EXPLORATION LICENCE 24560

GREAT NORTHERN NORTH

FINAL REPORT

ANNUAL REPORT ON EXPLORATION ACTIVITIES FOR THE FOURTH YEAR OF TENURE 2009/2010

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Table 1 Summary of Post 1980 Exploration

Figure 1 Locality Map
Figure 2 Tenement Map
1. INTRODUCTION
Exploration licence 24560 occupies one one-minute graticular block, situation in the Batchelor 1:1000000 sheet area. It is at the northern end of the Great Northern Mine workings. Title was granted to Sashfern Pty Ltd for a period of 6 years commencing 17/01/06. The area lies approximately 35km east of Adelaide River township. It is accessed via Ringwood Road and Fisher Road. These roads may be impassable during the monsoon rains.

2. GEOLOGY, MINERALISATION AND PAST GOLD PRODUCTION
The general geology of the area is shown on the published 1:1000000 scale geological map Batchelor and Hayes Creek Region (BMR 1985), the relevant portion of this map is reproduced in Figure 4.

The entire Licence area is underlain by sedimentary rocks assigned to the Burrell Creek Formation, of the Finniss River Group, in the upper section of the Early Proterozoic Pine Creek Orogen stratigraphic sequence. The sediments comprise a dominantly greywacke/mudstone sequence of turbidite facies. These rocks have been subjected to greenschist facies regional metamorphism, locally with a thermal metamorphic overprint close to granite contacts, and are now represented by slates and metagreywackes showing a variable degree of slaty cleavage depending on original lithology. The meta-sediments are intruded by pre-metamorphic dolerite and lamprophyre dykes.

The structure consists of north to northeast trending, moderately tight symmetrical folds, having gently northerly plunges. Four major anticlinal trends are recognized in the district and are important in relation to the localisation of gold mineralization; these include the Great Northern, the Great Western, the Goodall and the Star of the North trends.

Historical gold workings at Great Northern, Great Western and Star of the North are reported to have produced 112kg of gold between 1896 and 1920, from small pits and shafts. The gold was found in concordant quartz veins and saddle reefs along the hingelines of the north-plunging anticlines. At Great Northern auriferous saddle reefs, up to 3m thick, occur over a strike length of at least 2000m.

The Goodall open pit of Western Mining, located some five kilometres west of Great Northern produced 4.095kg of gold, from ore with an average head grade of 1.99g/t Au, between 1988 and 1993. The deposit consisted of a sock work of thin conformable and cross-cutting quartz veins, and had overall dimensions of 750x50m. The ore zone was located some 60m to the east of a major anticlinal axis (the Howley anticline).
3. PREVIOUS EXPLORATION ACTIVITIES
In recent times serious gold exploration in this part of the Pine Creek field commenced in 1980 when Exploration Licences 2361 and 2362 were explored by W R Grace Australia and Western Mining corporation under the Mt Ringwood Joint Venture. Initial programs of reconnaissance and rock chip sampling discovered a number of gold anomalies, including the B1 anomaly which eventually became the Goodall gold mine. Exploration continued up to the early 1990’s and included regional soil geochemical sampling and geological mapping. Together with detailed mineralisation was identified outside the Goodall project area.

Western Mining’s work stimulated intensive gold exploration in the surrounding district by many other companies through to 2000. Most work concentrated on exploring poorly exposed or alluvial areas, which had not been exhaustively tested by Western Mining, utilising mainly reconnaissance RAB drilling, soil and drainage geochemical sampling and a variety of remote sensing techniques. Some of this work overlapped the area EL24560, but no anomalies of significance were discovered. Post 1980 company exploration is summarised in Table 1.

4. EXPLORATION WORK CARRIED OUT IN YEAR FOUR OF THE LICENCE
The exploration for the year was done solely with metal detectors. Nothing of any significance was discovered except for a few small Quartz specimens located around the old Chinese diggings.

5. YEAR FOUR EXPENDITURE
Vehicle (12 days) $1800
Labour (12 days) $2400
Camp Supplies $ 500
Fuel $ 450
$5150

6. PROPOSAL FOR EXPLORATION DURING YEAR FIVE
Further metal detecting, rock chip sampling and soil sampling. Estimated expenditure $4000.
<table>
<thead>
<tr>
<th>TENEMENT</th>
<th>TITLEHOLDER</th>
<th>LOCATION</th>
<th>EXPLORATION ACTIVITIES</th>
<th>RESULTS OBTAINED</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL2362</td>
<td>Western Mining</td>
<td>Area covers Star of the North, Great Northern, Great Western</td>
<td>Regional helicopter reconnaissance and rock chip sampling (1980/81); detailed grid survey, mapping and surface sampling of anomalies (1982/84), soil geochemistry and costeaining (1985).</td>
<td>Auriferous quartz reefs and stockworks at John’s Hill and C3, C4 and C5 anomalies in Overlap with EL23516</td>
</tr>
<tr>
<td>EL4217</td>
<td>Douglas, Zapopan, Nobelex</td>
<td>North of Goodall</td>
<td>Landsat and air photo studies, field reconnaissance and rock-chip sampling; 100 RAB drill holes, 67 reaching bedrock</td>
<td>Two holes struck anomalous gold on inferred projection of Goodall anticlinal axis</td>
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<tr>
<td>EL5011</td>
<td>White Mining, Zapopan</td>
<td>Margaret River flats E of Great Western</td>
<td>Reconnaissance soil sampling of outcrop areas, and one traverse of RAB drilling of alluvial area</td>
<td>No anomalies detected</td>
</tr>
<tr>
<td>EL4218 &amp; EL4220B</td>
<td>White Mining, Zapopan &amp; Nobelex</td>
<td>South of Great Western</td>
<td>Reconnaissance geology and rock chip sampling and stream sediment sampling</td>
<td>No encouraging results</td>
</tr>
<tr>
<td>EL5318A</td>
<td>Western Mining</td>
<td>John’s Hill area</td>
<td>At C3 anomaly three diamond drill holes tested north-dipping quartz veins in a 50m wide meta-dolerite N-S dyke</td>
<td>Veins too narrow and wide-spaced (20m) for economic mineralisation; grades up to 3.8g/t Au, widths to 0.8m</td>
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<tr>
<td>EL5313</td>
<td>Oceania, Golden Plateau, Pegasus</td>
<td>S &amp; SE of Goodall</td>
<td>At C4 anomaly five 50m RC holes tested saddle reefs and stockworks mainly on east anticlinal limb</td>
<td>Several narrow gold intercepts best 5.2g/t Au over 2.0m</td>
</tr>
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<td></td>
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<td></td>
<td>Aeromagnetics, geological mapping, rock chip and drainage geochem sampling, with follow detailed geology, sampling trenching and RC drilling of prospects</td>
<td>Follow up of magnetic and rock chip anomalies at Three Rest Hill, Copper Pits and Hallelujah prospects did not indicate economic mineral</td>
</tr>
<tr>
<td>EL8139 1993/95</td>
<td>Territory Goldfields</td>
<td>W &amp; SW of Great Northern</td>
<td>Aeromagnetic interpretation, LAG geochemical sampling, and 23 RAB drillholes for 97m</td>
<td>No results for follow up</td>
</tr>
<tr>
<td>EL9167 1995/97</td>
<td>Northern Gold Camelot</td>
<td>Between Star of the North and Great W'n</td>
<td>Regional soil sampling on 400m by 100m grid, on 19 lines over mainly alluvial areas, for total of 431 samples</td>
<td>No results for follow up</td>
</tr>
<tr>
<td>EL8504 1995/97</td>
<td>Northern Gold Dominion</td>
<td>West of Great Northern</td>
<td>Area of 80% black soil plain; RAB drilled on 1600x200m grid for 117m in 18 holes with analyses for Au, Ag and base metals</td>
<td>No significant anomalies</td>
</tr>
<tr>
<td>EL7090 1998</td>
<td>NT Gold P/L</td>
<td>Great Northern</td>
<td>Survey with metal detectors in the vicinity of the historical workings</td>
<td>Several small quartz veins with coarse to nuggety gold were found and pegged under Mineral Claims</td>
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<td>EL9306 1995/99</td>
<td>Markaranka, Agricola Gold</td>
<td>W &amp; SW of Great Northern</td>
<td>Limited rock chip sampling</td>
<td>Anomalies too small to warrant further work</td>
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<td>EL9667 1996/2000</td>
<td>Markaranka</td>
<td>S of Great Northern</td>
<td>No field exploration done</td>
<td></td>
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<tr>
<td>EL9122 1995/2001</td>
<td>Northern Gold Dominion</td>
<td>Margaret River flats E of McCallum Creek</td>
<td>Regional soil sampling on 100mx400m grid, comprising 12 traverse and 241 samples analysed for Au, g, As and base metals. Several phases of infill and follow up soil sampling were done.</td>
<td>All anomalies were very low order, not warranting further work</td>
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