

**Annual Report for the Period 23 January 2008 to 22 January 2009,
Pieman River (Rocky Cape Project)

(and Appendix to “Exploration Licence Annual Return”)**

Licence Number: EL 56/2007

Report Type: Annual

Reporting Period: 23 January 2008 to 22 January 2009

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Abstract

The Rocky Cape project is situated in the Rocky Cape geological region, northwestern Tasmania, approximately 55 km south of Smithton, 165 km west of Launceston and 230 km northwest of Hobart. Regalpoint selected the area because of its potential to host structurally-controlled sediment-hosted uranium deposits. The potential of the area was highlighted by a conceptual and empirical, Australia-wide uranium prospectivity analysis that was commissioned by Regalpoint and undertaken by the Centre for Exploration Targeting. Essential ingredients of sediment-hosted uranium mineralising systems that are present within the area include: uranium sources (Proterozoic Rocky Cape Group and Devonian granites), fluid transport pathways (faults, unconformities and permeable strata) and traps (unconformities and reduced strata within the Rocky Cape Group, reactive rock packages adjacent to Devonian granite intrusions). Of particular interest in the initial exploration phase are zones of uranium-enrichment (i.e., above background value) within the Rocky Cape Group that occur close to or at faults or unconformity surfaces, and zones of uranium-enrichment within Devonian granites. Upcoming field based activities (reconnaissance exploration, rock chipping and soil sampling) will target areas of interest defined in the desktop studies and test / refine Regalpoint's exploration targeting models for the project area.

Keywords

Rocky Cape; Pieman River; Uranium

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1. Introduction

Exploration licence EL 56/2007 was granted on January 23, 2008, over an area of 145 km². Regalpoint Exploration Ltd (“Regalpoint”) is the sole owner and operator of EL 56/2007, which forms part of Regalpoint’s Rocky Cape project (EL 56/2007, E 57/2007, E58/2007) (Fig. 1).

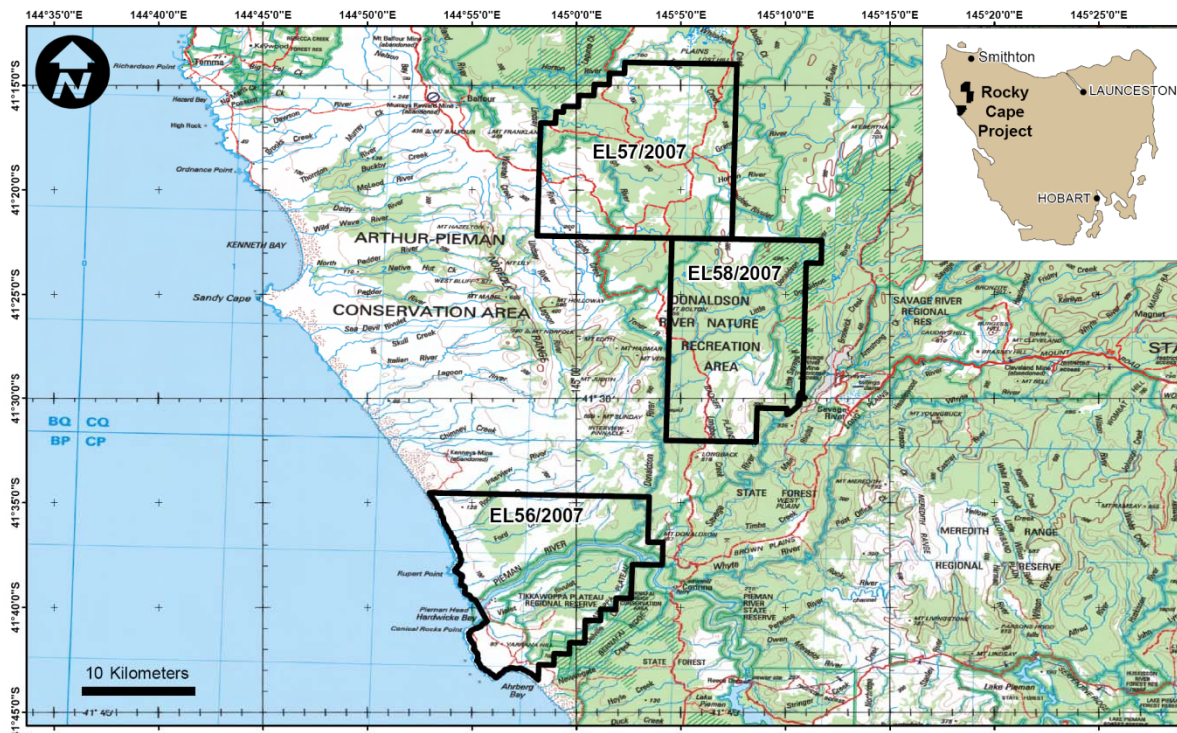


Figure 1. Rocky Cape project location and tenement boundaries (datum: GDA 1994).

The Rocky Cape project is situated in the Rocky Cape geological region, northwestern Tasmania, approximately 55 km south of Smithton, 165 km west of Launceston and 230 km northwest of Hobart.

The Mesoproterozoic to Early Neoproterozoic Rocky Cape Group and correlates, the oldest rock packages in the Rocky Cape project area, consist of interbedded black, dark grey and green, commonly pyritic (i.e., reduced), laminated siltstone and mudstone with rare sandstone and mud-pellet conglomerate and some laminated grey siltstone, mudstone and dolomite, orthoquartzite and conglomerate. The Rocky Cape Group is unconformably overlain by the Proterozoic Togari Group and correlates, undifferentiated sequences of dolomite, limestone, turbiditic volcanoclastic rocks, tholeiitic basalt, conglomerates and sandstones. Both the middle Devonian Pieman Granite (S-type biotite granite) and late Devonian Interview Granite (S-type biotite monzogranite) are uranium enriched with respect to background values. Basalt and minor trachyte, rhyolite and tuff record an episode of igneous activity that occurred during the Tertiary. Tertiary sediments and Holocene coastal sand dunes locally conceal the Proterozoic and Devonian units.

Regalpoint selected the area because of its potential to host structurally-controlled sediment-hosted, igneous and unconformity-related (*sensu lato*) uranium deposits. The potential of the area was highlighted by a conceptual and empirical, Australia-wide uranium prospectivity analysis that

was commissioned by Regalpoint and undertaken by the Centre for Exploration Targeting (University of Western Australia and Curtin University of Technology). Essential ingredients of sediment-hosted uranium mineralising systems that are present within the area include: uranium sources (Proterozoic Rocky Cape Group and Devonian granites), fluid transport pathways (faults, unconformities and permeable strata) and traps (unconformities and reduced strata within the Rocky Cape Group, reactive rock packages adjacent to Devonian granite intrusions). Of particular interest in the initial exploration phase are zones of uranium-enrichment (i.e., above background value) within the Rocky Cape Group that occur close to or at faults or unconformity surfaces, and zones of uranium-enrichment within Devonian granites.

To assess the uranium potential of the area and define exploration targets, Regalpoint intends to develop a detailed understanding of the geology, structure, redox conditions and P-T evolution of the local geology. This will be achieved by undertaking a review of previous exploration, geochemical sampling, geological and structural mapping, and detailed geophysical surveys over areas of interest. Targets will be tested by RAB geochemical drilling and, if warranted, by RC and DD drilling.

2. Review of previous work

An analysis of open-file company reports showed that previous exploration within and adjacent to the Rocky Cape project area mainly targeted tin or other base metals. No prior uranium exploration has been undertaken within or adjacent to the project area.

3. Exploration completed during the report period

The following activities were undertaken (or completed) during the reporting period:

- Major collaborative uranium research project and conceptual and empirical GIS-driven uranium prospectivity analyses funded by Regalpoint and undertaken at the Centre for Exploration Targeting (University of Western Australia and Curtin University of Technology). Part of this analysis focused on Tasmania and the project area in particular.
- Data compilation into a GIS, review and interpretation.
- Identification of areas of interest for reconnaissance exploration.
- Planning of future work programs.

4. Conclusions

The Rocky Cape project area was selected because of its potential to host structurally-controlled sediment-hosted, igneous and unconformity-related (*sensu lato*) uranium deposits. Upcoming field based activities (reconnaissance exploration, rock chipping and soil sampling) will target areas of interest defined in the desktop studies and test / refine Regalpoint's exploration targeting models for the project area.

5. Environment

Field-based activities have not commenced yet.

6. Expenditure

The total expenditure in the period 23 January 2008 to 22 January 2009 was \$14,807.