STELLAR RESOURCES LIMITED

Rubicon MinTech Ventures Pty. Ltd.

EL 44/2006 CORINNA

ANNUAL REPORT FOR THE PERIOD 17 APRIL 2007 – 16 FEBRUARY 2008

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ABSTRACT

This first Annual Technical Report for EL 44-2006, Corinna covers the period 17 April 2007 to 16 February 2008.

The Corinna licence area covers a large portion of the Arthur Lineament running northeast from the West Coast to just south of Savage River. The Pieman River bisects the tenement at Corinna, the only population centre. EL 44-2006 surrounds the Cominex Silica Lease.

Rock in the tenement comprise a sheared, high strain tectonic zone composed of Cambrian metasedimentary and mafic igneous lithologies of the eastern Ahrberg Group, the Bowry Formation and a high strain part of the Oonah Formation. Regionally, the Arthur Lineament separates the Neoproterozoic Rocky Cape Group and western Ahrberg Group from the more easterly low strain parts of the Oonah Group.

The area is prospective for gold, copper/magnetite and copper/gold mineralisation.

A thorough review of historic exploration data and re-analysis of aeromagnetic data has been used to identify a twelve priority exploration areas. These will be the focus of the next phase of exploration involving geological mapping, geochemical sampling and eventually drilling.

Total expenditure on EL 44-2006 for the year was $6,546

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1. INTRODUCTION

1.1. EXPLORATION RATIONALE & GEOLOGICAL SETTING

EL 44/2006 is structurally positioned on a gravity divide between the Meredith and Pieman Granites. A series of arcuate, fault bounded, NE-trending linear anomalies are prominent. Cambrian deformation has produced steep west dipping; thrust zones, which created the strong, regional linear structural expression visible on the magnetic image (Figure 7).

The Bernafai, Tunnelrace and Lucy volcanic formations containing tholeiitic basalt and associated volcaniclastic sediments are considered to be representative of a rift margin or island arc environment. These units are prospective for gold, copper/magnetite and copper/gold mineralisation. High strain metasediments within the Arthur Lineament, which also contain amphibolites, are considered to be equally prospective.

An important style of mineralisation in the general area is the Alpine copper deposit developed in impure carbonate and banded iron formation sediments of the Bowry Formation adjacent to the Corinna licence. The Bowry Formation is the amphibolite-bearing unit, which contains the pyrite-magnetite lenses mined at Savage River 20km NE of Corinna.

Within the Corinna licence exploration has been directed at commercial silica flour deposits within the Cominex Silica lease, alluvial gold mineralisation sourced mainly from Tertiary gravels overlying Savage Dolomite in the Brookside area and reported epithermal gold hosted in silicified Savage Dolomite.

Other exploration within the licence has been for Besshi-style mineralisation typically occurring as banded/laminated pyrite and associated chalcopyrite in metamorphosed iron-rich sediments and tuffs.

1.1.1. Geological Setting

The Corinna licence covers a major part of the Arthur Lineament – a sheared, high strain tectonic zone composed of Cambrian metasedimentary and mafic igneous lithologies of the eastern Ahrberg Group, the Bowry Formation and a high strain part of the Oonah Formation. Regionally, the Arthur Lineament separates the Neoproterozoic Rocky Cape Group and western Ahrberg Group from the more easterly low strain parts of the Oonah Group. Refer to Figure 6.

The northerly trending Lefroy Ridge Fault, which runs up the eastern half of the licence, forms the western margin of the Arthur Lineament. The Arthur Lineament, which includes high strain metamorphics, and the prospective mineralised Bowry Formation straddles the eastern margin of the licence.

Early folding and thrusting is reported to have caused emplacement of the Bowry Formation, interpreted to occur as a fault-bounded allochthanous slice on the margin of the eastern Ahrberg Group metasediments.

Geology along the western half of the licence is complex and the stratigraphy not completely resolved. From west to east across the licence the westernmost Donaldson Group micaceous quartzwacke and slatey pelitic siltstone with minor basal banded chert and conglomerate overlies orthoquartzite and siltstone of the Rocky Cape Group with inferred angular unconformity. Above the Donaldson Group, fine-grained dolomite interbedded with carbonaceous siltstone and stromatolitic dolomite (Savage Dolomite) is conformably overlain by interbedded metabasalt, quartzite, phyllitic siltstone and tuffaceous metasiltstone (Bernafai Volcanics). The volcanics are overlain by Corinna Dolomite and the Tunnelrace Volcanics, an upper volcanic sequence consisting of tuffaceous and chloritic metasiltstone with interbedded metabasalt, which is cut by the Lefroy Ridge Fault. Mafic rocks within the volcanics have been classified as subalkaline to alkaline basalts.

East of the Lefroy Ridge Fault the Arthur Lineament comprises metasediments, a basal conglomerate and infolded amphibolites of the eastern Ahrberg Group - part of the Arthur Metamorphic Complex - faulted against the Bowry Formation. The amphibolites, which occur in the Lucy (magnetic) and Nancy Formations (weakly magnetic) and the Bowry Formation (strongly magnetic) lie outside the licence.

There appears to be no mapped or outcropping granite within the licence. However, a small granite porphyry intrudes Cambrian metamorphic rocks in Timbs Creek east of the licence, midway between the Brookside gold workings and outcropping Meredith Granite, 8km NE of Corinna. The porphyry is geochemically uninteresting but apparently contains abundant disseminated pyrite (Nick Turner).

The overlying Tertiary rocks comprise sheet or channel-fill gravels, sand and clay generally in ridge top situations overlain by basalt. Previous work has shown their potential as tin/gold placer deposits is limited and probably not viable. Gold from the alluvials generally contributes to contamination of geochemical heavy mineral suites in the creeks.

1.1.2. Regional Geophysics

The linear, arcuate magnetic distribution is consistent with thrust tectonics and tight isoclinal folding.

The Rocky Cape Group is not magnetically active. Conglomerate occurring at the base of the Donaldson Formation indicates it is unconformable on the Rocky Cape Group. Bernafai Volcanics are magnetic but not as strongly magnetic as the Tunnelrace Volcanics.

The regional geophysics generally maps out terrane geology consistent with the MRT stratigraphy including phyllite, metaquartzites and amphibolite (Lucy Formation) of the Arthur Metamorphic Complex and strongly magnetic Bowry Formation.

The Lefroy Ridge Fault, a major fault running the length of the Tunnelrace Volcanics may be an anastomosing rather than sharp-edged thrust fault. It forms the western margin of the Arthur Lineament.

1.1.3. Regional Geochemistry

Regionally, stream sampling has been concentrated in a number of preferred target areas and large areas of the Corinna licence have received no attention. In fact, most of the stream sediment sampling within the Corinna licence corresponds with the majority of sampling for gold in the vicinity of the Cominex Silica lease and the Brookside gold prospect (Figure 9). Otherwise, 7 samples in Newdegate Creek and about 25 samples near the East Lefroy Ridge prospect north of Hangmans Creek are the only other sampled areas. An unnamed tributary of Newdegate Ck draining from the Tunnelrace Formation contained stream values to 65ppm Cu, 0.021ppm Au, and 300ppm Zn. One sample near the junction of the tributary and Newdegate Creek returned a value of 1450 ppm Sn. There has been no sampling northeast of the junction, where Newdegate Creek drains the Bernafai and Tunnelrace Volcanics. A nearby rock chip sample from the eastern Bernafai Volcanics assayed 230ppm Cu and 135ppm Zn. Six rockchip samples along the Wilson Road across the Tunnelrace Volcanics assayed from 64 to 410ppm Cu.

Discovery Nickel Limited acquired and processed all stream sediment samples from the MRT database to produce regional stream sediment images for Cu and Ni. The work showed that all the anomalous Cu results plot in the northern part of the Corinna licence in the area covered by the Cominex Silica lease (Figure 9). This cluster of anomalous Cu values in this part of the Corinna licence further draws attention to the mineralised Brookside area. A highly anomalous stream sample containing 0.52% Cu occurs in a tributary of Little Hunter Creek south of the Eastside grid. It occurs outside the area of the Silica lease and is an obvious target for follow up exploration. Several highly anomalous streams including Doodie Creek, although situated within the Silica lease, appear to drain areas outside the eastern lease boundary and should also be considered for follow up.

Mafic rocks from the Corinna area were among 48 samples collected by Discovery Nickel and submitted for whole rock analysis. Rocks collected from west of the Arthur Lineament include the Bernafai Volcanics consisting of mafic volcanics and sediments that have experienced low grade regional metamorphism and the Tunnelrace Volcanics which comprise a more magnetic, fault-bounded slice of mafic volcanics and sediments. The mafic rocks have high Fe_2O_3, Al_2O_3, TiO_2, high K_2O and low CaO composition. They classify as subalkaline to alkaline basalts and are generally enriched in the light rare earth elements. The overall chemistry of these rocks is consistent with relatively low-degrees of partial melting of an enriched mantle source coupled with subsequent fractionation and a degree of crustal contamination.

The key indices of chalcophile element enrichment and depletion are conflicting and inconclusive.

Rocks from the Lucy, Nancy and Bowry Formations within the Arthur Lineament also classify as subalkaline basalts but they have distinctive REE patterns, which are different from those, found in the West Pieman area.

LICENCE
Tenement Number: 44/2006

Tenement Name: Corinna

Tenement Location: The central (and only) populated location is Corinna at the punt crossing on the Pieman River. Corinna is 23km southwest of Savage River via the Corinna Road, and 45km northwest of Zeehan via the Heemskirk Road. The licence covers 125km^2 and extends 14km to the NNE of Corinna, and 12km to the southwest, to the coast. (Figure x). Two small cadastral blocks lie at Corinna, and four larger cadastral blocks lie in the southwest of the licence near the coast, centred on 333500mE, 5380000mN (GDA94). The remainder of the EL area is Crown Land, and is managed in accordance with the Waratah/Wynyard Planning Scheme 2000 to the north of Corinna, and with the West Coast Planning Scheme 1999 to the south of Corinna. Land use is designated as "Environmental Protection", "Environmental Management" and "Primary Industry". The Pieman River State Reserve, along the Pieman River in the centre of the licence, is excluded from exploration. Most of the licence has a moderate to steep topography, and is covered by Nothofagus/Atherosperma and Nothofagus/Phyllocladus rainforest and associated scrub (90%), with the remainder comprising wet Eucalyptus obliqua forest, wet heathland/button grass, and other (Figure x). The Heemskirk and Corinna Roads provide the main access, with forestry and mining tracks providing good access in the silica mining lease area centred 4.5km northeast of Corinna. Elsewhere there are limited vehicular tracks providing access. Much of the area is not well serviced by tracks and may at present only be accessible by foot or by helicopter.

Reporting Period: 17th March 2007 to 16th March 2008.

Tenement Holder: Rubicon Min Tech Ventures Pty Ltd., a wholly owned subsidiary of Stellar Resources Ltd.

1.2. LOCATION OF LICENCE

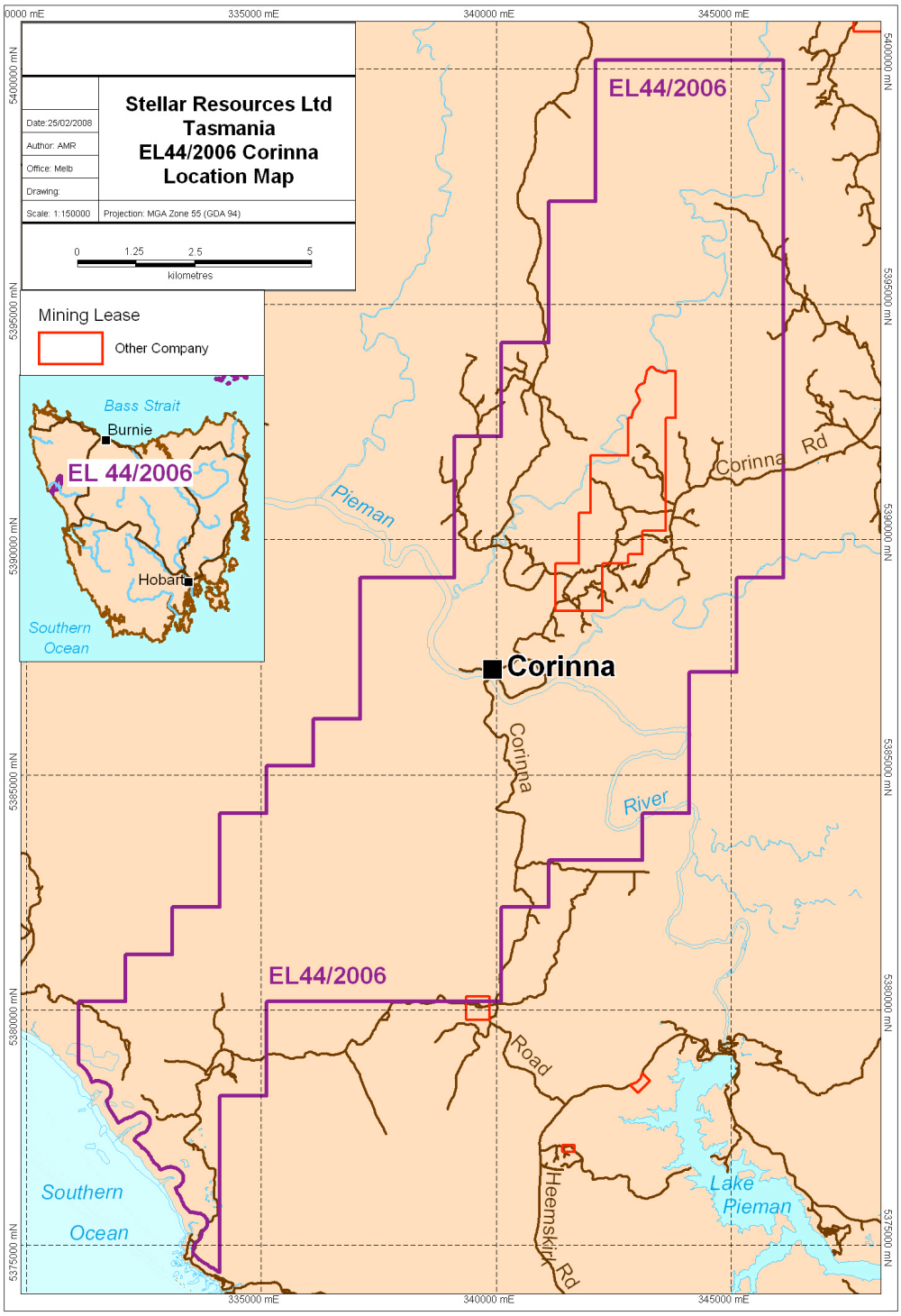

Figure 1. EL44/2006, Location Map.

1.3. LAND TENURE

SCHEDULE

LAND DISTRICTS OF RUSSELL & MONTAGU VICINITY OF CORINNA
MUNICIPALITIES OF WEST COAST, CIRCULAR HEAD & WARATAH/WYNYARD
EXPLORATION LICENCE 44/2006 121 SKM
RUBICON MINTECH VENTURES PTY LTD

Commencing at a north west comer at grid coordinates 342 000 metres E 5 400 000 metres N thence grid east to 346 000 metres E grid south to 5 389 000 metres N grid west to 345 000 metres E again grid south to 5 387 000 metres N again grid west to 344 000 metres E again grid south to 5384 000 metres N again grid west to 343 000 metres E again grid south to 5383 000 metres N again grid west to 341 000 metres E again grid south to 5382 000 metres N again grid west to 340 000 metres E again grid south to 5380 000 metres N again grid west to 335 000 metres E again grid south to 5 378 000 metres N again grid west to 334 000 metres E again grid south to a point 200 metres inland from the high water mark on the West Coast of Tasmania thence in a general north-westerly direction 200 metres inland from and parallel to that high water mark to 331 000 metres E thence grid north to 5 380 000 metres N aforesaid again grid east to 332 000 metres E again grid north to 5381 000 metres N again grid east to 333 000 metres E again grid north to 5 382 000 metres N aforesaid again grid east to 334 000 metres E aforesaid again grid north to 5384 000 metres N aforesaid again grid east to 335 000 metres E aforesaid again grid north to 5385 000 metres N again grid east to 336 000 metres E again grid north to 5 386 000 metres N again grid east to 337 000 metres E again grid north to 5 389 000 metres N aforesaid again grid east to 339 000 metres E again grid north to 5 392 000 metres N again grid east to 340 000 metres E aforesaid again grid north to 5394 000 metres N again grid east to 341 000 metres E aforesaid again grid north to 5397 000 metres N again grid east to 342 000 metres E aforesaid thence again grid north to the point of commencement.

Coordinate datum - AGD66 AMG Zone 55.

EXCLUSIONS

(a) Any land owned or leased by the Commonwealth of Australia.

(b) All forms of mineral tenements amounting to 602ha (more or less) including mining leases, retention licences and exploration licences, which were applied for or in force prior to the date of application for this licence.

(c) Land reserved under the *National Parks and Wildlife Act 1970, Forestry Act 1920* and the *Crown Lands Act 1976* unless such areas have been brought under the provisions of the *Mineral Resources Development Act 1995.*

12.4 skm Pieman River State Reserve
3.5 skm Proposed Pieman River State Reserve

(d) Crown reservations or other land set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the *Mineral Resources Development Act 1995*.

(e) Areas of private land which either have been, or are in the process of being, purchased by the Crown under the Regional Forest Agreement - Private Forests Reserves Program and / or private land over which the landowners have agreed, or are in the process of agreeing, to place a covenant or management agreement for conservation purposes under the Regional Forest Agreement - Private Forests Reserves Program or the Protected Areas on Private Land Program.

LAND TENURE

The area comprises:

Private Land
State / Multiple Use Forest MDC Informal Reserve
Proposed Informal Reserve - RF A
Part of Bemafai Ridge Conservation Area,
Part of Meredith Range Regional Reserve
Part of Tikkawoppa Plateau Regional Reserve
Part of Four Mile Beach Regional Reserve
Part of Donaldson River Nature Recreation Area

The licence area contains areas, which are listed (including listed on an interim basis) on the Register of the National Estate kept under the *Australian Heritage Commission Act 1975.*

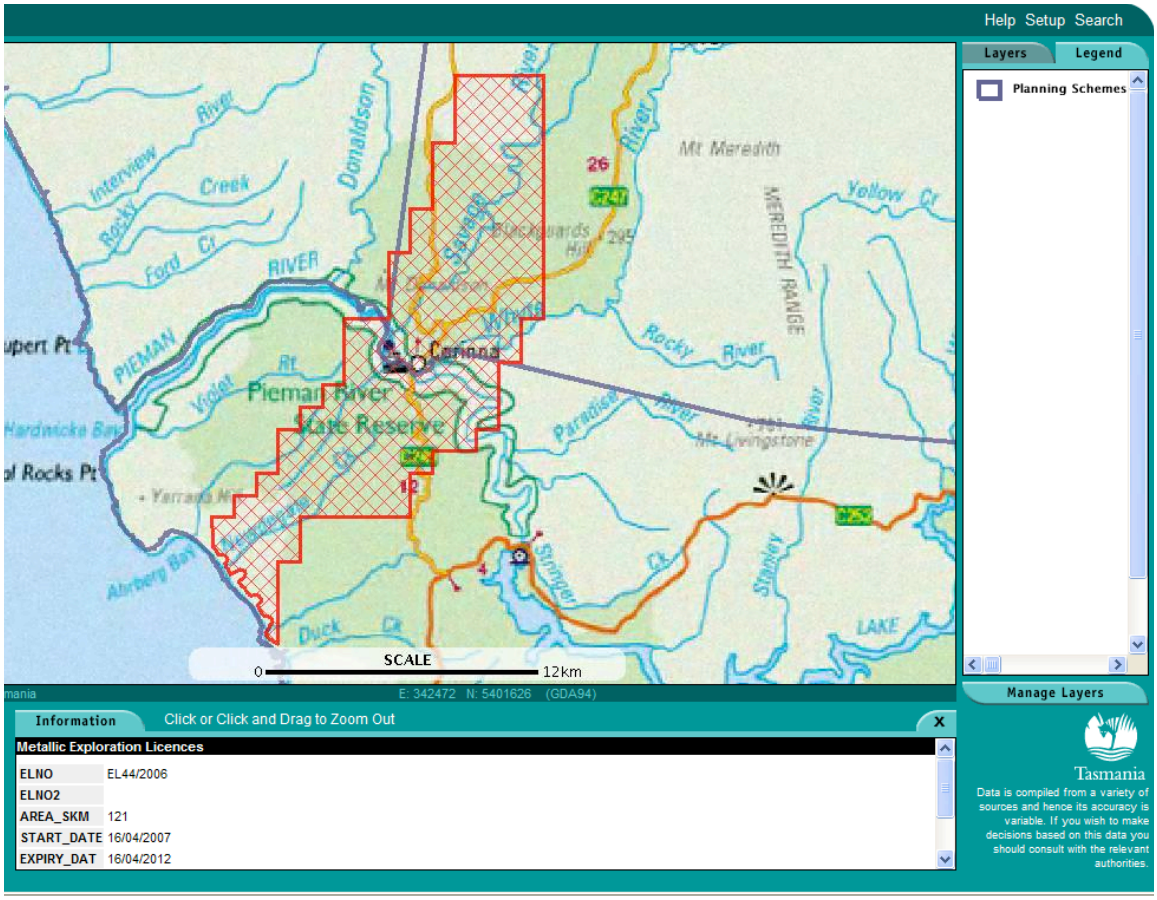

Figure 2. EL 44-2206 Land Tenure - Nth of Corinna, Waratah-Wynyard PS 2000 & Sth of Corinna West Coast PS 1999

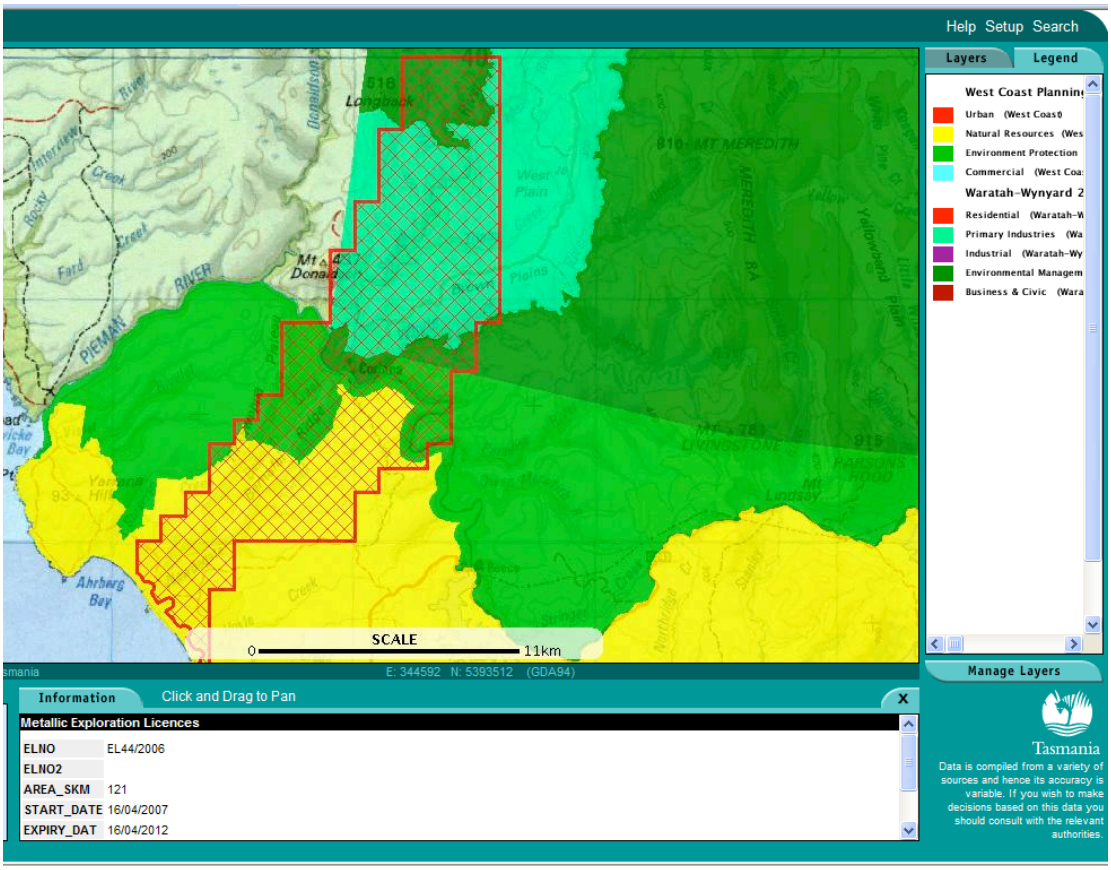

Figure 3. EL 44-2006 Land Tenure - Waratah-Wynyard & West Coast Planning schemes

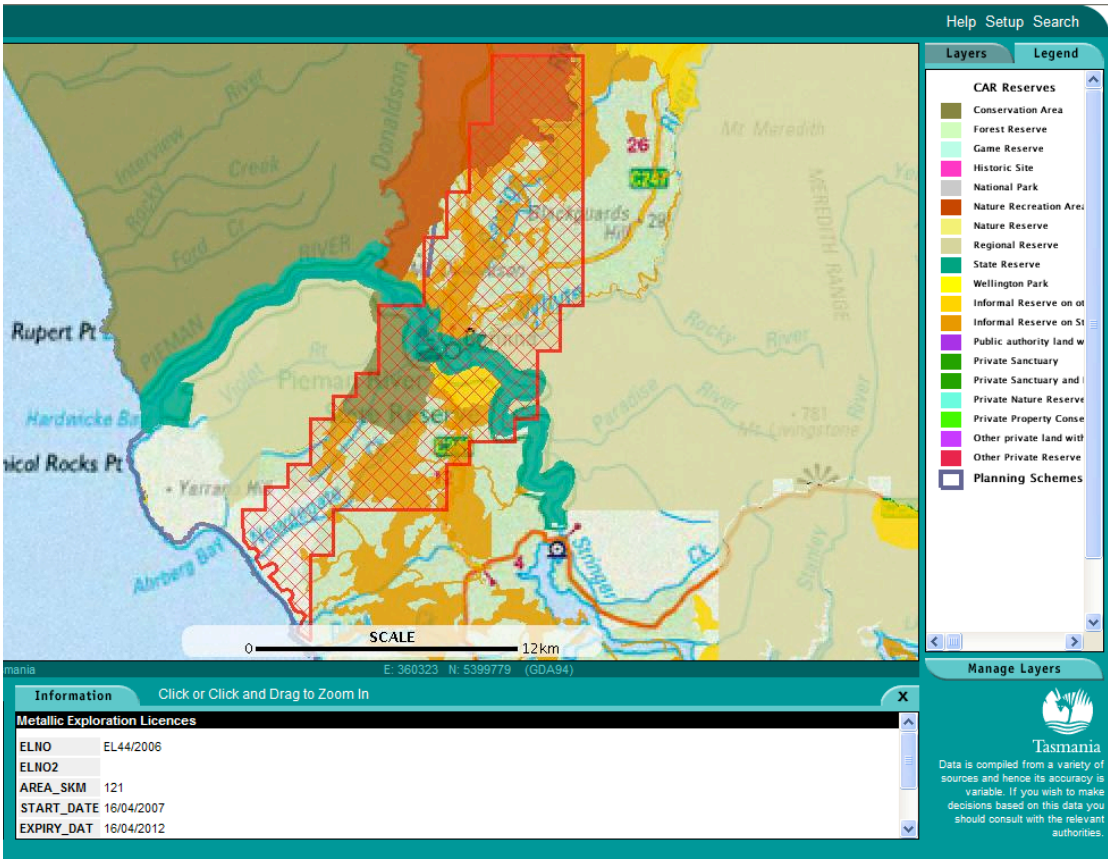

Figure 4. EL 44-2006 Land Tenure - CAR Reserves

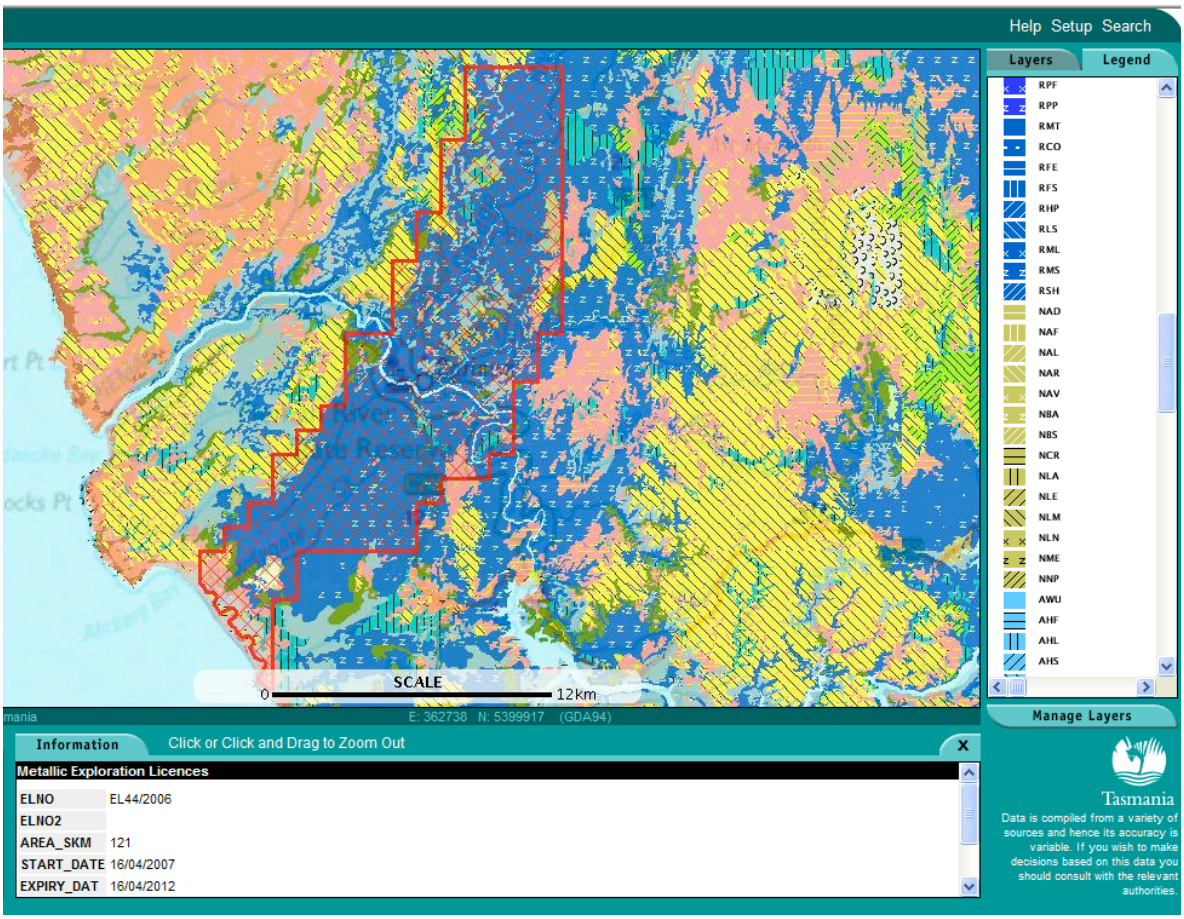

Figure 5. EL 44-2006 Land Tenure - Forest Classification

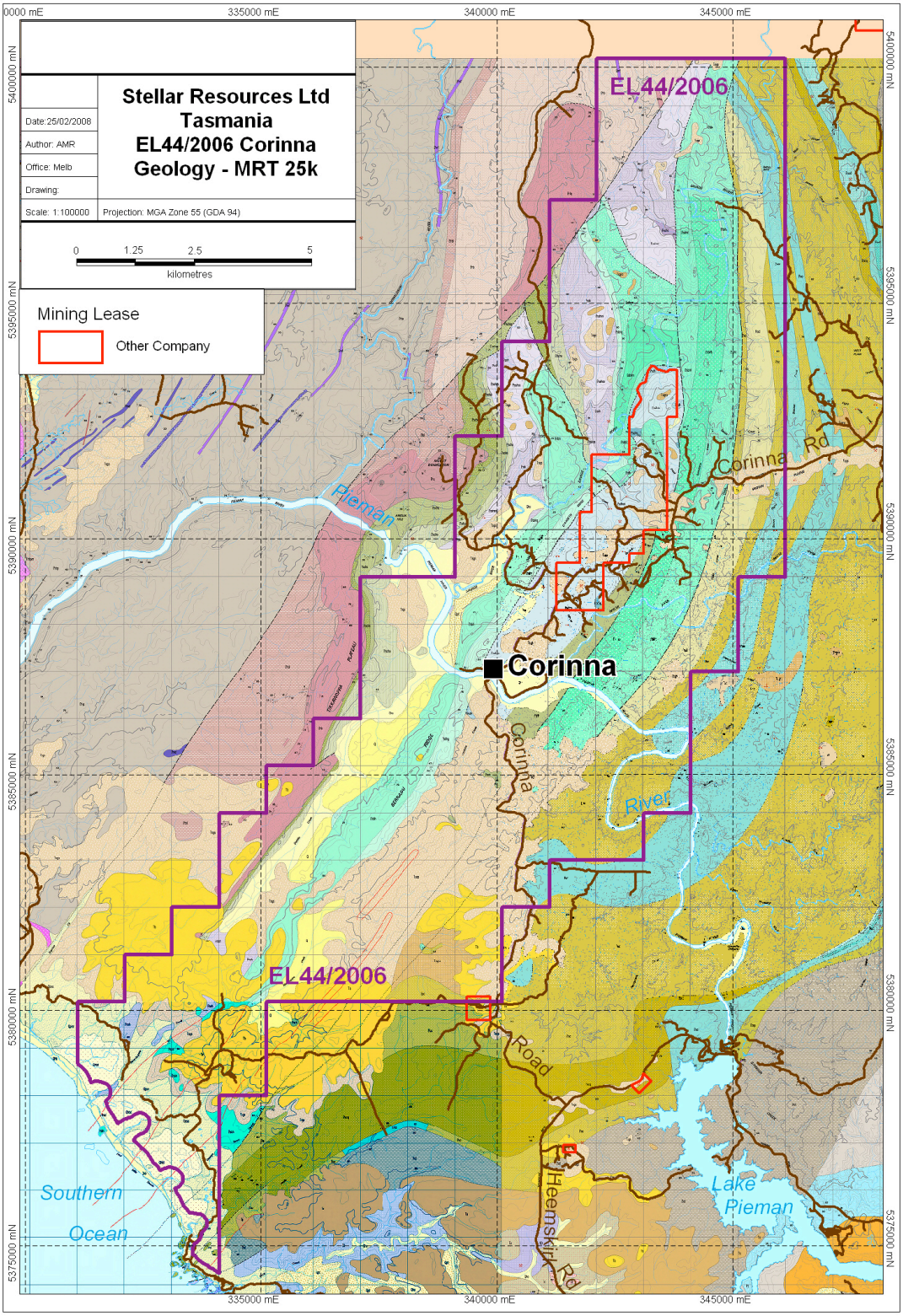

Figure 6. EL44-2006, MRT Geology.

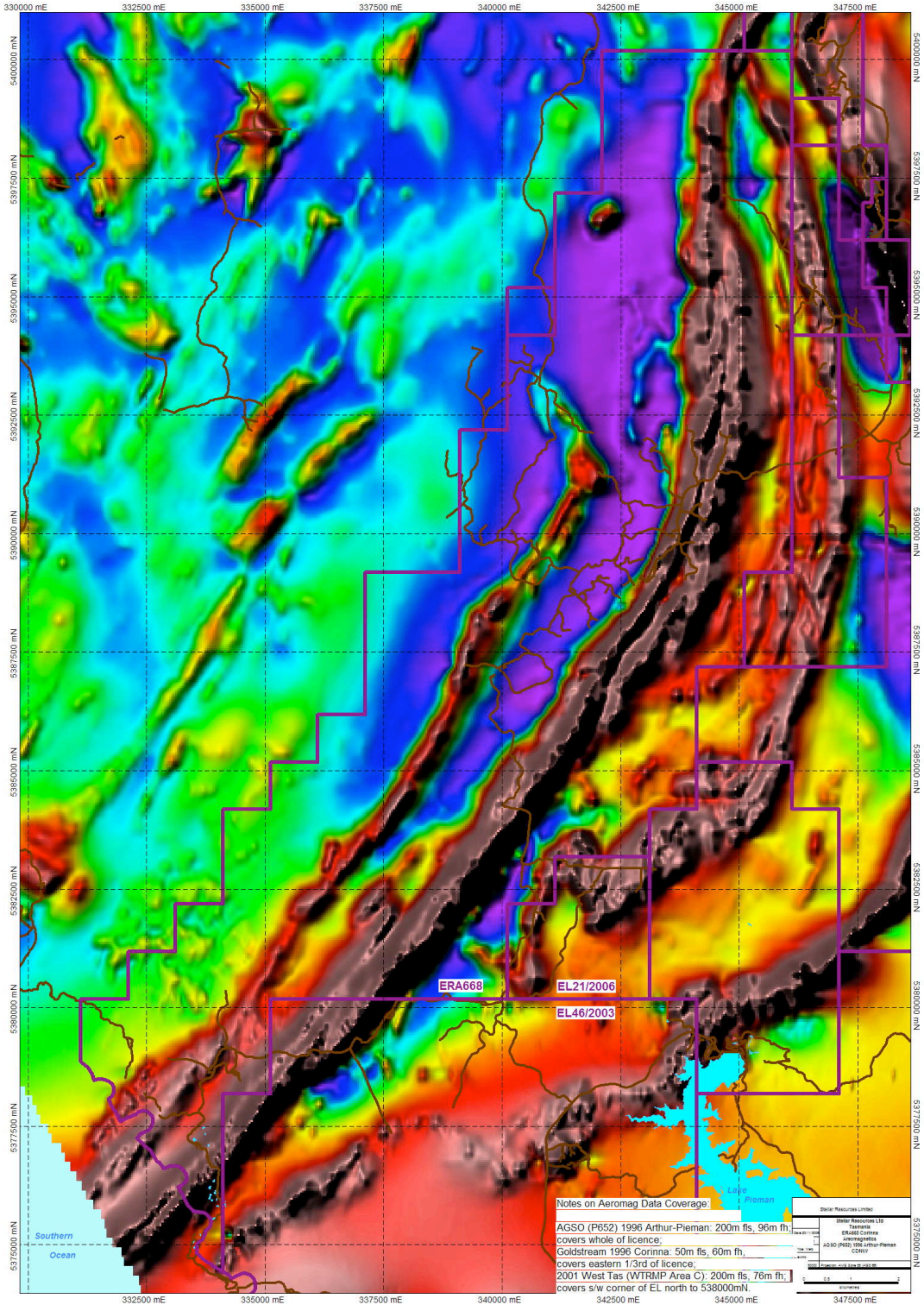

Figure 7, EL 44-2006, Aeromagnetics

2. REVIEW OF PREVIOUS WORK

Exploration activities within the licence are documented in the chronology and exploration summary prepared by Adrian Rigg (Appendix 1).

During exploration, the common procedure was to select areas, which were rapidly appraised using panned heavy mineral and stream silt sampling, followed by rock chip and soil sampling on cut grids. Besides some geological grid mapping, occasional stream and road geological traverses were also carried out.

Figure 8 shows the Corinna, Hangmans Creek and Heemskirk licences, the outline of the Cominex Silica lease and distribution of previous sampling activities draped over a Google Earth image.

There was limited follow up drilling. Eight holes were drilled within the area of the Silica lease. In 1989 five holes were drilled at Brookside to test for dolomite hosted gold but results are not available. Three holes were drilled in 1990 to test the silica flour potential above the silicified dolomite. One reported high copper value (1313ppm Cu) was said to be due to contamination.

A total of fourteen holes were drilled in the Corinna licence outside the Silica lease. No information is available on three holes drilled in 1934 1.3km west of the Silica lease. Two geotechnical holes drilled by the HEC at Hells Gates on the Pieman River near Corinna intersected partially silicified dolomite below Cainozoic cover. A further eight geotechnical holes drilled in the Delville Saddle area, in the south-west part of the Corinna licence intersected weathered silicified dolomite and Bernafai Volcanics under Tertiary cover. Hole Longback #1, was drilled by Geopeko in 1985 to test a prominent aeromagnetic anomaly in the northern part of the licence. The 302m hole returned disappointing results containing a max. 150ppm Cu and 155ppm Zn. The magnetic anomalism was attributed to syngenetic pyrrhotite. Due to inadequate information or mapping there is some uncertainty about the precise location of this hole.

North of the Pieman River major exploration grids were set up at Battys Bend (Cu, Pb, Zn), Eastside (Au), Brookside (Au) and Longback (Sn, W, skarn) within the area of dolomite or along the dolomite/volcanic contact with the Tunnelrace Volcanics.

Apart from stream sampling at the Lefroy Ridge East prospect in an area adjacent to northern boundary of the Hangmans Creek licence there has been very little exploration in the southern half of the Corinna licence, presumably due to lack of access and a widespread veneer of Tertiary alluvial gravels making exploration difficult.

Battys Bend (Savage Resources/EZ)

The Battys Bend grid is located in the far northern part of the Corinna licence west of mapped amphibolite in the Tunnelrace Volcanics and the Lefroy Ridge Fault. It was set up to explore anomalous lead and base metal stream results in a tributary of the Savage River.

The soil grid (10 lines 800m long and 100m apart) covers the N-S trending faulted contact between dolomite and haematitic phyllite. Eastwards the phyllite passes into chloritic, schistose meta-sandstone in contact with amphibolite of the Tunnelrace Volcanics.

Raised levels of Cu, Pb, Mn and Zn are present in “c” horizon soils over the phyllite. Anomalous Pb, Zn values occur over the dolomite. The most anomalous sample containing 150ppm Cu, 2750ppm Pb, 285ppm Zn lies on the fault contact. The sediments in contact with the amphibolite are characterised by elevated iron values. Raised Cu and Ba levels suggest they are exhalative meta-volcanics.

Soil results were patchy. There is some evidence for Mn scavenging of copper and zinc. Soil values collected over the dolomite returned anomalous high Pb and there was some anomalous base metal response over the haematitic, phyllite meta-volcanic lithologies adjacent to the dolomite contact.

This stratigraphic horizon, which is strongly anomalous in Cu and Mn and weakly anomalous in Zn is in contact with amphibolite or a basic volcanic unit characterised by high Cu and Mn on its eastern margin. The absolute values of copper, although anomalous, do not strongly suggest mineralisation

but appear to define a prospective horizon for exhalative copper-iron mineralisation of possible mafic volcanic origin. Whereas EZ were not prepared to drill any holes or continue with exploration they did suggest any further exploration should concentrate on a search for Besshi type or similar stratabound Cu-Zn deposits within the volcanics along the western part of the Tunnelrace Volcanics.

Eastside Grid (EZ)

The grid is located 6km south of Battys Bend and east of the northern part of the Silica Mine lease in a similar stratigraphic position to the Battys grid i.e. covering the contact between dolomite and Tunnelrace Volcanics.

The Eastside soil grid (14 lines 600m long and 100m apart) was set up to cover the contact and an ESSO 1973 Input EM anomaly X6. The target mineralisation was gold hosted in dolomite close to the volcanic contact. Work included mapping the contact and rock chip and soil auger sampling. The rock chip samples did not contain gold but low level gold (8-150ppb) was detected in some soil samples. The Corinna Dolomite is generally grey white massive with patchy silicification and minor quartz and carbonate veining. In the SW of the grid it tends to be argillaceous and laminated. Near the contact, the Tunnelrace Volcanics consist of dark green phyllite with minor interbedded slates. The phyllite shows chloritic and sericitic alteration with minor carbonate veining. Sampled pyritic arenite, ironstone and lacy agate float yielded disappointing results. No further work was carried out but EZ suggested the Corinna Dolomite/Bernafai Volcanics contact was prospective for gold along the contact.

Regional stream geochemical targets identified by Discovery Nickel included a strong distribution of anomalous copper sites in streams centred on the Brookside/Silica Mine lease. Within the lease area a cluster of anomalies with values in excess of 100ppm Cu occur over Corinna Dolomite in the vicinity of the Brookside mine. Follow-up rock chip sampling indicated the presence of anomalous copper (115-420ppm) and arsenic (2-1500ppm) values in pyritic mudstones along the dolomite/volcanic contact.

A plot of stream Cu results from the MRT database shows a significant distribution of anomalous Cu sites between the Savage River and main road in the area of the Silica lease NE of Corinna (Figure 9). Several anomalous samples, with values to 0.52% Cu, occur outside the lease area in a tributary of Little Hunter Creek. Copper is also strongly anomalous in nearby Doodie Creek suggesting the main ridge between the two is a prospective target. The anomalies are coincident with the magnetic spine of the Tunnelrace Volcanics. The area is a priority target for follow up exploration in the region south of the Eastside grid.

Gold mineralisation related to silica flour deposits.

The Brookside gold prospect is located 5km NE of Corinna. Gold mineralisation occurs at the faulted contact between overlying Corinna Dolomite and mudstones of the Bernafai Volcanics. Gold occurrences are complicated by the presence of Tertiary auriferous gravels. Exploration by EZ has shown that mudstones adjacent to the faulted contact are heavily iron stained and thought to host the mineralisation but this has not been proved. Pyrite occurs in stratiform bands in the mudstone. Rock chip geochemistry contains enhanced copper, arsenic and lead. Panned concentrates indicate three types of gold. Hard rock varieties consist of yellow, angular gold containing high silver content to av. 16 wt% Ag. However, no conclusive evidence as to the source of the gold has been identified. Network colloform quartz veins are present and it has been suggested that the silicified dolomite might be the result of hydrothermal alteration.

The silica flour deposits occur as pod-like residual bodies overlying upper Proterozoic dolomite. The deposits contain 99.9% silica with minor aluminium, iron, calcium and titanium. The dolomite is cut by various sets of quartz carbonate vein networks. Quartz veins with lacy agate texture have been noted. The veining is associated with extensive silicification of the dolomite. The close association of silica flour and gold grains in the Corinna area suggests a genetic link whereby gold was derived from the same hydrothermal fluids thought to have caused silicification of the dolomite.

Ross Large (1988) suggested the coincidence of crystalline gold, geochemically anomalous sediments and extensive silicification of Corinna Dolomite containing colloform quartz veins and jasper/chert indicated the likely presence in the area of a Carlin-style, carbonate-hosted epithermal gold deposit. Subsequently, extensive gold exploration was carried out at Brookside but without success.

EZ carried out a limited program of rock chip, soil and stream sampling but only received disappointing gold results. No rock chip samples contained detectable gold and the highest soil sample was 50ppb Au. Soil values ranging from 80 to 150ppb Au were associated with anomalous arsenic in places proximal to the dolomite/volcanic contact but no significant results were obtained from stream or panned concentrates.

Implications from fluid inclusion studies were that silicification was due to hydrothermal alteration with temperatures to 300C. Later work by Khin Zaw indicated no evidence of boiling, precluding the possibility that an epithermal event caused the intense regional silicification of the dolomite. The fluids were enriched in CO_2 suggesting a source magmatic fluid source led to the eventual formation of the quartz/carbonate veins. The high temperature fluid characteristics suggest that precious metals could have been transported with the fluids.

To confirm this Aberfoyle selected 24 samples of dolomite showing a range of silicification types from throughout the Corinna district. The samples were assayed for low-level Au by neutron activation, SiO_2 and CaO. The objective was to show a positive correlation between SiO_2 content, CaO depletion and Au content to prove that the regional silicification of dolomites in the Corinna district also introduced precious metals during hydrothermal replacement of dolomite. Results were disappointing with no correlation observed between Au and either SiO_2 or CaO. The poor correlation between silica and gold appears to have downgraded the suggested Carlin-style origin for the gold.

The presence of granite porphyry in Timbs Creek and anomalous gold in rock chip samples at Lucy Spur east of the Corinna licence indicates there may be granite at shallower depths below the Brookside gold workings. This could be represented by the vague circular structure visible in the magnetic image at the northern end of the Silica lease.

Anomalous Cu, Au, As, Sb and Hg in soils from earlier work remains unexplained. Nevertheless, Aberfoyle withdrew having failed to generate a target considered worthy of additional exploration expenditure.

Longback Grid (Geopeko)

The grid was set up by Geopeko to explore a prominent discrete magnetic anomaly located in difficult terrain 8km SW of Savage River Township. Access was by helicopter. Exploration for tin bearing pyrrhotite mineralisation consisted of reconnaissance gridding, geological mapping, ground magnetics, limited stream and rock chip sampling and power auger geochemical sampling. The generally N-S trending sequence of rocks, which dip steely west consist of stromatolitic dolomite, black pyritic shale and dolomitic shale, pebbly tremolitic mudstone and shale with pyrrhotite (2-5%) and silicified carbonate. The NE-trending Savage Fault cuts across the stratigraphy immediately north of the magnetic anomaly.

Rock chip sampling failed to detect tin and the highest copper value was 160ppm Cu. Two samples from the western dolomite horizon contained 430 and 550ppb Au. Twelve stream samples were not anomalous for Cu, Pb, Zn, Sn, W or Au and the soil geochemistry did not reveal any base metal anomalies. Values varied up to 280ppm Cu. The best result, a spot high of 185ppm Cu, 220ppm Pb 480ppm Zn was located over carbonate. A NW directed diamond hole, Longback #1, was drilled to test the magnetic anomaly. The hole, which was drilled to 302m, intersected a sequence of black shale and dolomitic grey shales containing minor veined sulphide and disseminated fine magnetite and streaks of fine pyrrhotite.

There is some doubt about the location of the drillhole. Nevertheless, initial exploration results were not encouraging and drillhole results were disappointing. The best result was 150ppm Cu while Sn and W were below detection. The drilling would appear to have downgraded the potential of the Longback magnetic anomaly.

Hangmans Creek Grid (Goldstream Mining/Titan Resources)

The northern area of Hangmans Creek licence bordering on the SE margin of the Corinna licence was referred to as the Lefroy Ridge East prospect. The area was selected on the basis of anomalous BLEG stream results related to the southern part of the Lucy Formation where magnetite-bearing, mafic, meta-igneous rocks including chlorite schist are intercalated with weakly magnetic, muscovite schist.

Extensive follow up exploration included panned concentrate stream sampling for gold and -80# silt fraction for Au, Cu, Pb, Zn, As, Ag, Sb, Bi, Mo, Sn and W. Anomalous results included gold values to 310ppb and 77ppm Cu above a threshold of 50ppm Cu in the northern creeks of the prospect. Goldstream completed soil sampling across the ridge where values were not abnormally high. The folded nature of mafic rocks in the Lucy Formation is readily apparent on the magnetic image and Goldstream opted to drill two diamond holes to test prominent aeromagnetic highs related to the Lucy Formation. LREDDH1 was drilled into a long northerly-trending high from a position beside the Heemskirk Road. The hole intersected mainly chlorite schist and massive metabasalt with the best result 129ppb Au and 2679ppm Cu from 153-154m. LREDDH2, which was drilled to test magnetic layering within a regional fold closure and an associated 3.8ppb Au, 18.2ppm Cu soil geochemical anomaly intersected magnetite bearing metabasalt in the top 140m. The best result was 77ppm Cu from 180-181m.

A favourable structural magnetic anomaly exists in the Corinna licence north of the previously drilled LREDDH1 and 2. Stream anomalies below this to 40ppm Cu are at the upper limit for this area and could be considered anomalous.

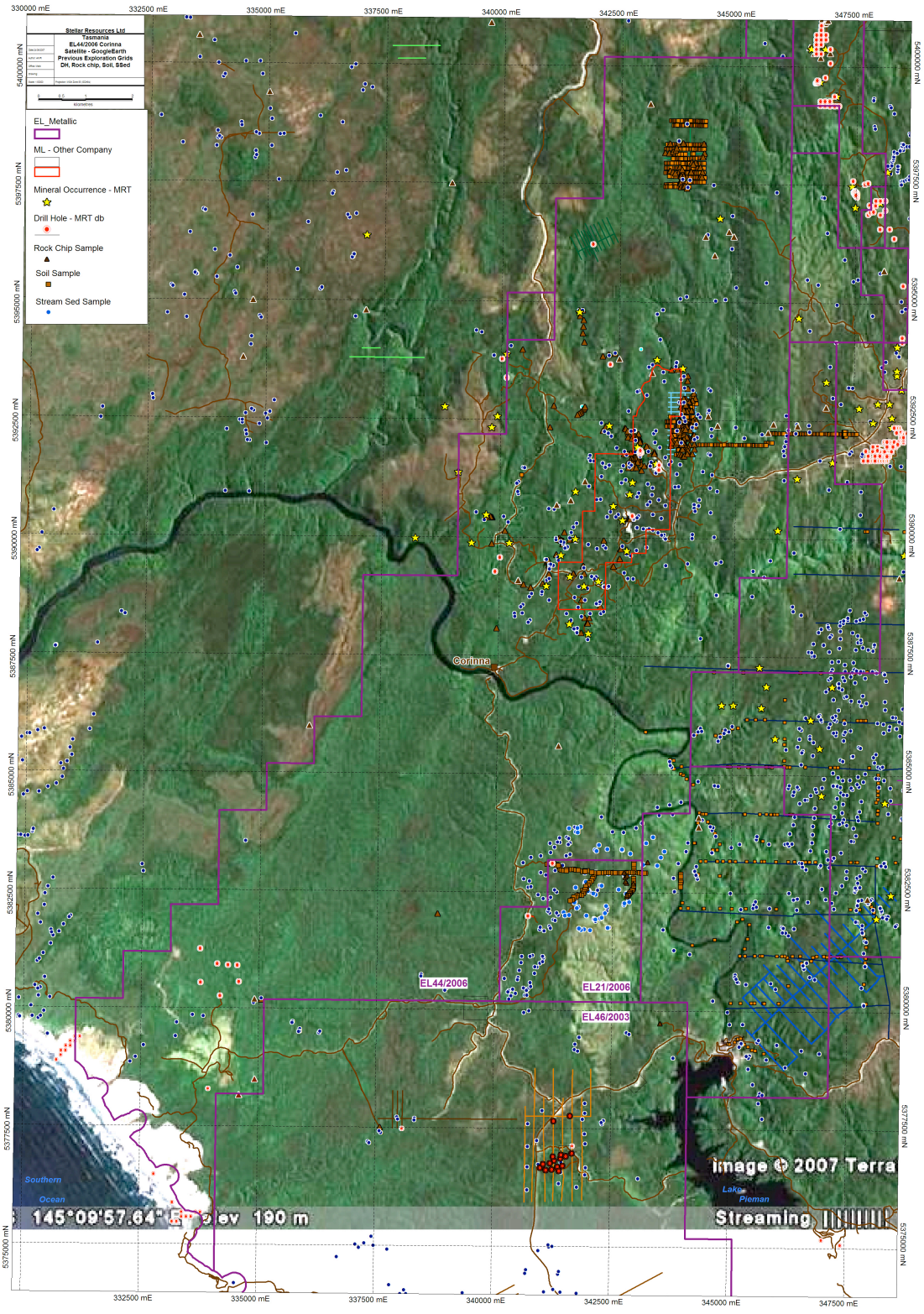

Figure 8. EL 44-2006, Image showing Cominex Silica lease (red) and previous exploration activities.

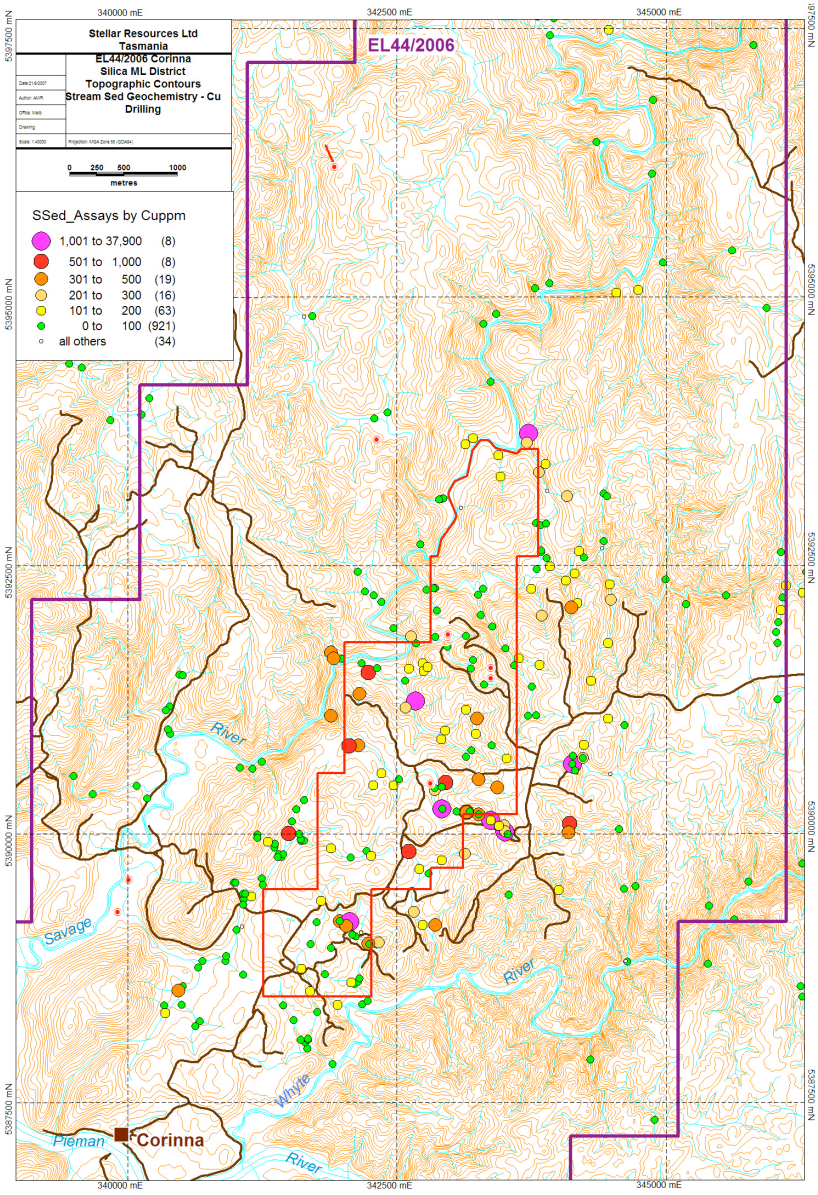

Figure 9, EL 44-2006, Anomalous stream copper distribution in vicinity of Cominex Silica lease

3. EXPLORATION COMPLETED DURING THE REPORTING PERIOD

3.1. REGIONAL EXPLORATION ACTIVITIES

3.1.1. Data Acquisition, Mapping & Drafting

MRT digital geology and geophysics datasets, as well as DPIWE topographic data have been purchased and imported into MapInfo, from which further maps have been produced. Selected previous exploration data from Aberfoyle, EZ, Geopeko, Cominex, CRAE and others has been digitised and captured from MRT open-file reports. MRT open-file geochemical and drilling data has been downloaded from the MRT website. This work proceeds. The data is tabulated in Appendix 1.

3.1.2. Analysis

Consultant geologist G. Bravo and consultant geophysics D. Isles have both analysed the data collected and collated by A. Rigg. Their analysis of the data is presented as Appendix 2 and 3.

Gus Bravo and Adrian Rigg identified 6 target areas. These are depicted on Figure 10 and summarised below.

- anomalous copper in stream sediments in the area drained by the Little Hunter and Doodie Creeks east of the Silica lease (Target A)
- anomalous copper in streams draining Tunnelrace Volcanics immediately north of the Silica lease (Target B)
- enhanced copper and base metal values in soils associated with the dolomite/phyllite contact on the western margin of the Tunnelrace Volcanics indicate the contact is prospective. Any magnetic “oddities” associated with this contact should be investigated
- an EM conductor anomaly coincident with the same contact occurs in the vicinity of Corinna Creek immediately south of the Pieman River (Target C)
- low level anomalous gold and copper in streams and rock chips related to the Bernafai/Tunnelrace Volcanics in the Newdegate Creek area in the SW of the licence. One stream sample site also contained 1450ppm Sn (Target D)
- low-level anomalous gold and copper in streams related to an aeromagnetic high ridge in Lucy Formation rocks north of the Hangmans Creek licence (Target E).

Dave Isles reviewed and analysed the aeromagnetic data and thus refined and added to the targets identified by Bravo and Rigg. The targets areas identified are subdivided into ‘southern’ and ‘northern’ groups based on geography, structural setting and degree of exploration attention. The various targets are depicted on Figures 11 & 12 and are tabulated below in Table 1 with Isles’ ranking’ and brief description.

Table 1, Exploration Targets

TARGETS (Isles)	**TARGETS** (Bravo)	**PRIORITY**	**Description**
Southern Targets			
DIF / GBE	E	High	magnetic high in Lucy Formation. In elevated Au & Cu geochem area.
GBC	C	Medium - Low	EM anomaly coincident with ‘Tunnelrace’/dolomite contact.
DIG		Low	2 discrete magnetic units near siltstone/Corinna Dolomite contact.
GBD	D	Low	Anomalous Au & Cu geochemistry. One sample 1450 ppm Sn
DII		Medium - High	Magnetic feature in Savage Dolomite
Northern Targets			
GBA	A	High	Anomalous stream sed. Cu from Tunnelrace basalt/ Corinna Dolomite
GBB	B	Medium – High	Similar to GBA but lower level geochemistry
DIJ		Medium	Along strike from GBB with magnetic units in Corinna Dolomite
Longback		Low	Discrete magnetic feature drilled by Geopeko in 1980’s
DIK		Medium	Group of magnetic anomalies with strong AEM conductors on flanks
DIL		Medium	Belt of volcanics at 90º to geol. trend. Scheelite in granite reported
DIH		Medium - High	2 thin magnetic units in Corinna Dolomite. Anomalous Cu.

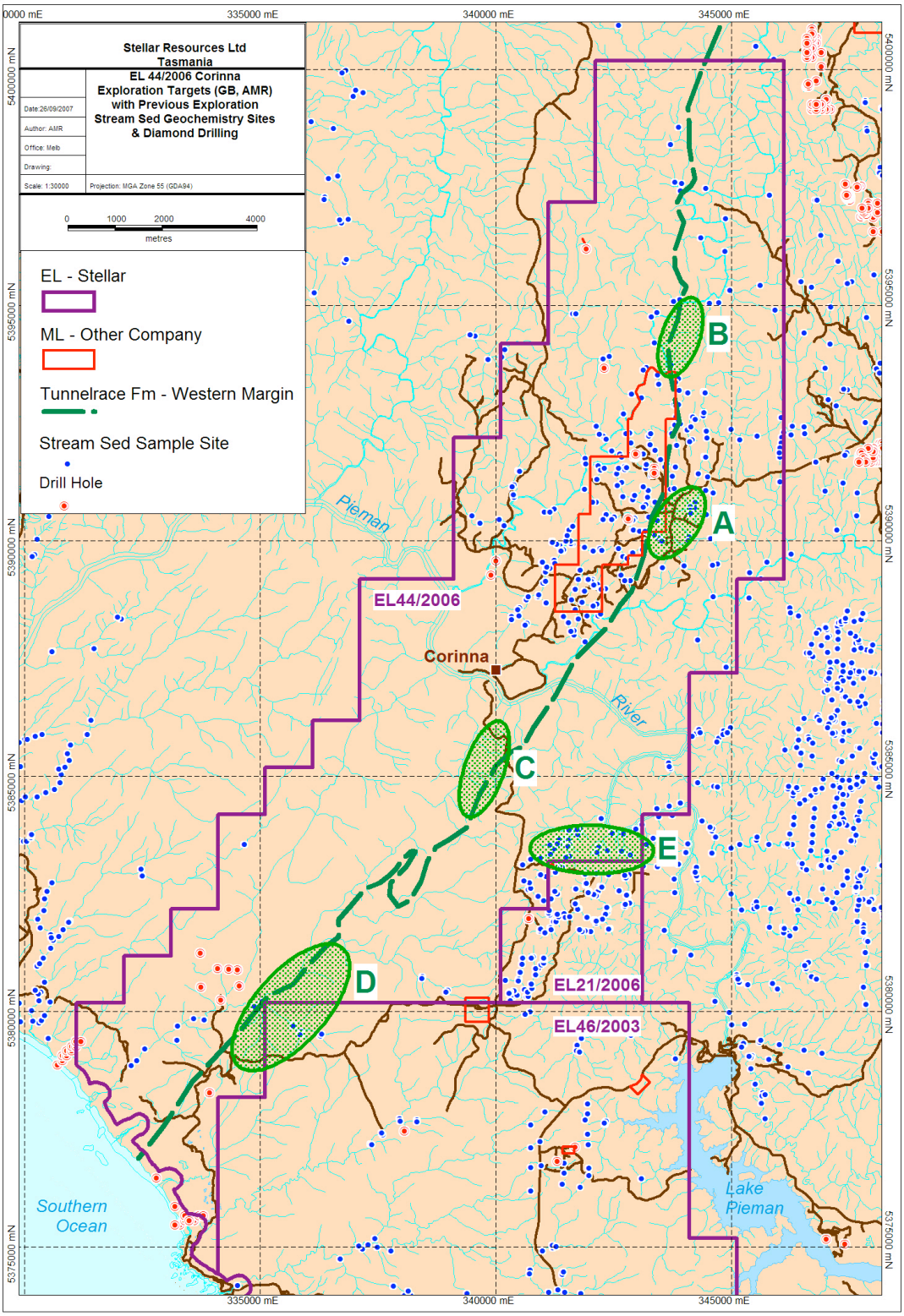

Figure 10. EL 44/2006, Exploration Targets (G. Bravo & A. Rigg) with Previous Exploration Data.

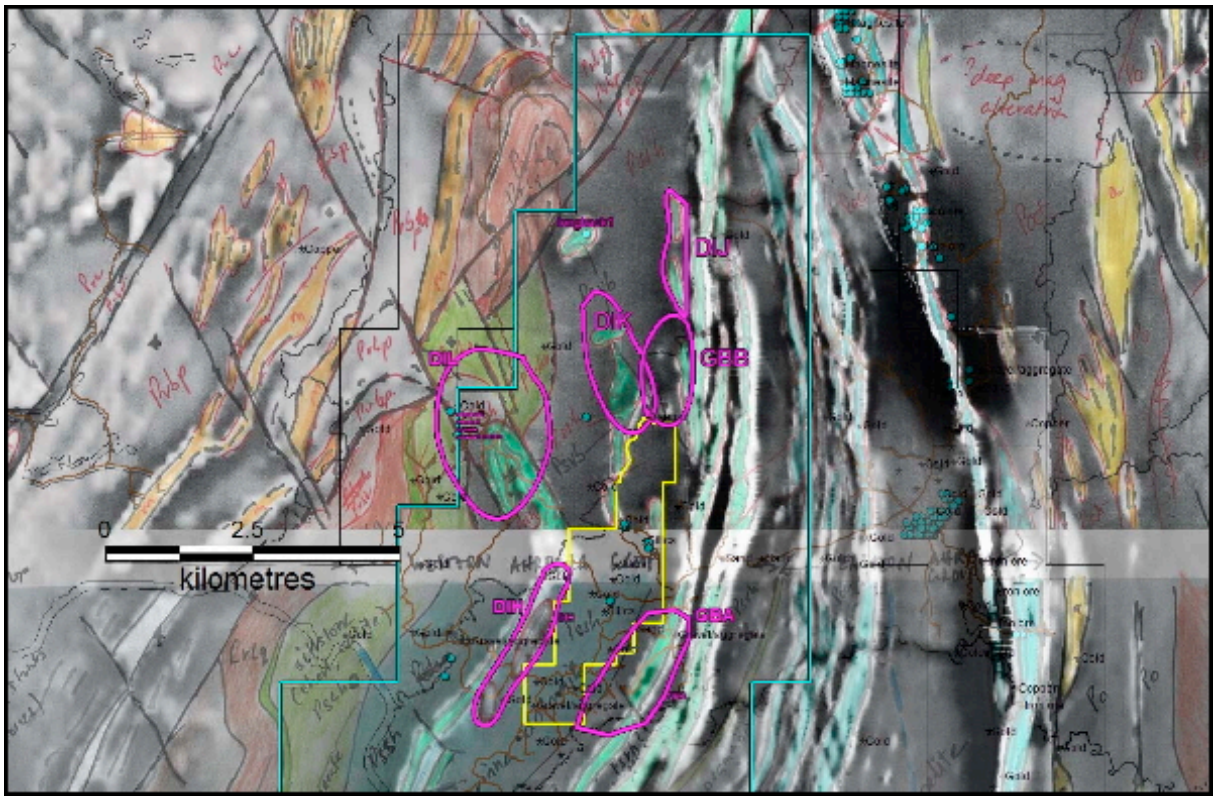

Figure 11. EL 44/2006, Northern Exploration Targets (D. Isles) on Aeromagnetics

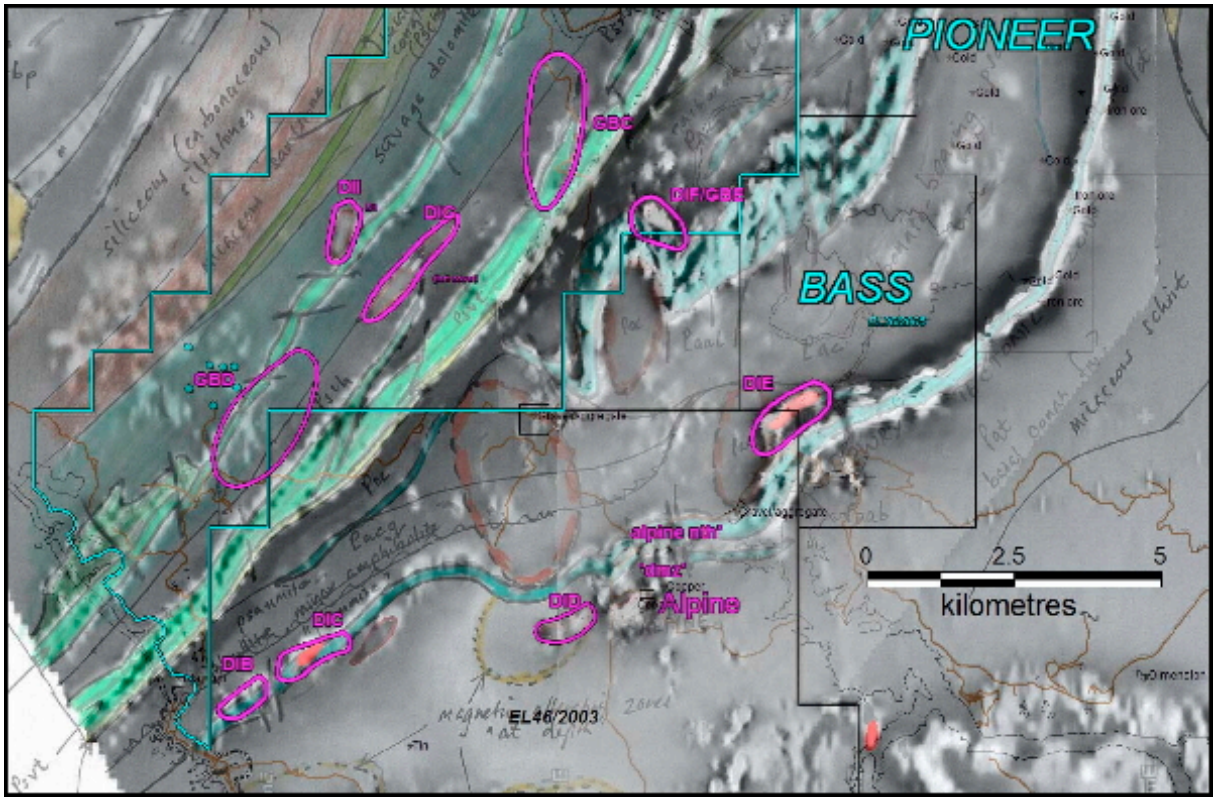

Figure 12. EL 44/2006, Southern Exploration Targets (D. Isles) on Aeromagnetics

4. DISCUSSION OF RESULTS

Based on a thorough review of historical exploration data G. Bravo and A. Rigg have identified six priority areas for field inspection, ground truthing and follow-up geochemistry.

D. Isles re-interpretation of historic aeromagnetic data has further refined the Bravo/Rigg target areas and identified other areas based on his interpretation, which warrant geological reconnaissance and focussed geochemical sampling.

5. CONCLUSIONS

Research, review and re-analysis of historic exploration data has identified and ranked a number of exploration target areas, which warrant further field evaluation. This work will result in further prioritization and eventual drill testing.

5.1. RECOMMENDATIONS

- ground truth the historic field data in priority areas
- reconnaissance geological surveys of priority areas
- focussed geochemical sampling in priority areas
- development of drill targets in priority areas
- drill testing of defined targets in priority areas.

6. ENVIRONMENT

There has been no substantive field activity in the licence and therefore no environmental impact to report and rehabilitation work has been required.

7. EXPENDITURE

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Code	Description	Actual 17/04/2007 to 16/02/2008	YTD Actual	Total Actual	Total Estimate	Variance	% Spent
Dept Code: D1	**Rubicon**						
Job Code: 6506	**EL 44/2006 Corinna**						
Phase Code: 105	**STAFF COSTS**						
1051	Administration Management	4,062.50	4,062.50	4,062.50	0.00	(4,062.50)	0.00
Phase Totals for: 105		4,062.50	4,062.50	4,062.50	0.00	(4,062.50)	0.00
Phase Code: 107	**CONSULTANT PERSONNEL**						
1072	Geoscientist	2,100.00	2,100.00	2,100.00	0.00	(2,100.00)	0.00
Phase Totals for: 107		2,100.00	2,100.00	2,100.00	0.00	(2,100.00)	0.00
Phase Code: 130	**DATA PROCESSING**						
1304	Drafting and Presentation	384.00	384.00	384.00	0.00	(384.00)	0.00
Phase Totals for: 130		384.00	384.00	384.00	0.00	(384.00)	0.00
Job Totals for: 6506		6,546.50	6,546.50	6,546.50	0.00	(6,546.50)	0.00
Group Totals for: D1		**6,546.50**	**6,546.50**	**6,546.50**	**0.00**	**(6,546.50)**	**0.00**
Report Totals:		**6,546.50**	**6,546.50**	**6,546.50**	**0.00**	**(6,546.50)**	**0.00**

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Keywords

Location:	Corinna
Mineralisation environment:	Carbonate replacement, skarns, Besshi type.
Minerals:	Chalcopyrite, Magnetite, Gold
Exploration methods:	Mapping, Geochemistry, Aeromagnetics, Drilling
Stratigraphic name:	Tunnelrace Volcanics, Corinna Dolomite, Bernafai Volcanics, Savage Dolomite, Donaldson Group, Rocky Cape Group & Ahrberg Group,
Lithology:	quartzwacke, siltstone, slate, dolomites, metabasalt, quartzite
Geological Province:	Arthur Lineament
Geological age:	Neoproterozoic, Cambrian, Tertiary

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APPENDICES

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Appendix 1: Corinna Project Exploration Summary

A. Rigg

EL44/2006 Corinna - Literature Search Chronology of Prior Exploration.

Compiled by A M Rigg 4Oct07

Company	Year	Location	Activity	Results	Conclusions	Comments	Report
	1879	Corinna district	Payable alluvial gold discovered. Stream & terrace deposits worked through to the 1930's.		Source mainly from Tertiary gravels, with some apparently primary gold present in places.		97-4074
	1880's	Corinna district	Hardrock Au & Cu prospects found.	Rocky River area (outside EL) most productive. Bowry Fm had scattered Au/Cu prospects and small mines.	Auriferous leader found at Lucy Spur.		97-4074
Lands & Works	1881	Western Tasmania, Meredith granite to Macquarie Harbour	Report on geological field trip to mines and prospects to the Tasmania Legislative Council. Progress report on mines, by Mr. G Thureau FGS.			Interesting old-style general rpt on tin and gold mining, etc.	OS_026
Austral Malay Tin	1934	1.3km west of Silica mine ML	Three drillholes close to the Savage River			No information found	MRT Doris db
Rio Tinto	1956	North-western Tasmania	Aeromagnetic survey - 500m fls?	Geophysical anomalies defined.			
HEC	1963	Delville saddle nr the Newdegate Ck in the SW of EL	Eight drillholes to test for possible reservoir leakage pathways.	Probable weathered silicified dolomites were encountered under Tertiary cover rocks. In one hole the Bernafai Volc's were intersected. In another probable upper Donaldson Fm was intersected.		MRT holds some core.	UR1993_20 & MRT Doris db
HEC & DMR	19?	Hell's Gates on the Pieman River, 750m west of Corinna	Drilling for geotechnical purposes.	HEC Hell's Gates drilling not in MRT db, no data available. DMR Corinna crossing drilling not in db, partially silicified dolomite encountered below 25-30m of Cainozoic deposits.		For the DMR Corinna crossing drilling, Turner states that logs and cores are held by the DMR.	UR1993_20
Pickands Mather	1967	Savage River (ne of EL)	First company to exploit the iron ore deposits of the Arthur Mobile Belt				97-4074
MRT	1970	Corinna district	Report: Geology & genesis of silica flour and gold in the Corinna district, western Tasmania, by Zaw, Turner, Large, Nolan & Mernagh.		Silicified dolomite, Au in situ, not transported. Silicifying fluids likely to be magmatic (post-orogenic Devonian granite), although poss. some metamorphism as well.		GSB70_96
MRT	1970	Arthur Mobile Belt	Report: Geology & prospectivity of the Arthur Mobile Belt, by Turner, Bottrill, Crawford & Villa.		Describes the setting of the AMB and outlines the styles of mineralisation (incl Alpine).		GSB70_227_233
Esso	1973	NW Tas, Arthur lineament	EM (Input), mag, rad airborne survey, 1609m fls (1 mile), 120m fh (400ft), with some infill. Rockchip samples x 12 (Cu, Pb, Zn, Co)	EM & mag targets defined. 42 EM targets considered/checked.			73-0964
Esso	1974	NW Tas, Arthur lineament	Assessment of EM (Input) & mag anomalies, geol interp map	Interp of EM & mag targets.			74-0987
IMI (Savage Res)	1978	Part of SE of licence	Geochem ssed: Cu, Pb, Zn, Ag (in MI db)				78-1268
MRT	1982	North-western Tasmania	Aeromagnetic survey - 400m fls?	Geophysical anomalies defined.			
Cominex	1983	Longback, north end of licence	Ground mag traverses x 6	Unknown		Mentioned in rpt 84-2111. Geopeko did not use this data. They did their own different ground mag traverses later in 1983.	84-2111

Geopeko	1983	Longback, north end of licence	Target: tin bearing pyrrhotite. Recon grid, ground mag, geol mapping, rchip, soil 'c' power auger, Cu, Pb, Zn, Ag, Fe, Ba, Sn, W, As (150) over grnd mag anom, ssed sampling. DH Longback1: collar 10150E, 9290N, -50 dip, 322 mag az (nw).	Geol: black shales, dolomite, calc mudstone; ground mag: pipe-like body lying on structural lineament. Soil geochem: no base metal anoms, except one spot high in north of grid, 185ppm Cu, 220ppm Pb, 480ppm Zn.	Ground mag: pipe-like body lying on structural lineament.	The Geopeko grid does not appear to lie properly over the MRT survey, and the dh appears equally misplaced. The dh is shown to intersect the main grnd mag anomaly. On the ground mag plan in rpt 84-2111, Ross Large (3/12/85) is quoted as commenting that there is a "possible discrepancy between AMG co-ords of the main anomaly between Dept of Mines aeromagnetic survey & this ground survey".	84-2111
IMI (Savage Res)	1984	Timbs Ck, on east side of EL.	Ssed x 306 (not in MRT db)	High Cu, Pb, Zn values in upper Timbs Ck, over mag anomaly.	Diamond search: may be locational problems with old records, may have come from tertiary gravels.		84-2108
IMI (Savage Res)	1984	Timbs Ck, on east side of EL. Batty's Bend on Savage R & Longback Ck in nth of EL.	Timbs Ck grid: soil x 155 (Cu, Pb, Zn, Ag, Ni, Co, Bi, Mo, Mo, As, Ba, Au, W, Te, Sb); Silver Anom grid: soil x 31, three lines to test Ag @ 240ppm with assoc Cu, Pb, Zn. Batty's Bend As & Pb/Zn anomaly. Longback Ck Os abundance. Diamond search.	High Cu, Pb, Zn values in upper Timbs Ck, over mag anomaly.	Silver grid Ag anom is vein implied/structurally controlled.		84-2262
Geopeko	1984	In EL, west of Silica ML	Mag anom's: Don1, Don2, two lines of power auger C-horizon soil samples (Cu, Pb, Zn, Ag, Fe, Sn, W, Ba).	Max: Cu 250ppm, Pb 55ppn, Zn 190ppm.	Disappointing results, conclusion: mag anom's caused by magnetite in shale.		84-2153
CRA	1985	Outside EL to the north. Alert Ck, Blackwater Riv, Red, White, Electric Blue, Wallaby, Ruby, Rose Blue, Green, Salmon Riv, Frankland Riv, North Arthur prospects.	Ssed, rchip, soil grids (Cu, Pb, Zn, Ni, Co, Fe, Mn, As, Ag)			Some similar geological terranes to Bowry/Arthur lineament	85-2336
Monier	1985	Brookside area	Gold report on the Brookside area. Silica flour pits alluvial sampling for Au.	Very minor Au found			85-2366
Cominex	1985	Brookside area. Longback1 aeromag anomaly.	1/ Brookside Silica flour and alluvial gold work; rock chip assays x 10. 2/ Longback1 core assayed for Ni, Cr & Co; rock chip assays x 11.	1/ Au results not encouraging. 2/ Ni 100-175ppm, Cr 65-115ppm, Co 30-70ppm.	2/ Longback core assays considered as normal background.		86-2540
Geopeko	1985	In the north of licence, Longback.	Aeromag anom Longback drilling: Longback1: 302m, dec -50, Az 322mag.	Longback1: not encouraging, max Cu: 150ppm, Zn: 155ppm. Soil results: max Cu: 115ppm, Pb: 40ppm, Zn: 90ppm	Longback1 not encouraging concluded that mag was due to syngenetic pyrrhotite.	Exact location of dh and soil grid are uncertain, see comments for rpt 84-2111	85-2364
Abigano	1985	Interview River/Kenny's Adit/vein. NW side of EL.	DDH1, DDH2 assays. Au, Cu, Mo, Sn, W	DDH1: Alteration in lwr parts of hole, max Sn 0.04%, W 0.08%, Cu 0.098%(.8m), Au 0.13g/t (2.5m); DDH2: Alteration in lwr parts of hole, max Sn 0.09%, W 0.09%, Cu 0.52%(.5m), Au 0.06g/t.		Considered sub-economic in 1985. Drill hole locations in MRT db appear incorrect, holes are guessed to be approx 11000m further west & 4000m further north. There are no co-ords, in text or on plan, in this rpt.	85-2507
CRA	1985	Bowry Fm, Alpine prospect (in EL 46/2003)	Soil geochem, ground geophysics, DH AP01 &AP02 drilled to test Cu soil anomaly	DDH AP1 returned 12.75m @ 0.24% Cu from metasedimentary schist and meta-igneous schist containing semi-massive, magnetite-rich and pyrite-rich bands. DDH AP2 intersected similar rocks and returned 27.4m averaging 0.53% Cu. Au to 0.105gpt was also assayed.		Bowry Fm	85-2335
EZ/Savage JV	1986	Batty's Bend on Savage River in nth of EL	Grid cutting, geol mapping, soil geochem - rchip x 42 (Cu, Pb, Zn, Fe, Mn, Ag); soil (wacker).	Rchip: two Cu anoms, 580 & 900ppm, one Zn @ 410ppm, dolomites had gen low values. Soil anom on fault Cu 150ppm, Pb 2750ppm, Zn 285ppm. Wacker prog has outlined an amphibolite/phyllite sequence with anom Cu, Mn & weak Zn, chalco sighted.	Transported soil cover a poss prob for soil assay interp.	Nth end of grid not sampled due to deep gravels.	86-2611

EZ	1986	Small area of Bowry Fm & Lucy Fm in extreme se of licence, incl ne of Alpine. Lucy Ck block outside EL to east.	Cu/Au expln. Grid cutting, geol mapping, historic expln work (p13)			Greater area held by Bass Metals & Pioneer Nickel	86-2614
MRT	1986-88	Western and NW Tasmania	Various geophysical interpretation rpts by Bishop/Leaman/Richardson/Lewis, for magnetics, gravity & EM, outlining granites and structures. Studies on mineral deposits.	Interps with plans.			GSB66, MRVGP1, MRVGP2, MRVGP3, MRVGP4, MRVGP5, MRVGP7, MRVGP8, MRVGP9, MRVGP10, 02-4815
EZ/Savage JV	1987	Batty's Bend on Savage River in nth of EL	Grid extended past mapped min, geol mapping, soil geochem - rchip x 7 (Cu, Pb, Zn, Fe, Mn, Ag); soil x 74 (65 assayed for Cu, Pb, Zn, Fe, Au) by hand auger.	Cu/Mn (Zn) anom extends as far as extension edge. Rchip: none anomalous; Soil max Cu 230ppm, Pb 40ppm, Zn 145ppm, Mn 6650ppm, Au bld except for two low values.	Recommended no more Au expln, instead 'Beshi' style Cu/Zn.		87-2756
EZ	1987	Bowry Fm, Lucy Ck block just outside EL to east.	Cu/Au expln. Geochem grid rockchip x 270 (Cu, Pb, Zn, Au, Fe, Mn, Cr, Ni & some Ag, Co, Bi, As, Sb); ssed x 30, Pcon x 29, limited grnd mag.	Rchip: Cu, 8 anomalous (175-3200ppm) on Batty's Bend Fm. Au downgraded - poor results (max rchip Au 0.033ppm)			87-2734
Geopeko	1987	Corinna silica deposits area	Silica flour genesis study, geol interp.		Aeromag lows host silica	Rpt by Large, Nolan, Turner	87-2655
Geopeko	1987	Corinna silica deposits area	Silica flour/Au potential rpt			General rpt	87-2776
Geopeko	1988	Brookside gold prospect	Geol mapping, ssed, rchip, soil grids (Cu, Pb, Zn, Ag, As, Au)	Rchip: Anom Cu, 115-420ppm, As 2-1500ppm in py mudst on mudst/dolo contact; soil: one anom sample of crystalline Au, Au 630ppb, As 180ppm, Cu 575ppm.			88-2787
Geopeko	1988	Longback area anomalies	Regional geol, rchip, ssed			Geol mapping by J G Purvis	88-2800
Geopeko/National Mineral Sands	1988	Ahrberg Bay in extreme sw of licence	Shallow auger lines x 2 for min sands, detailed rpt			Detailed rpt	88-2813
Nolan	1988	Guthrie Ck nr Savage River	Silica & gold expln, Ssed x 5	Sample DPC101 v minor Au, waterworn, with minor py, chalco, arsenopy	Au of tert gravel origin, sulphides pos local		88-2887
Cominex/Nolan	1989	Brookside gold prospect & Ahrberg Hill (centred on Corinna)	Rchip x 18, soil x 1 (Cu, Pb, Zn, Ag, As, Au)	Rchip: max Cu, 1450ppm, Pb 1100ppm, Zn 3100ppm			89-2934
Aberfoyle/Nolan	1989	Brookside gold prospect	Diamond drilling x 5 at Brookside. BRK1 - BRK5			Rpt 90-3106 is restricted, and therefore unavailable. No data on drilling available.	90-3106, UR1993_20 & MRT Doris db
Aberfoyle	1989	Tunnelrace Ck, in north-east of licence	Geol mapping, rock chip x 2, ssed x 6	Geol: Tunnelrace Ck drains metamorphosed basaltic lavas, dolerite intrusions to the nth, & micaceous and graphitic schists to the sth. Rock chip: Cu 210ppm & 185ppm (Ag to 1.5ppm); Ssed: Cu to 200ppm.	Regarded as a repeat of Savage sampling.		89-3026
EZ	1989	Eastside grid, east of Silica ML	Au expln. Geol mapping, geophysics (mag & grav review by Leaman), rchip (Cu, Pb, Zn, Fe, Mn, Bi, As, Au), ssed	Geochem disappointing, Au over dolomite had detectable values (one at 0.008ppm) with anom As			89-2959
Aberfoyle/Nolan	1989	Newdegate Ck, Hoyle Ck in sw of licence	Brookside-style Au min expln. Rchip x 3 (Cu, Pb, Zn, Ag, Au, As, Hg), ssed x 21, geol.	Rchip max, Cu 230ppm, Pb 25ppm, Zn 135ppm, Au, As, Hg not anomalous; ssed generally disappointing, Sn 3 >300ppm in Hoyle Ck watershed, max 1750ppm (from tert gravel?). Some stratabound py/aspy min encountered on Arthur lineament at Hoyle Ck.		Expln limited by thick veg'n and poor track access, most prospective area not reasonably tested. Ssed's are in MI db (MRT), rchip data not captured.	89-3015

Aberfoyle/Nolan	1989	Guthries Ck, unnamed Ck, None-Such Ck, 5km nth of Corinna.	Rchip x 9, ssed x 8	Rchip, Guthries & unnamed Ck, weakly anomalous Au (11ppb) site of crystalline panned gold; ssed generally disappointing, one "pseudogossan" @ 1850ppm Zn (supergene?), None-Such Ck has unexplained cassiterite xl.			89-3066
New Holland	1989	South-east cnr of licence and north	Review of geophysics, gravity & magnetics, with structural interp, by Leaman	Structural interp			89-2911
EZ	1989	Arthur lineament north of Corinna	Review of geophysics, gravity & magnetics, with structural interp, by Leaman	Structural interp			89-2959
Aberfoyle/Nolan	1990	Elizabeth Ridge, Whyte, Middleton and Sailors Ck's & Jarman Ck, Womble Ck sth of Corinna Rd in SE.	Brookside-style Au min expln. Rchip x 34 (Cu, Au, As, Sb, Hg, Zn), ssed x 23 (Cu, Pb, Zn, Ag, Au, As, Ba, Sb, Sn, Hg), geol mapping.	Rchip, Fogarty's Ck, As 160ppm, Au 0.035ppm, Zn to 1400ppm in pyritic siliceous dolomite. Py min close to mudst/dolo contact, but no precious metals. Ssed disappointing, one Au anom. Jarman Ck, rchip Zn to 1800ppm, Womble Ck As max 1150ppm. Middleton, Whyte & Sailors Ck results disappointing. Whyte Ck anomalous with Au 0.298, 0.06ppm, Sn 80ppm (tert gravel contam?). Area is mineralised, py with minor chalco in silic dolomite.	Not a Brookside-style Au prospect, altho area is mineralised. Py with minor chalco in silic dolomite.		90-3108
Aberfoyle/Nolan	1990	Brookside JV	For crystalline Au in dolomite. Fluid incl study, petrology, rockchip low level Au analysis x 24 from dolomite, Logging and assaying of prior MRT silica flour deposits drilling (3 holes, MRT 1990), coregrind for Cu, Au, As, Sb, Hg, SiO, CaO.	Rockchip results disappointing - no correlation with Au/dolo/silica. Drilling: DDH1/2 (75.12m): silica flour, silic/dolo, volc mudst/shl from 57m; DDH3 (79.68m): as for DDH1/2, but no volc's, minor dissem py? Analysis results disappointing - none anomalous, one high Cu (1313ppm) considered as contamination, next highest Cu 122ppm.	Brookside anomalous soil Cu, Au, As, Sb & Hg remains unexplained- possibly from a distant source- early stage silica/carb veining may have transported the crystalline Au. An "Au-poor" hydrothermal system.		90-3191
Outokumpu	1990	Bowry Fm, Reece Dam to Owen Meredith River (outside EL to the east)	To test Bowry Fm 'ironstone lodes'. Owen Meredith grid cut, ground mag.				90-3118
Outokumpu	1991	Bowry Fm, Reece Dam to Owen Meredith River (outside EL to the east)	TEM survey, geol mapping, Rchip (x 32) & Soil (x 409) for Cu, Pb, Zn, Ag, Fe, Mn, Au, Ba, Y, La, Ti, Mg, Ca, Na, K, Mo, W. Ssed (x 15).	Geol: massive ironstone with some pyrite. Iron about 70%, with low base metals & Au. Rockchip: Cu/Au anomalism found at Doctors Ck (banded ironst), Au to 0.03g/t, Cu to 0.5%, overlying pyritic qtzite anomalous Au to 0.08g/t, Cu to 0.4%. A "thin lens of gossany, siliceous sinter material after pyrite" within amphibolite up to Au 0.06g/t, Cu to 800ppm, otherwise Cu, Zn rarely >300ppm, Pb usu <10ppm. Soil: spot anom's Au 0.19 - 0.37g/t unexplained, Cu to 700ppm, Zn to 515ppm. TEM did not disclose any obvious large bodies near to surface.	Massive ironstones barren, while banded ironst has a low background Cu/Au, mostly not anomalous. Background prob from py.	TEM over Alpine and Owen Meredith grids.	91-3256, 91-3269
H D Nolan & Cominex	1991 - 1994	Brookside silica leases area	Nil			No info/data, & relinquishment rpt.	91-3250, 92-3324, 94-3324
Fodina	1993	Bowry Fm, Reece Dam to Owen Meredith River (outside EL to the east)	Grid extension, geol mapping, ground mag, Rchip (x 17) & Soil (x ?) & Ssed (x 7) for Cu, Pb, Zn, Ag, Au, As, Sn, Bi, W.	Ssed: Bounds & Tandy Cks area: anom Au to 4.88ppb, Cu to 50ppm; Soil: Sporadic Au/As anom's to 0.061ppm Au in schists east and west of Bowry Fm, Cu max 344ppm, Zn max 654ppm.			93-3435
Fodina	1993	Bowry Fm, Reece Dam to Owen Meredith River (outside EL to the east)	Owen Meredith grid geochem data interp	Ssed results interpreted as a normal background for the ironstone rocks.	Concluded that Cu/Au is assoc with an ironstone/magnetite bearing schist, and is at background levels only.	Relinquishment rpt.	94-3566
MRT	1993	Corinna silica mine area	Report: Drilling at the silica mine and elsewhere around Corinna, by N J Turner. Corinna drilling: BH1A, BH2(sth pit), BH1 (nth pit)	Southern pit holes show that the silica flour passes down into silicified dolomite, and after leaching of the dolo, the silica remains. In the northern pit no dolomite was encountered, however breccia textures sim to those in the southern pit are noted. A chloritic mudstone underlies.		Informative general report on drilling	UR1993_20
MRT	1993	Corinna district	Report: General features and chemical analyses of mafic and other rock, Corinna geological map quadrangle., by N J Turner, Crawford.			Study of selected rocks and geology for area.	UR1993_23
EZ, Geopeko, Savage	1994 comp'n	Corinna licence area and district	Compilation of 60 plans from prev reports. Geol, aeromag, grnd mag, geochem				94-3619

Goldstream/ Titan	1996	Arthur lineament covering Corinna EL	For Proterozoic iron fm hosted Au. Regional geol.			First rpt.	96-3821
Goldstream/ Titan	1996	Bowry Fm, Lefroy Ridge (in Corinna & Hangman's Ck EL's), (Lucy Spur, Rocky River prospects, outside EL)	Lefroy Ridge drilling x 2,(in Hangman's Ck EL), LREDDH1 (south), LREDDH2 (north), dh EM; district ssed for Au, Cu, Pb, Zn, Ag, As, Sb, Mo, Bi, Sn, W. Aeromag interp by Leaman.	Drilling: LREDDH1 (200m): chlorite schist and rel massive metabasalt with dissem magnetite. Best assays: Au 0.129ppm, Cu 2679ppm at 153-154m, Au 0.155ppm, Cu 238ppm at 77-78m; LREDDH2 (203m): magnetite bearing metabasalt for first 140m. Best assays: Au 0.16ppm, Cu 77ppm at 180-181m. Ssed max: Cu 24ppm, Pb 8.25ppm, Zn 46.3ppm.		N J Turner rpt.	97-4108
Goldstream/ Titan	1997	Arthur lineament covering Corinna EL. Bowry & Lucy Fm, Pieman River, Whyte River (in EL), Brown's Plain & Paradise River (outside EL to east)	Aeromag survey flown, 50m fls, 40m fh covering Bowry & Lucy Fm; Pieman River, Whyte River, & Brown's Plain, Paradise River ssed x 115. Gold study by Kitto.	Geophysical anomalies defined.		N J Turner rpt.	97-4074
Goldstream/ Titan	1999	Bowry Fm, Lefroy Ridge (in Corinna & Hangman's Ck EL's), (Lucy Spur, Rocky River prospects, outside EL)	Lefroy Ridge grid lines along Bowry mag trend, rchip x 11, soil x 110 for Au, Cu, Ag.	Soils over amphibolite, mafic schists & muscovite schists. Au BCL range 15-20ppb, Cu BCL range 24-30ppm.	Considered normal for the rock types, and not really anomalous. Some mildly anomalous values of around 80ppb Au, 140ppm Cu.	N J Turner rpt. Soil data captured.	99-4261
MRT	2000	Western Tasmania	Aeromagnetic survey - WTRMP - 200m fls			Open-file	

STELLAR RESOURCES LTD

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EL 44/2006 Corinna – Report on 2007 program

Appendix 2: Exploration Targets within Corinna EL44/2006.

G Bravo & A. Rigg

Exploration Targets within Corinna EL44/2006

Summary

A review of previous exploration and geophysical data has been undertaken to identify exploration targets within Corinna EL 44/2006.

The Bernafai, Tunnelrace and Lucy volcanic formations containing tholeiitic basalt and associated volcaniclastic sediments are considered to be representative of a rift margin or island arc environment. These units are prospective for gold, copper/magnetite and copper/gold mineralisation. High strain metasediments within the Arthur Lineament which also contain amphibolites are considered to be equally prospective.

Targets warranting exploration include

- anomalous copper in stream sediments in the area drained by the Little Hunter and Doodie Creeks east of the Silica lease (Target A)

- anomalous copper in streams draining Tunnelrace Volcanics immediately north of the Silica lease (Target B)

- enhanced copper and base metal values in soils associated with the dolomite/phyllite contact on the western margin of the Tunnelrace Volcanics indicate the contact is prospective. Any magnetic "oddities" associated with this contact should be investigated

- an EM conductor anomaly coincident with the same contact occurs in the vicinity of Corinna Creek immediately south of the Pieman River (Target C)

- low level anomalous gold and copper in streams and rock chips related to the Bernafai/Tunnelrace Volcanics in the Newdegate Creek area in the SW of the licence. One stream sample site also contained 1450ppm Sn (Target D)

- low level anomalous gold and copper in streams related to an aeromagnetic high ridge in Lucy Formation rocks north of the Hangmans Creek licence (Target E).

Introduction

A review of previous exploration and geophysical data has been undertaken to identify exploration targets within Corinna EL 44/2006.

The licence is structurally well positioned in a gravity divide between the Meredith and Pieman Granites. A series of arcuate, fault bounded, NE-trending linear anomalies are prominent. Cambrian deformation is believed to have produced steep west-dipping, thrust zones which created the strong, regional linear structural expression visible on the magnetic image (Figure 1).

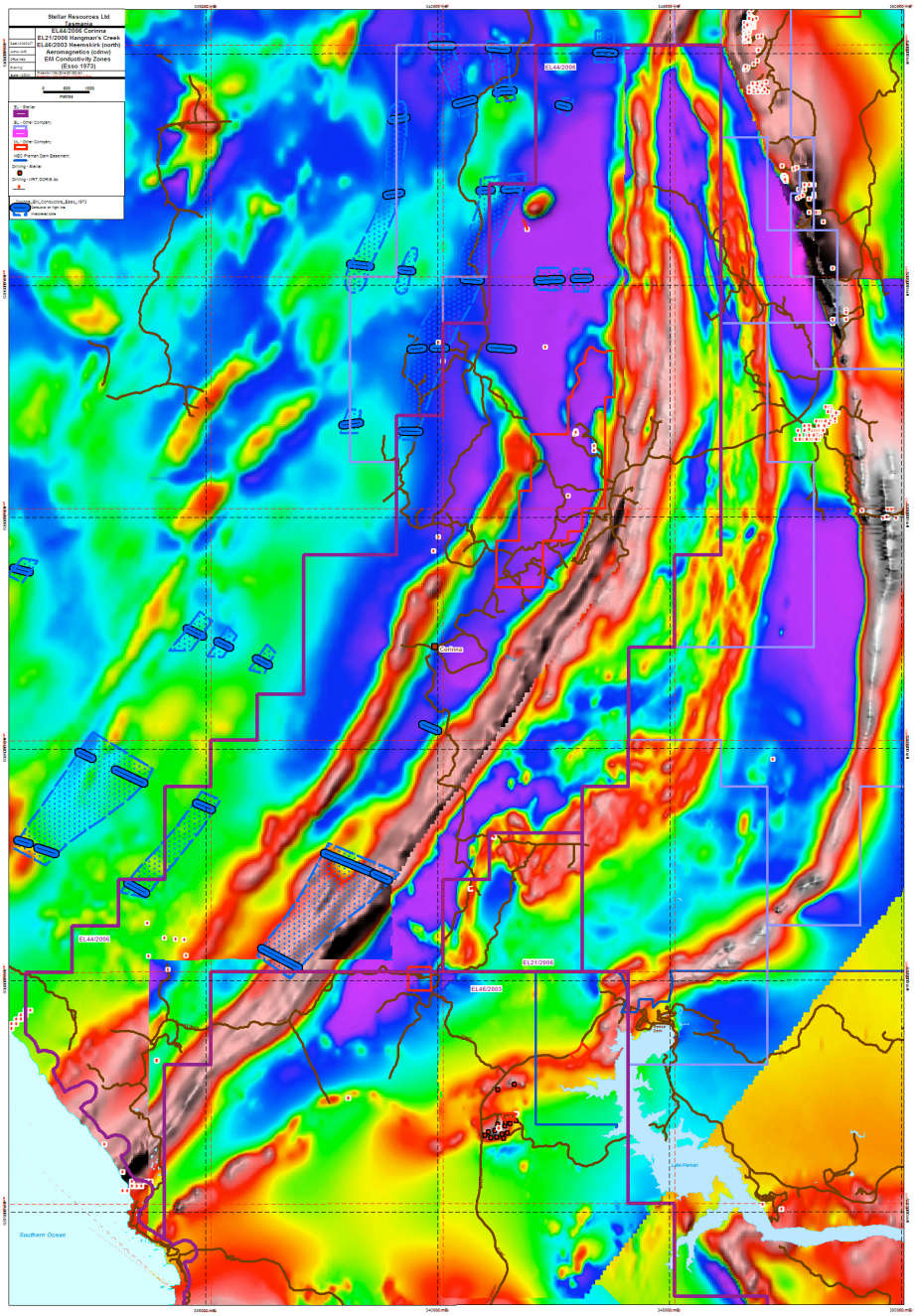


Figure 1 Corinna licence, magnetics and EM 'anomalies' in blue.

Target Commodities and Mineralisation Styles

The most important style of mineralisation in the general area is the Alpine copper deposit developed in impure carbonate and banded iron formation sediments of the Bowry Formation adjacent to the Corinna licence. The Bowry Formation is the amphibolite-bearing unit which contains the pyrite-magnetite lenses mined at Savage River 20km NE of Corinna.

Within the Corinna licence exploration has been directed at commercial silica flour deposits within the Cominex Silica lease, alluvial gold mineralisation sourced mainly

from Tertiary gravels overlying Savage Dolomite in the Brookside area and reported epithermal gold hosted in silicified Savage Dolomite.

Other exploration within the licence has been for Besshi-style mineralisation typically occurring as banded/laminated pyrite and associated chalcopyrite in metamorphosed iron-rich sediments and tuffs.

The inferred potential for hydrothermal or alpine-type nickel deposits within the licence area has been downgraded.

Geology

The Corinna licence covers a major part of the Arthur Lineament – a sheared, high strain tectonic zone composed of Cambrian metasedimentary and mafic igneous lithologies of the eastern Ahrberg Group, the Bowry Formation and a high strain part of the Oonah Formation. Regionally, the Arthur Lineament separates the Neoproterozoic Rocky Cape Group and western Ahrberg Group from the more easterly low strain parts of the Oonah Group.

The northerly trending Lefroy Ridge Fault which runs up the eastern half of the licence forms the western margin of the Arthur Lineament.

The Arthur Lineament which includes high strain metamorphics and the prospective mineralised Bowry Formation straddles the eastern margin of the licence.

Early folding and thrusting is reported to have caused emplacement of the Bowry Formation, interpreted to occur as a fault-bounded allochthanous slice on the margin of the eastern Ahrberg Group metasediments.

Geology along the western half of the licence is complex and the stratigraphy not completely resolved. From west to east across the licence the westernmost Donaldson Group micaceous quartzwacke and slatey pelitic siltstone with minor basal banded chert and conglomerate overlies orthoquartzite and siltstone of the Rocky Cape Group with inferred angular unconformity. Above the Donaldson Group, fine grained dolomite interbedded with carbonaceous siltstone and stromatolitic dolomite (Savage Dolomite) is conformably overlain by interbedded metabasalt, quartzite, phyllitic siltstone and tuffaceous metasiltstone (Bernafai Volcanics). The volcanics are overlain by Corinna Dolomite and the Tunnelrace Volcanics, an upper volcanic sequence consisting of tuffaceous and chloritic metasiltstone with interbedded metabasalt, which is cut by the Lefroy Ridge Fault. Mafic rocks within the volcanics have been classified as subalkaline to alkaline basalts.

East of the Lefroy Ridge Fault the Arthur Lineament comprises metasediments, a basal conglomerate and infolded amphibolites of the eastern Ahrberg Group - part of the Arthur Metamorphic Complex - faulted against the Bowry Formation. The amphibolites, which occur in the Lucy (magnetic) and Nancy Formations(weakly magnetic) and the Bowry Formation(strongly magnetic) lie outside the licence.

There appears to be no mapped or outcropping granite within the licence. However, a small granite porphyry intrudes Cambrian metamorphic rocks in Timbs Creek east of

the licence, midway between the Brookside gold workings and outcropping Meredith Granite, 8km NE of Corinna. The porphyry is geochemically uninteresting but apparently contains abundant disseminated pyrite (Nick Turner).

The overlying Tertiary rocks comprise sheet or channel-fill gravels, sand and clay generally in ridge top situations overlain by basalt. Previous work has shown their potential as tin/gold placer deposits is limited and probably not viable. Gold from the alluvials generally contributes to contamination of geochemical heavy mineral suites in the creeks.

Regional Geophysics

The linear, arcuate magnetic distribution is consistent with thrust tectonics and tight isoclinal folding.

The Rocky Cape Group is not magnetically active. Conglomerate occurring at the base of the Donaldson Formation indicates it is unconformable on the Rocky Cape Group. Bernafai Volcanics are magnetic but not as strongly magnetic as the Tunnelrace Volcanics.

The regional geophysics generally maps out terrane geology consistent with the MRT stratigraphy including phyllite, metaquartzites and amphibolite (Lucy Formation) of the Arthur Metamorphic Complex and strongly magnetic Bowry Formation.

The Lefroy Ridge Fault, a major fault running the length of the Tunnelrace Volcanics may be an anastomosing rather than sharp-edged thrust fault. It forms the western margin of the Arthur Lineament.

Regional Geochemistry

Regionally, stream sampling has been concentrated in a number of preferred target areas and large areas of the Corinna licence have received no attention. In fact, most of the stream sediment sampling within the Corinna licence corresponds with the majority of sampling for gold in the vicinity of the Cominex Silica lease and the Brookside gold prospect (Figure 2). Otherwise, 7 samples in Newdegate Creek and about 25 samples near the East Lefroy Ridge prospect north of Hangmans Creek are the only other sampled areas. An unnamed tributary of Newdegate Ck draining from the Tunnelrace Formation contained stream values to 65ppm Cu, 0.021ppm Au, and 300ppm Zn. One sample at near the junction of the tributary and Newdegate Creek returned a value of 1450 ppm Sn. North-east of the junction, where Newdegate Creek drains the Bernafai and Tunnelrace Volcanics there has been no sampling. A nearby rock chip sample from the eastern Bernafai Volcanics assayed 230ppm Cu and 135ppm Zn. Six rockchip samples along the Wilson Road across the Tunnelrace Volcanics assayed from 64 to 410ppm Cu.

Discovery Nickel Limited acquired and processed all stream sediment samples from the MRT database to produce regional stream sediment images for Cu and Ni. The work showed that all the anomalous Cu results plot in the northern part of the Corinna licence in the area covered by the Cominex Silica lease (Figure 2). This cluster of anomalous Cu values in this part of the Corinna licence further draws attention to the

mineralised Brookside area. A highly anomalous stream sample containing 0.52% Cu occurs in a tributary of Little Hunter Creek south of the Eastside grid. It occurs outside the area of the Silica lease and is an obvious target for follow up exploration. Several highly anomalous streams including Doodie Creek, although situated within the Silica lease, appear to drain areas outside the eastern lease boundary and should also be considered for follow up.

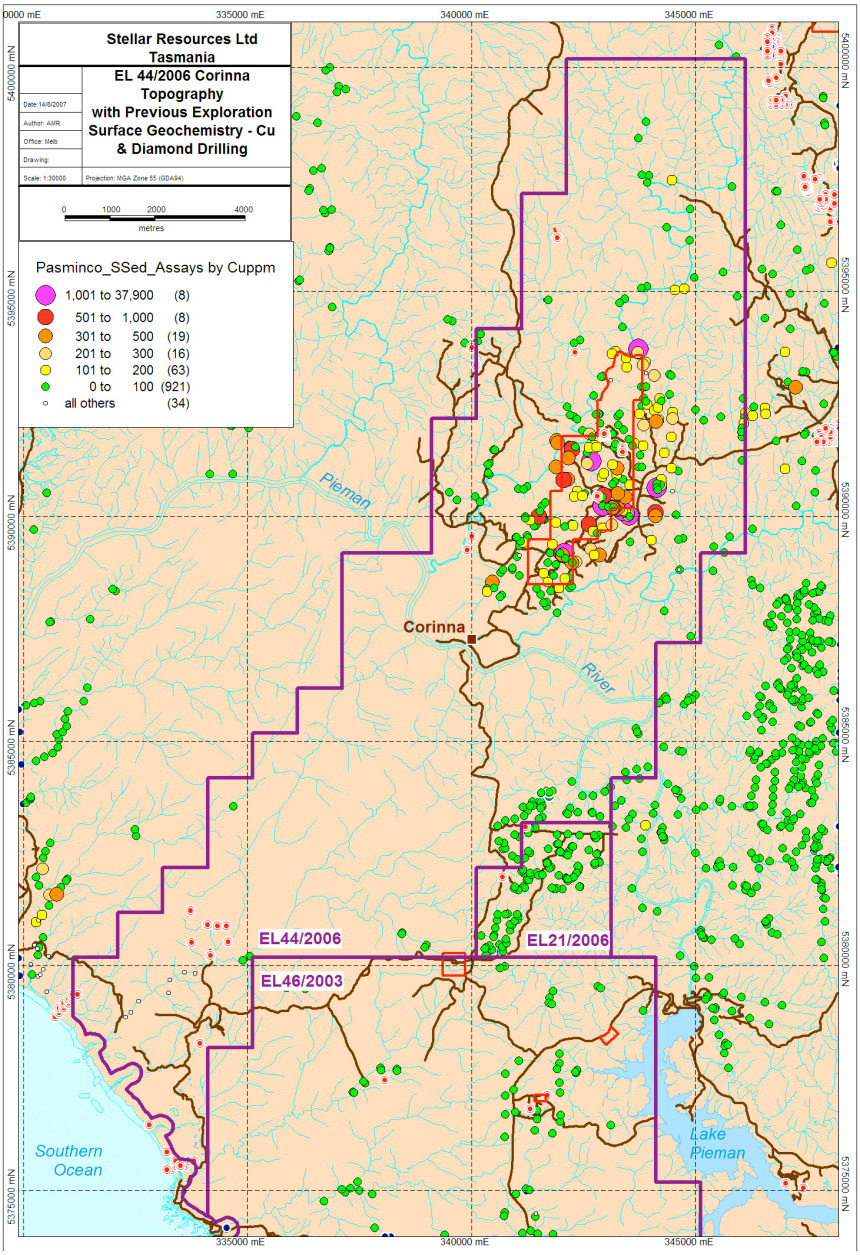


Figure 2 Stream geochemistry and copper anomalism

Discovery Nickel identified a nickel anomaly on the south-western boundary of the Corinna licence based on a limited number of sample sites. The nickel values are low and appear hardly anomalous. The lack of an accompanying magnetic signature downgrades this anomaly to being of no consequence.

Whole Rock Geochemistry

Mafic rocks from the Corinna area were among 48 samples collected by Discovery Nickel and submitted for whole rock analysis.

Rocks collected from west of the Arthur Lineament include the Bernafai Volcanics consisting of mafic volcanics and sediments that have experienced low grade regional metamorphism and the Tunnelrace Volcanics which comprise a more magnetic, fault-bounded slice of mafic volcanics and sediments. The mafic rocks have high Fe_2O_3, Al_2O_3, TiO_2, high K_2O and low CaO composition. They classify as subalkaline to alkaline basalts and are generally enriched in the light rare earth elements. The overall chemistry of these rocks is consistent with relatively low-degrees of partial melting of an enriched mantle source coupled with subsequent fractionation and a degree of crustal contamination.

The key indices of chalcophile element enrichment and depletion are conflicting and inconclusive.

Rocks from the Lucy, Nancy and Bowry Formations within the Arthur Lineament also classify as subalkaline basalts but they have distinctive REE patterns which are different from those found in the West Pieman area.

Previous Exploration

Exploration activities within the licence are well documented in the chronology and exploration summary prepared by Adrian Rigg (attached).

During exploration, the common procedure was to select areas which were rapidly appraised using panned heavy mineral and stream silt sampling, followed by rock chip and soil sampling on cut grids. Besides some geological grid mapping, occasional stream and road geological traverses were also carried out.

Figure 3 shows the Corinna, Hangmans Creek and Heemskirk licences, the outline of the Cominex Silica lease and distribution of previous sampling activities draped over a Google image.

There was limited follow up drilling. Eight holes werer drilled within the area of the Silica lease. In 1989 five holes were drilled at Brookside to test for dolomite hosted gold but results are not available. Three holes were drilled in 1990 to test the silica flour potential above the silicified dolomite. One reported high copper value (1313ppm Cu) was said to be due to contamination.

A total of fourteen holes were drilled in the Corinna licence outside the Silica lease. No information is available on three holes drilled in 1934 1.3km west of the Silica lease. Two geotechnical holes drilled by the HEC at Hells Gates on the Pieman River near Corinna intersected partially silicified dolomite below Cainozoic cover. A further eight geotechnical holes drilled in the Delville Saddle area, in the south-west part of the Corinna licence intersected weathered silicified dolomite and Bernafai Volcanics under Tertiary cover. Hole Longback #1, was drilled by Geopeko in 1985 to test a prominent aeromagnetic anomaly in the northern part of the licence . The 302m hole

returned disappointing results containing a max. 150ppm Cu and 155ppm Zn. The magnetic anomalism was attributed to syngenetic pyrrhotite. Due to inadequate information or mapping there is some uncertainty about the precise location of this hole.

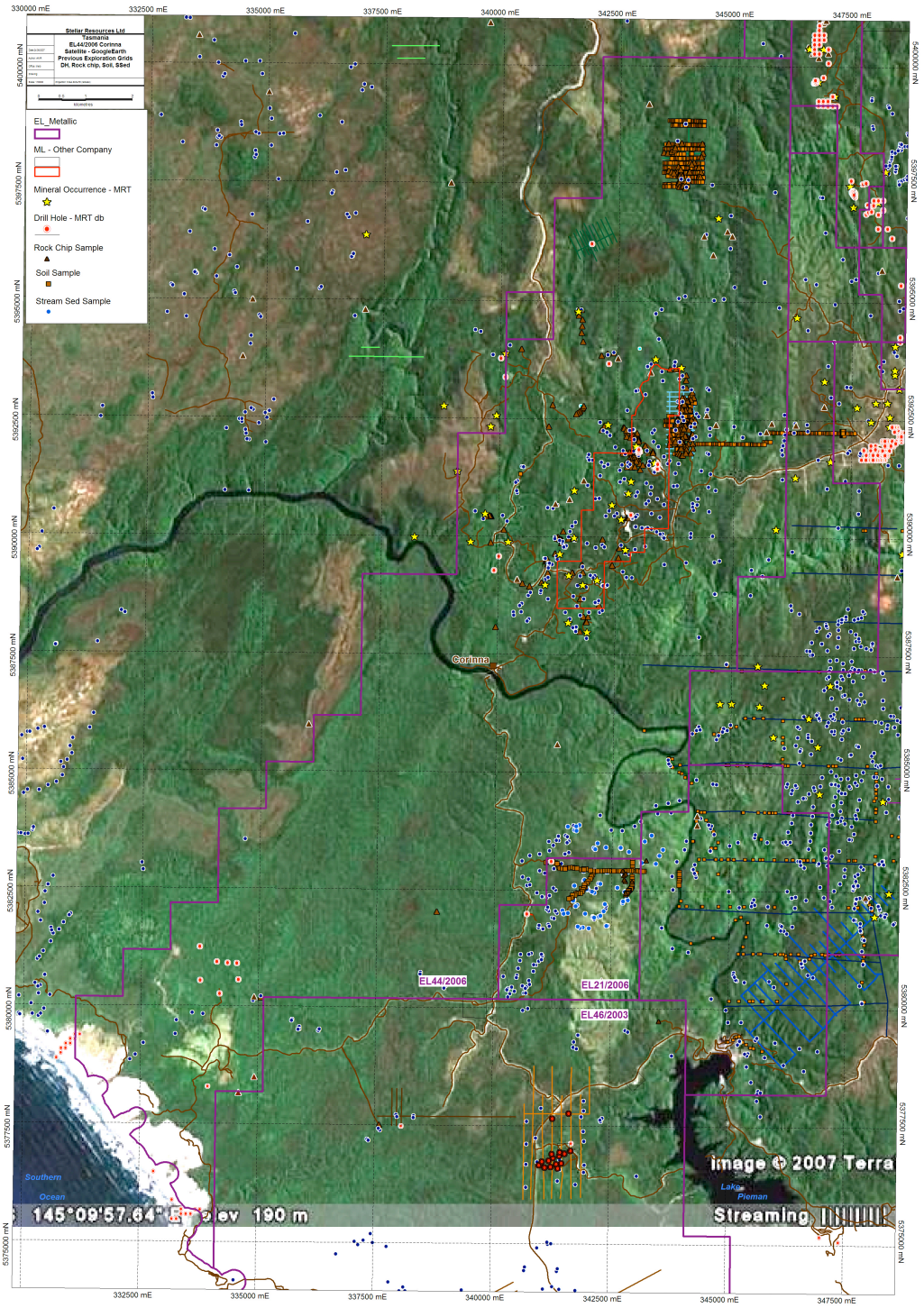


Figure 3 Google Earth image with Corinna licence (EL44/2006), Hangmans Creek (EL21/2006), Heemskirk (EL46/2003), Cominex Silica lease (red) with previous exploration activities.

North of the Pieman River major exploration grids were set up at Battys Bend (Cu, Pb, Zn), Eastside (Au), Brookside (Au) and Longback (Sn,W, skarn) within the area of dolomite or along the dolomite/volcanic contact with the Tunnelrace Volcanics.

Apart from stream sampling at the Lefroy Ridge East prospect in an area adjacent to northern boundary of the Hangmans Creek licence there has been very little exploration in the southern half of the Corinna licence, presumably due to lack of access and a widespread veneer of Tertiary alluvial gravels making exploration difficult.

Battys Bend (Savage Resources/EZ)

The Battys Bend grid is located in the far northern part of the Corinna licence west of mapped amphibolite in the Tunnelrace Volcanics and the Lefroy Ridge Fault. It was set up to explore anomalous lead and base metal stream results in a tributary of the Savage River.

The soil grid (10 lines 800m long and 100m apart) covers the N-S trending faulted contact between dolomite and haematitic phyllite. Eastwards the phyllite passes into chloritic, schistose meta-sandstone in contact with amphibolite of the Tunnelrace Volcanics.

Raised levels of Cu, Pb, Mn and Zn are present in “c” horizon soils over the phyllite. Anomalous Pb, Zn values occur over the dolomite. The most anomalous sample containing 150ppm Cu, 2750ppm Pb, 285ppm Zn lies on the fault contact. The sediments in contact with the amphibolite are characterised by elevated iron values. Raised Cu and Ba levels suggest they are exhalative meta-volcanics.

Soil results were patchy. There is some evidence for Mn scavenging of copper and zinc. Soil values collected over the dolomite returned anomalous high Pb and there was some anomalous base metal response over the haematitic, phyllite meta-volcanic lithologies adjacent to the dolomite contact.

This stratigraphic horizon, which is strongly anomalous in Cu and Mn and weakly anomalous in Zn is in contact with amphibolite or a basic volcanic unit characterised by high Cu and Mn on its eastern margin. The absolute values of copper, although anomalous, do not strongly suggest mineralisation but appear to define a prospective horizon for exhalative copper-iron mineralisation of possible mafic volcanic origin. Whereas EZ were not prepared to drill any holes or continue with exploration they did suggest any further exploration should concentrate on a search for Besshi type or similar stratabound Cu-Zn deposits within the volcanics along the western part of the Tunnelrace Volcanics.

Eastside Grid (EZ)

The grid is located 6km south of Battys Bend and east of the northern part of the Silica Mine lease in a similar stratigraphic position to the Battys grid ie covering the contact between dolomite and Tunnelrace Volcanics.

The Eastside soil grid (14 lines 600m long and 100m apart) was set up to cover the contact and an ESSO 1973 Input EM anomaly X6. The target mineralisation was gold hosted in dolomite close to the volcanic contact. Work included mapping the contact and rock chip and soil auger sampling. The rock chip samples did not contain gold but low level gold (8-150ppb) was detected in some soil samples. The Corinna Dolomite is generally grey white massive with patchy silicification and minor quartz and carbonate veining. In the SW of the grid it tends to be argillaceous and laminated. Near the contact, the Tunnelrace Volcanics consist of dark green phyllite with minor interbeded slates. The phyllite shows chloritic and sericitic alteration with minor carbonate veining. Sampled pyritic arenite, ironstone and lacy agate float yielded disappointing results. No further work was carried out but EZ suggested the Corinna Dolomite/Bernafai Volcanics contact was prospective for gold along the contact.

Regional stream geochem targets identified by Discovery Nickel included a strong distribution of anomalous copper sites in streams centred on the Brookside/Silica Mine lease. Within the lease area a cluster of anomalies with values in excess of 100ppm Cu occur over Corinna Dolomite in the vicinity of the Brookside mine. Follow-up rock chip sampling indicated the presence of anomalous copper (115-420ppm) and arsenic (2-1500ppm) values in pyritic mudstones along the dolomite/volcanic contact.

A plot of stream Cu results from the MRT database shows a significant distribution of anomalous Cu sites between the Savage River and main road in the area of the Silica lease NE of Corinna (Figure 4). Several anomalous samples, with values to 0.52% Cu, occur outside the lease area in a tributary of Little Hunter Creek. Copper is also strongly anomalous in nearby Doodie Creek suggesting the main ridge between the two is a prospective target. The anomalies are coincident with the magnetic spine of the Tunnelrace Volcanics. The area is a priority target for follow up exploration in the region south of the Eastside grid.

Gold mineralisation related to silica flour deposits.

The Brookside gold prospect is located 5km NE of Corinna. Gold mineralisation occurs at the faulted contact between overlying Corinna Dolomite and mudstones of the Bernafai Volcanics. Gold occurrences are complicated by the presence of Tertiary auriferous gravels. Exploration by EZ has shown that mudstones adjacent to the faulted contact are heavily ironstained and thought to host the mineralisation but this has not been proved. Pyrite occurs in stratiform bands in the mudstone. Rock chip geochemistry contains enhanced copper, arsenic and lead. Panned concentrates indicate three types of gold. Hard rock varieties consists of yellow, angular gold containing high silver content to av. 16 wt% Ag. However, no conclusive evidence as to the source of the gold has been identified. Network colloform quartz veins are present and it has been suggested that the silicified dolomite might be the result of hydrothermal alteration.

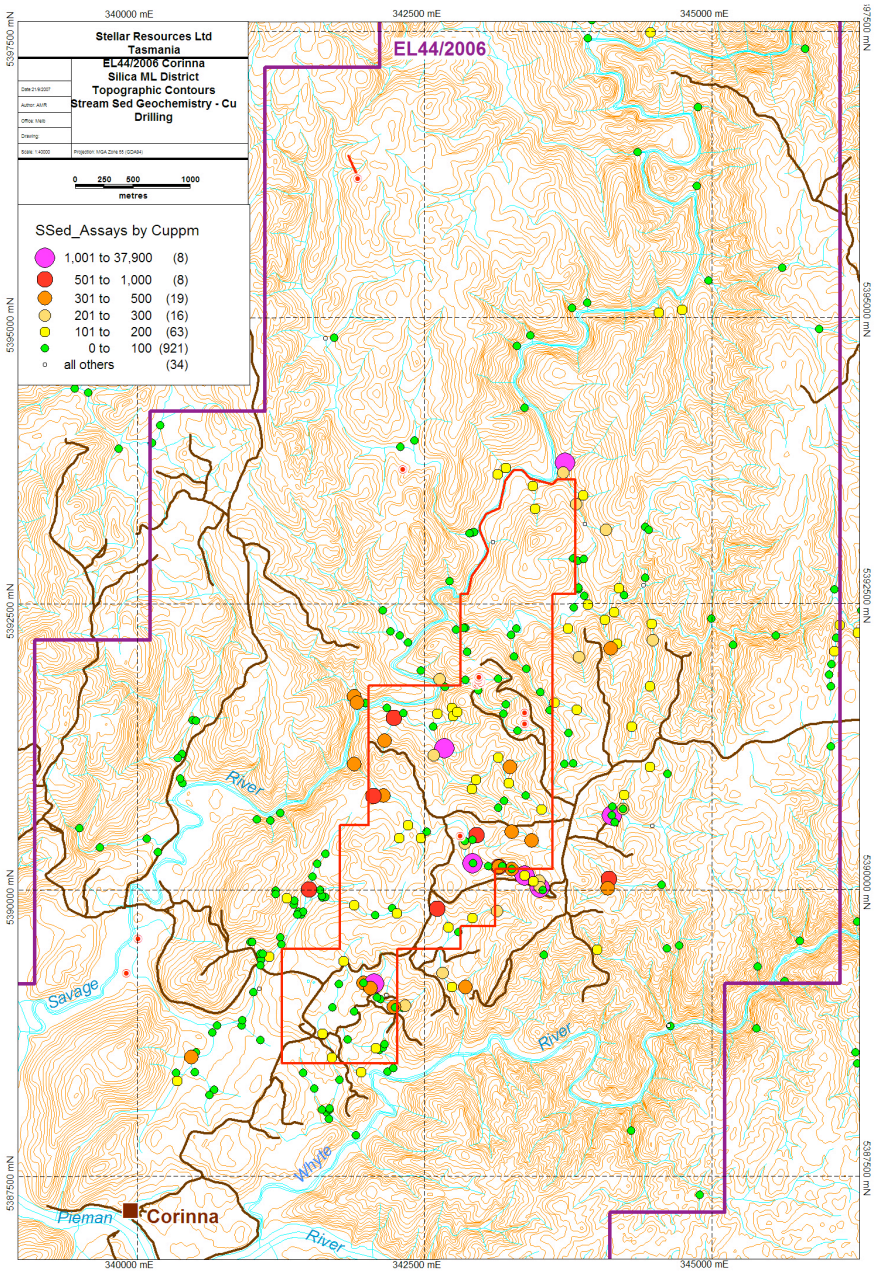


Figure 4 Anomalous stream copper distribution in vicinity of Cominex Silica lease

The silica flour deposits occur as pod-like residual bodies overlying upper Proterozoic dolomite. The deposits contain 99.9% silica with minor aluminium, iron, calcium and titanium. The dolomite is cut by various sets of quartz carbonate vein networks. Quartz veins with lacy agate texture have been noted. The veining is associated with extensive silicification of the dolomite. The close association of silica flour and gold grains in the Corinna area suggests a genetic link whereby gold was derived from the same hydrothermal fluids thought to have caused silicification of the dolomite.

Ross Large (1988) suggested the coincidence of crystalline gold, geochemically anomalous sediments and extensive silicification of Corinna Dolomite containing colloform quartz veins and jasper/chert indicated the likely presence in the area of a Carlin-style, carbonate-hosted epithermal gold deposit. Subsequently, extensive gold exploration was carried out at Brookside but without success.

EZ carried out a limited program of rock chip, soil and stream sampling but only received disappointing gold results. No rock chip samples contained detectable gold and the highest soil sample was 50ppb Au. Soil values ranging from 80 to 150ppb Au were associated with anomalous arsenic in places proximal to the dolomite/volcanic contact but no significant results were obtained from stream or panned concentrates.

Implications from fluid inclusion studies were that silicification was due to hydrothermal alteration with temperatures to 300C. Later work by Khin Zaw indicated no evidence of boiling, precluding the possibility that an epithermal event caused the intense regional silicification of the dolomite. The fluids were enriched in CO_2 suggesting a source magmatic fluid source led to the eventual formation of the quartz/carbonate veins. The high temperature fluid characteristics suggest that precious metals could have been transported with the fluids.

To confirm this Aberfoyle selected 24 samples of dolomite showing a range of silicification types from throughout the Corinna district. The samples were assayed for low-level Au by neutron activation, SiO_2 and CaO. The objective was to show a positive correlation between SiO_2 content, CaO depletion and Au content to prove that the regional silicification of dolomites in the Corinna district also introduced precious metals during hydrothermal replacement of dolomite. Results were disappointing with no correlation observed between Au and either SiO_2 or CaO. The poor correlation between silica and gold appears to have downgraded the suggested Carlin-style origin for the gold.

The presence of granite porphyry in Timbs Creek and anomalous gold in rock chip samples at Lucy Spur east of the Corinna licence indicates there may be granite at shallower depths below the Brookside gold workings. This could be represented by the vague circular structure visible in the magnetic image at the northern end of the Silica lease.

Anomalous Cu, Au, As, Sb and Hg in soils from earlier work remains unexplained. Nevertheless, Aberfoyle withdrew having failed to generate a target considered worthy of additional exploration expenditure.

Hangmans Creek Grid (Goldstream Mining/Titan Resources)

The northern area of Hangmans Creek licence bordering on the SE margin of the Corinna licence was referred to as the Lefroy Ridge East prospect. The area was selected on the basis of anomalous BLEG stream results related to the southern part of the Lucy Formation where magnetite-bearing, mafic, meta-igneous rocks including chlorite schist are intercalated with weakly magnetic, muscovite schist.

Extensive follow up exploration included panned concentrate stream sampling for gold and -80# silt fraction for Au, Cu, Pb, Zn, As, Ag, Sb, Bi, Mo, Sn and W.

Anomalous results included gold values to 310ppb and 77ppm Cu above a threshold of 50ppm Cu in the northern creeks of the prospect. Goldstream completed soil sampling across the ridge where values were not abnormally high. The folded nature of mafic rocks in the Lucy Formation is readily apparent on the magnetic image and Goldstream opted to drill two diamond holes to test prominent aeromagnetic highs related to the Lucy Formation. LREDDH1 was drilled into a long northerly-trending high from a position beside the Heemskirk Road. The hole intersected mainly chlorite schist and massive metabasalt with the best result 129ppb Au and 2679ppm Cu from 153-154m. LREDDH2, which was drilled to test magnetic layering within a regional fold closure and an associated 3.8ppb Au, 18.2ppm Cu soil geochem anomaly intersected magnetite bearing metabasalt in the top 140m. The best result was 77ppm Cu from 180-181m.

A favourable structural magnetic anomaly exists in the Corinna licence north of the previously drilled LREDDH1 and 2. Stream anomalies below this to 40ppm Cu are at the upper limit for this area and could be considered anomalous (Figure 5).

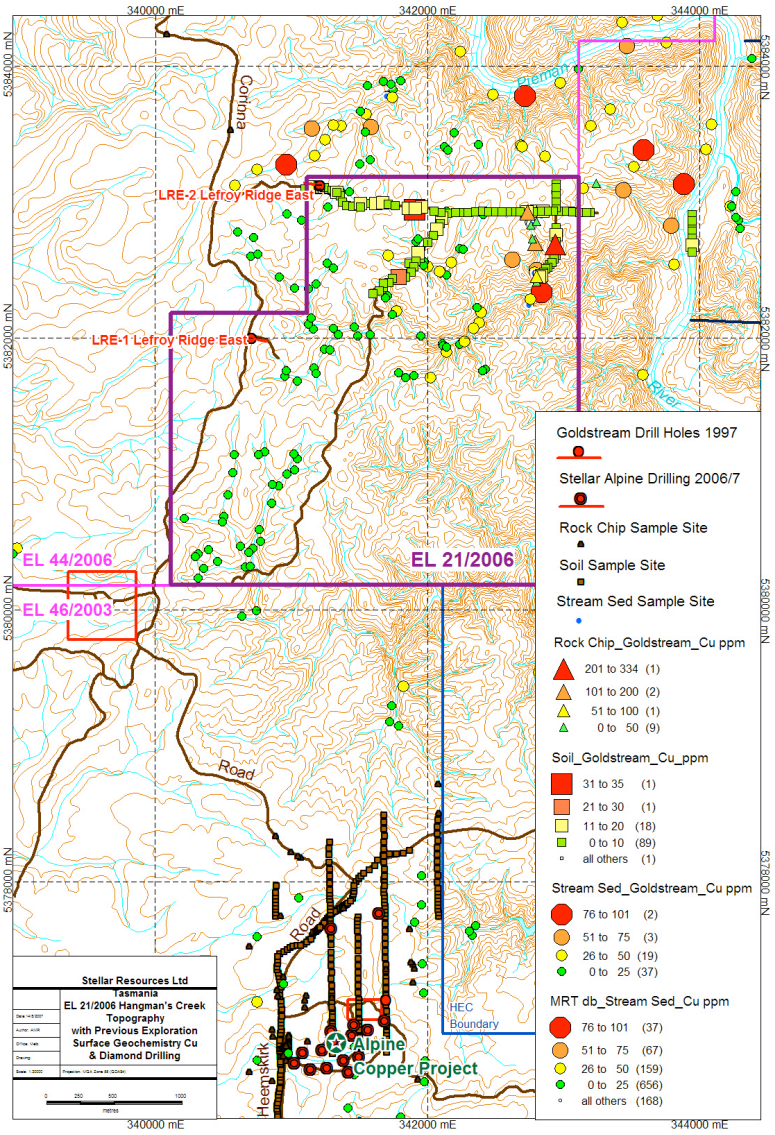


Figure 5 Previous drilling, and copper sampling Hangmans Creek area

Conclusions

The Bernafai, Tunnelrace and Lucy volcanic formations containing tholeiitic basalt and associated volcaniclastic sediments are considered to be representative of a rift margin or island arc environment. These units are prospective for gold, copper/magnetite and copper/gold mineralisation. High strain metasediments within the Arthur Lineament which also contain amphibolites are considered to be equally prospective.

Gold appears to be associated with fine grained, silicified carbonate in the Brookside-Longback area but there is no conclusive evidence for this association, which is complicated by an obvious contribution from the extensive Tertiary gravel veneer containing alluvial gold in the same area.

The coincidence of crystalline gold containing a high Ag/Au ratio, silicified dolomite showing development of colloform veins, reported chert/jasper float and pyritic mudstones with anomalous copper and arsenic geochemistry was said to indicate the presence of a carbonate-hosted, Carlin-style, epithermal gold deposit in the Brookside-Longback area. However, exploration by a number of Companies failed to support the idea. The work was mostly surficial and included a number of shallow drillholes to less than 100m where deeper drilling may have been required. (Perhaps Stellar should try some airborne EM followed by deeper drilling!)

Whole rock geochemistry suggests there is no significant chalcophile element enrichment associated with the basalts in the Corinna area nor have primary magmatic sulphides been identified. Nevertheless, regional stream geochemical results indicate copper dominant discoveries can be expected and exploration for Alpine or Besshi type mineralisation should be confined to the Bernafai, Tunnelrace and Lucy volcanic formations. The volcanics are interbedded with dolomites and there is evidence from previous exploration that the dolomite/amphibolite contacts are prospective.

Cu values in soils overlying the known mineralisation at Alpine are generally low probably because of the basalt cover. Cu values however, both in soils and rock chip samples, in the general area surrounding the discovery were of a higher order. Soil samples ranged from 320 to 710ppm Cu and a rock chip sample not far from the actual gossan outcrop returned 710ppm Cu.

Previous exploration results in the Corinna area have not been this encouraging. Soil and stream copper values in the order of 300 to 400ppm Cu appear to be ‘top of the range’ anomalous occurrences. The anomalies were generally not strong with the better results either point anomalies in streams or high soil values which normally did not extend along or across soil grid lines. As a result, exploration was not successful in identifying mineralisation although, admittedly very little drilling was carried out.

Lack of access appears to have restricted exploration in the southern half of the licence south of the Pieman River and the potential in this area is unknown.

Targets warranting exploration are shown in Figure 6. They include:

- anomalous copper in stream sediments in the area drained by the Little Hunter and Doodie Creeks east of the Silica lease (Target A)

- anomalous copper in streams draining Tunnelrace Volcanics immediately north of the Silica lease (Target B)

- enhanced copper and base metal values in soils associated with the dolomite/phyllite contact on the western margin of the Tunnelrace Volcanics indicate the contact is prospective. Any magnetic "oddities" associated with this contact should be investigated

- an EM conductor anomaly coincident with the same contact occurs in the vicinity of Corinna Creek immediately south of the Pieman River (Target C)

- low level anomalous gold and copper in streams and rock chips related to the Bernafai/Tunnelrace Volcanics in the Newdegate Creek area in the SW of the licence. One stream sample site also contained 1450ppm Sn (Target D)

- low level anomalous gold and copper in streams related to an aeromagnetic high ridge in Lucy Formation rocks north of the Hangmans Creek licence (Target E).

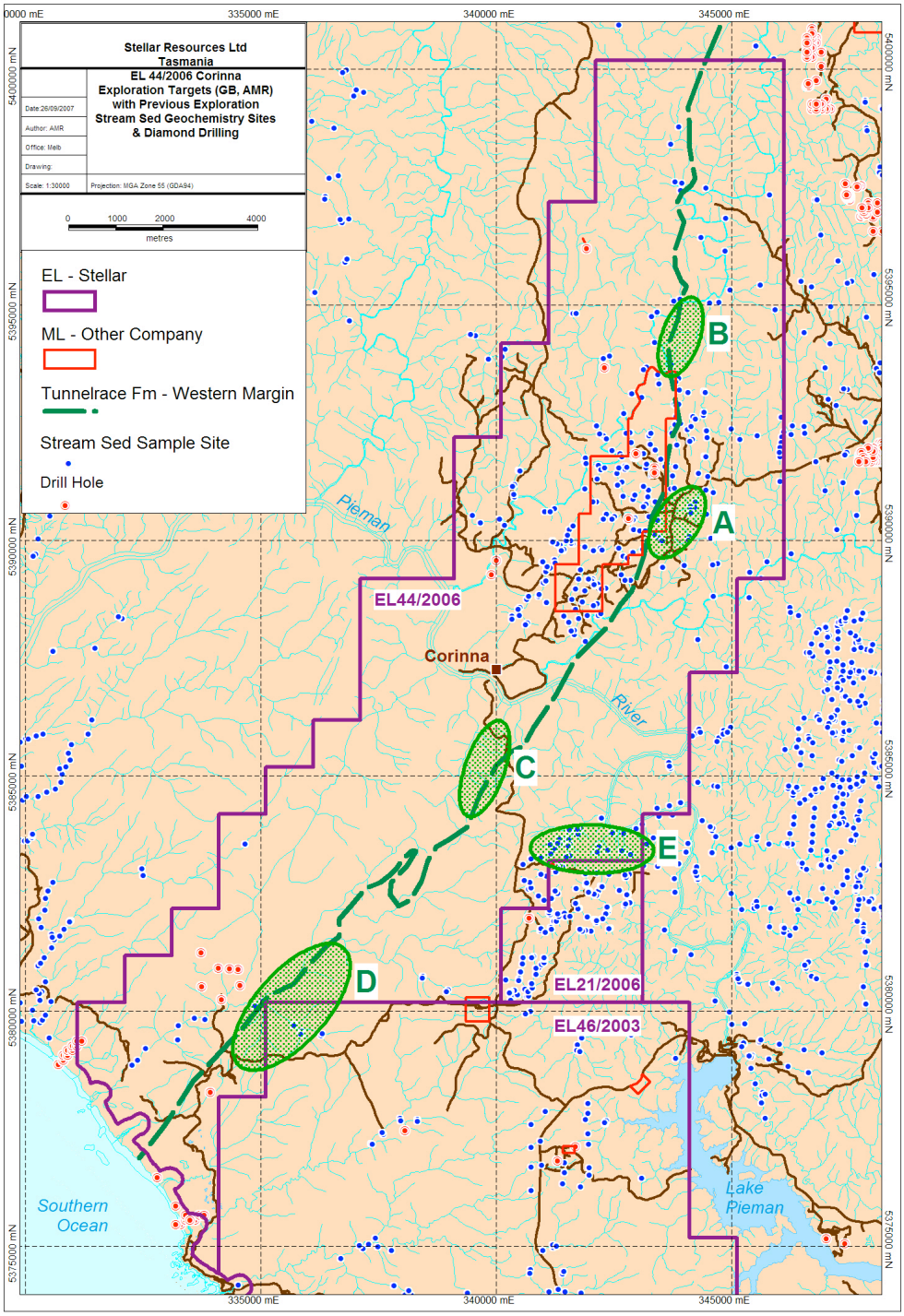


Figure 6 Corinna exploration targets

STELLAR RESOURCES LTD

March 2008

EL 44/2006 Corinna – Report on 2007 program

Appendix 3: Stellar Resources, Tasmania, Alpine-Hangman-Corinna District,
Summary of Aeromagnetic Interpretation and Exploration Targets.
D Isles.

Stellar Resources, Tasmania
Alpine-Hangmans-Corinna District

Summary of Aeromagnetic Interpretation and Exploration Targets

Dave Isles Oct '07

Overview

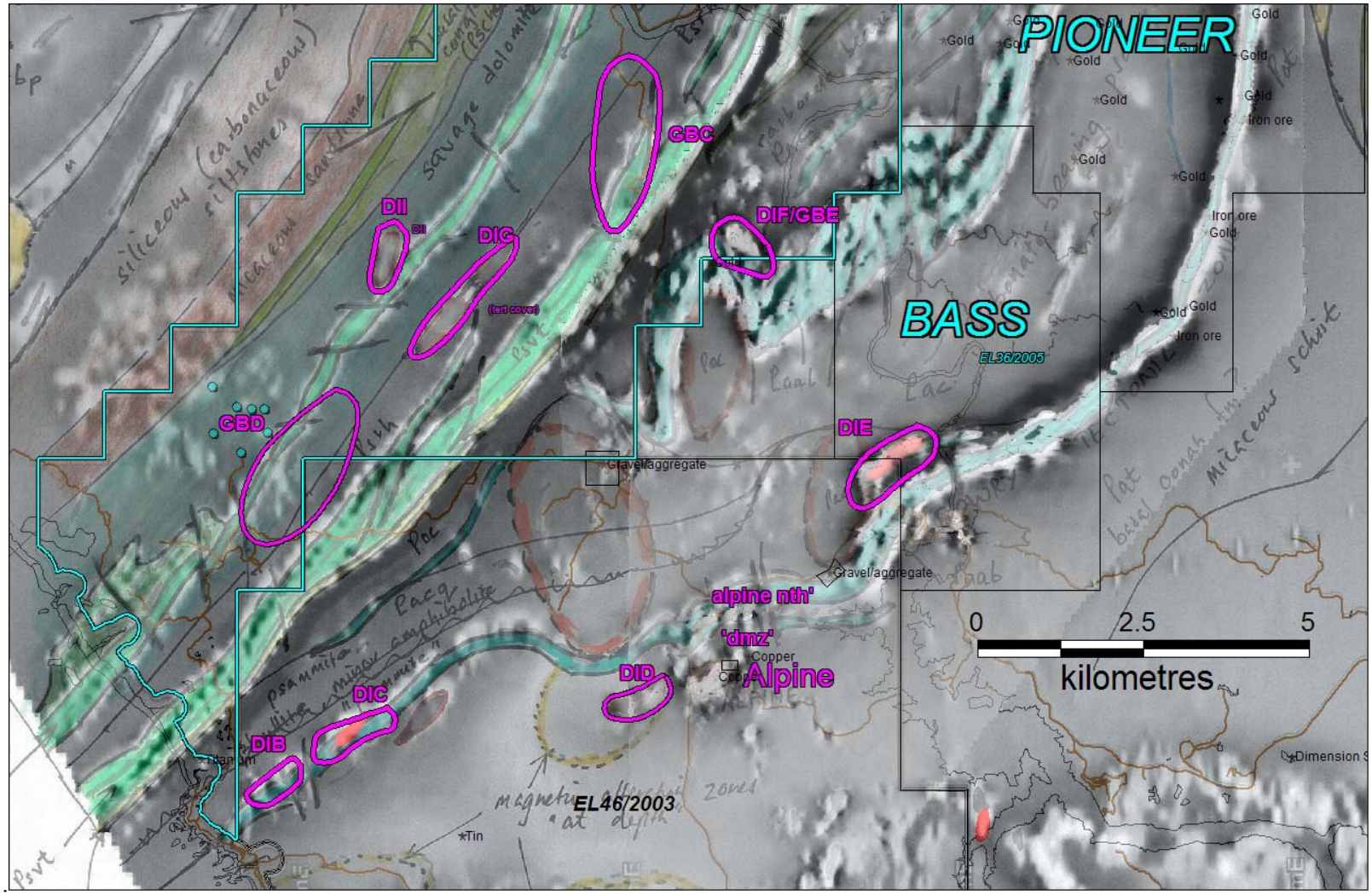
Further to the report prepared by Gus Bravo and Adrian Rigg (28sept07), this note briefly presents the interpretation of detailed aeromagnetics over the ELs held by Stellar Resources in the southern part of the 'Arthur Lineament' (ELs 44/2006 Corinna, 21/2006 Hangmans Creek and the northwesterly part of EL46/2003 Heemskirk) and nominates a number of 'anomalous' magnetic features which should be considered as potential exploration targets, in addition to those developed by Gus and Adrian.. The main exploration target in these ELs is 'Alpine' style copper, although the area has broader exploration interest, being part of a major regional tectonic zone, within which there are substantial carbonate and carbonaceous units interspersed with basalts and (probable) meta- basalts. This geological package is also in proximity to the Heemskirk, Meredith and Interview granites, each of which is associated with skarn-style processes, the better known examples being the tin deposits at Mt Bischoff, Renison Bell and St Dizier.

The aeromagnetic interpretation makes small but significant modifications to the published geology (which itself has a component of magnetic interp). The main addition is structural detail, particularly in the areas covered with 50m line spaced data (all but the western half of the Corinna licence). The basalt, amphibolite (?meta-basalt) and certain 'mag-sed' units occur within the Western Ahrberg and Arthur Lineament 'belts' and their magnetic expression provides detail on the 'lensoidal'/anastomosing nature of the some of the units as well as their styles of deformation and fracturing.

The most intense deformation appears to be in the Alpine-Hangmans area where a broad NW trending structural corridor transects the Arthur Lineament. Apparent folding of magnetic units in this area may be due to intrusion of small scale granite bodies strategically located between the Heemskirk, Meredith and Interview granites.

Further north, these NW fractures persist and, while they appear more localised, they continue to be associated with significant disruption to the Western Ahrberg Group and the Arthur Lineament. Throughout these belts, localised 'near-NS' and 'near-EW' fractures are observed.

Apart from fine tuning the structural picture, the magnetics highlight a number of isolated local sources which are of interest owing to the predominance of pyrrhotite and magnetite in the skarn developments in the region. Most of these features are regarded as potential exploration targets.


PIONEER
BASS
EL36/2005
EL46/2003
GBC
DII
DIC
DIF/GBE
GBD
DIE
DID
DIB
alpine nth'
'dmz'
Alpine
Copper
Gravel/aggregate
Gold
Iron ore
Tin
0
2.5
5
kilometres

Listed below are the targets identified by Gus, Adrian and myself with commentary on their location with respect to magnetic features and interpreted structure added where appropriate.

The targets are rated and a suggested strategy for field investigation is then presented.

Targets are grouped in to 'southern' and 'northern', partly on simple geographic location (south & north of the Pieman River), but also in part on geological grounds- the southern target areas lie in an area of more complex structure than the northern areas. The northern areas have received more exploration attention in the past, possibly because of better physical access and also their closer proximity to the Savage River magnetite mine, the most significant mineral deposit yet discovered in the ATZ.

SOUTHERN TARGETS

From Stellar's experience at Alpine, 'odd' magnetic anomalies are potential exploration targets. No 'model' has been developed for Alpine as yet… it continues to be enigmatic and not fit with any established copper deposit types. Gus's latest assessment..
"The most important style of mineralisation in the general area is the Alpine copper deposit developed in impure carbonate and banded iron formation sediments of the Bowry Formation adjacent to the Corinna licence. The Bowry Formation is the amphibolite-bearing unit which contains the pyrite-magnetite lenses mined at Savage River 20km NE of Corinna."

My suggestions on possible controls are..
1. Lies within the ATZ
2. Situated in area where major NW structural corridor intersects ATZ
3. Lies in proximity (7km to SE) to Heemskirk granite and is 'surrounded' by the Heemskirk, Interview(15km to west) and Meredith (15km to NE) granites.
4. The impure carbonates are likely to be the reactive host rocks for a 'replacive' mineralising system.
5. The 'ovoid' features in the neighbourhood of Alpine may be due to underlying small granitoids, rather than simply a reflection of a fold/deformation style.

I think factors 1,3 and maybe 4 play a role at Savage River and the common link between Savage River and Alpine of epigenetic magnetite is a good start point for defining new targets in the ATZ.

The figure below shows the southern targets in the context of the magnetic data and the 'raw' interpretation. More presentable/.drafted figures will be prepared when the target set has been reviewed and consolidated.

Targets within the Bowry Formation.. ie 'along strike' from Alpine

DID is the western 'tail' of the Alpine magnetic feature, and is separated from Alpine by only 50m. The DID magnetic unit is much less intense than that at Alpine, but this does not disqualify it from potentially being part of the same mineralized system, particularly in view of the observation of copper at Alpine where magnetite/pyrrhotite development is minimal or absent. DID also lies within a broad, diffuse and ?deep magnetic zone which may represent an alteration zone driven by a nearby granite intrusive.
DID rates as **high priority** given its association with Alpine and should be included in near term step-out drilling plans

DIB & DIC lie at the coastal extreme of the Bowry belt. They are both local highs within a long and fairly continuous magnetic unit dominated by magnetic amphibolite and the simplest interpretation would be that they are areas of stronger magnetite development in amphibolite/meta basalt and or thicker units of these. While **low priority** for short term field action, these areas should be noted for future investigation by geological mapping/sampling.

DIE, while not as intense a magnetic feature as Alpine has a very similar 'structural disposition'. It is adjacent to, but not part of the long and continuous Bowry magnetic feature and has a limited strike length. It also abuts one of the observed 'ovoid features'. **Very high priority** for further exploration but complicated by the fact that only the western half is within our (Heemkirk) EL. Bass Metals EL36/2005) holds the other half and we are in discussion with Bass regarding a farmin.

Targets west of the Bowry Formation

DIF/GBE, This discrete magnetic high within tightly the 'folded' Lucy Formation magnetic (amphibolite/?metabasalt) belt, lies within a broader zone of elevated gold and copper stream geochem identified by Gus & Adrian. Goldstream drilled south west of this mag feature (closer hole 600m) and hit massive metabasalt with no anomalous geochem. DIE lies on the flank of one of the 'ovoid features' and appears cut by strong NS trending fractures. **Priority is high**, access appears reasonable as target sits on a plateau accessible by established tracks. Geological reconnaissance and focussed sampling should be carried out in the forthcoming summer season.

GBC is an area with an EM (InPuT) anomaly coincident with the contact between the 'Tunnelrace' basaltic belt and the dolomite/phyllite unit to the west. It lies in the vicinity of Corinna Creek immediately south of the Pieman River The input data is on 2.5 km spaced lines and the 'anomaly' at GBC doesn't appear to have been highlighted as an outstanding conductor. However, it is probably real and apart from massive sulphides, it may be due to black shales. It is close to the main Corinna road so relatively accessible. Priority is medium-low, but reconnaissance geology +/- sampling recommended.

DIG comprises two discrete isolated magnetic units lying on/near the contact of the phyllitic siltstone unit Psrh and the Corinna Dolomite. It also lies in the same NW structural corridor as Alpine. Main concept behind DIG is magnetic source in

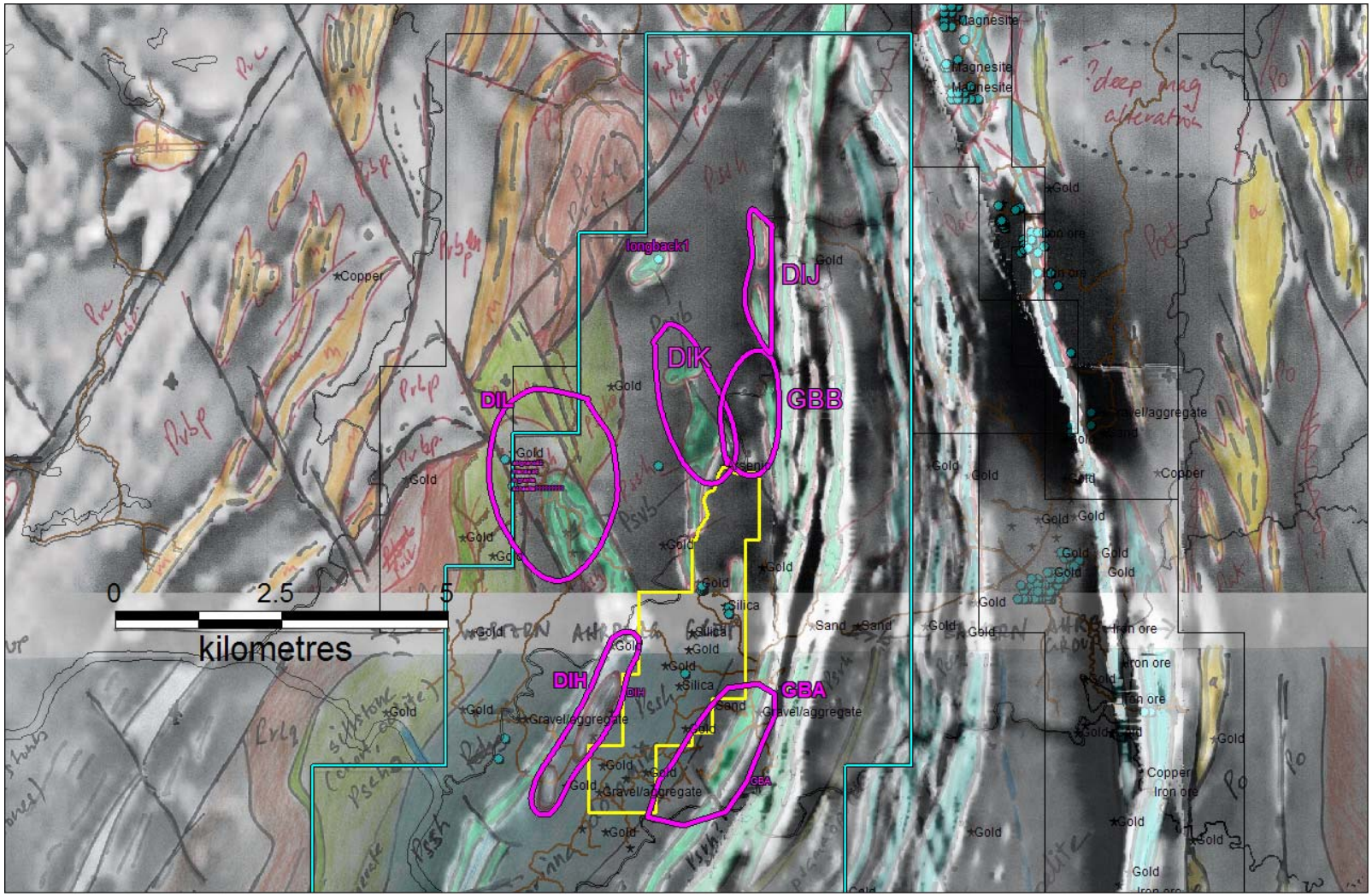
carbonate-rich rocks being potential replacement bodies. It could also be a rogue sliver of basalt or simply a mag-sed unit in the siltstone package. It is totally covered with Tertiary gravels and looks quite inaccessible. **Low priority** at this stage, no field work recommended.

GBD lies along strike to the SW of DIG and comprises low level anomalous gold and copper in streams and rock chips related to the Bernafai/Tunnelrace Volcanics in the Newdegate Creek area in the SW of the licence. One stream sample site also contained 1450ppm Sn . There is nothing unusual in the magnetics and no local structural features in this area. It is largely covered with Tertiary gravels. **Low priority** at this stage, but follow up of the geochemical anomalies should be undertaken

DII is an odd looking magnetic feature adjacent to the main 'Bernafai' magnetic (basalt) belt but it has a different orientation and appears to be located within the Savage Dolomite. It is also in the NW structural corridor containing Alpine. The area has no recorded geochem sampling and appears to be quite inaccessible. There is exposure in the area, so geological reconnaissance and sampling (?helicopter supported) is recommended. **Priority medium-high**. (Feels good to me!)

NORTHERN TARGETS

The northern targets all lie between the Tunnelrace and Bernafai magnetic basaltic belts. They cluster around a current mining lease which produces flour silica. A substantial amount of previous exploration has been carried out in the area resulting in a number of unresolved geochemical 'anomalies'. The NW fracture sets and structural grain apparent in southern area is also present here and the area is well serviced with (presumably) logging tracks.


DIJ
DIK
DIL
GBB
DIH
GBA
longback1
0
2.5
5
kilometres
Magnesite
Copper
Gold
Iron ore
Silica
Sand
Gravel/aggregate

GBA comprises an area of anomalous copper in stream sediments in the area drained by the Little Hunter and Doodie Creeks east of the Silica lease. The anomalous copper has been confirmed from a number of surveys and the likely source area is the contact between the Tunnelrace basaltic belt and the Corinna Dolomite. A major NW fracture system transects the GBA area. The permissive geological environment and robust geochemical anomalism make this target area **high priority**. Track access is good and a vigourous assessment of this area is recommended in the coming summer season.

GBB lies around 4km north of GBA in a very similar geological setting. While consistent, the anomalous geochemical values are lower order and the NW structures are less well defined. Poor access may hinder activity on this area and for this reason it is assingned a **medium-high priority**. In essence the similar target GBA rates higher in all aspects and deserves preferential attention.

DIJ is immediately along strike from GBB in a similar environment, with two potentially interesting magnetic units in the Corinna Dolomite. There is minimal geochemical sampling in this area and access appears poor. While the environment is permissive the means of progressing/evaluating the area are limited. **Priority medium**.

Longback is a very discrete and moderately intense magnetic feature which has been drilled by GeoPeko in the 1980's. The source was reported as syngentic pyrrhotite in carbonate rocks but no truly anomalous assays were recorded. There is some doubt as to whether the hole intersected the main part of the magnetic source but it did intersect a wide interval of magnetic pyrrhotite and the likelihood of a near miss seems low. Longback lies on a distinct NW structure.
No immediate field work is recommended, however location of the drill hole collar and review of the drill core should be carried out.

DIK lies to the SE of Longback and includes a group of magnetic anomalies (?Bernafai Volcanics?) lying within a broad NW structural corridor . Strong AEM (InPut) conductors flank the main 'unusual' magnetic feature. There is very little geochemical sampling in this area, so no basis for giving it anything more than **medium priority**.

However, reconnaissance geology and geochemical sampling through the area of GBB, DIJ and DIK is strongly recommended

DIL lies within a very sharply defined NW structural zone and comprises a belt of volcanics sitting at right angles to the local geological trend. The magnetic units in the area otherwise conform to the norm observed in the Bernafai Volcanics. While this area has come to notice by virtue of its unusual structure, records of previous exploration indicate drilling to have intersect scheelite in granite. Further investigation strongly recommended. **Priority medium.**

DIH comprises two thin magnetic units which are likely to be dislocated parts of the Beranfai Volcanics, but could conceivably be due to mineralisation in the Corinna dolomite, along a major fault. DIH lies at the western margin of the silica lease and has recorded mildly anomalous copper. Access is good and field investigation is strongly recommended. **Priority medium-high**