EXPLORATION LICENCE

48/2007

LITTLE HENTY RIVER

ANNUAL/SURRENDER REPORT

FOR THE YEAR ENDING 28 FEBRUARY 2009

Licence Held and Report Submitted by:

ACCORD MINING PTY LTD

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Abstract

EL48/2007 was selected for exploration in 2007 after a review for granite related Ni systems similar to the Avebury deposit highlighted the area. Weights of evidence prospectivity mapping for this style of mineralisation using available data was conducted.

No samples were collected from EL48/2007 during the past year, and the EL has now been surrendered.

Although the tenement area had increased potential for Ni mineralisation under the model produced, the collapse of the financial markets meant the source of funds for exploration was restricted. No field work was conducted, and the tenement has been surrendered.

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1. Introduction

This report details work undertaken on EL48/2007 Little Henty River (8.5 km southwest of Zeehan) from 4 April 2008 to 4 April 2009. The tenement is held by Accord Mining Pty Ltd.

EL48/2007 was selected for exploration in 2007 after a review for granite related Ni systems similar to the Avebury deposit highlighted the area. Weights of evidence prospectivity mapping was conducted using available and acquired data, focusing on a granite related nickel skarn mineralisation model.

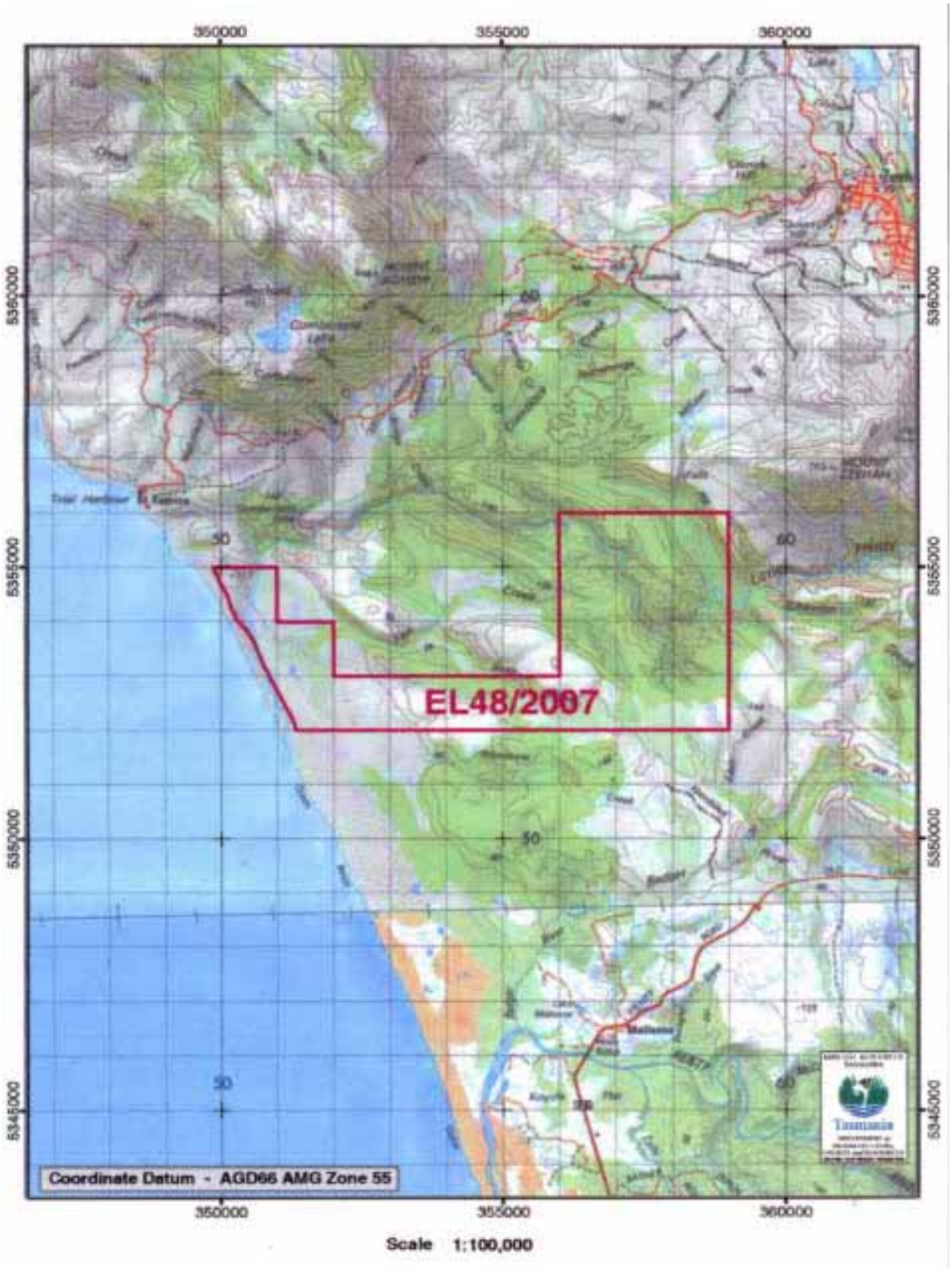

Figure 1. Location of EL48/2007

2. Review of previous work

A review of Ni deposits, particularly Avebury style was made. Available data compiled by government organizations was obtained and reviewed for its content.

3. Exploration completed during the report period

First phase regional targeting was completed using spatial modelling techniques on the pre-compiled data.

Weights of Evidence spatial predictive modelling was carried out over eastern Australia to target prospective areas for Avebury style mineralisation. Weights of Evidence is a Bayesian statistical approach that allows the analysis and combination of data to predict the occurrence of events. It is based on the presence or absence of a characteristic or pattern and the occurrence of an event. The resulting map provides a graphic display of the location of the areas with the highest probability of containing the conceptual mineral occurrence model for nickel mineralisation.

As a first step in the spatial correlation calculation, a 200 by 200 metre grid was generated over the area. The size of the grid was chosen to represent the minimum scale that the data should be used at. A training data set was developed from known nickel occurrences and a unit cell grid of 100 km^2 used, which gives a prior probability of 0.0005.

Mineral deposit locations for hard rock nickel mineralisation with an association with younger felsic intrusives were extracted from the national mineral occurrence database as a training data set. Following data validation, the prospect database was then reviewed, checking data and excluding all prospects with unrelated mineralisation. The training data mainly come from the Avebury area where Allegiance was developing the Avebury deposit. The Mt Cobalt nickel prospect in the Gympie area in Queensland, which is being drilled by D'Aguilar Gold for Avebury style sulphide nickel mineralisation, was not included in the training data so the area could be used as an independent test for assessing the validity of the resulting models.

Spatial correlations were calculated using the Weights of Evidence technique developed by Bonham-Carter of the Canadian Geological Survey, using the Spatial Data Modeller extension developed for ESRI's ArcMap GIS software. The spatial correlation (prior probability) of a feature can be calculated by using the relationship of the area covered by the data variable being tested and the number of training data points. This produces a W+ result for when the feature is present and a W- result when the feature is absent. A contrast value C is then calculated from the difference. Most of the data themes were reclassified to produce the classified predictive themes, which in the case of continuous data like geochemical data were further reclassified using the posterior probability values into binary predictive themes. Predictive themes like geology were reclassified into broad groups as multi-class predictive themes.

The standard deviations of W (Ws and Cs) are calculated, from which the studentised value of the contrast (StudC) can then be calculated (the ratio of the standard deviation of the contrast Cs to the contrast C). StudC gives an informal test of the hypothesis that C=0 and as long as the ratio is relatively large, implying the contrast is large compared with the standard deviation, in which case the contrast is more likely to be real. Ideally a StudC value larger than (-)1.5 can be considered as a positive or negative correlation. This ratio is best used as a relative indicator of spatial correlation, rather than an absolute indicator. In this study a strong correlation is inferred from C values > 3.0, StudC values >1.5, moderate correlations inferred from C values between 1.0-2.0, StudC values >1.5, weak correlations inferred from C values between 0.5-1.0, StudC values between 1.0 -1.5 and poor correlations inferred from C values < 0.5 or StudC values <1.5.

The most important predictive variables are summarised in Table 1. These variables should also form the basic data required to be collected in any new exploration programs.

Exploration Variable	**Co-magmatic Volcanic and Intrusive Nickel Mineralisation**
Lithology	Ultramafic rocks with associated nickel mineral occurrences, rock samples greater than 2000 ppm Ni and that are older than nearby fractionated granites as defined by U and SiO_2 contents.
Geochemistry	Has a strong spatial association with rock samples greater than 1200 ppm Ni and 520 ppm Zn and stream data greater than 400 ppm Ni and 660 ppm Zn.
Structure	Third order faults associated with regional scale faulting appear to be especially associated with Avebury style nickel mineralisation.
Geophysics	Spatially associated with magnetic highs.
Mineralisation	There is a spatial association with areas that have zinc and magnetite mineralisation.

Table 1. Predictive Variables for Nickel Skarn Mineralisation

A prospectivity map, using Weights Of Evidence techniques, was developed for the project area. The model was developed excluding geochemical data to enhance the geological predictive themes and provide a regional scale targeting map. The predictive themes listed in Table 2 were added together after the map values for each cell were weighted by their spatial correlation. The predictive maps for each model were chosen as having the best regional coverage, a significant spatial association with the mineralisation model being considered and where possible not to duplicate predictive map patterns. The models were developed using Arc-SDM software through Spatial Analyst in ArcMap. This could also have been done in MapInfo using the MI-SDM software tools.

The model consists of a grid response theme containing the intersection of all of the input themes in a single integer theme. Various measures to test the conditional independence assumption were also made. Conditional independence is a problem in the model, which is normal with geological data-sets. Therefore, the results should be viewed as a relative measure of favourability for the factors controlling mineralisation in the project area rather than a probability value.

Theme	Spatial Correlation	Confidence
Distance from third order faults.	3.03	4.60
Relationship to a particular host rock	9.02	0.90
Distance from magnetic highs.	1.96	3.26
Distance from ultramafic units that are older than and within 25km of a granite.	5.05	6.55
Distance from granites that are within 25 km of an ultramafic unit that is older than the granite.	1.76	2.93

Table 2. Grid themes used in the geological regional scale prospectivity model.

The model outcome in the tenement area is shown on figure 2.

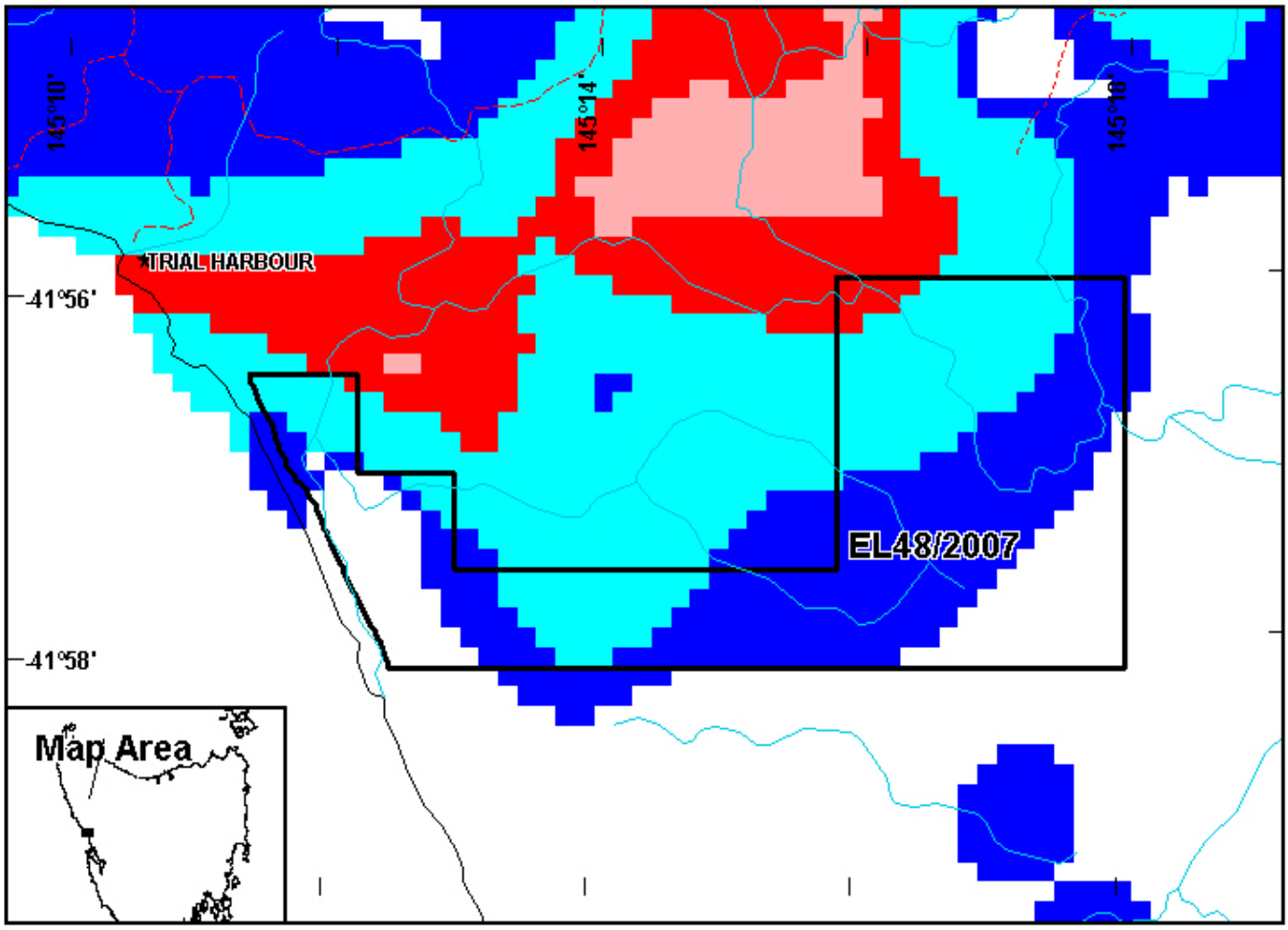

Figure 2. Results of the prospectivity mapping for Avebury style mineralisation.

The pink areas show highest potential, red the next level, then light blue and the remainder of the dark blue area are those areas above the prior probability.

4. Discussion of results

Although the tenement area had increased potential for Ni mineralisation under the model produced, the collapse of the financial markets meant the source of funds for exploration was restricted. No field work was conducted, and the tenement has been surrendered.

5. Conclusions

EL48/2007 has been surrendered and no further work will be carried out

6. Environment

EL48/2007 was not accessed by exploration personnel during the tenure period, and no surface disturbing operations were carried out. No rehabilitation is needed.

Appendix 1. Expenditure Report

Statement of Expenditure:	
EL 48/2007 for Period Ending 4 March 2009	
Allocated Data Compilation	$6,000.00
Allocated Modelling	$4,000.00
Reporting	$1,500.00
TOTAL	**$11,500.00**