JAGUAR MINERALS LIMITED
TEMMA PROJECT
EL 27/2005
ANNUAL REPORT FOR THE PERIOD
23 MARCH 2006-22 MARCH 2007

JAGUAR MINERALS LIMITED

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MAP SHEETS: SK55-3 BURNIE 1:250,000.
Map 1:25,000: Ordnance 3042 and Temma 3043.

EXECUTIVE SUMMARY

The Temma Project, EL27/2005, is located in NW Tasmania about 20 kilometres SW of Arthur River. The Mesoproterozoic Rocky Cape Group contains the oldest rocks in the area and forms the basement sequence in northwest Tasmania. It consists of a thick, unfossiliferous, dominantly siliciclastic shelf sequence, consisting of interbedded sandstone and siltstone, carbonaceous pyrtic siltstone and shale, quartz arenite and chloritic siltstone. Transgressive NNW orientated, elongate, shallow, magnetite rich ironstones occur in the Temma area. The deposits show similar trends to the Balfour Copper Belt. They have variable thicknesses and contain uneconomic amounts of sphalerite, galena, hematite, pyrite, chalcopyrite, Fe-Mn carbonates and silicates. Mineral deposits of a secondary nature include alluvial tin, and subeconomic coastal sand dune deposits containing cassiterite, zircon, rutile and chromite.

Previous explorers have drilled 7 diamond holes in the area of EL27/2005, targeting soil anomalies and old workings within the ironstones. At Possum Creek, hole PG1 was drilled to 86.6m in 1982. It intersected 2.6m @ 0.43% Cu, 9.0 g/t Ag from 45.9m-48.5m, and 3m @ 1.95% Pb, 12.0 g/t Ag from 50.5m-53.5m, and 1m @ 0.7% Cu from 75.3m-76.3m. This hole targeted very anomalous C horizon soil geochemistry, up to 0.3% Cu. Intersections of 1.6m @ 2.2 g/t Au were received from the Strickland area of old workings in 2000.

Work by Jaguar Minerals within the period covered by this report has included researching and processing of the reports relevant to the tenement from the MRT Open File database. Analysis and interpretation of the regional helicopter electromagnetic (HEM) data that were acquired as part of the Western Tasmanian Regional Minerals Program highlighted seven high priority conductors requiring field assessment. The suitability of soil sampling to the sandy terrain was evaluated by orientation geochemistry over the previously drilled weakly mineralised position at Possum Creek.

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1. INTRODUCTION

This is the first annual report for EL27/2005. The tenement is owned and operated by Jaguar Minerals. The Temma Project is located in NW Tasmania about 25 km south of the township of Arthur River.

Exploration during the period covered by this report includes:

- Researching and processing of the reports relevant to the tenement from the MRT Open File database
- The purchase of aerial photos and two orthophotos of the project area.
- Analysis, modelling and interpretation of the regional helicopter electromagnetic (HEM) data that were acquired during 2001 and 2002, as part of the Western Tasmanian Regional Minerals Program.
- Determining the suitability of soil sampling to the sandy terrain by employing orientation geochemistry over previously drilled weakly mineralised target areas.
- Compilation, processing, interpreting and reporting of results.

2. LOCATION

The Temma Project is located in NW Tasmania about 25 km south of the township of Arthur River. The small community of Temma lies within the licence area. It is accessible by all weather road from Smithton, on the north west coast of Tasmania. The licence area includes freehold farmland and state forest, also Crown Land that is part of the Arthur Pieman Protected Area.

The natural vegetation ranges from coastal scrub to dense forest. In the western third of the licence area, the soils contain a blanket of sands derived from the adjacent beach dunes. The coastal Temma - Sandy Cape track, provides existing 4WD access and the east west orientated old Balfour Track. Both are only passable in dry weather conditions.

All coordinates used in this report use the AGD_1966 AMG Zone_55 Map Datum.

3. GENETIC MODELS

Genetic models for mineralisation would include:

- Structurally controlled Cu mineralisation within Proterozoic sediments.
- Structurally controlled Fe-oxide hosted Cu-Au mineralisation (IOCG) within Proterozoic sediments of the Osborne Cu Au type.
- Statabound base metal mineralisation within Proterozoic Sediments. The Zambian Copperbelt in Africa provides examples of sediment hosted stratabound copper mineralisation

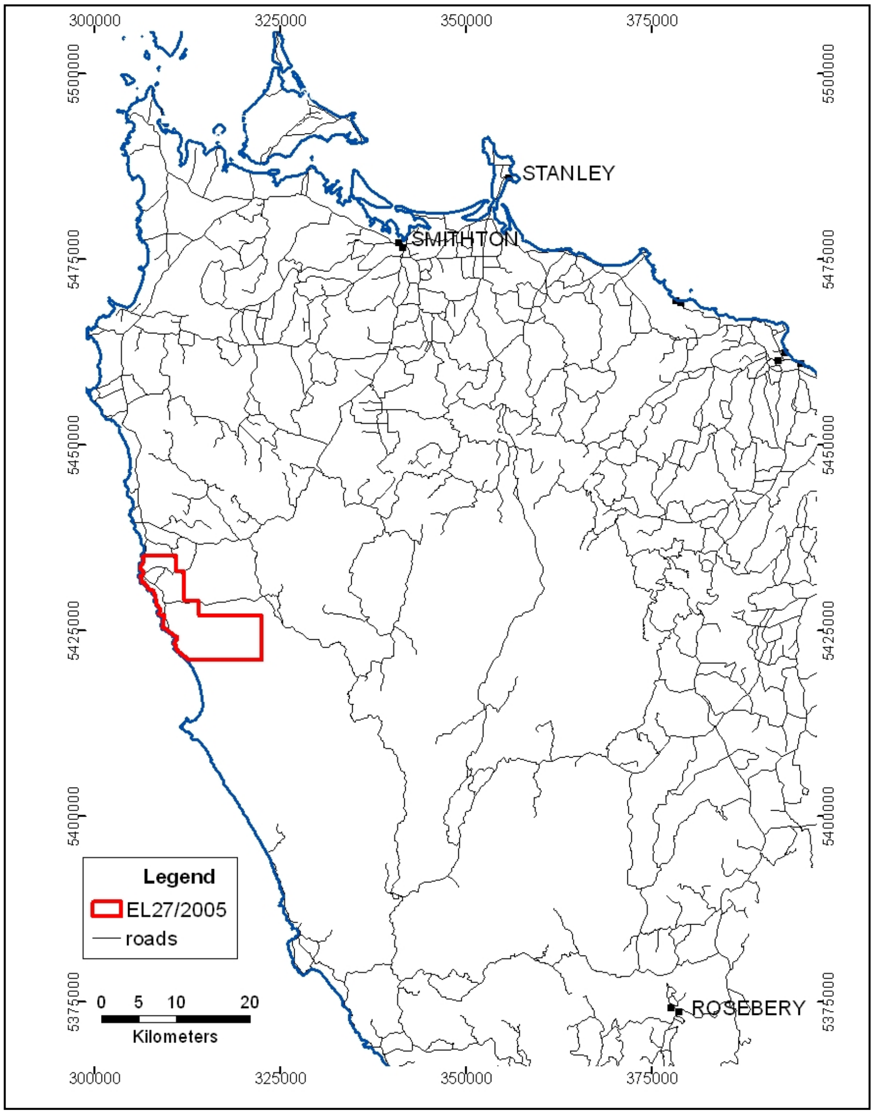

Figure 1. Regional Location Map, North West Tasmania.

4. GEOLOGY

4.1 Regional Geology

The Mesoproterozoic Rocky Cape Group contains the oldest rocks in the area and forms the basement sequence in northwest Tasmania. It consists of a thick, unfossiliferous, dominantly siliciclastic shelf sequence, the basement of which is unknown. According to the most recent classification (Everard *et al*., 2002), the Rocky Cape Group had been divided (from youngest to oldest) into:

Jacob Quartzite (Gee, 1968)
Irby Siltstone (Gee, 1968)
Detention Subgroup (Gee, 1968)
Cowrie Siltstone (Spry, 1957; Gee, 1986)
Balfour Subgroup

Lagoon River Quartzite (Gee et al., 1969; Bell, 1972)
Pedder River Siltstone (Bell, 1972)

The Balfour Subgroup consists of interbedded sandstone and siltstone, carbonaceous pyrtic siltstone and shale, quartz arenite and chloritic siltstone. It conformably overlies the Lagoon River Quartzite and is apparently conformably overlain by a correlate of the Cowrie Siltstone in the vicinity of Balfour. The Balfour subgroup and the Cowrie Siltstone are potential source rocks for copper mineralisation along the Balfour copper belt and in the Temma area. This will be discussed in the chapter on genetic models.

A tectonically stable, shallow marine depositional environment is suggested for the formation of the quartzites. In contrast, the Cowrie Siltstone is mainly carbonaceous, and diagenetic pyrite is very common, indicating reducing depositional conditions. The presence of likely anhydrite casts in the unit is consistent with shallow water, locally evaporitic conditions. The Balfour Subgroup represents a much higher-energy environment with current-influenced deposition than the Cowrie Siltstone.

The Rocky Cape Group is overlain by the Togari Group of Neoproterozoic-Early Cambrian age. A low angle unconformity separates Rocky Cape Group rocks from the overlying Togari Group along the eastern margin of the Smithton Synclinorium, near the mouth of the Black River east of the Smithton. The Togari Group is up to four kilometres thick and mainly consists of conglomerate, dolomite and chert, siliceous and volcaniclastic sedimentary rocks, and basalt. It is divided into the Forest Conglomerate and Quartzite (0-120m thick), Black River Dolomite (≤ 800m), a sequence of intercalated lithicwacke, tholeiitic basalt, diamictite, lithicarenite, hematitic ironstone, mudstone and impure carbonate (Kanunnah Subgroup ≤ 1400m), Smithton Dolomite (≤ 1500m), and the uppermost Salmon River Siltstone (≤ 350m).

The basalt units (Spinks Creek Volcanics) form the middle to lower part of the Kanunnah Subgroup and are thickest east of the Roger River Fault. They mainly consist of massive to locally pillowed, dominantly tholeiitic basalt. The volcanic rocks are metamorphosed up to the prehnite-pumpellyite or, rarely, greenschist facies. They are commonly anomalous in copper, reaching up to 590 ppm. Copper appears to vary erratically, does not show any relationships with other elements, and is unrelated to the particular basalt suite. The basalt is thought to be a possible copper source for the copper mineralisation in the Temma-Balfour area.

The post-Proterozoic units present are siliceous gravel with interbedded quartz sand and clay of probable Tertiary age (?pre-basalt), Tertiary basalt and Quaternary talus, alluvium and swamp deposits. Tertiary basalt occurs mostly as thin hill cappings, which are probably the dissected remnants of an extensive series of flows that once covered much of the region. Chemically the basalts are mostly moderately fractioned and range fro basanite through alkali olivine basalt and hawaiite, to transitional olivine basalt tholeiite.

Two early phases of syndepositional extension were followed by at least four compressional phases of deformation within the area. The first two phases of deformation (D_1, D_2) are possibly of Cambrian age whereas D_3 and D_4 are considered to be Devonian in age. D_3 is the main deformation phase and is characterized mainly by north-west trending folding, some cleavage development and major northeast-directed low and high angle thrusts, one of which hosts the copper mineralisation at Murray's Reward mine along the copper belt.

4.2 Local Geology

The rocks in the Temma area mainly consist of the Balfour Subgroup and Cowrie Siltstone overlain by some minor Tertiary basalt and younger deposits of siliceous sandstone and siltstone, carbonaceous pyretic siltstone and shale, quartz arenite and chloritic siltstone that conformably overlain by a correlate of the Cowrie Siltstone in the vicinity of Balfour. These rocks are unconformably overlain by the Togari Group, which consists of a discontinuous basal, siliceous conglomerate overlain by tholeiitic basalt and associated volcaniclastic rocks, and variably silicified dolomite.

Turner (1994) subdivided the older rocks of the Balfour area (Rocky Cape Group) on the basis of lithological associations, mainly the character of siltstone which is the most common rock type in the area. There are lithological sequences where the siltstone is dark grey (carbonaceous), whereas in other sequences it is green or olive (chloritic). The rocks along the Balfour track and west of Murray's Reward consist of conformable, east facing sequence ranging from quartz arenite to grey siltstone in the west, changing into green and grey siltstone with interbedded quartz arenite to the east, near Murray's Reward.

Based on the gravity interpretation of Leaman and Richardson (2003), the Rocky Cape Group has been overthrust onto the younger sedimentary rocks and basalt (i.e. Togaro Group) of the Smithton Synclinorium. The succession has been folded, forming the eastern limb of a southerly extension of the large anticline that occurs south of Marrawah (Seymour and Baillie, 1992). Small scale, NNW trending folds showing different plunges are also common within the area including Balfour South, on the Heemskirk Road, on the Blackwater Road and around Specimen Hill.

There are no granitic outcrops known within the Balfour-Temma area. The nearest outcrop of granite (the Pieman Granite) is at Sandy Cape, some 5 km south of EL27/2005. Most deposits (e.g. Murray's Reward), occur where the interpreted granite surface is about two to four kilometers deep.

The Temma area is structurally complex. Everand et al. (2002) have recognized at least two extensional and four compressional deformation events; these are summarised in Table 1.

Table 1. Deformational Events in the Balfour Temma Area.

Deformation events in the Balfour-Temma area (A.R. Reed and D.B.Seymour, pers.comm.)

Deformation event	*Nature of deformation*	*Description/location*	*Mineralisation*
Extension	Growth faulting associated with deposition of Rocky Cape Group	Outcrop-scale growth faulting near Temma coast	
Extension	Growth faulting associated with deposition of Togari Group	Block rotation during extension may account for unconformity between Rocky Cape Group and Togari Groups	
D_1	?Tyennan Orogany	Foliation pre-dates chlorite poryphyrobblasts observed in thin sections of Rocky Cape Group rocks (e.g. southeast of Mt Frankland)	
D_2	Tyennan Orogany/ Tabberabberan Orogeny	E-W trending folds and cleavage in Rocky Cape and Togari groups (e.g. southwest of Mt Frankland)	
D_3	Tabberabberan Orogeny	NW-trending folds and thrusts. Reactivation of Roger River Fault.	Copper mineralisation (Murray's Reward mine), Sn-W mineralisation (Specimen Hill)
D_4	Tabberabberan Orogeny	Open upright north-trending folds (regionally developed)	

Extensional structures and the results of their influence on sedimentation are preserved in Rocky Cape Group rocks on the Temma coastline (Everard *et al*., 2002). Extensional structures can be economically significant as they may act as conduits for the hot, ascending metal-rich brines from which some major stratiform copper deposits are believed to have been formed (Brown, 1984).

The first two compressional deformations (D_1 and D_2) are both probably Cambrian in age (Everand *et al*., 2002). D_1 can only be seen on a microscopic scale, whereas D_2 has associated mesoscopic folds. The S_1 cleavage is commonly defined by an alignment of chlorite between variably sutured quartz and feldspar grains. It strikes about E-W and dips between 20^0 and 45^0N in weakly deformed rocks from east of Mt Frankland.

The S_2 cleavage (related to D_2 structures) is similar in form to, but typically cross-cuts S_1. It is defined by preferred alignment of chlorite grains and strikes east-west and dips about 20^0 to 45^0S.

D_3 structures are seen west of the Frankland River where a northwest-trending D_3 anticline deforms Balfour Subgroup sedimentary rocks. The northeast limb of the anticline is truncated by southwest-dipping thrusts. Reverse movement on thrusts has placed older (Rocky Cape Group) over younger (Togari Group) rocks.
D_4 structures in the Temma area are open upright folds, verging toward the west. Fold closures are evident in the aeromagnetic image south of Strickland and in the Dawson's River area, south of the Balfour Track. Steeply east-dipping D_4 reverse faults are

recognized along the Temma coast, overprinting D_3 structures. Both D_3 and D_4 structures are interpreted to be Devonian in age.
A number of faults, including an east-trending fault that dissects the Possum Creek area, dominate the local structure of the Temma area.

4.3 Mineralisation

Transgressive NNW orientated, elongate, shallow, magnetite rich lodes occur in the Temma area. They are clearly seen in the aeromagnetic image, Figure 2. The deposits show similar trends to the Balfour Copper Belt. They have variable thicknesses and contain uneconomic amounts of sphalerite, galena, hematite, pyrite, chalcopyrite, Fe-Mn carbonates and silicates. Mineral deposits of a secondary nature include alluvial tin, and subeconomic coastal sand dune deposits containing cassiterite, zircon, rutile and chromite.

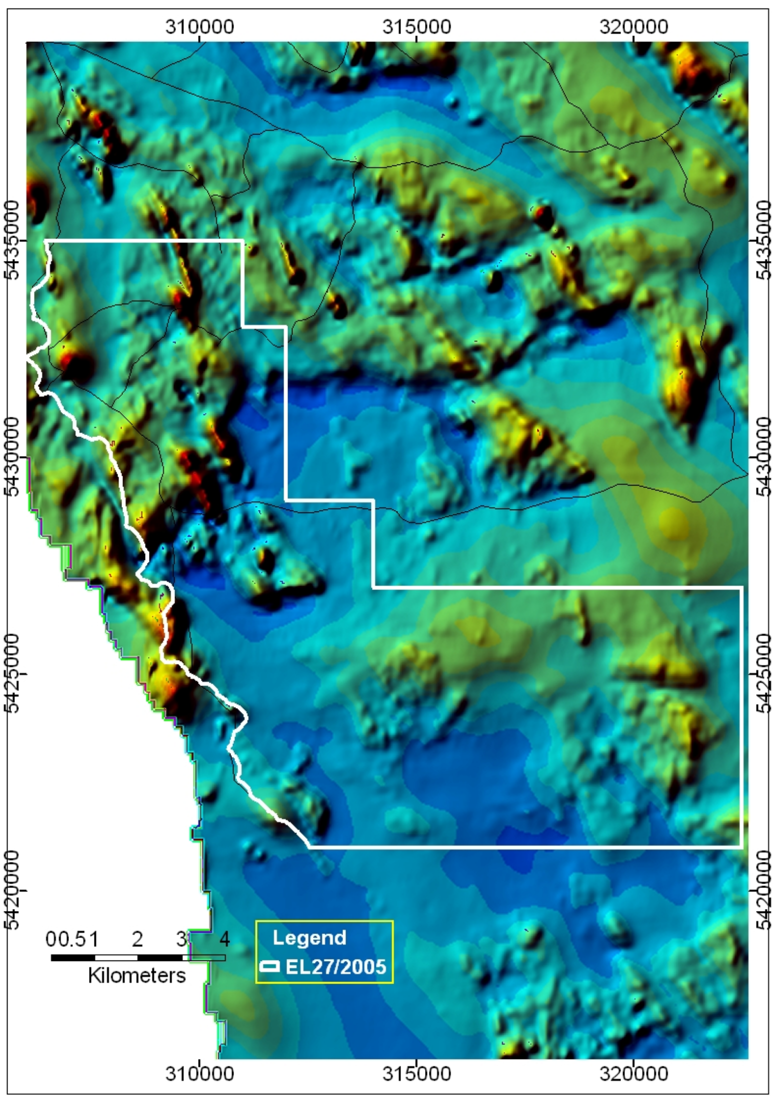

Figure 2. Aeromagnetic Image, EL27/2005.

5 WORK COMPLETED

5.1 Previous mineral exploration

The **Strickland area** (Figure 3) was mined for copper early last century. The workings lay adjacent to the old walking track-tramway connecting the Balfour mines to the port of Temma. The Strickland workings consist of a number of shafts and trenches close to the Temma Farm track, and a second group of workings approximately 250m along strike to the north. A third group of workings lies 150m to the east of these northern workings and is suggestive of a second, parallel, zone of mineralisation.

Contemporary exploration of the area commenced in the mid 1960's when aeromagnetic surveys defined a substantial anomaly co-incident with the Strickland workings. **Pickands Mather** decided to drill test this anomaly as part of their larger exploration effort to locate resources to supplement their newly opened Savage River Mine, which was developed on Proterozoic iron formations. They drilled two holes, T301 and T302. Their locations are illustrated in Figure 3. The collar of T301 has been re-located but the collar of T302 was not found. These holes drilled 200m apart tested for iron mineralisation. T301 and, to a lesser extent T302 intersected a zone of magnetic-pyrite mineralisation which was interpreted as a satisfactory explanation of the anomaly.T301 intersected 22m (68-90m) of 34-44% Fe.

In the early 1980's **Geopeko-CRA** re-gridded and mapped the area and completed ground magnetic and C-horizon soil geochemical surveys. Results of parts of this work are shown in Figs 3,4. The magnetics indicates a strong schistosity-bedding conformable anomaly through the eastern workings and T301 and T301. There is as weaker, parallel trend through the western workings in the north, but interestingly no substantial anomaly over the main workings. Geochemicaly there is a modest Cu-Pb anomaly co-incident with the eastern magnetic anomoloy, but it does not extend south as far as T301. There is a very strong Cu-Pb anomaly coincident with the northern workings on the western trend, but interestingly it does not appear to extend south over the main workings.

Geopeko-CRA re-split cores from T301 and T302 and more extensively assayed them, including gold. The most interesting result was a sample from T302, which reportedly assayed 1.5 g/t Au.

CRAE Pty Ltd drilled the magnetic units at **Possum Creek** and at **Little Eel Creek** in 1982, Figure 3. (Herman & Sumpton, 1982). Both holes intersected iron rich intervals characterized by magnetite. Gold values of up to 1.08gpt were returned from the iron-rich interval in DD82 PG1 at Possum Creek, but no values above detection limit were returned from DD82 LE1 at Little Eel Creek. Hole PG1 was drilled to 86.6m. It intersected 2.6m @ 0.43% Cu, 9.0 g/t Ag from 45.9m-48.5m, and 3m @ 1.95% Pb, 12.0 g/t Ag from 50.5m-53.5m, and 1m @ 0.7% Cu from 75.3m-76.3m. This hole targeted very anomalous soil geochemistry, up to 0.3% Cu. In the **Little Eel** area, diamond hole LE1 was drilled to 109.7m. It intersected 10m @ 0.48% Cu from 14-24m and 1.6m @ 1.14% Cu, 0.17% Zn, 1.0 g/t Ag from 38.1-39.7m. This hole targeted a magnetic high. Host rocks were ironstones and dolomites.

Petrological examination of two samples from the magnetite bearing interval in PG1 showed a weakly sheared assemblage of magnetite-grunerite-siderite and a strongly sheared (schistose) assemblage of magnetite stilpnomelane-siderite. Both assemblages contained minor pyrite, chalcopyrite and arsenopyrite. A schistose sample from just above the magnetite bearing interval consisted of a substantially retrogressed (chloritised) garnetiferous assemblage. Three samples from the magnetite bearing interval in LE1 consisted of quartz-magnetite-siderite and quartz-magnetite-sercite assemblages, each with pyrite and chalcopyrite. The assemblages in PG1 and LE1 are interpreted as being the result of pyrometasomatism, with late formation of siderite, sericite and chlorite.

In the late 1990's **AGSO** completed an aeromagnetic survey over the region on lines 200 m apart, with a mean terrain clearance of 90 m and a reading interval of 7m. Flagstaff GeoConsultants modeled data obtained in the **Strickland** area for Pacific-Nevada and results were presented in a report titled:

> *"Pacific-Nevada Pty Ltd, Temma Area, NW Tasmania Geophysical Modelling"* By N. Hungerford,
> Flagstaff Geoconsultants, August 1999

With respect to the Strickland Prospect, this report states:

> *This prospect is the most magnetic part of a magnetic trend that extends over 4 kilometres in strike. Two closely spaced parallel trends to the north may indicate limbs of a fold, which coalesce at the Strickland anomaly. The magnetic model shows an anticline and a more steeply dipping west limb. The depth is very close to ground level.*

In 1999, **Pacific Nevada** acquired EL27/97 over the Temma area (Newnham, 2000). Since substantial parts of the T302, PG1 and LE1 cores were not assayed previously, Pacific-Nevada systematically split, re-logged and assayed all of both cores. These procedures were generally satisfactory except in some sections of poor core recovery and/or multiple previous sampling. The analytical work for PG1 shows an iron-rich interval extending from 38.62m to 58m depth. This includes 15.2 m (41.9 – 57.1m depth) of magnetite bearing material ranging 25.3% to 45.5 % Fe and returning gold assays consistent with CRA's results. Gold was not detected in the iron-rich interval (75.5-95.4m depth) in EL1. Results of the T302 sampling is listed in Table 2.

Pacific-Nevada completed three (3) cored drill holes (**S303 – S305**) totaling 552 m in July 2000, to further test the Strickland Prospect (see Figure 3). The target was gold hosted by either Proterozoic iron formations or breccia zones. **S304** intersected a monotonous east-dipping sequence of micaceous siltstones and sandstones cut by major quartz-pyrite-magnetite shear zones between 159-166 m and 193.4-211.8 m. The lower interval appears to be a major structure and averages approximately 20-30% pyrite and minor chalcopyrite over a 14 m interval. Hole **S305** was designed to test the magnetic and geochemical soil anomaly associated with the group of shallow workings on the northern end of the western trend. It intersected a sequence of micaceous fine grained sediments passing down-hole into a sequence of more siliceous banded siltstones/sandstones (ribbon rock).

Table 2. Significant Historical drilling, Strickland Area.

HOLE	TOTAL DEPTH	FROM	TO	INTERSECTION
S304	248m	194.3	195.9	1.6m @ 2.2 g/t Au
		199.1	199.6	0.5m @ 0.11% Cu
		209.7	211.8	1.9m @ 0.13% Cu
S305	100m	44.7	47.0	2.3m @ 1.01% Cu
T302	48m	38.9	45.1	Pyritic fragments in very poor recovery core were all that remained. Random sampling of this zone assayed 0.22% Cu, 1.7 g/t Ag, 1.5 g/t Au.

Drilling to date supports the aeromagnetic interpretation that there are two sub-parallel zones of interest at Strickland – an easterly one dipping steeply east and a western one dipping at a more shallow angle to the west. Most of the former workings are along the western zone and it appears to carry significant copper mineralisation as evidenced by both S305 and records of the main workings. No drilling has yet been undertaken beneath the main workings.

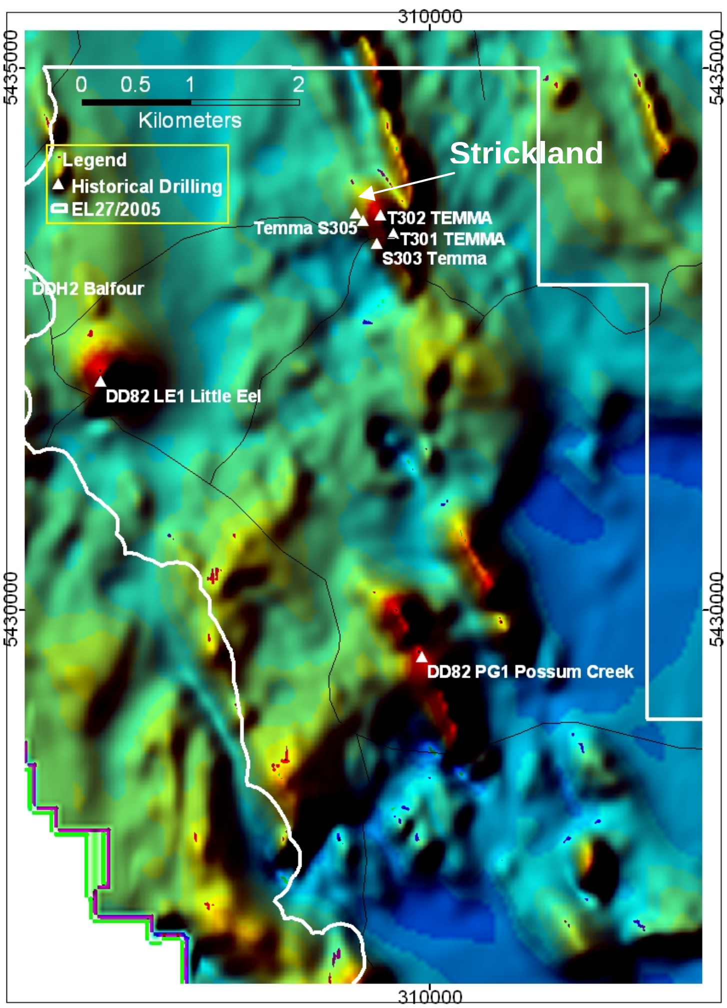

Figure 3. Location of Historical Drilling.

5.2 Orientation Geochemical Soil Sampling Program

Jaguar Minerals conducted orientation soil geochemistry over the Possum Creek area in November 2006. Seventy-two samples were collected from the A and B soil horizons along two traverses. The survey aims to duplicate the anomalies generated by CRA's C-horizon geochemistry. CRA's sampling grid and copper geochemistry is illustrated in Figure 4. (Data from Perring, 1983, MRT Report No.84 – 2151). CRA used a power auger to drill down to the C-horizon, often 10-12m deep.

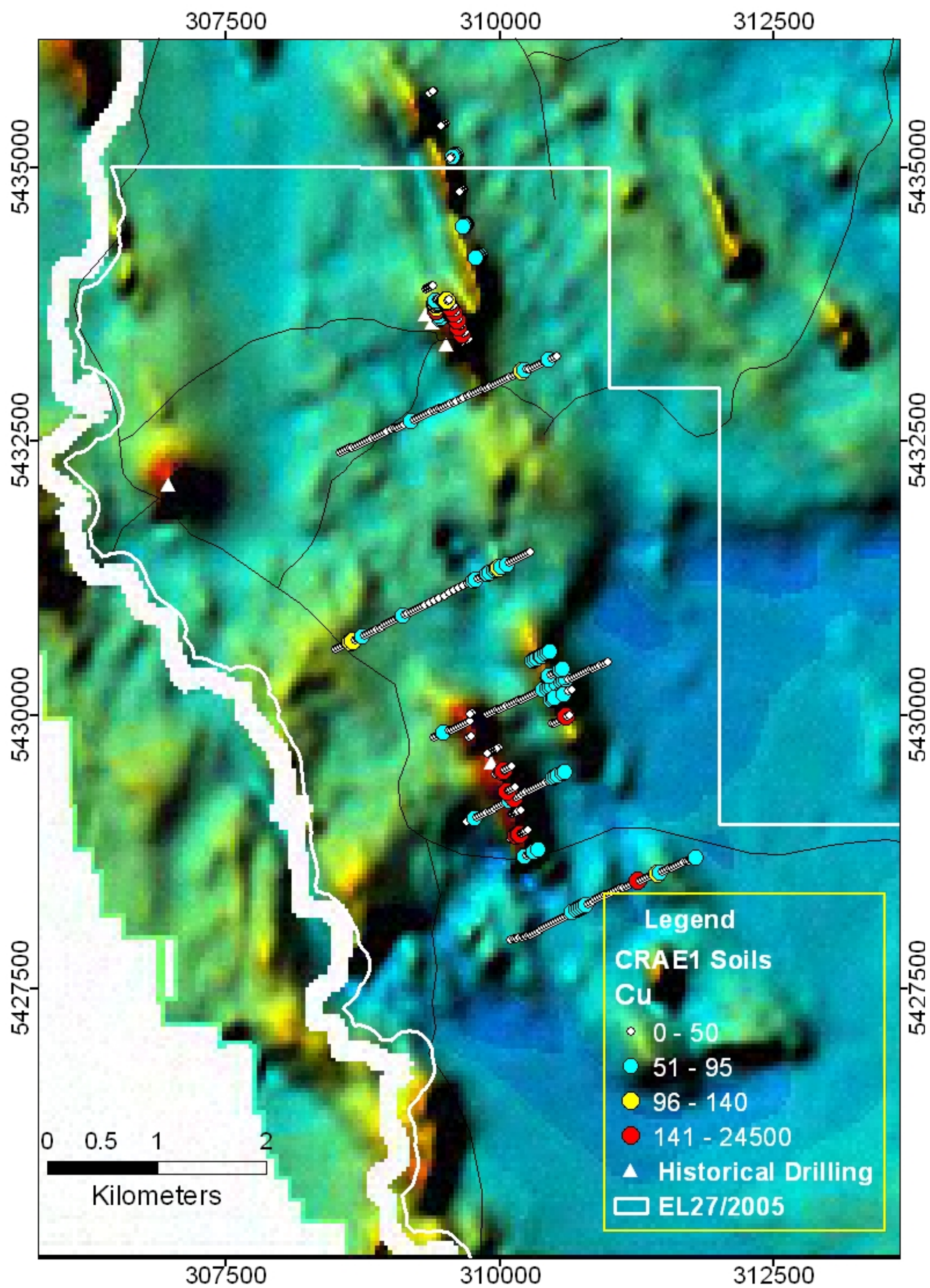

Figure 4. 1982 Soil Sampling Traverse by CRA.

Two traverses were completed by Jaguar. Figure 5 illustrates the location of CRA soil sampling traverses and Jaguar's two orientation traverses in yellow. The western traverse, (CRA gridline10800N) coincided with the soil traverse containing CRA's drill hole PG1. Beach sand forms a 1-3m veneer over the residual B horizon soils. Samples were collected from the 10-20 cm depth interval. Three sample mediums were collected:

1) Two B horizon soil samples were collected. One sample was assayed via a Partial Leach digestion and the other was assayed via a total digestion method (aqua regia). Samples have a 'A' and 'B' suffix, respectively.
2) An A0 horizon soil sample, comprising the top 5 mm of the soil and containing a surficial crust. Samples have a 'C' suffix.

The partial leach method employed the Terra Leach digestion (method TL1)of Genalysis Labs Ltd in Perth, WA.

The eastern orientation traverse (CRA gridline11200N) coincided with a well defined copper, zinc and lead geochemical soil anomaly. Beach sands were absent here and samples were sourced from the residual B horizon. Two samples were collected from the 10 cm ('A' suffix) and the 20-25 cm ('B' suffix) depth intervals and rarely collected weathered rock. 'A' samples were subjected to a Partial digest while the 'B' were assayed via the total digestion method.

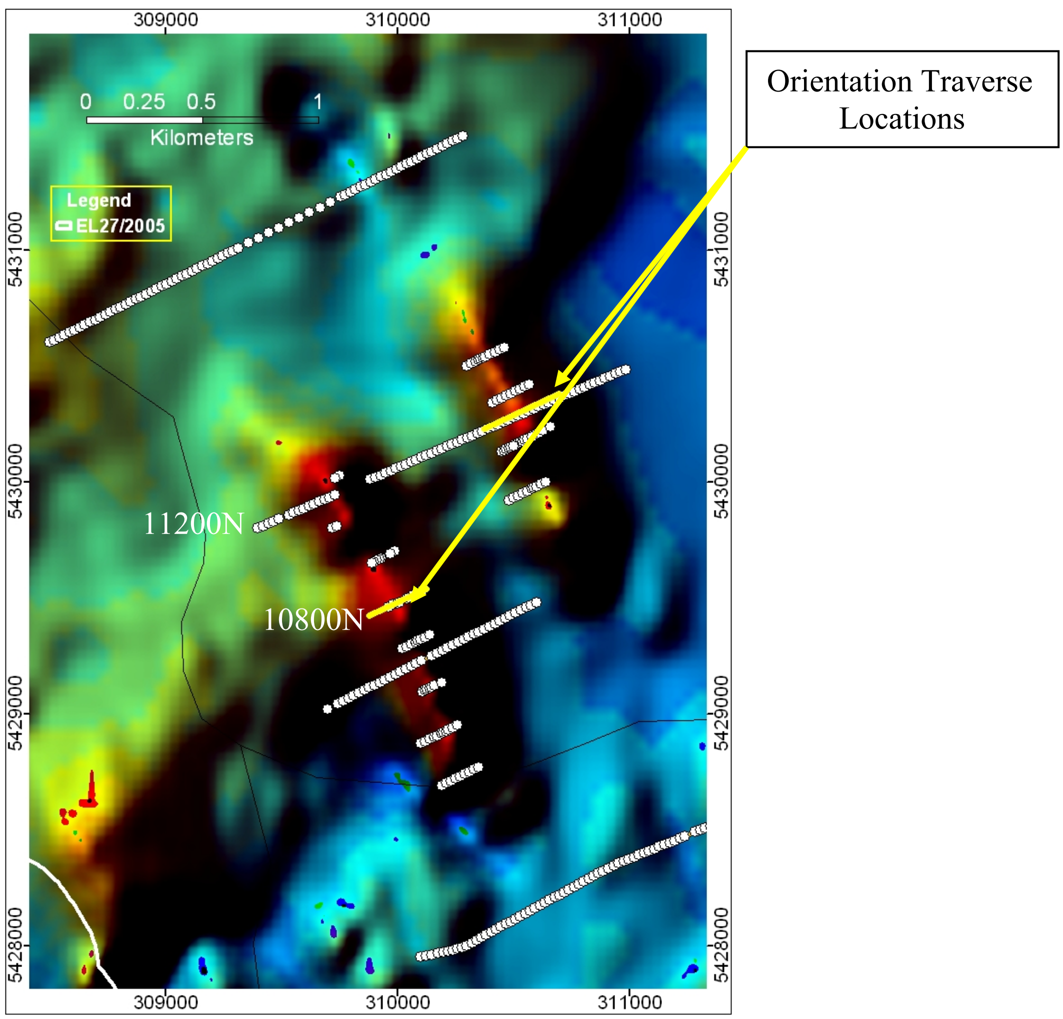

Figure 5. Location of Jaguar Minerals Orientation Sampling Traverses.

Figure 6 and 7 illustrates the results. Although anomalies are not as pronounced as in the C horizon, B horizon soil sampling using a total digest is a cost effective exploration tool in the Temma area, where transported beach sands are absent.

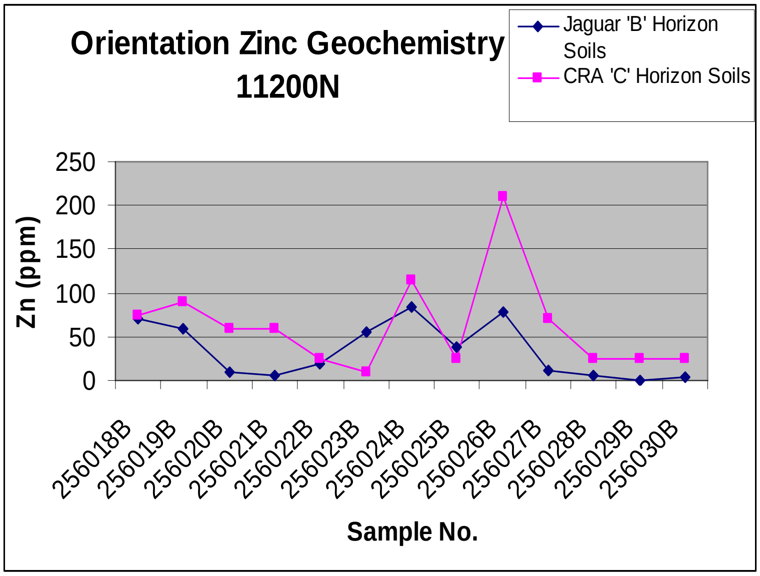

Figure 6 Orientation Zinc Geochemistry, 11200N

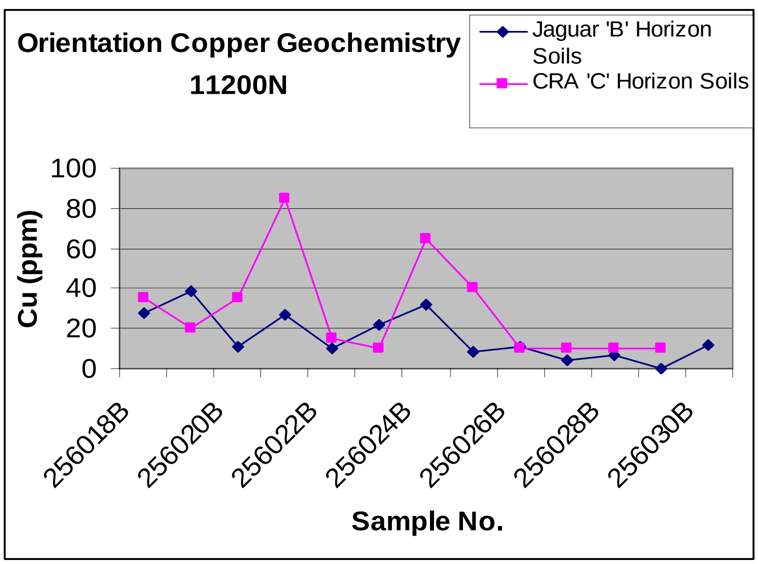

Figure 7 Orientation Copper Geochemistry, 11200N

Figure 8 illustrates the masking effect of overlying beach sand. Samples were analysed via a total digestion method by Genalysis. Jaguar sampling was ineffective due to the dilution effects of the overlying beach sand.

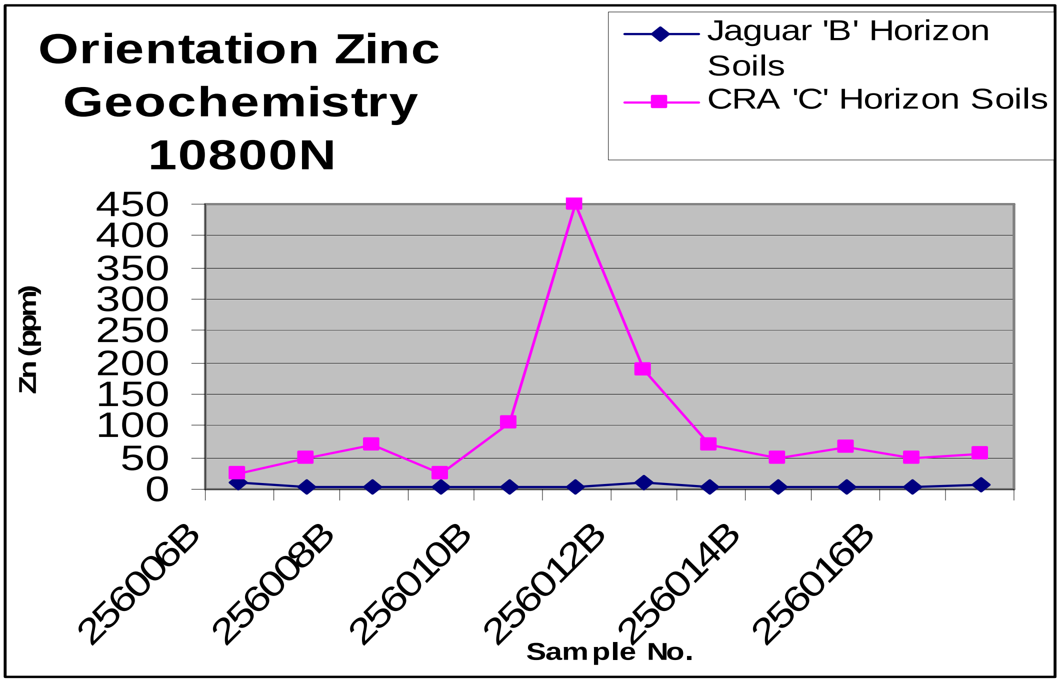

Figure 8. Orientation Zn geochemistry, 10800N

Figure 9 compares the partial leach digestions for Zn in the B horizon soils with the C horizon sampling of CRA. Partial leach Zn assays are multiplied by 100. The results suggest partial leach analysis **may** enhance the geochemical signature in the surface sands.

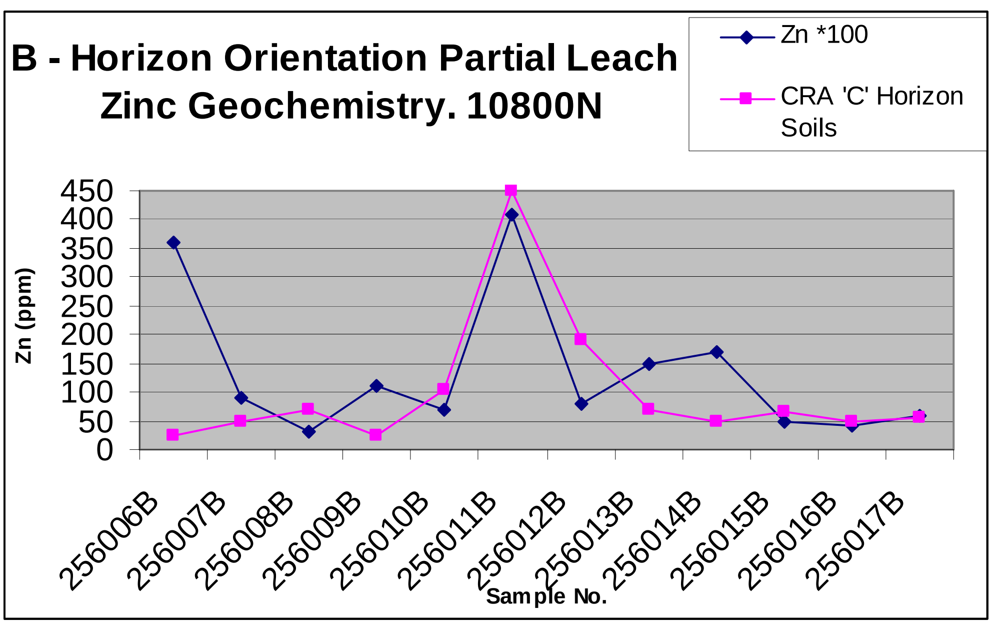

Figure 9. Orientation Partial Leach Zinc Geochemistry, 10800N

Five samples (256001-256005) were also collected from a 75 cm deep auger hole drilled near CRA drill hole PG1. Samples were collected at 0 cm, 10 cm, 25 cm, 50 cm and 75 cm downhole. Beach sand was present. Results were inconclusive.

All assays and location details for the orientation survey are located in Appendix 1.

5.3 Interpretation of helicopter electromagnetic (HEM) data

In early 2002, Mineral Resources Tasmania (MRT) as part of the Western Tasmanian Regional Minerals Program (WTRMP) carried out a detailed helicopter electromagnetic (HEM) survey over the Balfour and Temma areas. Data was acquired with the Geotech Hummingbird System.

In July 2005, Flagstaff Geoconsultants provided an interpretation of the HEM data. Analysis of 45 responses within the electromagnetic data over EL 27/2005 had identified 7 targets as potentially representing conductors that require further geological and/or geophysical ground follow up. These anomalies remain unexplored by modern ground based techniques. The strong and excellent discrete EM anomalies appear to be isolated 3D conductive bodies. Jaguar proposes to undertake further geophysical interpretation of the data followed by soil sampling of the priority EM targets. The location of the seven targets are illustrated in Figure 10. The report by Flagstaff Geoconsultants is located in Appendix 2.

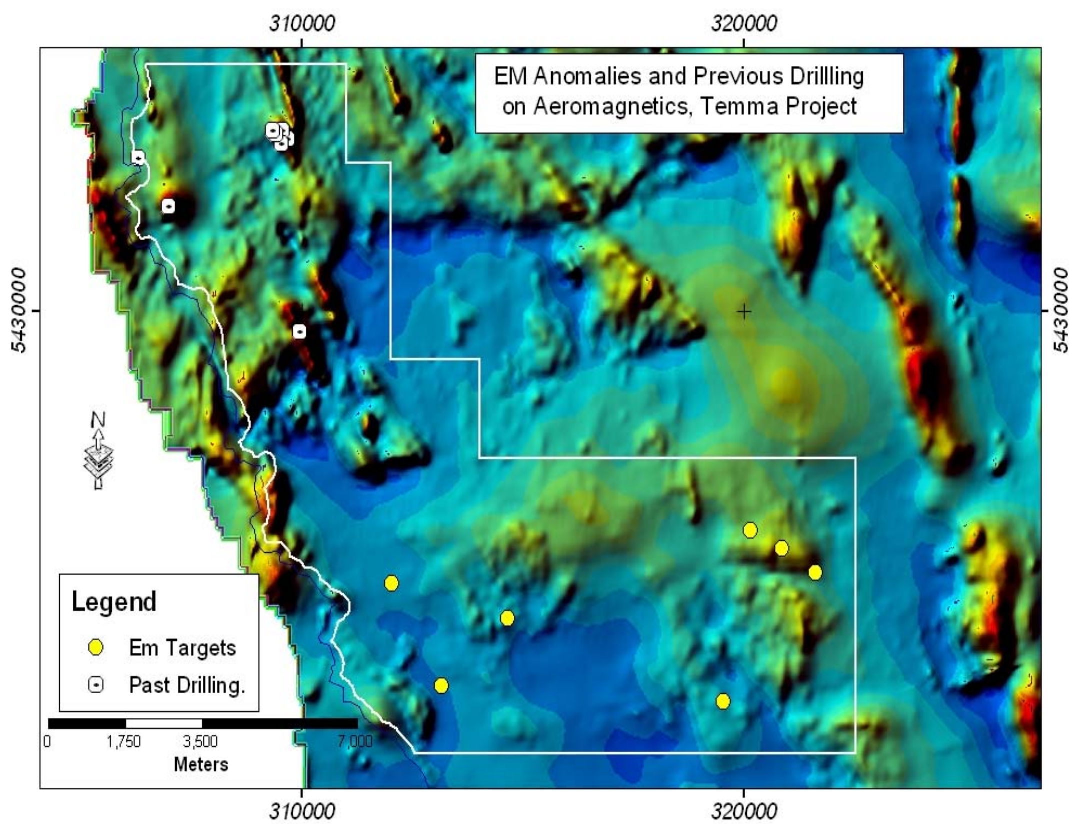

Figure 10 Electromagnetic Anomalies and Previous Drilling on Aeromagnetics.

6. EXPENDITURE

Table of expenditure 2006-2007.

Description	**Expenditure**	**Comment**
Salaries, wages and oncosts, contractors.	$28557	Geologist, technicians, field crew.
Geophysics Consultant	$3065	HEM Interpretation
Stationery, computers	$790	Data processing, reporting
Assays	$3034	72 samples and 3 separate digests.
Aerial Photos	$663	
Other consumables	$753	Freight, sample bags
Equipment, vehicle hire	$396	Vehicles and generators
Fuel, Oil	$196	
Travel	$240	Field Crew
Accommodation, consumables, telephone.	$1418	Messing costs for field crew
Total	**$39112**	

7. CONCLUSIONS AND RECOMMENDATIONS

Transgressive NNW orientated, elongate, shallow, magnetite rich lodes intrude the Rocky Cape sequence in the Temma area. The deposits show similar trends to the Balfour Copper Belt. They have variable thicknesses and historical drilling has demonstrated that they contain uneconomic amounts of sphalerite, galena, hematite, pyrite, chalcopyrite, Fe-Mn carbonates and silicates.

Only 7 drill holes have tested the Temma ironstones in the north west corner of the licence. The ironstones occur over a combined strike length of 15 kms in several horizons that may represent folded repetitions.

Orientation B horizon soil sampling has demonstrated that the acidic soils are amenable to soil geochemistry. The B horizon can duplicate soil anomalies defined in the deeper C horizon sampling by a previous worker. Partial leach digestions may be required in areas where transported beach sand overlies the residual soil profile.

Analysis of 45 responses within the electromagnetic data flown over EL 27/2005 in 2002 has identified 7 high priority targets as potentially representing conductors that require further geological and/or geophysical ground follow up. Soil sampling and field checking over these electromagnetic anomalies is to commence in early 2007. Additionally, further in fill soil sampling is recommended over the Temma ironstones. Any robust and continuous geochemical anomalies identified from the soil surveys should be targeted for evaluation by drilling.

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Appendix 1. Orientation Soil Geochemistry Data.

EL232003_200610_02_Appendix1.txt	A Horizon Soil geochemistry
EL232003_200610_03_Appendix1.txt	A0 Horizon Soil geochemistry
EL232003_200610_04_Appendix1.txt	B Horizon Soil geochemistry
EL232003_200610_03_Appendix1.txt	CRA C Horizon geochemistry

Appendix 2. Interpretation of Balfour 2001/2002 Tasmanian Geological Survey Helicopter EM data EL 27/2005 Temma