authored by Jim Kastrissios. The vast majority of the work and expenditure is found in appendix 2. In summary significant field work was carried out and post survey work in the form of analysis and geochemical assaying. Geochemical analysis data are also found in this appendix2 with ALS spreadsheet data as a separate submission.

Various geophysical, geoscientific exploration and project advice was supplied to Jim Kastrissios over the period by consultants. Geophysical magnetic modeling from the third annual report was reviewed from the perspective of drill targets and verified as one feasible approach (McCoy, 2007).

REPTEM EM survey data from a 2008 airborne EM survey flown by GPX geophysics over the tenement was reviewed. From inversion, zones of higher conductivity were noted. At depth some might correspond to massive sulphides. It is possible some shallow

zones of conductivity here correspond to deeper weathering. Based on supplied geological maps EM data appears to have mapped out black quartz siltstone very clearly. Appendix 3 shows a plot of reduced to the pole magnetics from the REPTEM survey with survey lines plotted and a zone of conductivity of potential interest is indicated. Appendix 3 shows a conductivity depth slice at 100m.

All geophysical airborne data has been previously submitted. ALS geochemical analysis results have been submitted in spreadsheet format separate from this report.

Expenditure 5th Year annual report

	Cost (ex-gst)
Field work	16800
Laboratory Analysis	3700
Literature search	800
Database compilation	3100
Computer work	3800
General Research	2850
Report compilation	1900
Administration	2100
Total ex-gst	$35,050

Planned Expenditure and proposed program for Year 6

The expectation is to carry out a drilling program, geochemistry, interpretation based on feedback from drilling and field work. Field work will include attendance at drill sites. Geochemical work will include laboratory analysis of drill samples and follow up surface reconnaissance.

Planned expenditure:

	Cost (EX-GST)
Drilling	100000
Geochemical Analysis and field work	20000
Interpretation and other expenses	10000
	Total $130,000

REFERENCES

McCoy, A. & Kastrissios, J. , 2007, 3rd Annual Report for Exporation License 22440 Period ending 26 February, 2207.

Appendix 1

Reference: Melville, P.M. (1995) "Final Report for Exploration License 7054 McCarthys Area, Northern Territory 07.12.90 – 06.12.94", pages 8-9, Report for Northern Territory Department of Mines and Energy, CR19950197.

EL22440 local geology. Extracts taken from Melville.

"**Mundogie Sandstone**

The Mundogie Sandstone consists of coarse grained fe quartz sandstones and pebble conglomerate. It forms a prominent topographic high feature with rugged and deeply incised streams draining from it. On the contact with the Wildman Siltstone a strongly ferruginous, brecciated, gossanous and quartz veined horizon is occasionally developed. Secondary ferruginization is ubiquitous in these instances often forming the framework within the sandstones and breccias. This horizon is conformable and can be mapped over a considerable strike length. It is interpreted to be a décollement structure. A relic boxwork texture is observed at times and contributes to the strong ferruginous alteration. Quartz veining in this horizon is multiphased and stockworked in appearance and also often affected by later tectonic brecciation."

"Wildman Siltstone

This unit predominantly comprises siltstones and carbonaceous phyllite and forms areas of relatively gentle undulating relief. A strong cleavage is developed in these rocks and exposed bedrock is typically stained by iron oxide. The McCarthy's Mine is hosted by the Wildman Siltstone. A distinctive haematite rich horizon can be traced within the unit over most of the licence area. It is interpreted to be a lateral equivalent of the iron ore deposits at Frances Creek and is locally termed, Frances Creek beds."

“Koolpin Formation

The Koolpin Formation forms the topographic high ridge lines. On the limbs of the Spider Anticline these ridges are flat topped and have cliff like drop offs along the edges. Silicification as a result of weathering phenomena has strongly altered these rocks although the original texture and nature can still be discerned. The Koolpin predominantly comprise carbonaceous mudstone but has chert, ironstone and phyllite interbeds. A commonly exposed ironstone interbed is characterised by the presence of sugary and nodular cherty bands which resemble the 15 ironstone horizon as known within the Middle Koolpin Formation in the Mt Bonnie and Burrundie Dome regions. The nodular chert ironstone horizon often forms the steep drops along the edges of the ridge. Strong secondary silicification in conjunction with ferruginization within this bed make it particularly resistant to erosion. Ferruginization within the Koolpin Formation is a common feature. Boxwork textures as disseminations and within fractures is often observed throughout but is particularly concentrated along cherty and ironstone horizons.”

“Gerowie Tuff

The Gerowie Tuff comprises light brown siliceous siltstones, argillites and albitic cherts These rocks, along with the Mt Bonnie Formation, form a series of relatively low undulating hills that are well incised by a perennial drainage system. Very thin skeletal soils develop over the Gerowie Tuff and rock types are difficult to discern through the effects of weathering on similarly textured and coloured lithologies.

Mt Bonnie Formation

The Mt Bonnie Formation superficially, at least, resemble the Gerowie Tuff in it’s occurrence and nature. Siliceous siltstones, slates, argillites, cherts, and greywackes are observed. Areas of well incised but low relief are formed and thin skeletal soils are commonly developed.”

“Burrell Creek Formation

The Burrell Creek Formation is typified by feispathic greywacke, slates and siltstones.”

“Zamu Dolerite

This dolerite occurs as a medium to course grained sill in the Koolpin Formation. It can occur as a distinctive series of resistant outcrop and rubble or become preferentially weathered and be obscured under soil and regolith cover. Distinctive dark red clay rich soils are developed over the dolerites in these instances.”

Appendix 2

Jim Kastrissios Exploration Activity Report

Author: Jim Kastrissios

Within the ground covering EL22440, the terrain is very rough and most unwelcoming to any kind of vehicle travel.

The landscape is composed of folded steep hills 50m to 100m tall of layered sedimentary material for the most part of the licence surrounded by the relatively flat and sandy terrain of the cullen batholiths (granite) to the north, south and west, with random clusters of oval to rounded small (20cm diameter) to huge (10m diameter) granite boulders, which increase in numbers as you approach along the contact zone with the sedimentary folded hills and very often at this contact with the sediments with the granite, the landscape has been shaped into gullies or narrow valley flood plains.

The grass within the cullen batholiths granite has very thin leaves almost like thin spaghetti strands and it is relatively short about 70cm tall, most often you can see through it the decomposed granite sandy floor it covers, and it is patchy in its coverage of the sandy ground.

Also all other vegetation including the variety of predominantly eucalyptus trees within this sandy soil are smaller and more widely spaced than the exact same trees in the sedimentary landscape a few kilometers away.

Very often the random clustered occurrence of granite boulders makes it impossible to drive to any specific direction, other than short distances of a kilometer or two through this granite country without getting blocked in.

The other road hazard is that due to the annual burnout of this landscape, there are short stumps of the small tree saplings burned out pointing upwards often disguised by new shoots from the same tree roots, and these stumps are common in the granite and even more numerous in the sediments and they cause irreparable tyre punctures.

The only remedy is to walk the ground, break these stumps with a small sledge hammer and mark the cleared passage with pink tape on the trees alongside the passage prior to driving through. One can clear about 1 km through the scrub per day or thereabouts. The other alternative is to put thin with extra thick thread four wheel drive tyres on your vehicle and these tyres we have been told are, virtually puncture proof by means of wooden stumps but we haven’t tried them yet.

Once the vehicle has traveled from the granite into the sediments it is obvious that theses sediments formed at the bottom of the sea because there is a predominance of layered shales.

A credit to the Northern Territory Geological survey, the sediments and all the other lithologies of the area have been well documented and it is in part based on this documentation that I make the following statements:
The sediments pre date the cullen batholith, and the oldest of the sediments is the Mundogie sandstone which occurs roughly in the center of both the sediments and the license area. The Mundoie is nothing like clear beach sand, it is similar to the local greywackes with a mixture of quarts, feldsparts, dark minerals and micas and it is somewhat softer then greywackes and easier to crumble. There are numerous localised ferruginous streaks striking in random locations and random directions through the steep sandstone hills. The vegetation on top of the sandstone hills is the thinnest and sparsest within the entire license area. The trees are usually 20cm to 30cm diameter at the most and their height 5m to 7m and very widely spaced. The grass is small very patchy and thin.

At the foothills of the Mundogie sandstone where it meets the Wildman siltstone the landscape is often formed into gullies or narrow valley floors and further out from that contact some 70m to 80m or so the ground begins to rise some 5m to 20m into very gentle broad hills on most occasions, followed by further broad hills at intervals of 200m to 300m apart. During the wet season the water plus the loose sediment, flows from the top of the sandstone hills into these contact zone gullies and narrow valley floors, and it forms a thick layer of several meters of brownish black soil which is very boggy for vehicle travel but also very fertile as evident by the growth of the largest of trees in this zone up to 1m diameter and close to 18m tall. Furthermore the grass here is most abundant, broad leaved and up to 1.5m tall. At the gentle rises further out, the creamy grey to creamy light green shale is exposed and sometimes fine grained greeny grey dolerite of 5m to 20m width and 50m to 150m length outcrop discordantly within this creamy white to creamy light green shale. Here the vegetation is abundant with trees up to 60cm diameter and lush grass up to 1m or taller.

The shale itself is striking along an approximate E-W to ENE direction and it is tilted at a variable angle along strike, also it is to a fair extent partly covered by reddish brown sediments.

What is most interesting however is a particular area of low rises about 70m to 80m outwards from the Mundogie sandstone and the highest of which is about 45m. Within this line of low hills right next to the sandstone there is a zone of shale about 40m wide which has a definite orange and purple colouration in the shale as fragments and more distinctive as an orange zonal effect within the encompassing creamy white shales. It is always within this orange zone which is the product of iron hydro oxidation, that veins of high grade iron ore occur exclusively.

PROSPECTIVITY FOR IRON ORE

The undrilled small iron ore deposit located on Thursday October 30, 2008 starts at a wildman siltstone hill at location 83,584E 79,78N in AGD66 coordinates.

Basically it is two iron ore reefs each about 5m wide on this hill and separated by about 8m to 10m. The starting coordinates of the first reef are 83,584E 79,748N with sample 002 taken from it assaying 51.7% iron 9.35%silica and 0.348% phosphorus.

The starting coordinates of the second reef are 83,580E 79,730N with sample 003 taken from it assaying 51.5% iron, 9.55% silica and 0.358% phosphorus.

Moving towards the west tracing out exposures of the twin iron ore reefs, 50m away high grade iron ore outcrops at location 83,513E 79,740N and the total width of the partly exposed outcrop with floaters is about 10m, and it extends to 83,533E 79,732N.

About 10m further west once again the iron ore outcrops in a small patch at 83,503E 79,746N. Further west it gain outcrops over 2m to 3m strike at 83,502E 79,732N. Moving further to the west along this E-W iron ore reefs strike direction, on a hill much closer to the mundogie sandstone within wildman siltstones at location 83,392E 79,738N, one of the twin reefs is exposed as 3m wide striking 260^{o} or nearly E-W. Samples 008 and 009 taken from here with 008 assaying 60.4% iron 7.8% silica and 0.061% phosphorus. Sample 009 was 60.9% iron, 7.45% silica and 0.108% phosphorus. Most eastward outcrop of this 3m wide reef section is 83,407E 79,738N and its most westward outcrop is 83,362E 79,732N. Moving along strike further to the west the reef re-appears at 83,291E 79,734N and once again striking 270^{o} west. At 83,262E 79,726N is roughly the middle of this particular exposure of the reef, and the ending is at 83,228E 79,724N. Somewhere in the middle of the reef well before the ending at location 83,277E 79,734N for a section of about 20m the reef appears to be 7m wide. All the ore in this section of the reef is high grade iron ore. Samples 010, 011 and 012 were taken from this section. 010 assayed 61.9% iron, 5.03% silica and 0.17% phosphorus.

011 assayed 61.5% iron, 5.4% silica and 0.144% phosphorus.

012 assayed 52.2% iron, 14.65% silica and 0.213% phosphorus.

Moving further westerly along strike about 90m away we arrive at the foot of a hill about 45m height at location 83,138E 79,738N. At the base of this hill are a few floaters of high grade iron ore up to 40cm diameter in size. One can clearly see looking towards the side of this hill as viewed from the west that most of this side is covered by two thick outcrops of iron ore, one 6m wide and the other 10m wide with a gap of about 8m between the two outcrops (reefs). These twin outcrops are first exposed three quarters of the way up the hill at location 83,111E 79,730N. The outer reef furthest from the mundogie sandstone, appears at the beginning 83,111E 79,730N to be a solid 6m wide iron ore pod for about 15m along strike and then it narrows down to about 4m and intermittently appears for the next 40m along strike, finally reducing to iron ore floaters only which continue pretty much all along the top of the hill and this reef re appears at

location 82,969E 79,756N and its width is 4m and continues intermittently for 30m to location 82,935E 79,758N in a strike direction 310^{o}WNW.
At this last location the reef undergoes a very sharp change in strike direction to 245^{o}SW as it appears in outcrop on the descending slope of the other side of this hill. At the top of the hill it is 4m wide, it is intermittent in outcrop on the descending slope and at the bottom of the hill it is 3m wide high grade iron ore, and this location is 82,845E 79,748N.

The second of the twin reefs which is closest to the mundogie sandstone and also appears at location 83,111E 79,730N, in its beginning for the first 15m along strike it is approximately 50% silica and 35% iron as is noted by the following samples from this section of the reef.

Sample 016 assayed 33.1% iron, 48.6% silica 0.12% phosphorus.

017 is 28.8% iron, 54.6% silica, 0.094% phosphorus.

018 is 36.4% iron, 44.6% silica 0.025% phosphorus and 021 is 42.2% iron, 35.4% silica 0.089% phosphorus, sample 110 is 45.7% iron, 32.8% silica. For the next 15m this particular reef disappears but high grade iron ore floaters are located on the surface of this barren portion.

At location 83,080E 79,722N the reef re-appears as high grade iron ore and has a width of 10m continuously up to location 83,011E 79,726N which is approximately a strike length of 70m. Once again the reef disappears with only floater to account for its existence there after. The strike of this reef is 260^{o}W.After 45m of barren ground the reef re-appears at location 82,966E 79,776N. Which is near the end of the other side at the top of the hill about 10m before starting to go down its slope to near the bottom of the hill at location 82,892E 79,782N. Here the reef is 5m wide and is continuous all the way.

This particular section of the 5m reef starting at 82,966E 79,776N and ending at 82,892E 79,782N we mapped the immediate outer perimeter of this mineralisation in a loop of GPS coordinates as follows :

1.	82,966E	79,776N	2.	82,955E	79,782N
3.	82,948E	79,782N	4.	82,940E	79,784N
5.	82,936E	79,782N	6.	82,933E	79,782N
7.	82,926E	79,780N	8.	82,907E	79,774N
9.	82,902E	79,776N	10.	82,892E	79,782N
11.	82,896E	79,780N	12.	82,906E	79,778N
13.	82,923E	79,778N	14.	82,934E	79,778N
15.	82,943E	79,778N	16.	82,955E	79,778N
17.	82,958E	79,776N	18.	82,955E	79,776N

Lets call this, loop 2.

The average of the 13 samples taken from within loop 2 is as follows 58.5% iron, 13.9% silica and 0.078% phosphorus.

The samples are the following:

SAMPLE	Iron	Silica	Phosphorus
58	61.5	4.2	0.305
59	45.7	32.8	0.075
60	58.8	14.3	0.04
61	63	8.3	0.061
63	57.9	14.45	0.062
64	52.9	22.9	0.061
65	63.1	7.92	0.062
66	51.6	25	0.033
67	60.9	11.4	0.039
68	59.5	12.55	0.052
102	63.7	6.92	0.055
103	65.4	3.48	0.078
110	57.1	16.7	0.041
Average	**58.5%**	**13.9%**	**0.078%**

The mineralisation within loop 2 is the extension of the reef closest to the mundogie sandstone. As said before the second of the twin reefs furthest from the mundogie its last appearance on the main hill of mineralisation re-appears at 82,969E 79,756N continues to 82,935E 79,758N in a direction 310^{o} WNW then sharply changes direction from this last location to 245^{o}SW all the way to bottom of hill at 82,845E 79,748N. The average perpendicular distance between the two reefs in this area is 18m.

The ore in this section of the outer reef is different from the reef closest to mundogie. Samples taken from this section of outer reef are as follows:

Sample	Iron %	Silica %	Phosphorus %
51	63.3	5.66	0.085
52	65.2	4.8	0.053
53	51.8	7.01	0.771
54	55.5	18.15	0.067
55	60.7	12	0.013
56	58.3	15.7	0.01
57	56.3	6.74	0.318
108	63.8	8.13	0.011
Average	**59.4%**	**9.8%**	**0.15%**

The mineralisation at the beginning of the main hill starting from its west side its first section hosts the thickest outcrops of the twin iron ore reefs and 45 samples were taken from this section. The GPS coordinates perimeter of this mineralisation we call it loop 1 and the coordinates that map the surface area enclosure of this section of mineralisations are as follows:

1.	83,105E	79,710N	2.	83,108E	79,722N
3.	83,105E	79,734N	4.	83,095E	79,732N
5.	83,084E	79,732N	6.	83,074E	79,730N
7.	83,055E	79,734N	8.	83,048E	79,734N
9.	83,034E	79,736N	10.	83,027E	79,736N
11.	83,015E	79,734N	12.	83,011E	79,726N
13.	83,012E	79,720N	14.	83,024E	79,720N
15.	83,039E	79,722N	16.	83,043E	79,714N
17.	83,054E	79,714N	18.	83,061E	79,720N
19.	83,074E	79,712N	20.	83,086E	79,714N
21.	83,100E	79,710N	22.	83,097E	79,712N
23.	83,108E	79,714N			

Out of the 45 samples, 6 samples were taken from the first 15m section of siliceous iron ore from the reef closest to mundogie sandstone and these are samples 016, 017, 018 021, 032 and 109 which are not a representation of the remaining outcrops within loop1, so we wont include them in the averaging process of ore grade.

Sample	Iron %	Silica %	Phosphorus %
13	48.7	18.3	0.402
14	53.2	17.95	0.183
15	62.6	9.07	0.031
19	64.8	4.46	0.043
20	63.2	5.73	0.029
22	60.8	9	0.089
23	63.7	5.53	0.066
24	65.3	4.18	0.042
25	67.5	2.1	0.021
26	63.7	6.87	0.027
27	62.3	8.63	0.028
28	62.4	3.73	0.166
29	65.2	4.81	0.02
30	61	11.9	0.029
31	47.1	29.5	0.036
33	60.9	10.55	0.025
34	65	3.27	0.076
35	60.9	9.78	0.081
36	50.5	25.4	0.057
37	64.7	5.83	0.029
38	65.5	3.41	0.034
39	61	11.4	0.023
40	57.4	16.2	0.02
41	64.3	6.17	0.034
42	56.6	17.25	0.037
43	65.9	3.23	0.019
44	52.1	21.5	0.029
45	61	9.98	0.11
46	62.8	4.65	0.085
47	61.5	10.55	0.027
48	66.3	2.95	0.061
49	56.5	15.7	0.015
50	51.8	23.9	0.01
62	51	24.8	0.026
98	62.8	9.12	0.058
99	60.1	11.85	0.026
105	57.6	15	0.025
106	60.3	11.85	0.025
107	59.9	13.55	0.03

Average **60.2%** **11.0%** **0.056%**

The average ore grade within loop1 is 60.2% iron, 11.0% silica and 0.05% phosphorus.

The final hill on the most western end of the twin reefs I picked samples 069 to 080 from this smaller most westerly iron ore bearing hill.

Sample	**Coordinates**	
069	82,812E	79,754N
070	82,796E	79,750N
071	82,791E	79,752N
072	82,781E	79,754N
079	82,769E	79,756N
080	82,765E	79,756N
073	82,762E	79,778N
076	82,712E	79,750N
075	82,707E	79,750N
077	82,701E	79,746N
074	82,692E	79,746N
078	82,694E	79,744N
080	82,765E	79,756N
100	82,712E	79,750N
101	82,796E	79,750N
104	82,694E	79,744N

Sample	**Iron %**	**Silica %**	**Phosphorus %**
69	56.3	17.15	0.026
70	60.4	11.8	0.023
71	54.5	7.66	0.268
72	47.4	29.6	0.025
73	63	5.93	0.046
74	58.9	14.15	0.032
75	51.5	24.1	0.026
76	62.3	9.42	0.03
77	65.8	3.74	0.025
78	61.1	5.6	0.244
79	66.4	3.86	0.01
80	64.8	6.67	0.006
100	62.6	8.84	0.041
101	60.2	10.8	0.047
104	64	4.38	0.12
Average	**60%**	**10.9%**	**0.065%**

The average grade of the iron ore on this small most westerly hill is 60% iron 10.9% silica and 0.065% phosphorus.

Now we look at the first area right at the start of the twin reefs where within that most eastern section the first twelve samples were picked.

Sample 007 has 29.2% iron, 55.7% silica, 0.35% phosphorus which is very significantly different in its iron and silica content from the other samples and as a consequence of that we will not include it, the statistical average of the other 11 samples is:

Sample	**Iron %**	**Silica %**	**Phosphorus %**
1	56.5	12.35	0.24
2	51.7	9.35	0.349
3	51	9.55	0.358
4	53.8	7.37	0.232
5	55.2	5.2	0.289
6	61.9	4.3	0.13
8	60.4	7.8	0.061
9	60.9	7.45	0.108
10	61.9	5.03	0.17
11	61.5	5.4	0.144
12	52.2	14.65	0.213
Average	**57%**	**8.04%**	**0.17%**

The iron ore reefs these 11 samples account for start at 83,625E 79,676N, we include all samples moving west all along the intermittent reefs until 83,228E 79,724N, which is a section of iron ore reef 375m long and average grade is **57% iron, 8.04% silica and 0.17% phosphorus**.

In Summary

To conclude, the first section of the twin iron ore reefs averages 57% iron, 8.04% silica and 0.17% phosphorus.

The second section which is also the first section of the main hill and contains the thickest iron ore outcrops averages **60.2% iron, 11.0% silica, 0.056% phosphorus**.

The third section contains one of the reefs where it diverges from its twin iron ore reef and it is also the reef furthest from mundogie sandstone and on other side of main hill and averages **59.4% iron, 9.8% silica, 0.15% phosphorus**.

The fourth section is again on the other side of main hill and it is the more siliceous of the diverging twin iron ore reefs which is also closest to mundogie sandstone. The distance between the two reefs at this other side of main hill increases from 8m to 18m. It averages **58.5% iron, 13.9% silica and 0.07% phosphorus**.

The final section which is across the gully and into the following smaller hill also represents the most westward portion of the twin reefs. Here average is **60% iron, 10.9% silica and 0.65% phosphorus**.

The twin reefs overall from start to finish are 920m long, appearing intermittently along the entire section.

Sample	**Coordinates**	
001	83,646E	80,132N
002	83,584E	79,748N
003	83,580E	79,730N
004	83,650E	79,890N
005.	83,581E	79,736N
006.	83,581E	79,736N
007.	83,628E	79,662N
008.	83,392E	79,738N
009.	83,407E	79,738N
010.	83,262E	79,726N
011.	83,277E	79,734N
012.	83,228E	79,724N
013.	83,107E	79,736N
014.	83,105E	79,730N
015.	83,105E	79,716N
016.	83,099E	79,730N
017.	83,095E	79,722N
018.	83,079E	79,724N
019.	83,080E	79,722N
020.	83,080E	79,710N
021.	83,076E	79,710N
022.	83,049E	79,732N
023	83,031E	79,732N
024.	83,028E	79,738N
025.	83,013E	79,736N
026.	83,010E	79,738N
027.	83,018E	79,730N

028.	83,042E	79,740N
029.	83,059E	79,726N
030.	83,058E	79,720N
031.	83,052E	79,730N
032.	83,054E	79,726N
033.	83,055E	79,732N
034.	83,052E	79,734N
035.	83,046E	79,736N
036.	83,033E	79,728N
037.	83,027E	79,742N
038.	83,015E	79,744N
039.	83,005E	79,740N
040.	83,009E	79,736N
041.	83,079E	79,732N
042.	83,071E	79,730N
043.	83,065E	79,734N
044.	83,089E	79,714N
045.	83,076E	79,716N
046.	83,074E	79,714N
047.	83,061E	79,720N
048.	83,025E	79,730N
049.	83,010E	79,724N
050.	83,024E	79,716N
051.	82,967E	79,750N
052.	82,955E	79,766N
053.	82,935E	79,772N
054	82,888E	79,756N
055.	82,885E	79,754N
056.	82,885E	79,754N
057.	82,849E	79,756N
058.	82,906E	79,784N
059.	82,924E	79,786N
060.	82,934E	79,786N
061.	82,942E	79,782N
062.	83,130E	79,722N
063.	82,961E	79,782N
064.	82,960E	79,786N
065.	82,945E	79,786N
066.	82,949E	79,796N
067.	82,943E	79,790N
068.	82,939E	79,792N
069.	82,812E	79,754N
070.	82,796E	79,750N
071.	82,791E	79,752N
072.	82,781E	79,754N
073.	82,762E	79,778N

074.	82,692E	79,746N
075.	82,707E	79,750N
076.	82,712E	79,750N
077.	82,701E	79,746N
078.	82,694E	79,744N
079.	82,769E	79,756N
080	82,765E	79,756N
097	82,888E	79,756N
098	83,061E	79,720N
099	83,056E	79,732N
100	82,712E	79,750N
101	82,796E	79,750N
102	82,945E	79,786N
103	82,961E	79,782N
104	82,694E	79,744N
105	83,059E	79,726N
106	83,058E	79,720N
107	83,058E	79,720N
108	82,885E	79,754N
109	83,010E	79,724N
110	82,924E	79,786N
112	A blend of the other ores, no cords.	

A physical description of the samples in groupings of assay numbers.

The following samples are **metallic grey** in appearance 003, 004, 005, 009, 010, 011, 012, 013, 015, 022, 023, 026, 035, 036, 037, 041, 046, 047, 053, 057, 058, 062, 071, 074, 076, 077, 078, 098, 100 and 104.

The following samples are **metallic** silver grey in appearance 007, 024, 025, 042, 048, 051, 054, 056, 069,070, 079, 080, 097 and 101.

The purple ore is partly metallic and partly earthy and it smudges you when you pick it up.

The following samples are dull silver gray in appearance 001, 005, 006, 008, 014, 027, 028, 029, 038, 039, 040, 052 and 073.

Mainly metallic gray with slightly purple ore are samples 043, and 061.

Mainly purple ore plus some metallic gray and slightly siliceous are samples 031, 033, 065, 099 and 102.

Purple ore slightly siliceous are samples 021, 032 and 064.

Pure purple earthy ore are samples 034, 045, 050, 063, 066, 067, 068, 072 and 103.

Sample 016 is metallic gray with significant siliceous outer layer banding.

Sample 020 is purple ore with tinges of metallic gray and a small amount of brown clay.

Sample 044 is purple ore with some silica and some brown clay.

Sample 019 is mainly purple ore with some gray metallic ore.

Sample 018 is metallic gray with slightly purple and slightly siliceous ore.

Sample 002 is metallic gray with a dark clay mixture.

Sample 017 is metallic gray ore with significant siliceous content.

Sample 075 is metallic gray, slightly purple and slightly siliceous ore.

Sample 112 is a composite sample of purple ore, metallic gray and silver gray metallic ores.

PROSPECTIVITY FOR Ag, Pb, Cu

The second area of investigation is about 2km to the south and it is a shear shifted steeply dipping ferruginous quartz shale breccia reef. Lets abbreviate its description to iron oxide reef.

The iron oxide reef is dipping about 70% in a direction 210^{o} SSW and striking 300^{O} WNW. The iron oxide reef is outcropping all along the top of the hills at location 81,950E 78,534N. There were 17 samples taken from along the strike of this iron oxide reef which is from 5m to 7m wide, it is at least double sheared within a corridor of 85m to 90m wide starting at location 81,950E 78,534N.

The iron oxide breccia to the west of this location on the other side of the first shear has sheared by 12m to 14m in a direction about 35^{o} ENE. Furthermore at this second ending location of the first shear there is a section of the reef about 40m strike length and once again the reef shears moving 25m in the direction 50^{o}ENE.

The entire width of this double sheared portion of the iron oxide reef is in a corridor of 85m to 90m wide and the total shear shift is about 40m in direction 35^{o} ENE.

The coordinates of the iron oxide samples map the strike locations of the reef.

Sample	**Coordinates**	
086	81,990E	78,518N
087	81,980E	78,522N
084	81,972E	78,524N

082	81,962E	78,526N
083	81,956E	78,530N
081	81,949E	78,530N
096	81,770E	78,604N
111	81,770E	78,604N
095	81,893E	78,610N
094	81,899E	78,580N
093	81,914E	78,578N
092	81,926E	78,568N
090	81,932E	78,566N
091	81,932E	78,566N
089	81,940E	78,566N
088	81,946E	78,566N
085	81,976E	78,525N

The GPS coordinates of the two endings of the ferruginous quartz siltstone breccia reef from the first shear shift are 81,960E 78,520N and 81,927E 78,572N. The endings of the second shear shift are 81,895E 78,578N and 81,904E 78,592N.

We did not follow and mark the iron oxide reef to its endings, but it was followed and sampled all within positions 81,990E 78,518N and 81,770E 78,604N which is about 250m strike length and the reef extends further on both sides but particularly so on the western side where on the last recorded location the reef is 5m to 6m wide.

According to the directly overlain magnetic anomaly over this reef, it is an anomaly that is prominent for about 800m strike length.

I did not have the time to follow along strike the rest of the reef and sample it, because the previous night it rained for 3 hours and had to get out of there before another extensive rain made the ground boggy to my four wheel drive.

The strike of the reef is not uniform it follows the curvature of the hills it is embedded in and it is clearly shown when at location 81,856E 78,640N the reef curves with the entire hill side and strike direction changes to 250^{o} SW.

Sample	**Silver Ag ppm**	**Lead Pb ppm**	**Copper Cu ppm**	**Sulphur S %**
81	0.8	5050	1220	0.21
82	7	>10000	1220	0.51
83	1.6	2440	442	0.18
84	1.8	2780	717	0.2
85	0.9	406	488	0.09
86	1.4	744	269	0.11
87	1.8	1030	330	0.12

88		1.6	1220	575	0.12
89		0.9	602	496	0.13
90		0.5	221	874	0.1
91		1.1	210	611	0.14
92		1.1	85	615	0.11
93		2.5	96	129	0.04
94	<0.5		182	936	0.13
95		0.5	42	36	0.03
96	<0.5		225	754	0.05
111		0.5	163	1010	0.12

These 17 samples are from 220m section of the ferruginous siliceous shaley breccia reef, refer to simply as iron oxide reef. In nature silver is found in most lithologies in parts per billion typical 20ppb or less, and copper and lead typically 20 to 30ppm. Clearly here these metals are highly anomalous and since the iron oxide reef is not only also shear shifted but magnetic as well the possibility of economic grades of disseminated sulphides at depth is good and it is Jim Kastrissios recommendation that induced polarization I.P. testing is conducted on this iron oxide. During the third year report this same reef was anomalous for the same metals.

The Geochem analysis for the 95 samples of iron ore and 17 samples iron oxides were done by ALS laboratories in Brisbane. The procedure used for iron ore was ME-XRF11, and the procedure used for the iron oxides is ME-ICP61 and it tests the iron oxides for lead, zinc, silver, copper amongst other metals.

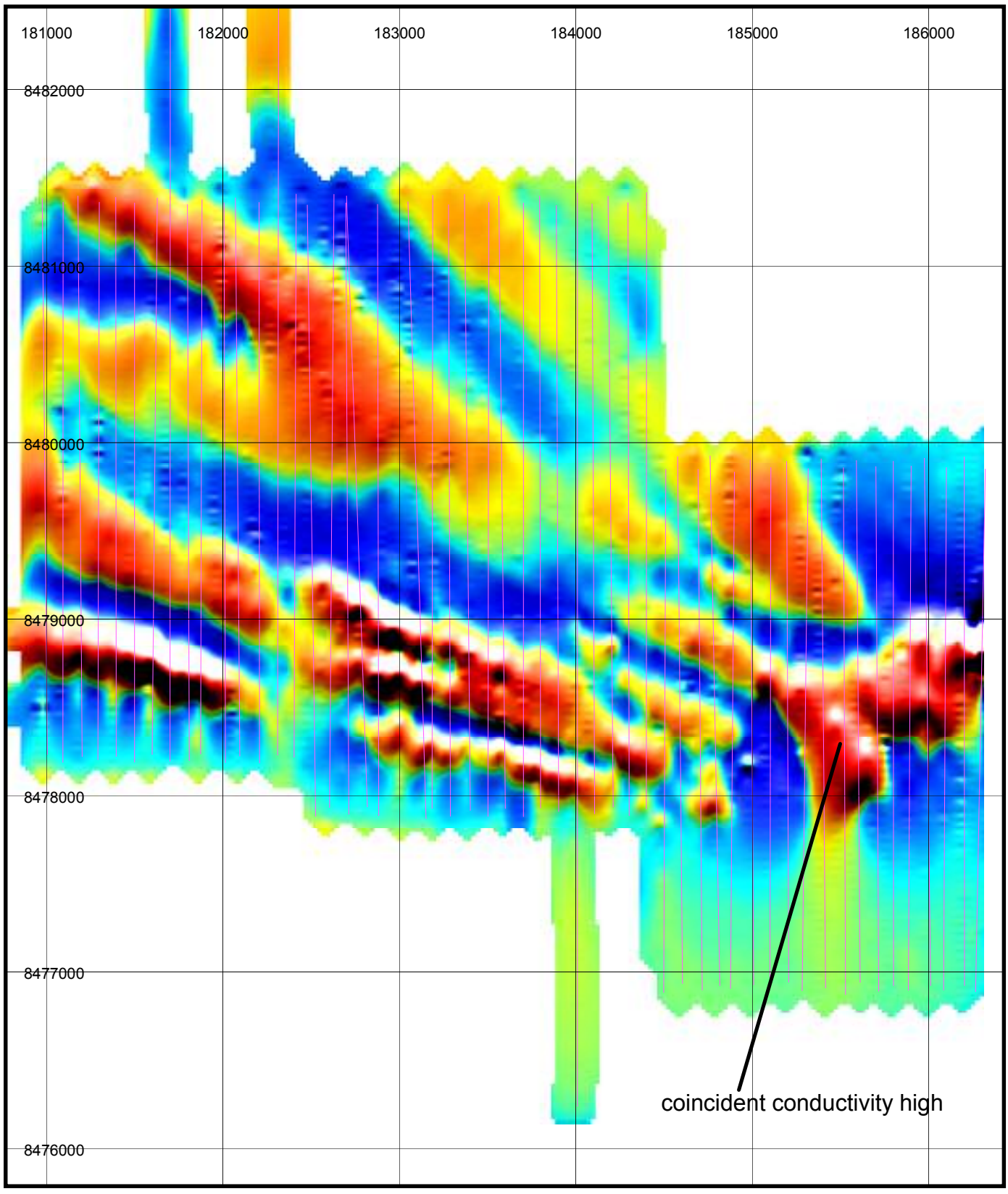
The Geochem results by ALS are all attached as an appendix to this report. Please note samples 01=1, 02=2, etc. and the result sample numbers used in this report, all come from the ALS Geochem analysis results in the appendix.

Appendix 3

RTP Magnetic Intensity

Conductivity Depth Section 100m

EL22440
RTP Magnetic Intensity



Archer Geophysical Consulting ModelVision Pro - Mon May 25 01:22:50 2009

EL22440
Conductivity 100m