

D003-3

ANNUAL REPORT

EL9/2005

RED HILLS

For Period 1st July 2007 – 30th May 2008

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May 2008

Distribution:

Mineral Resources Tasmania 1 copy
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DIGITAL FILES

EL9_2005_200805_01_Report.pdf
(Report Text & Figure 1)

EL9_2005_200805_02_Appendix1.txt
(Soil Sample Data)

EL9_2005_200805_03_File Verification.txt
(File Verification Listing)

SUMMARY

Newcrest Mining Limited commenced exploration for gold rich deposits at Red Hills, on being granted EL9/2005 on the 1st July 2005. The tenement encompasses 8 km² of prospective Mount Read Volcanics approximately 1 km to the east of the Henty gold mine from 3 km south west of Mt Murchison down to approximately 1 km to the north of Lake Westwood.

Due to recent changes in Newcrest Mining Limited's corporate and exploration strategy, no exploration work was completed on the license, in this the third year of tenure. Efforts have concentrated on locating a suitable joint venture partner to continue the exploration effort.

KEY WORDS

Exploration; Gold; Copper; Diamond Drilling; Henty; Mount Read Volcanics; Selina 3836.

1 INTRODUCTION

Newcrest Mining Limited is exploring for gold rich deposits in the Mount Read Volcanics. This is the third annual report for EL5/2005 for the period 1st July 2007 to 30th May 2008.

1.1 TITLE

TENEMENT

EL9/2005 was granted on the 1st July 2005 to Newcrest Operations Limited for five years to 30th June 2010. The area was most recently held as EL29/94 by AurionGold Exploration (and predecessors) and Homestake Exploration.

LOCATION

The tenement covers an area of 8 square kilometres over parts of the West Coast Range immediately south of Mt Murchison, and down to Lake Westwood. Refer to Figure 1 for location. Most of the tenement falls within Crown Land. The northern end of the tenement lies within the Mt Murchison Regional Reserve (north of approximately 5366380N MGA).

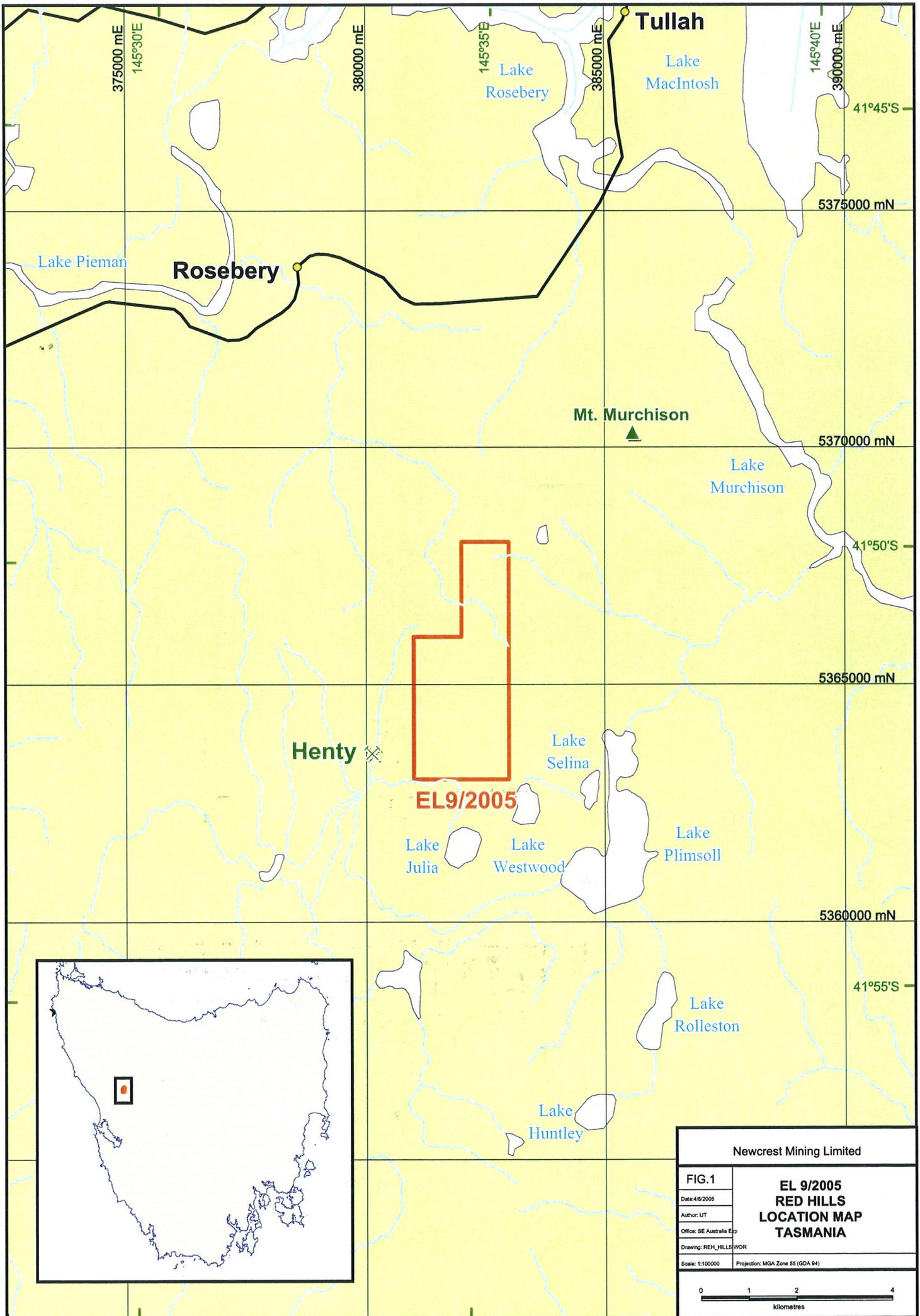
Topographic map sheets covering the area are listed below.

1:250,000 TASMANIA TOPOGRAPHIC MAPS
QUEENSTOWN SK5505

1:25,000 TASMANIA TOPOGRAPHIC MAPS
SELINA 3836

DATUM

All MGA (Map Grid Australia) references are to MGA94_Zone 55.



Newcrest Mining Limited	
FIG.1	EL 9/2005 RED HILLS LOCATION MAP TASMANIA
Date: 4/8/2005	
Author: LJT	
Office: SE Australia E/P	
Drawing: REH_HILLS.WOR	
Scale: 1:100000	Projection: MGA Zone 55 (GDA 94)

2 PREVIOUS EXPLORATION

Previous exploration was summarised in the first annual report for EL9/2005 for the period 1st July 2005 to 30th May 2006.

In summary the EL has been explored by:

- extensive phases of geological mapping;
- airborne geophysics (magnetics, radiometrics, EM);
- various phases of stream, rock, soil and old workings geochemistry;
- various phases of mostly analogue-era ground geophysics (ground magnetics, IP, old EM methods);
- large grids of blanket-coverage fixed-loop and moving loop EM, and
- drilling of twenty six percussion holes and thirty one diamond drill holes.

3 EXPLORATION STRATEGY

Target

The primary exploration target is a Henty style gold deposit. However, exploration tools used can potentially find any one of a range of gold rich polymetallic deposits of the style that occur in the Mount Read Volcanics.

An assumption is being made that the target does not outcrop and is going to be relatively deep.

Exploration targets are being defined on the basis of geological, geochemical and geophysical anomalies that may reflect the outer edges of a mineralised alteration system. Mineralised systems are often centralised within a much wider, though possibly structurally deformed alteration envelope and these can be detected by geological mapping, geochemistry or geophysics. Common features of Mount Read Volcanic style gold rich deposits that are being used to help define drill targets include the following.

- 1) Deposits tend to be hosted near the top of the Central Volcanic Complex (CVC) stratigraphy and/or base of the Tyndall Group.
- 2) Adjacent to major Cambrian structures that form boundaries to packages of CVC.
- 3) Alteration envelopes commonly of silica-sericite-pyrite±chlorite and/or chlorite-quartz-pyrite-sericite±carbonate, strongly deformed into schists.

- 4) Pods of polymetallic massive sulphides, cherts or silica associated with and/or adjacent to mineralisation.
- 5) Anomalous gold, copper, lead, zinc, barium, manganese elements and minerals such as magnetite.
- 6) Chargeable and resistive geophysical anomalies.

Strategy

The Red Hills area consists of CVC rhyolites and andesites, Eastern Quartz Phyric Sequence quartz porphyry lavas and volcanics, Western Sequence volcanoclastic sediments and Tyndall Group volcanoclastics, all of the Cambrian Mt Read Volcanics. These are overlain, in part unconformably, by non-prospective early Ordovician to late Cambrian Owen Conglomerate and Quaternary glacial till.

Three kilometers of strike length of anomalous stratigraphy have been tested by previous exploration down to 300 – 400 m with maximum depths of around 700 m below the ground surface. Widely spaced significant intersections in a variety of mineralisation styles continue to give encouragement to explorers. The most recent explorers relinquished the area due to a change in exploration policy rather than due to lack of exploration success and in their final report recommended further drilling.

A review of previous exploration suggests there is good potential for the stratabound gold/polymetallic VHMS mineralisation outlined to date to continue at depth to the north and/or south of drill hole RH22.

4 WORK COMPLETED 2007-2008 REPORTING PERIOD

No exploration work was completed on EL09/2005 during this, the third year of exploration, due to revised changes in Newcrest Mining Limited's corporate philosophy and exploration strategy. Work during the 12-month period has focussed on securing a suitable joint venture to continue the exploration efforts at Red Hills.

5 GEOCHEMISTRY

Fire assay results for eight soil samples (NTS0335-NTS0342) collected across two traverses just east of Gooseneck during the previous reporting period (Kitto, 2007), were not received in time to be included in that report, and are subsequently reported herein. All samples returned results less than detection (<1ppb Au).

TABLE 1
SOIL SAMPLES – EL9/2005
 (* MGA94/ 55)

			Description	Au
			Method	FA3
	Easting	Northing	Lower Detection Limit	1
Sample ID	MGA*	MGA*	Units	ppb
NTS0335	381942	5364081	C-Horizon Soil	<1
NTS0336	381920	5364082	C-Horizon Soil	<1
NTS0337	381900	5364083	C-Horizon Soil	<1
NTS0338	381878	5364083	C-Horizon Soil	<1
NTS0339	381873	5364283	C-Horizon Soil	<1
NTS0340	381894	5364282	C-Horizon Soil	<1
NTS0341	381920	5364282	C-Horizon Soil	<1
NTS0342	381948	5364282	C-Horizon Soil	<1

6 PLANNED WORK

No further work is planned to be completed at Red Hills. Newcrest Mining Limited is actively seeking a joint venture partner to continue further exploration work on EL09/2005.

7 BIBLIOGRAPHY

Kitto, J.C. 2007. Annual Report EL9/2005 Red Hills for the period 1 July 2006 – 30 May 2007. Newcrest Mining Limited.

8 EXPENDITURE

**EXPENDITURE
EL9/2005
RED HILLS**

For Period 1st July 2006 – 30th May 2007

ITEM	EXPENDITURE
SALARIES	2,839
FIELD SUPPLIES	8,633
MISCELLANEOUS OFFICE COSTS	2,972
TRAVEL/ACCOMM	2,305
VEHICLES	123
TOTAL EXPENDITURE	16,872