

Technical report for- EL 26930

Titleholder	Terry Philip Hearl, Micheal Robert Hearl
Operator (if different from above)	
Tenement Manager/Agent	N.A
Titles/Tenements	EL 26930
Mine/Project Name	
Report title including type of report and reporting period including a date	Annual report for period ending 4 May 2014
Personal author(s)	N. Kalleske T. Hearl
Corporate author(s)	
Company reference number	
Target Commodity or Commodities	Base metals and all associated minerals
Date of report	26/05/2013
Datum/Zone	GDA94
250 000 K mapsheet	Victoria River Downs
100 000K mapsheet	
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Technical Report For EL 26930 2013

SUMMARY

Exploration lease 26930 held by Terry Hearl and Michael Hearl(now deceased) was applied for on the 21/08/08 and was granted on the 5/05/09 to search for base metals and all associated minerals. Access to this area is limited to five or six months of the year because of the high rainfall during the wet season. Station roads provide the only access to the area but these are restricted to a very small portion of the tenement with some only being graded as they are required and many not being graded from year to year. No access exists to the other parts of the license area. The majority of our time the first year was spent attempting access to the more inaccessible areas of the tenement. Our sampling program was significantly affected at this time by the accidental death of my brother and partner Michael Hearl. The sampling program was resumed in mid May 2010 once the area was dry enough to gain access. Our exploration and ground truthing on the eastern side of the tenement which was extensive and quite time consuming because of rugged terrain and limited access resulted in our relinquishment of 50% of the tenement.

Due to unusually high rainfall and a prolonged wet season in the area over 2010-2011 access was not safely gained until approx. mid June 2011. The surface water that still remained this late in the year proved troublesome resulting in bogging our vehicle numerous times and limiting access to the lower western quadrant on the tenement. Due to these conditions most exploration had to be done on foot. Large area's were covered, however because of the excessive rainfall the average vegetation height was around two metre's with almost full ground cover resulting in zero visibility. Three weeks were spent in this area ground truthing with very few samples taken due to poor visibility. However I feel this area needs further exploration because of the full ground cover.

Approximately eight weeks were spent on exploration in the 2012 to 2013 reporting period. We still encountered various degrees of access limitations due to rough terrain and poor visability due to undergrowth. However on our first expedition we were able to extensively cover the top north eastern quadrant of the lease due to a bushfire having recently swept the area. After much consoltation it was decided to relinquish approx. 15 blocks in this area equaling about 49.5 square kms because of poor to no mineralization hence no samples were taken from this area. On the second expedition we were continuously unsuccessful in gaining access to the mid western area known as "Battle Creek". The conclusion of this exercise being our consideration of hiring a helicopter from the main station Victoria River Downs to achieve this goal.

1. INTRODUCTION

EL 26930 held by Terry Hearl and Michael Hearl was applied for on the 21/08/08 and was granted on the 5/05/09 to search for base metals and all associated minerals.

2. LOCATION AND TENURE

Exploration lease 26930 now covers (after relinquishing a further 15 blocks) 80 blocks (264 Sq Kms) on the Victoria River Downs Perpetual Pastoral Lease approximately 330kms south west of Katherine. The principal access is via the Victoria, Buntine and Buchanan Highways and unsealed station roads. Access within the EL is very limited with few tracks that are only graded if they are needed in the coming season. The whole area is totally impassable in the wet season with the only access being by helicopter.

3. REGIONAL GEOLOGY

Within the EL, Antrim plateau volcanics are the predominant rock unit outcropping with a small area of Stubb formation in the north western corner. The Antrim plateau volcanics are a part of the Kalkarindji Province which is a widespread continental flood basalt province which covers much of the northern Northern Territory and extends into Western Australia, this is composed of igneous and minor sedimentary: tholeiitic basalt, dolerite, andesite, minor trachyte, microdolerite, basaltic flow breccia, peperite, pyroclastic deposits, quartz sandstone, siltstone, sedimentary breccia, limestone, chert. The Antrim plateau volcanics are lower Cambrian, within the EL unit is predominantly massive and porphyritic basalt, vesicular and amygdaloidal basalt. The Kalkarindji Province conformably underlies the Cambrian successions of the northern Georgina, northern Wiso, Daly and Ord Basins which unconformably overlies the Birrindudu, Victoria, McArthur and South Nicholson Basins, the Tomkinson Province and the Tanami Region and is up to 1.1km thick in places. This province is suitable for Norilsk-style Ni and copper mineralisation with small copper and barite occurrences. The Victoria basin of Neoproterozoic age unconformably overlain by the Kalkarindji Province has the potential for sediment hosted base metal deposit and Uranium. The Victoria basin sediments dolostone, sandstone, limestone and shales unconformably overlies the Birrindudu Basin sediments of sublithic arenite, quartz arenite, siltstone, shale, conglomerate, stromatolitic chert, limestone, glauconitic sandstone. Mesoproterozoic to paleoproterozoic in age the Birrindudu Basin sediments are potential for Diamonds and base metal deposits with diamond deposits at Timber Creek and minor Pb-Ag occurrences. The Stubb formation was originally included in the Auvergne Group and is unconformably overlain by Jasper Gorge Sandstone in the Victoria Basin, of mesoproterozoic age.

4. PREVIOUS EXPLORATION

Review of historical stream sediment sampling done by various companies over the years through the NTG Strike website reveals only 37 samples have been taken from the 627Sq Km area and cross referencing with current maps shows that most samples were taken from areas that are not far from existing tracks leaving large areas that are hard to access open for further sampling. Further research revealed 17 samples for diamonds have been taken, the majority from the far northeast quadrant and a few on the southwest quadrant of the lease leaving the majority of the area untouched. No drill holes have been put down according the NTG Strike website.

5. WORK DONE DURING REPORT PERIOD

Literature review of available data including the 1:250 000 map sheet series of 1:100,000 interpreted geological maps. Review of gravity, magnetic and radiometric data is under consideration by geological technical support team.

Reconnaissance exploration:

- * Assessment of ground access conditions within the EL
- * Ground truthing with respect to previous exploration
- * Geological mapping and interpretation of existing geological maps
- * Identification of areas for future sampling

Approximately early July a base camp was made about 24 kilometres north west of Moolooloo out station. This area is out of bounds of the lease but had permanent water, a good camp spot and the manager agreed with us being there. This gave us access to the north eastern quadrant of the lease for which there is no other access road that had been graded at the time. Upon further inspection a large bushfue had swept the area not long before our arrival. This resulted in being able to cover the area in question quite extensively although we still encountered access problems with the harsh terrain. Many man hours on the ground were put into this area and the conclusion of this exploration was due to very poor to no mineralization the area was of no further use to us and would be relinquished as soon as possible. No samples were taken from this area.

Approximately early September a base camp was made about 12 kilometres north west

Of Moolooloo out station. Our target area was the Price Hills, Battle Creek section of the tenement. This particular area so far has resisted all of our attempts to gain access. The tracks that are shown following the fence line in this area on the available map have not been graded nor the fence line given any maintenance for over twenty years. The result of this being the subsequent numerous wet seasons and huge amount of undergrowth rendering the once track basically invisible and impassable. Access was attempted through the north western approach at Tishawaota bore but had to be abandoned due to impassable terrain and thick undergrowth. We found our tyres on the vehicle did not stand up to the

harsh conditions resulting in many flats. The large spear- grass which is abundant in the area proved to be a major problem. Access was also attempted from the Georges Dam area near the Victoria River ending with the same result. We are still waiting for the results of the few samples that have been submitted for testing. I am presently looking into the feasibility of hiring a helicopter from the main

station "Victoria River Downs" to enable access to this problematic area. This would also enable us to discern from the air the easiest access for the ground crew. I feel this is our only alternative after we have trialed new tyres that have been brought in from overseas.

After recently contacting the manager I have been informed that only an average wet season was experienced in the area hopefully resulting in sparser undergrowth to contend with this year.

6. REHABILITATION

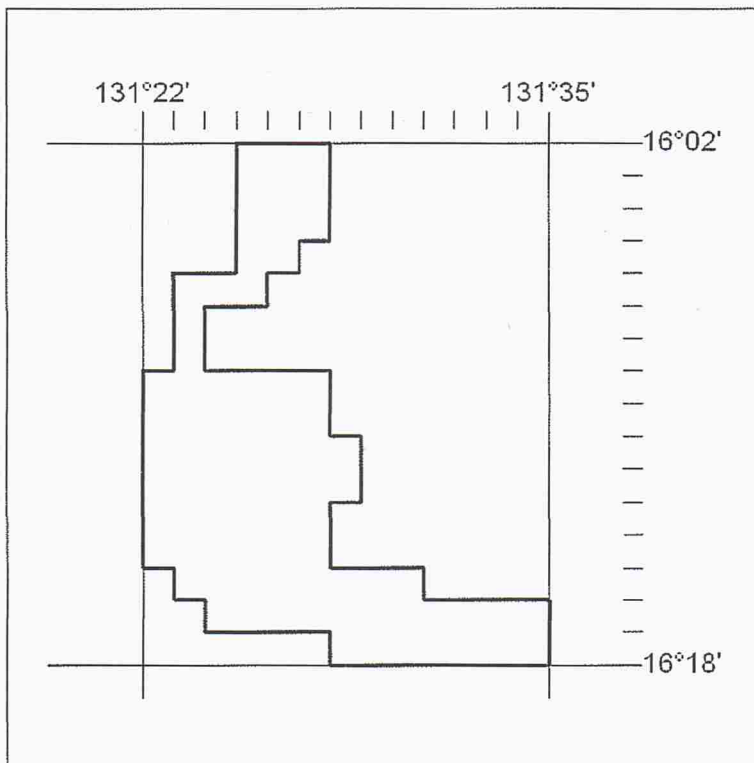
Work conducted on the tenement was limited to non-evasive geological assessment and review.

7. CONCLUSION

Exploration was limited within the EL area during the reporting period due to some access issues and visibility. However we feel that we were able to eliminate some major areas of the tenement which proved to be non-productive and will be concentrating our efforts in the areas that we assessed to be more viable. Now that my brothers estate is almost finalized I do intend to pursue a joint venture partner in the future, once more information has been obtained. I feel with modifications made to our ground vehicles tyres and the opportunity to have air support we will no doubt make headway into this difficult area this year to continue our sampling program.

Please note I am presently having trouble with my e-mail so this report will be sent from a different address if there are any inquiries please do not hesitate to call me on 0404927518. I thank you for your time.

Terry Hearl



EL26930
80 Blocks
263.86 Sq Kms