

Annual Report and Relinquishment Report for EL10/2007

Professor Plateau

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for

McDermott Mining Company P/l

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Summary

Exploration licence 10/2007 was applied for by McDermott Mining p/l, in association with Stonehenge Metals Ltd. to encompass the area of EL4/2007 and so give greater access to that area west along the firewood siding fault and north of EL 4/2007 along the line of strike of the Queensberry lode with the intention of forming a Joint Venture with Stonehenge Metals Ltd. to explore both exploration licences concurrently.

Unfortunately, the j/v did not proceed and some of the data paid for by McDermott Mining and its associates in the 2007/08 year was not supplied to the licence holders and therefore is not available for publication in this report.

The radiometrics and aeromag data supplied were part of the j/v and because both licence 4/2007 and 10/2007 were part of the same exploration project, both areas were named under the project name, Queensberry Project.

It must be noted therefore that although the boundary line of EL 10/2007 is not marked on the data, the data covers all of that area within the boundaries of EL10/2007.

The licence holders are currently seeking a joint venture partner to continue exploration of these licences.

Land Tenure

The licence of 64 skm was granted to McDermott Mining p/l in Jul, 2007 for a period not exceeding five years.

The area comprises mainly State Forest with a Proposed Informal Reserve under the Regional forest Agreement with forestry operations being carried out in the far south west corner of the licence.

The licence also encroaches on part of the Mount Dundas Regional Reserve.

None of these two latter areas will be affected by any proposed exploration.

Geology

The dominant geological feature in the area is the firewood siding fault which reaches from Queenstown in the east, trending north west to Trial Harbour, in the west. This fault has numerous s/w to n/e trending shears and is host to the Queensberry lead/zinc deposit.

To the east and west of EL4/2007, and within the boundaries of EL10/2007 is a 2.7km square correlates of Mt Read volcanic which has the potential to host Rosebery style Pb/Zn deposits. Along with the Devonian style Queensberry deposit, this area is the proposed primary target for exploration.

Work Completed During the First Year

Work completed during the first year did not attain expectations due to the failure of the joint venture with Stonehenge Metals.

Work consisted mainly of field reconnaissance and aeromag work in association with work carried out on EL 4/2007.

Negotiations are currently underway with potential j/v partners to further exploration on this licence.

Expenditure in 1st year

Geology, including data analysis, travel, field reconnaissance	12,500
Vehicular fees, repairs etc. track reconstruction.	
Capital equipment purchase and hire.	16,000
Feasibility study, transport of potential jv partners	2,000
Administration costs	3,000
Total	33,500

Work completed during 2nd year

Due to lack of available J/V partners and commitments on this company's other licences, work on this licence was limited to minor upgrade work to the queensberry track during the current year.

It is recommended this licence be relinquished and approval to surrender this licence had been sought.