

**PROGRESS REPORT –  
DRILLING AT TENNANT CREEK**

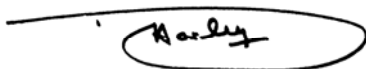
As foreshadowed in the Company's report for the March quarter of 2010, diamond drilling of the promising Gosse 5 gravity geophysical anomaly about 70 km east of Tennant Creek commenced on 2<sup>nd</sup> May.

The first hole is designed to test the strongest part of the 2 km long Gosse 5 gravity anomaly, which averages 600 m wide and is interpreted to be 200 m deep. The maximum amplitude of the anomaly is around 1 milligal and it appears to lie within a weakly magnetic halo, interpreted as a demagnetised ironstone unit with a hematite core.

Vertical hole TCD 1 is currently at a depth of 149 m, having passed into basement felsic volcanic rocks of the Warramunga Formation at 93 m depth. The hole was pre collared to 93 m in flat lying sedimentary rocks of the Georgina Basin.

The drill target is hematite rich iron oxide associated gold-copper mineralisation at 200 m depth and below, in rocks of the Warramunga Formation. At Tennant Creek, the downward transition from barren "cap" rock into mineralised ironstone is commonly very rapid and apart from scattered 10 cm bands of pink to red hematite in the volcanics observed in TCD 1 to date, there is no evidence of mineralisation.

The average rate of progress of TCD 1 is expected to be 20 m per day, excluding time lost for mechanical breakdowns and other unforeseen delays.



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**ATTRIBUTION**

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D N Harley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.