

**Saracen**

## **Saracen Metals Pty Limited**

**Exploration Licence 48/2003 – Mt Block**

**Annual Report**

Year ending 11 June 2006

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20 May 2006

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## **1 INTRODUCTION**

This report summarizes activities undertaken on EL 48/2003 – Mt Block during the year ending 11 June 2006.

## **2 WORK PROGRAMME**

Attempts to secure a suitable drilling contractor were met with difficulty due to tightness in the Tasmanian market. Accordingly, the Company's programmes were delayed significantly, and while fieldwork accelerated during the current year in the Company's adjacent Tullah EL47/2003, the Company's programmes in Mt Block EL48/2003 were affected adversely.

It is intended to accelerate the work programme in Mt Block EL48/2003 in the forthcoming summer field season.

Work during the year focused on compilation of historical Pasminco, EZ and Aberfoyle data. This data, in combination with recently acquired EM and magnetic data, is helping define target zones along the Henty Fault east of the historic Que River mine. A number of anomalous geophysical anomalous zones, as well as ground geophysical anomalies, in the Que/Hellyer/Mt Charter area will be followed up. These are the Mill Site Structure, the East Que Magnetic Complex, the Barite Creek structure and the Que-Hellyer Structure (Figure 1).

Also, a number of Airborne EM anomalies have been identified in the area and these will also be followed up during the next summer field season.

## **3 ENVIRONMENTAL AND REHABILITATION ACTIVITIES**

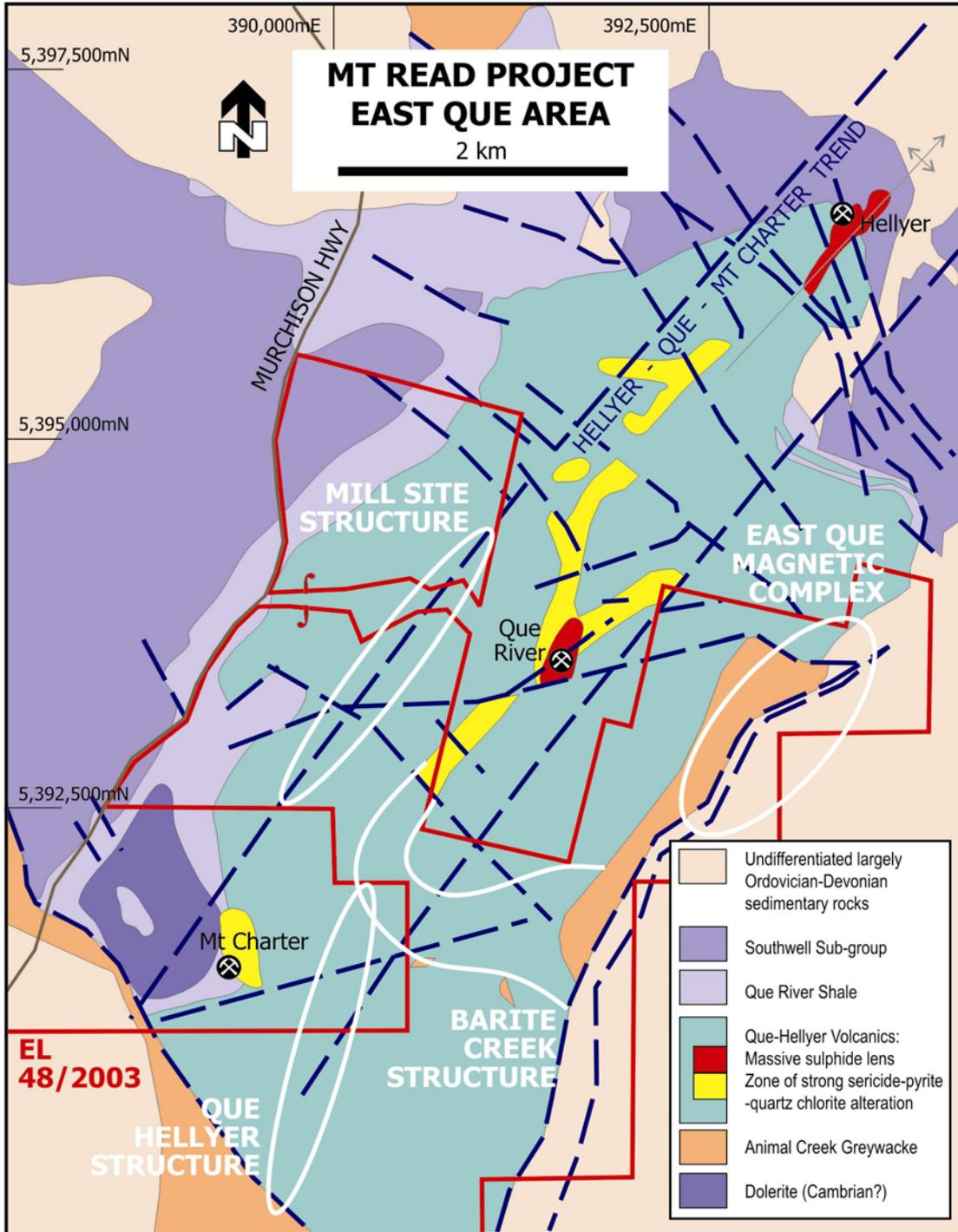
No work was done during the period.

## **4 EXPENDITURE**

Exploration expenditure for the year totalled \$5,781.52

A breakdown of the expenditure is as follows: -

|                |                   |
|----------------|-------------------|
|                | \$                |
| Geology        | 275.00            |
| Geophysics     | 3,863.52          |
| Drilling       | -                 |
| Administration | 1,643.00          |
| Rehabilitation | -                 |
| <b>Total</b>   | <b>\$5,781.52</b> |



**Fig. 1 East Que Area Exploration Targets**