TYSON RESOURCES PTY LTD

FINAL TECHNICAL REPORT

EL 23774 "RODINGA"

Northern Territory

Final Annual Report for the year ending 22nd November 2006

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KEY WORDS

RODINGA BITTER SPRINGS FORMATION PROTEROZOIC CHANDLER FORMATION MAGELLAN PETROLEUM BLUEBUSH FORMATION AMADEUS FORMATION GILLEN MEMBER DIAPIR ISOPACH

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TYSON RESOURCES PTY LTD

EL 23774 "RODINGA" NORTHERN TERRITORY Final Annual Report for the Year Ending 22nd November 2006

SUMMARY

<u>AIM</u>

To explore and evaluate the potential for economic potash mineralisation.

OBJECT of REPORT

To document exploration activities and results achieved on Exploration Licence 23774 "Rodinga"

LOCATION

EL 23774 is located 120 kilometres south south east of Alice Springs on the Rodinga 1: 250 000 map sheet (SG53-2).

TENURE

EL 23774 "Rodinga" was granted to Tyson Resources Pty Ltd on 23rd November 2003 for a period of six years. It is bounded by Longtitudes 134⁰9' and 134⁰58' and Latitudes 24⁰32' and 24⁰52'.

PRECIS

During this reporting year, a review of all previous work and investigations was completed with a view to selecting targets for potash exploration, based largely on petroleum data.

TYSON RESOURCES PTY LTD

EL 23774 "RODINGA" NORTHERN TERRITORY

Final Annual Report for the Year Ending 22ND November 2006

1. INTRODUCTION

Exploration Licence 23774 "Rodinga" is located in the southeastern sector of the Amadeus Basin in the Northern Territory (Figure 1). The Amadeus Basin covers approximately 150,000km² and is located in the southwestern part of the Northern Territory extending into Western Australia. It is comprised of a Neoproterozoic to mid-Palaeozoic succession of shallow marine sediments and attains a thickness of up to 14,000m.

The purpose of this report is to detail exploration conducted on EL 23774 during the year ended 22nd November 2006.

2. LOCATION and ACCESS

EL 23774 is located 120 kilometres south south east of Alice Springs on the Rodinga 1:250 000 map sheet (SG53-2). (See Figure 1).

Access is via a graded gravel road to Allambri Station. Historical exploration and mine tracks, as well as limited station tracks provide local access throughout the tenement which is located over a portion of the Rodinga Pastoral Lease.

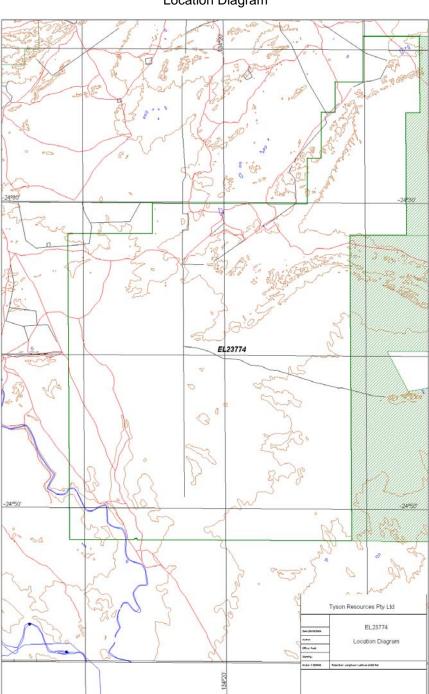


Fig 1 Location Diagram

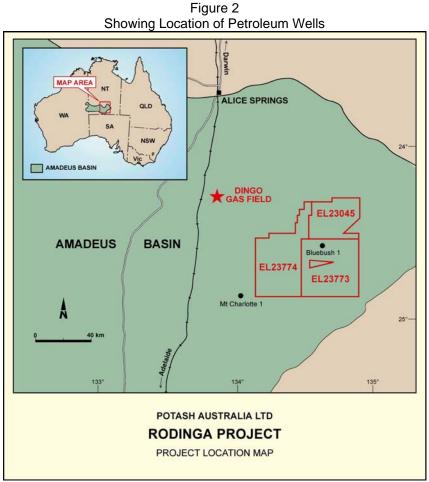
3. TENURE

EL 23774 "Rodinga" was granted to Tyson Resources Pty Ltd on 23rd November 2003 for a period of six years. It comprises 499 blocks encompassing a total area of 1558 sq km. The tenement was surrendered on 20th October 2006

4. GEOLOGICAL SETTING

EL 23774 lies on the Rodinga 1: 250 000 map sheet (SG53-2), for which geological notes are available.

The Amadeus Basin contains two sequences prospective for potash mineralisation; the Neoproterozoic Bitter Springs Formation and the Early Cambrian Chandler Formation. Both of these formations occur within the basin at exploitable depths.



4. **PREVIOUS EXPLORATION**

In 1982, Magellan Petroleum carried out a seismic survey on an area called Camel Flat, part of which is covered by the tenement. Two seismic lines (MCF81-10, 11) were shot within the tenement, the positions of which are shown in Figure 5. The area has been geologically mapped as the Camel Flat Nappe. From the seismic interpretation a series of isopach maps were produced displaying the following:

Depth to bottom of the Chandler Formation Depth to the bottom of the Proterozoic Combined Chandler-Arumbera Isopach

These interpretations were combined to produce a map indicating areas where the Chandler Formation was at its lowest, providing a target zone for end stage bittens to collect, including potash. The tenement was sited to cover this target zone. (Fig 3) C:\Northern Territory\E23774_06_Final.doc

EL23678 1 • 5 24-30 24 30 ELZETTA Z -24°50' -24.50 0 ð + ۵ Legend .P103 Sanos oblostone, linestone, damicite Intermin Resources Ltd Rodinga Project Seismic Lines & Geology 6 Ganostone Date:8/11/2004 Author: NJC Office: Perth р С 10/ e, shale, coal, dia K Wuostone, shale Drawing: : Longitude (Latitude (AGD 84) icale: 1:3 134°20' 2.5 **More**

Fig 3 Geology and Seismic Lines

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5. DISCUSSION AND RECOMMENDATIONS

The Chandler Formation is the primary target for potash mineralisation. In the eastern part of the Amadeus Basin, the Chandler Formation contains thick sequences of evaporitic rocks. Halite beds range in thickness from less than 50m to over 1,000m and average 470m thick in the Rodinga area. These thickness variations are accentuated in areas of structural thickening due to salt tectonics. Within the Rodinga project area the Mt Charlotte No1 well intersected a 225m thick section of Chandler Formation halite from 710 metres depth to the bottom of the hole and the Bluebush No1 well intersected 690m of halite from 786 metres depth (Fig 4). These intersections occurred between depths of 700 and 1,500m, within the depth range of economic exploitation. The Chandler salt has high bromine levels that suggest precipitation from late stage brines which is a positive indicator for the presence of potash salts.

The main Chandler Formation target interpreted from seismic surveys in the Rodinga Project is a basinal depression target at Camel Flats, just north of Bluebush No1 (see Fig 2). Other targets are areas of thickening of the Formation in localised basinal depressions adjacent to salt diapirs and salt walls derived from the underlying Bitter Springs Formation. Potential exists for large flat-lying Canadian-type potash deposits as well as diapir related European-style potash deposits.

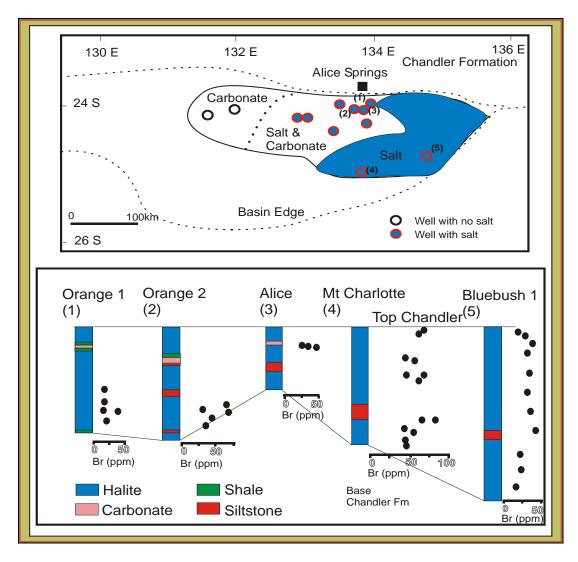


Figure 4 Showing Wells with Salt Intersections

Further analysis will be carried out using existing and new geophysical, geochemical and geological data to better define potash mineralisation targets within the Chandler Formation.

Within the Bitter Springs Formation, the evaporitic Gillen Member is the target horizon for potash mineralisation. It was deposited in the Neoproterozoic and comprises interbedded carbonates, sulphates and halite beds typical of a marine evaporitic sequence. It is widely distributed throughout the Amadeus Basin covering an area significantly greater than the Chandler Salt. The thickness of the Gillen Member averages 800m but varies from 100m to more than 2,000m with the thickening of the beds mainly due to salt tectonism. Halite units are common within the Gillen Member but have been poorly tested by drilling, with a number of holes terminating in halite units at considerable depths.

In the Rodinga project area, two drill holes ended in the Gillen Member, *Mt Charlotte No1* after intersecting 556m and *Bluebush No1* after intersecting 85m of this formation. Halite beds up to 60m thick were intersected in the Gillen Member in the Mt Charlotte hole.

Bromine levels in the Gillen Member vary from 130-190ppm indicating precipitation of salts occurred from late stage brines. Potential exists for both large, flat-lying, Canadian style as well as diapir related potash mineralisation within the Bitter Springs Formation. Further work is required to establish the best target areas for potash mineralisation.

Bore hole location and analytical data was purchased from the Conservation and Natural Resources Group to cover the whole of the Rodinga 1:250,000 sheet. Unfortunately no assays for K and TDS corresponding to the bore holes were taken. Figure 5 displays the location of the wells and geological units. Figure 6 shows the thicknesses of the Chandler Formation from the surface vertically.

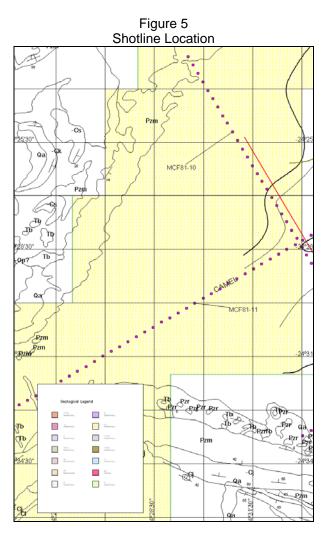
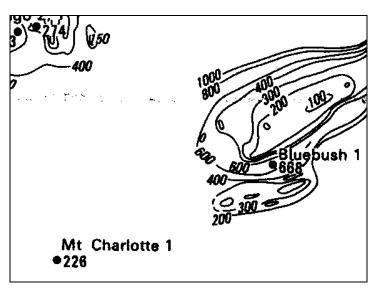


Figure 6 Isopach Map of the Chandler Formation, showing thicknesses of the Chandler Formation compiled from outcrop, well and seismic data



The tenement lies at the western end of the Chandler syncline and is covered by two seismic lines MCF 81-10 and 11.

6. WORK COMPLETED

Following examination of the seismic line data, one target area was selected.

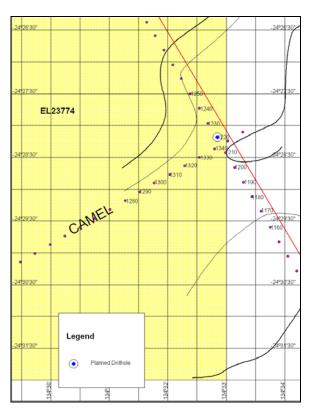
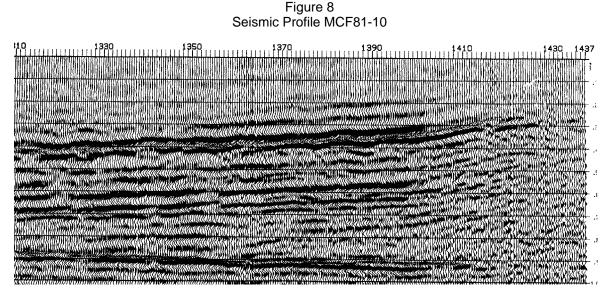


Figure 7 Shot Lines showing Location of Planned Drillhole

MCF81-10 is perpendicular to the synclinal axial trend and shows a weak doming at 134.54 deg E, 24.46 deg S.



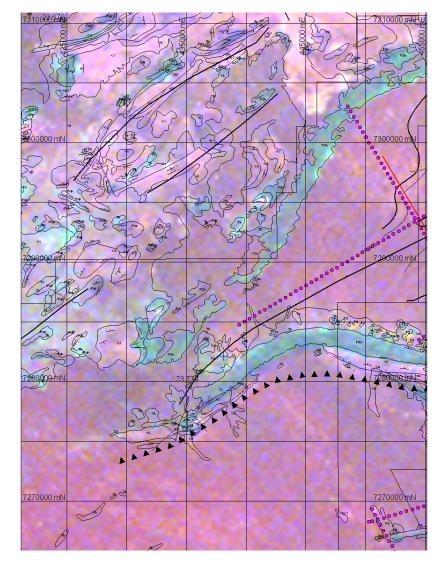
MCF81-11 parallels the synclinal axis and shows a potential salt dome at 134.49 deg E , 24.5deg S.

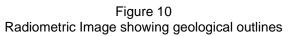
Figure 9 Seismic Profile MCF81-11

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Both targets represent areas where the Chandler Formation has been structurally located closer to the surface.

Radiometric data was purchased and processed to determine structures outlined by anomalous K values. As can be seen in Figure 10, the radiometrics clearly outline the major structures.





Site visits were made both by vehicle and helicopter to determine site suitability, access and logistic support.

REFERENCES

Gibson G., 1982 Camel Flat Seismic Survey OP189. Magellan Petroleum Australia Ltd. October 1982

Tyson Resources Pty Ltd

EL23774 .RODINGA

STATEMENTOF EXPENDITURE FOR 12 MONTHS ENDED NOVEMBER 22, 2006

SUPPLIES & SERVICE – OFFICE FIXED	1130
MISC GOVERNMENT CHARGES	120
SUPPLIES & SERVICE – GEOPHYSICAL DATA	1850
SUPPLIES & SERVICE -FIELD	320
TRAVEL & ACCOMMODATION	1373
DRILLING	0
CONTRACT & CONSULTANT SERVICES	1,000
LAND TENURE & ENVIRONMENT	0
TOTAL DIRECT COST	5,793
ADD: TECHNICAL SUPPORT & ADMINISTRATION	1,187
TOTAL CURRENT TERM	\$ 6,980