

Exploration Licence Annual Review 17/2003 Stonehenge Creek

The exploration of 17/2003 Stonehenge Creek and Sunshine area consisted of further sampling and literature assessment as well as on ground assessment of the contained prospects.

The target prospects for further exploration and drilling are

1. Stonehenge Prospect - on ground SP survey in the vicinity of previous drilling carried out by CRAE.
2. Sunshine Prospect - to outline the exposed Zn/Pb ore zone by drilling.
3. Grubbs Prospect - further mapping to determine whether a viable drilling target is possible.
4. Swansea - Sp/magnetics/gravity surveys to outline possible drill target in the vicinity of the known Swansea shear.

Drilling in the 05/06 year was deferred due to the approach to McDermott Mining to list on the ASX.

Heads of agreement have been signed and it is expected that the new company, North Resources, will list prior to September 30th. 2006.

This will give North Resources (which McDermott Mining will be a major Shareholder) a market capitalisation of approximately \$15,000,000 and allow a far more comprehensive exploration of all of the company's tenements, including 17/2003.

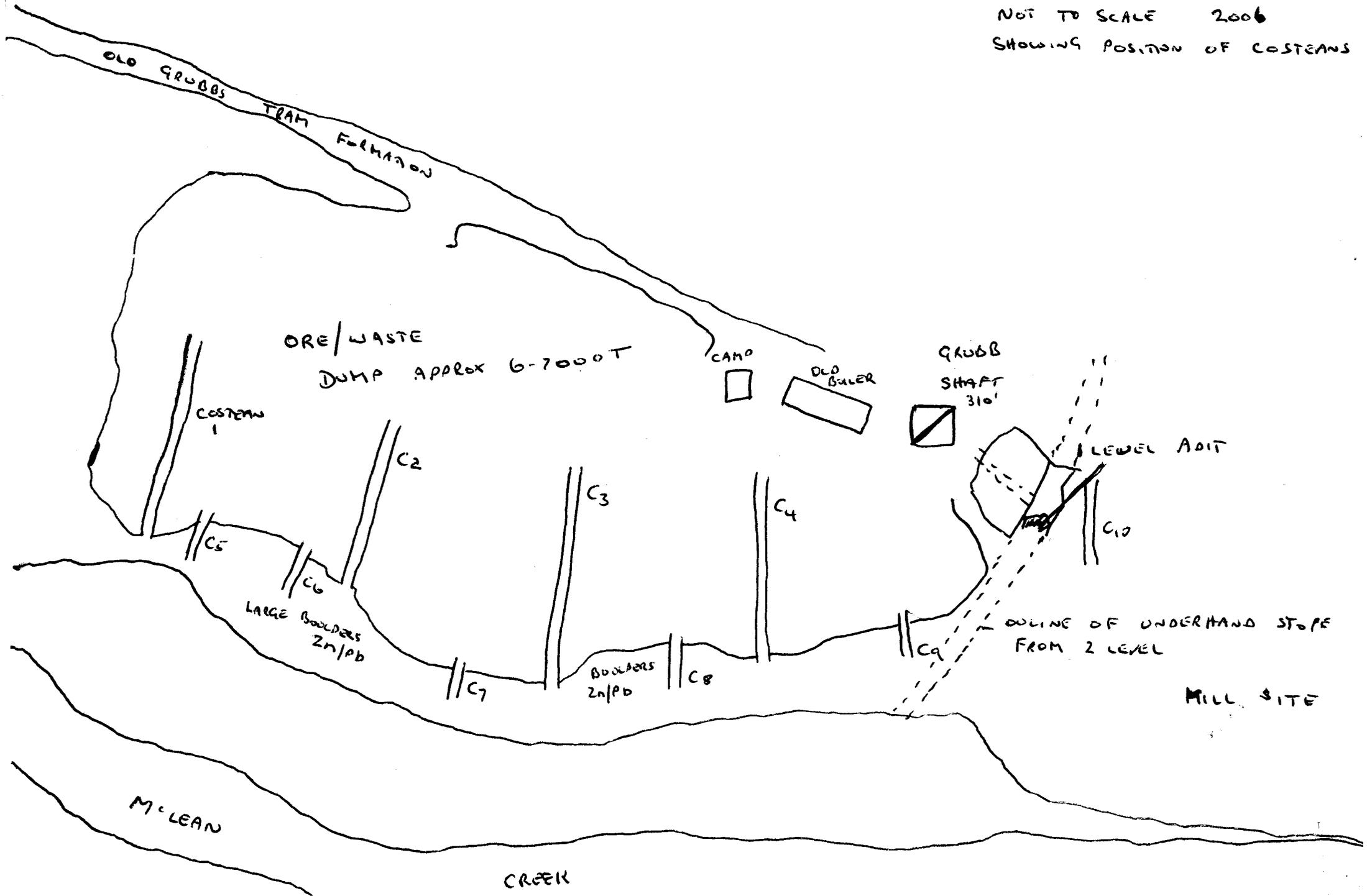
Further exploration is continuing in the form of surface geological and geophysical assessment prior to the formalities of listing on the ASX.

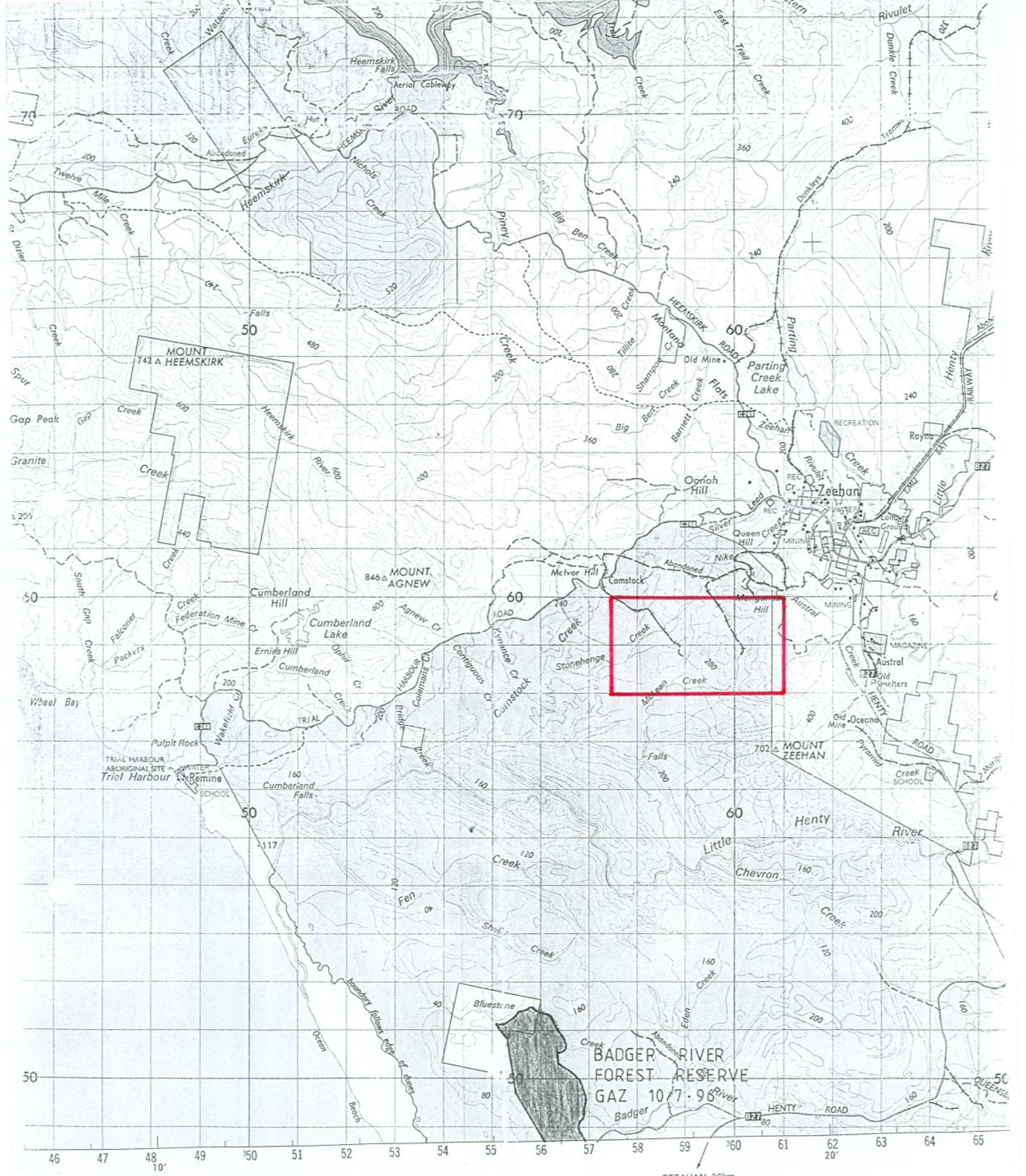
It is envisaged the former proposed expenditure of approximately \$40,000 will be increased to something in the vicinity of \$150,000 - \$200,000 for the next year.

Kim McDermott
Managing Director,
McDermott Mining.

DRAWN MARCH 2006
K. F. JERMOIT

SKETCH MAP OF GRUBBS MINE
NOT TO SCALE 2006
SHOWING POSITION OF COSTEANS

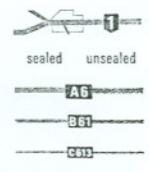




SCALE 1: 100 000



- Trial route marker
- Continuous public use
- Primary road; Route number
- Secondary road; Route number
- Tertiary road; Route number
- Fenced or access



BLACK NUMBERED GRID LINES ARE 1000 METRE INTERVALS OF THE AUSTRALIAN MAP GRID, ZONE 55
 GRID VALUES ARE SHOWN IN FULL ONLY AT THE SOUTH WEST CORNER OF THE MAP
 VERTICAL DATUM FOR TASMANIAN MAINLAND: AUSTRALIAN HEIGHT DATUM (TASMANIA)
 VERTICAL DATUM FOR OFF-SHORE ISLANDS: MEAN SEA LEVEL
 HORIZONTAL DATUM: AUSTRALIAN GEODETIC DATUM 1966
 UNIVERSAL TRANSVERSE MERCATOR PROJECTION
 CONTOUR INTERVAL 40 METRES
 ELEVATIONS IN METRES

LAND TENURE INDEX INFORMATION is current to Nov 1983. Due to limitations some areas of land tenure within built-up areas of less than two hectares are depicted. Colours are designed to indicate the prime managing authority. Information of a particular land status does not imply right of entry or use. Boundaries of land extend to low water mark. For full particulars, users are requested to contact the Registrar-Generals Division, Law Department; or the Survey Division, Land Department.

Private Freehold Land
 Forest Commission State Forest with Forest Reserve