ANNUAL REPORT

ON

EXPLORATION LICENCE 24559

FOR YEAR ENDING 23rd AUGUST 2010

Prepared by
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1. INTRODUCTION

Exploration Licence No. 24559 was granted to Gary Clark 100% on 24th August 2005 for a period of 6 years.

2. LOCATION AND DESCRIPTION

Exploration Licence No. 24559 is located around and near a prominent landmark called Lost Hill.

The tenement is location approximately 140kms south east of Darwin and is accessed via the Stuart Highway thence via Fisher Road to near the e\western boundary of the Licence. Mt. Ringwood Road traverses the tenement allowing good access throughout the dry season.

The tenement lies between 131 24’E and 13 11’S and 13 12’S

3. GEOLOGY

The tenement area is underlain throughout by the Lower Proterozoic Burrell Creek Formation, and consists of a grey-wacke to mud-stone suite representing a series of cyclic turbidity events throughout the Finnis River Group de-positional history.

EL 9648 lies within WMC Ltd.'s Central Zone which was explored in the mid-late 1980's as part of their regional programme on ground surrounding the Goodall Mine. As part of that exploration effort, a great deal of work was done on the de-positional and deformational history of this area which represents the deepest part of the Pine Creek Geosyncline.

The stratigraphic sequence is similar to that found around the Goodall Mine (Hancock and Ward, 1988), and consists of:

Upper Wacke Sequence:

Thickness:	$\geq$ 1500 m
Description	Comprises medium grained, clast-supported, buff-weathering quartzo-feldspathic, tufaceous wackes, silts and lesser lithic pebble conglomeratic turbidity. The lower portion is a relatively distinctive, but-weathering wacke.

Red Silty Unit:

Thickness:	$\geq$ 600m
Description:	A relatively poorly exposed unit dominated by distinctive red-brown weathering phyllitic metasiltstone, graded and bedded phyllite, distinctive laminated phyllite and matrix-supported medium-grained quartzo-feldspathic wacke. Laminated chlorotic phyllite with thin tufaceous interbeds form a distinctive association in the unit. The unit can be internally considered as comprising a lower unit dominated by phyllite and matrix-supported wacke and an upper unit distinguished by laterally persistent wacke units, which include clast-supported lithologies similar to those that dominate the overlying wacke-rich unit. The top boundary is gradational in detail but defined by a thin but continuous wacke unit traceable around the structure in the area mapped in detail.

Bundey Sequence:

Thickness:	$\geq$ 1000 m
Description:	Boldly outcropping, medium grained, tufaceous, quartzo-feldspathic wacke with matrix chlorite and muscovite and interbedded chlorite-sericite-quartz phyllitic metasiltstones. Graded, medium grained, clast-supported wacke dominant, and a distinctive sub-zone of wackes with nodules to 5 - 8 cm of quartz-ex-diagenetic chert occurs near the top. Thick phyllitic metasiltstones, often with local ex-andalusite and ex-cordierite spotting occur.

Lower Transitional Zone:

Thickness:	$\approx$ 500 m
Description:	Not mapped in detail, but reconnaissance observations structurally beneath the Bundey Sequence in the axial zone of the Howley Anticline indicate poorly outcropping, mixed successions of medium grained, quartz-feldspar wacke and significant thicknesses of ferruginous, probably ex-graphitic phyllite, reminiscent of the underlying Mt. Bonnie Formation.

The units above show alterations in the abundance of sand and silt, but rarely, if ever, to the exclusion

Element of all the above units may be found in the EL area, with variants from the quartz pebble conglomerate to the fine, matrix-supported Red Silty Unit in areas of sub-crop to postulated alluvium-covered areas.

4. PREVIOUS EXPLORATION

Limited systematic exploration was done in this region prior to the Goodall discovery. Since then exploration ahs been carried out on or near EL 9648 by the following companies:-

EL 6630	Dorninion Mining
EL 5011	Zapopan
EL 5456	Zapopan
EL 5298	Oceanic Exploration
EL 5315	Oceanic Exploration
EL 5318	WR Grace
EL 5321	WR Grace
MLN 1049	Western Mining Corporation
EL 9648	Agricola Gold Ltd

5. WORK DONE IN THE CURRENT LICENCE YEAR

Rock chip samples were taken from various areas on the EL and sent for testing.
Further metal detecting revealed no new alluvial areas.

6. EXPENDITURE

Assays	$450
Field Work	$2000
Fuel & vehicle	$1250
Camp provisions	$300
	$4000

7. PROPOSED EXPENDITURE

Assays	$ 500
Field work	$2000
Sundries	$1500
	$4000

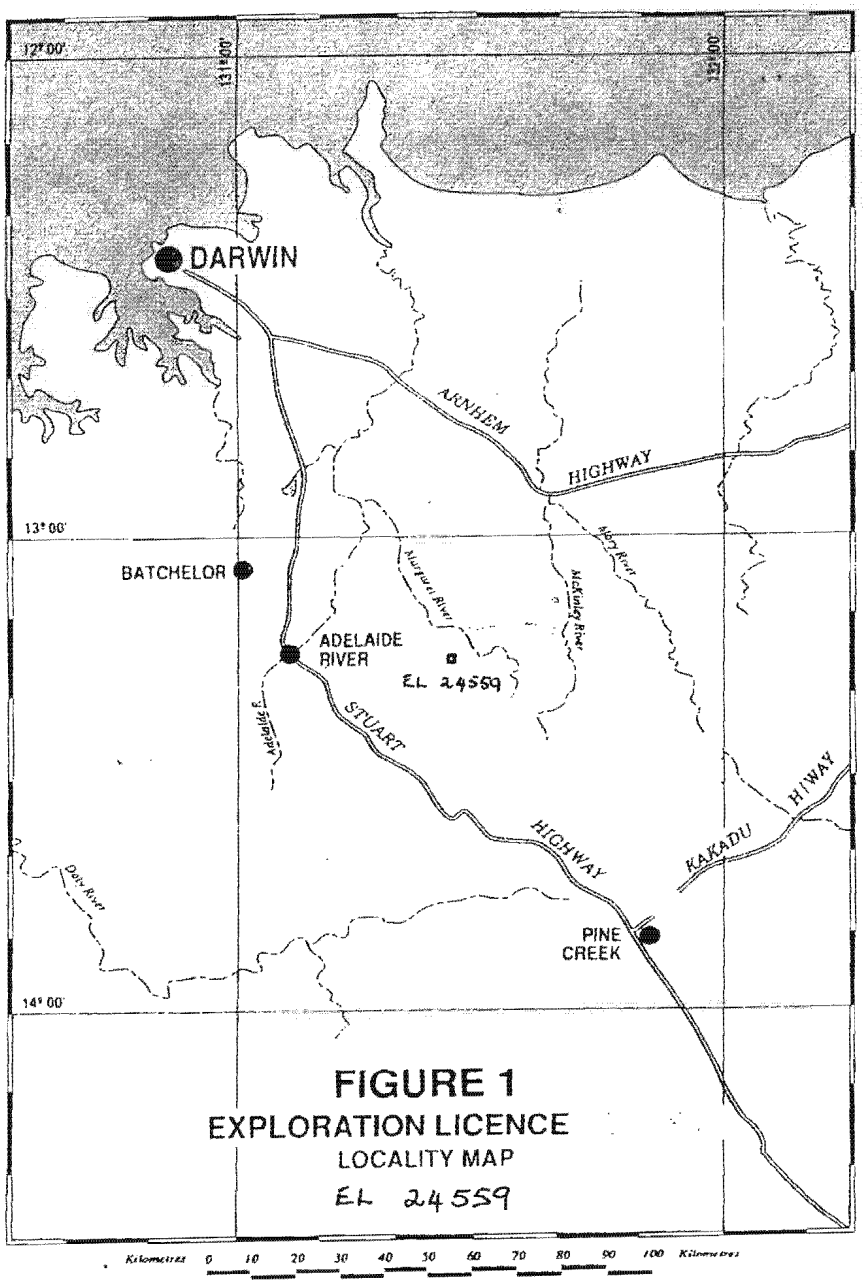
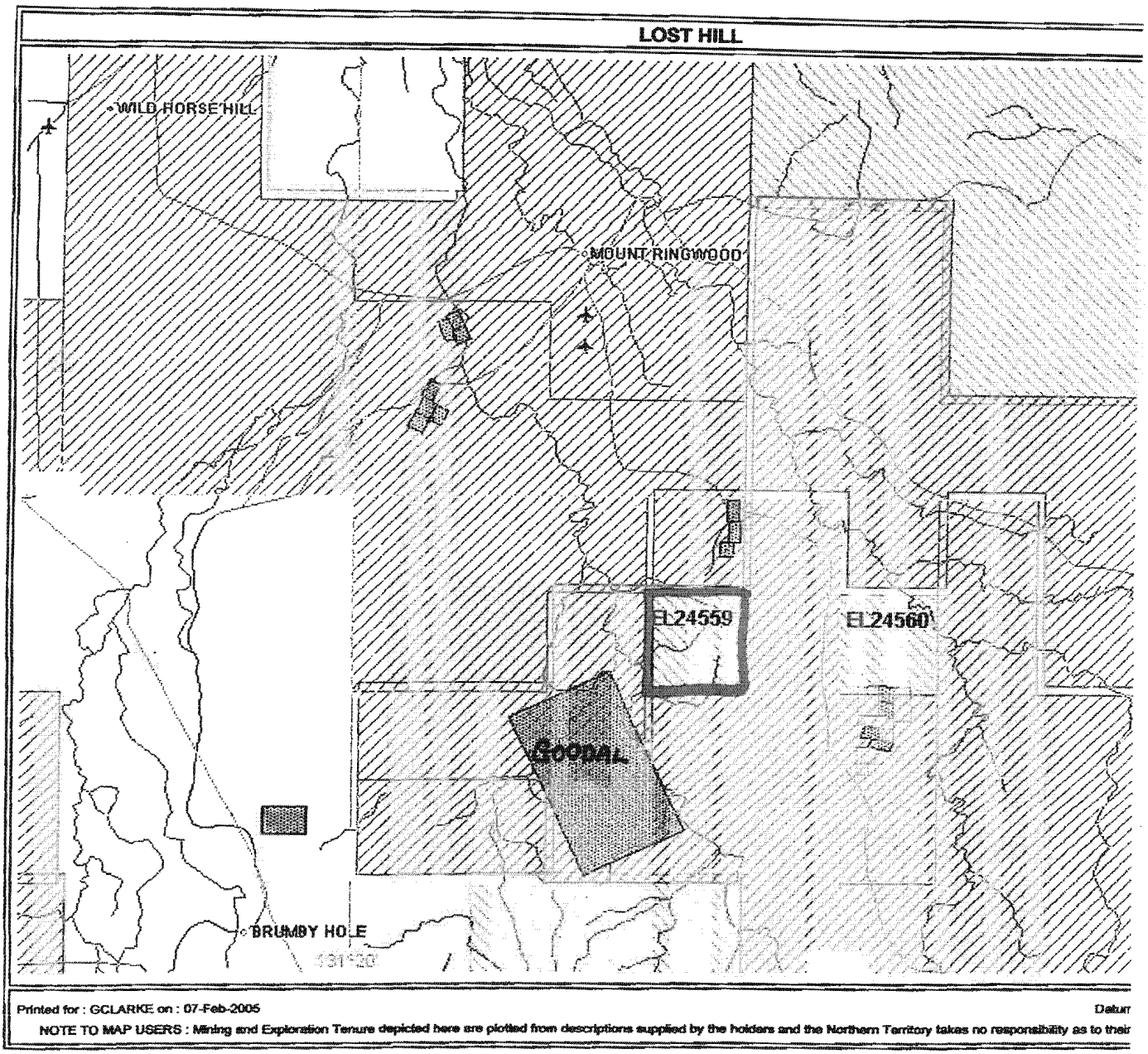


FIGURE 1

EXPLORATION LICENCE

LOCALITY MAP

EL 24559


LOST HILL
WILD HORSE HILL
MOUNT RINGWOOD
EL24559
EL24560
GOODAL
BRUMBY HOLE
131°30'
Printed for : GCLARKE on : 07-Feb-2005
Datum
NOTE TO MAP USERS : Mining and Exploration Tenure depicted here are plotted from descriptions supplied by the holders and the Northern Territory takes no responsibility as to their