

**Combined Annual Report for the Period 23 January 2009 to 22 January 2010,
Rocky Cape Project**

(and Appendix to “Exploration Licence Annual Return”)

Licence Number: EL 56/2007 EL 57/2007 EL 58/2007

Report Type: Annual

Reporting Period: 23 January 2009 to 22 January 2010

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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. Field based activities (reconnaissance exploration, rock chipping and soil sampling) targeted areas of interest defined in the desktop studies with seventeen samples obtained. Preliminary analysis indicates uranium contents ranging from 0.0ppm to 25.4ppm.

Keywords

Rocky Cape; Pieman River; Horton River; Longback Range; Uranium

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1. Introduction

Exploration licences EL 56/2007, EL 57/2007 and EL 58/2007 (the Rocky Cape Project) were granted on January 23, 2008, over a combined area of 476 km². Regalpoint Exploration Ltd (“Regalpoint”) is the sole owner and operator of the Rocky Cape Project (Fig. 1).

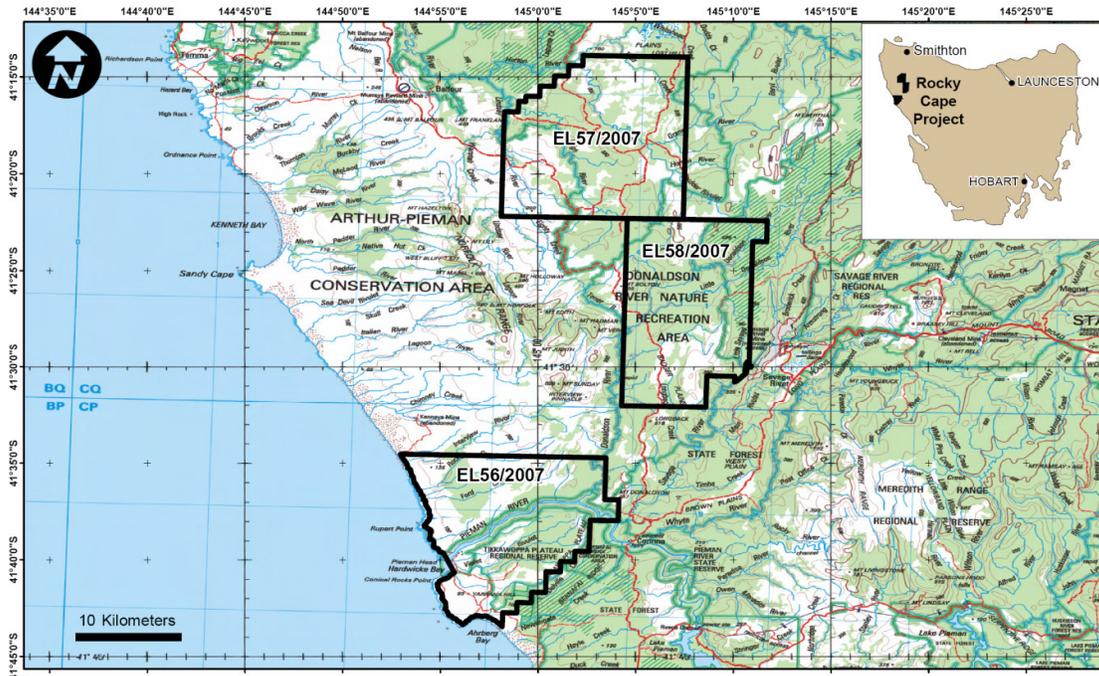


Figure 1. Rocky Cape project location and tenement boundaries (datum: GDA 1994).

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 further 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 continue to be achieved by undertaking a review of previous exploration, geochemical sampling, geological and structural mapping, and detailed geophysical surveys over areas of interest. Reconnaissance exploration was undertaken during the reporting period including rock chip sampling and gamma-ray spectrometer analysis at a number of sites in (figures 2-4). Further targets will be generated and tested by further reconnaissance exploration, ground and airborne geophysical surveys, 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.
- Reconnaissance exploration including rock chip sampling and gamma-ray spectrometer analysis at a number of sites within the Rocky Cape project. Seventeen samples were obtained during fieldwork, with preliminary spectrometer analysis indicating uranium contents ranging from 0.0ppm to 25.4ppm (Figures 2-4).
- Planning of further reconnaissance exploration work programs, ground and airborne geophysical surveys, RAB geochemical drilling and, if warranted, RC and DD drilling.

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. Reconnaissance exploration was undertaken during the reporting period including rock chip sampling and gamma-ray spectrometer analysis at a number of sites in (figures 2-4). This work has allowed Regalpoint to test / refine the exploration models for the project area.

5. Environment

No surface disturbing activities were undertaken during reconnaissance exploration.

6. Expenditure

The total expenditure for the Rocky Cape project in the period 23 January 2009 to 22 January 2010 was \$22,576.35.

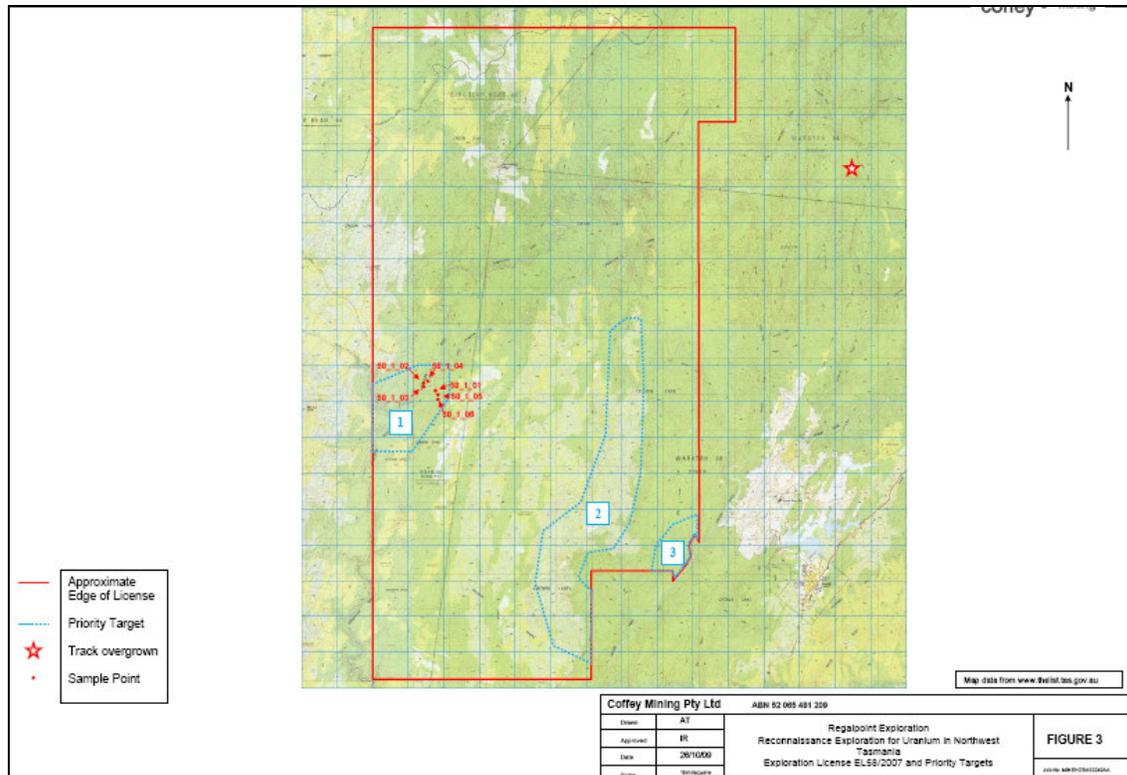


Figure 4. Rocky Cape project location and tenement boundaries (datum: GDA 1994).

Table 1. Summary of samples taken

Sample No*	Easting	Northing	Uranium Content (ppm)	Lithology
57_1_01	331750	5427350	4.8	Light grey to yellow altered weathered siltstone
57_1_02	332490	5427170	0	Sandstone, green weathering to orange
57_1_03	333015	5247100	0.3	Orange weathered sandstone
57_1_04	333655	5427155	0.6	Orange weathered sandstone
57_1_05	333910	5426895	2.8	Orange weathered sandstone
57_1_06	334995	5426690	1.1	Weathered siltstone
57_1_07	335724	5426470	1.8	Weathered siltstone
57_1_08	336500	5426400	25.4	Weathered sandstone ranging from white to orange
57_2_01	341641	5429237	5.3	Altered siltstone
57_2_02	341721	5428854	7.3	Weathered altered siltstone
57_2_03	342212	5424009	0	Weathered altered siltstone
58_1_01	340280	5408230	10.1	Dark grey to black shattered siltstone in faulted area
58_1_02	340366	5408264	2.6	Quartzite
58_1_03	340365	5408204	5.7	Orange altered siltstone
58_1_04	340391	5408358	10.8	Altered siltstone
58_1_05	340627	5407943	6.3	Altered siltstone
58_1_06	340612	5407635	7.4	Altered siltstone

*Sample numbers refer to exploration license, priority area and then sample number within that area.