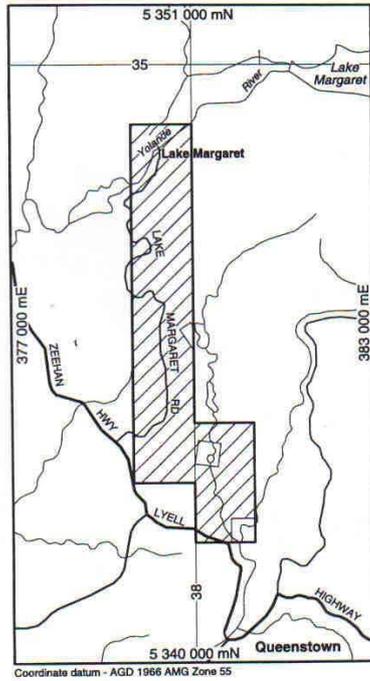


**G.WIGGINS
EL 33/2003
6th YEAR ANNUAL REPORT
2010
LAKE MARGARET ROAD**



Coordinate datum - AGD 1966 AMG Zone 55



This year work mainly concentrated on the McCuesick Creek area. South part of the license. The target being gold.

The area has a small gold mine (open cut) which was worked in 1898 with gold being crystallized.

A lot of time has been spent on this target with pan sampling been carried out over the whole area.

The area is made up of quartz and andersites. Quartz is scattered over most of the area.

The old workings was in the way of an open cut 20m wide and 20m long on the side of a hill on the western side of the West Queen River.

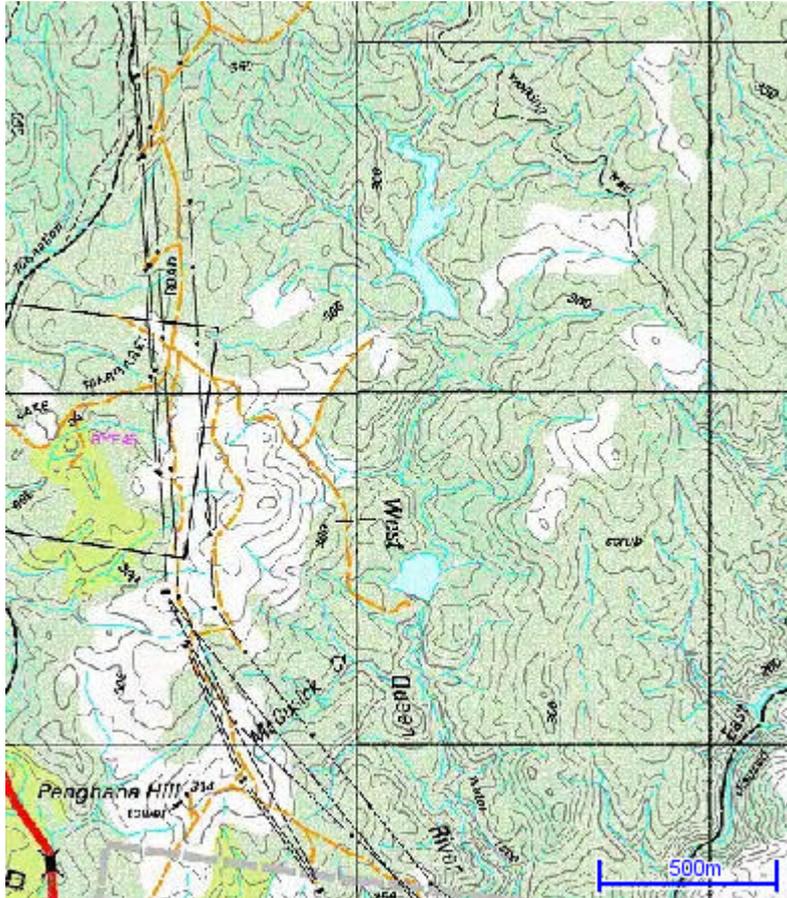
Gold has been reported to cover an area west of the West Queen River 600m wide and follows the West Queen River for 1.5km long.

I have panned all water ways running into the West Queen River and all have traces of gold in them.

All around the old workings, gold colour was present in most pan samples with a piece of gold being around 3mm size, but most of the gold was dust size.

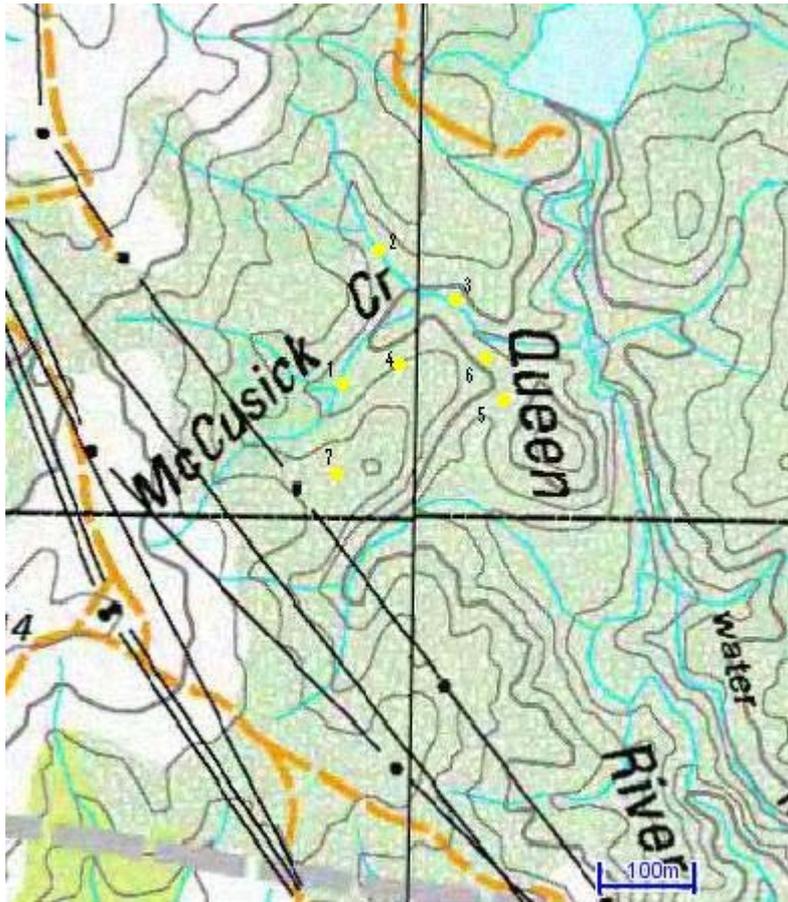
Just above where McCuesick Creek flows into the West Queen River an adit is present. It is about 4ft high and is driven straight into a gossen outcrop. I didn't enter adit as it looks a bit unsafe. More work on this adit would be advised to do but time and money has stopped me from doing so.

McCuesick Creek



Sample locations as shown below.

Sample mc1 380027e-5343312n.	fine visible gold
Sample mc2 380078e-5343450n.	fine visible gold
Sample mc3 380143e-5343400n.	fine visible gold & 1 piece 1mm dia.
Sample mc4 380094e-5343330n	fine visible gold & 7 pieces approx 1mm dia.
Sample mc5 380205e-5343303n	fine visible gold
Sample mc6 380180e-5343349n	fine visible gold
Sample mc7 380034e-5343228n	sample taken from old trench 0 visible gold



A brief summary of the rest of license

2010 saw the end of the sixth year of the tenure of E.L. 33/2003. Totalling 8sq kilometers in area, the license has excellent road access with the Lake Margaret power station road running through the centre of it for 5 kilometers and several H.E.C. transmission line tracks cover the southern area.

There are several mapped gold prospects found throughout the area as well as one copper prospect although it is hard to find any recorded history of these old shows at all. Stubbs lode, McCuesick creek, Haneevers show + Swan creek gold mine are generally just names on old maps only dating back to 1898. McCuesick creek was pegged from 1900-1910 and good verbal information from respected West Coast prospector J.Smyth, has it that McCuesick creek was the only place north of Queenstown that crystallized gold had been reported, obtained from weathered andesitic clays.

Stubbs lode north of Penghana Hill, in the southern zone of the license was only found recorded on an old Mt Lyell mining field lease map and little physical evidence of its existence, except for the discoloration of old mullock.

Modern era exploration of the area only started in the mid 1960's, although the area had been known to support several alluvial beds which local Queenstown prospectors made use of over several decades.

The only worthwhile discoveries in a prospecting sense that were made over the last 40 years, were a 1 inch wide quartz vein with gold in it, that occurred in an old adit at 379500e-5345200n. A west striking diamond drill hole that hit a 1 meter wide zone of 1.7% copper with good silver assays at 379300e-5344200n at 40 meters vertical. Aside from geo chem analysis of several hundred samples that produced relatively minor lead/zinc soil anomalies

over relatively large grid areas of approx 4sq km, the really important work was the geophysical ground measurements carried out by Scintrex for Mt Lyell from 1976-1984 and which recognized half a dozen induced polarity anomalies , virtually all of which were never drilled by anyone since their recognition. These reports are all on open file and appear very accurate and professional in their interpretations and are signed by a young A Howland-Rose now of Allegiance nickel fame.

Two other mineral discoveries that I should not to forget was the - 80 micron fine gold in stream sediments survey of the upper West Queen River (Poltock 86) which suggested that the fine gold observed in the sediments had shed from the western side of the creek over a strike area of approx 3 kms long.

The survey starts at the McCuesick creek branch on the west queen and heads north to the no.3 Mt Lyell dam.

The Tramway pyrite zone, is a 10ft wide massive pyrite outcrop found at 379300e-545000n during the construction of the Lake Margaret power station tramway from Penghana hill in 1912.

In 1983 Mt Lyell geologists assayed several samples for gold and gave comparison figures of the various Mt Lyell pyrite/gold contents found in the major ore bodies of the field mined to date. The tramway pyrite specimens reported an average gold content of 0.8 gpt, higher than all the other pyrite ore bodies that were tabled.

Mt Lyell drilled two holes to test the zone in 1984, West Sedgwick 1 & 2, off the same point, first at 90 meters long and 220 metres.

For some reason or other they never tested any of the core recovered for gold although mineralization was noted at various intervals of the longer hole.

As these were exploration holes the core is still intact at the core shed in Hobart.

GEOLOGY AND GEOPHYSICS

It has been the case that the 8sq area is among the most all round well mapped parcels of land that any license holder would love to have access to.

The amount of geophysical images that have become available over the last three years include, Hypospectral scanning, gravity worms, Shuttle based radar tomography, AGC magnetics, radiometrics and many more stream catchment flora and elevation glaciation. All in wide 50,000 regional scale.

It has been clear to me since first reading Howland-Roses 1976 report that Mt Lyell nor RGC who between them, controlled the license area for nearly 40 years, ever attempted to drill any of the implied induced polarity anomalies identified by Howland-Rose, I think this occurred only because the various geophysical and geochem survey reports came out over a period of a decade between 1975-85. Then nothing except finally DDH Penghana no.1 in 1993.

People move on and even though Mt Lyell or RGC held the ground they never actually spent any money exploring the anomalies that ten years of cutting grids and carrying out surveys had produced.

The money ran out, as for the lake Margaret road I.P. anomalies are concerned. And I know full well that new ore bodies tend not to get found if you don't drill holes.

A lot of work has been done on this area studying all magnetic & I.P. data. Two areas tested by induced polarization (I.P.) showed one zone to have good readings of $>40\text{m/s}$ 200m north of the tramway pyrite zone. The zone is over 500m in length and nearly 200m wide. Most of the reports say the I.P response probably will be pyrite but with a lead zinc zone interpreted by soil assays just east of the I.P, the I.P zone needs to be drilled.

The second I.P with not many results was diamond drilled. Hole (WS3) was drilled in the late 70's to see if that's where lead zinc might be coming from also there was a trench dug all with no results worth mentioning. The hole was drilled with no I.P or any encouraging data. No further work has been done.

With the position of the lead zinc zone and the zone with the IP response the IP had to be drilled.

Shale units are mapped all around the area also

Andersites outcrop through the whole zone.

With all data collected and a lot of hours studying, plans were put into the mines department to diamond drill and source out what the IP is.

Rig is dead centre over the IP. The IP is drilled along a north strike to a high magnetic low reading. Depth to source should be 30ft – 100ft.

So far 4 diamond drill holes have been drilled
LM001,LM002,LM003 and LM004.(fig.2)

LM001:

BQTK bit 41mm diamond drill core 55 degrees at bearing 379508E – 5345999N in a sse direction

Hole drilled to 42.8m

Drill hole terminated in fine grained altered siltstone.

LM002:

BQTK bit 41mm diamond drill core 55 degrees at bearing 379510E- 5345996N at sse direction.

Hole only drilled to a depth of 8m then stopped due to a change in drilling plans.

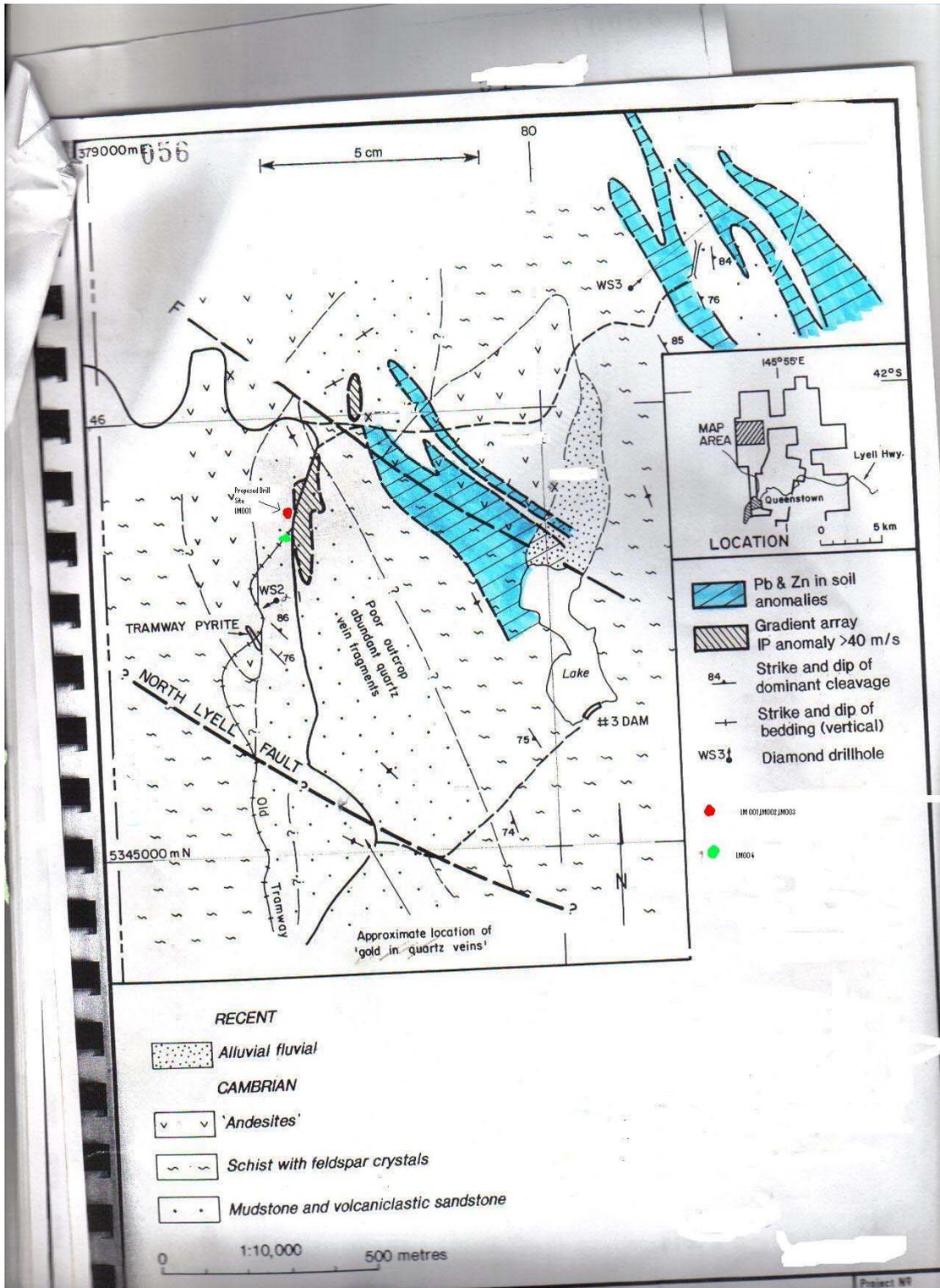
LM003:

BQTK bit 41mm diamond drill core 70 degrees at bearing 379510E-5345996N at east direction.

Hole drilled to a depth of 38m, and then stopped due to bit failure.

LM004:

BQTK 41mm diamond drill core 70 degrees at bearing 379528E – 5345955N at an east direction.



Red dot diamond drill hole LM001,LM002,Lm003
Green dot diamond drill hole LM004

Five samples was sent and assayed for Ag, As, Co, Cr, Cu, Fe, Mg, Ni, Pb, S, Zn, Au, Pd, and Pt.(fig 3&4)
Chromite was added to list as two rock chip samples was sent to the South Australian Museum and tested by x-ray defraction tests (fig 5 &6), and results was magnesiochromite was present.

Core samples assayed , was taken from parts of all drill holes.

Sample legand is as follows:

Sample 1 = LM001, Depth 40.5m-41.5m

Sample 2=LM001, Depth 37.5m – 38.5m

Sample 3=LM001, Depth 35.2m-36.3m

Sample 4=LM003, Depth 33m- 34.5m

Sample 5=LM004, Depth 20m-21.5m

ANALYSIS

ELEMENTS	Au	Ag	As	Co	Cr	Cu	Fe	Mg	Ni	Pb
UNITS	ppb	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
DETECTION	1	1	10	1	5	1	0.01	20	1	5
DIGEST	FA25/	AT/	AT/	AT/	AT/	AT/	AT/	AT/	AT/	AT/
ANALYTICAL FINISH	MS	OES	OES	OES	OES	OES	OES	OES	OES	OES
SAMPLE NUMBERS										
0001 1	1	X	X	2	X	7	0.68	1730	2	X
0002 2	1	X	X	2	X	9	0.74	1627	1	5
0003 3	1	X	X	3	X	26*	1.05*	2510*	2	X
0004 4	2	X	X	3	X	9	1.17	2340	1	X
0005 5	2	X	X	4	X	7	0.99	1019	4	X
CHECKS										
0001 1	1	X	X	2	X	6	0.65	1688	2	X
STANDARDS										
0001 AMIS0034	410									
0002 AMIS0045		X	108	23	285	133	2.43	2572	56	169
BLANKS										
0001 Control Blank	1	X	X	X	X	X	X	X	X	X
0002 Control Blank		X	X	X	X	X	X	X	X	X
0003 Acid Blank		X	X	X	X	X	X	X	X	X

Fig.4

ANALYSIS

ELEMENTS	Pd	Pt	S	Zn
UNITS	ppb	ppb	ppm	ppm
DETECTION	1	1	50	1
DIGEST	FA25/	FA25/	AT/	AT/
ANALYTICAL FINISH	MS	MS	OES	OES
SAMPLE NUMBERS				
0001 1	X	X	1370	38
0002 2	X	X	1120	26
0003 3	X	X	3176*	1428*
0004 4	X	X	1785	42
0005 5	X	X	1249	78
CHECKS				
0001 1	X	X	1359	37
STANDARDS				
0001 AMIS0034	1648	3547		
0002 AMIS0045			2850	250
BLANKS				
0001 Control Blank	X	X	X	X
0002 Control Blank			X	X
0003 Acid Blank			X	X


GENALYSIS LABORATORY SERVICES

PTY LTD

ABN 32 008 767 237

Assay method as follows,

METHOD CODE DESCRIPTION

AT/OES

Multi-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids in Teflon Tubes. Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry.

FA25/MS

25g Lead collection fire assay in new pots. Analysed by Inductively Coupled Plasma Mass Spectrometry.



Results for magnesiochromite where disappointing and samples was reassayed with a different method with still no Chromite detection.

What was encouraging on one hole was the zinc content. Let's not forget the original target was lead and zinc and there was a 1cm thick zinc vein at only 35.5m vertical.

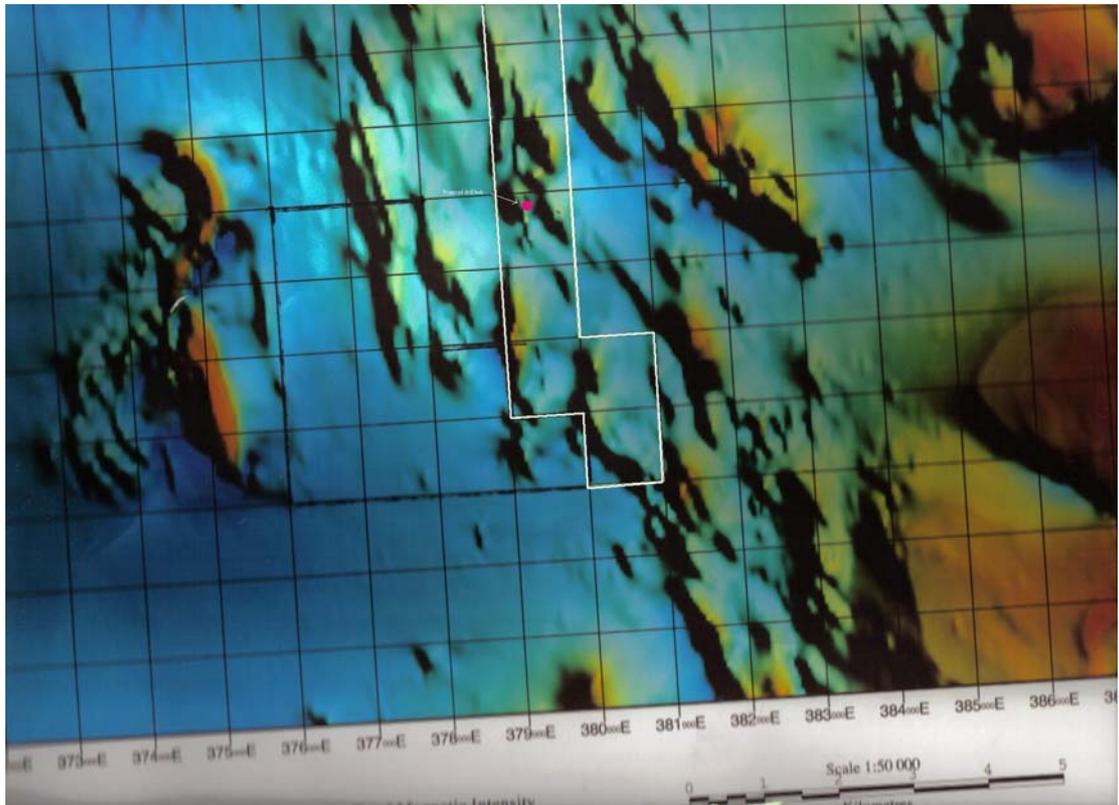
The project just needs to get a decent hole drilled at a depth. More comment will be made once core has been fully logged and been consulted by my geo and his report.

I think the whole zone being drilled, at depth will prove to be a good gold and base metal ore body, once fully explored.

This zone might explain one of the gold occurrences which cover the western side of the West Queen River, which seem to be over a 4km by 600m wide area.

Prospects scatter all along in trend from McCuesick Creek to the Swan Creek prospect.

Total Magnetic Intensity



Red Dot is drill site for LM001,LM002 & LM003

Over all the whole exercise of this exploration has been a great experience for me and I look forward later on to try out another license area. When money is a bit more readily available.

I would just like to thank all those who helped me along the way.

Total expenditure for the sixth years of licence was \$78,720 with year I spent \$14,000.