ANNUAL REPORT

ON

EXPLORATION LICENCE 24559

FOR YEAR ENDING 23 AUGUST 2011

PREPARED BY
GARY CLARKE
SEPTEMBER 2011
## CONTENTS

1. INTRODUCTION
2. LOCATION AND DESCRIPTION
3. GEOLOGY
4. PREVIOUS EXPLORATION
5. WORK DONE IN THE CURRENT LICENCE YEAR
6. EXPENDITURE
7. PROPOSAL FOR CURRENT YEAR

**Figures**

<table>
<thead>
<tr>
<th>Figure 1.</th>
<th>Location Map</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 2.</td>
<td>Tenement Map</td>
</tr>
</tbody>
</table>
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\wester 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:** ≥ 1500 m
- **Description:** Comprises medium grained, clast-supported, buff-weathering quartzo-feldspathic, tuffaceous wackes, silts and lesser lithic pebble conglomeratic turbidity. The lower portion is a relatively distinctive, but-weathering wacke.

**Red Silty Unit:**
- **Thickness:** ≥ 600 m
- **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 tuffaceous 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:** ≥ 1000 m
- **Description:** Boldly outcropping, medium grained, tuffaceous, 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 exandalusite and ex-cordierite spotting occur.

**Lower Transitional Zone:**
- **Thickness:** = 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 has 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

All the exploration for the year was done by metal detectors. Small iron-coated nuggets were found on the northern boundary of the lease.

6. EXPENDITURE

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Work</td>
<td>$2400</td>
</tr>
<tr>
<td>Fuel &amp; vehicle</td>
<td>$1400</td>
</tr>
<tr>
<td>Camp provisions</td>
<td>$400</td>
</tr>
<tr>
<td></td>
<td>$4200</td>
</tr>
</tbody>
</table>
7. PROPOSED EXPENDITURE

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assays</td>
<td>$ 500</td>
</tr>
<tr>
<td>Field work</td>
<td>$2000</td>
</tr>
<tr>
<td>Sundries</td>
<td>$1500</td>
</tr>
<tr>
<td></td>
<td>$4000</td>
</tr>
</tbody>
</table>