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SEL24769 Marqua
Annual Report for period 09-Aug-2006 to 08-Aug-2007

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Map Sheets: Hay River (SF53-16)
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3. Austwide Mining Title Management Pty Ltd
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### Digital Data Files:

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SUMMARY

This report details exploration work carried out by Elkedra Diamonds NL and Uramet Minerals Ltd within the Toko tenement (SEL24769) in the Northern Territory for the twelve months until 8th August 2007. Uramet acquired SEL24769 from Elkedra in June 2007.

A review of the base metals and uranium potential of the area and adjacent tenements was completed in August 2006. The review included a re-evaluation of available open file geophysical data. In-fill gravity surveys were completed over two areas. Planning commenced for a helicopter-based electromagnetic (EM) survey proposed for the 2007 field season. Portable XRF results on historical core and rock samples in the field confirm the base metal prospectivity of the area.
1 TENEMENT STATUS

The tenure details for SEL24769 Toko are listed in Table 1. The SEL was constituted from parts of two underlying ELs (EL22531 and EL23202) in 2006.

Table 1: Tenement Summary

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<th>Tenement Name</th>
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<td>Toko</td>
<td>09/08/2006</td>
<td>251</td>
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2 LOCATION AND ACCESS

The SEL is located approximately 400 km east-northeast of Alice Springs in the Northern Territory. The SEL falls within the Tobermorey (SF53-12) and Hay River (SF53-16) 1:250,000 sheets.

Physiography of the area consists of flat-topped plateau country in the Toko Ranges in the northeast and low hills and ridges interspersed with alluvial plains and sand plains in the southwest. The most prominent ridge comprises the Toomba Range. Grave Hole Creek and tributaries drain the southwest facing slopes of the Toko Range and Linda Creek drains the northeastern slopes. The vegetation ranges from sparse savanna woodland and annual grasslands to perennial spinifex dominated grassland. The vegetation is consistent with a continental desert regime.

Access is via the Plenty Highway and station tracks on Tobermorey Station.

3 GEOLOGICAL SETTING

3.1 Regional Geology

The project area is part of the southern Georgina Basin, comprising Neoproterozoic to Cambro-Ordovician platform cover of sedimentary rocks (dominantly sandstone, shale, limestone, dolostone) overlying the Precambrian basement of the North Australian Craton. This Precambrian basement is exposed along major fault systems on the southern margin of the basin.

The Northern Territory Geological Survey (NTGS) has recognized the mineral potential of the southern Georgina Basin and recently prepared a comprehensive review of both government and private exploration undertaken, and has now developed from various authoritative sources applicable ore genesis models (Dunster et al., 2007).

Since the 1960’s, the basin has been considered prospective mainly for Mississippi Valley Type (MVT) lead-zinc mineralization. More recently, however, the potential for other commodities in a variety of geological settings has been envisaged, and the basin is now regarded as having potential for the following styles of mineralization:

- Mississippi Valley Type Pb-Zn (MVT);
- Carbonate-Hosted Pb-Zn (Irish Type);
- Stratiform Shale-Hosted Base Metals;
- Sediment Hosted Copper;
- Sandstone Hosted Lead, and
- IOCG (Iron Oxide, Cu-Au, e.g. Olympic Dam).

The area is also envisaged as having potential for phosphate hosted in Cambrian phosphorite, calcrete associated uranium, and to a much lesser extent, sediment hosted gold, as well as quartz vein hosted gold.

**Figure 1.** Location plan for SEL24769.
3.2 Tenement Geology

The Marqua project area is located in the structurally complex southeastern portion of the Georgina Basin which is comprised of basement granitoids, Neoproterozoic tillites and arkosic sedimentary rocks together with some Cambrian and Cambro-Ordovician limestone, dolostone, and clastic sedimentary rock units of the Toko Syncline (Figs 2, 3). These units have been disrupted by multiple folding and faulting events. Faulting in the project area generally trends northwest and individual faults have been locally offset by later northeast trending faults.

Part of the regionally significant Toomba Fault Zone lies east of the SEL and segregates a structurally complex zone dominated by arkosic sediments to the southwest from limestone, dolostone and sandstone of the Toko Syncline to the north (Fig. 2). The Toomba Fault Zone is a reverse fault which dips ~45° towards the southwest and lies in close proximity to a number of parallel folds. The Toomba Fault Zone is associated with numerous low angle splays which bisect both the footwall carbonates and hanging wall arkoses.

The Neoproterozoic Yardida Tillite (Figs 2, 3), which comprises diamicite, siltstone, sandstone, and arkose is exposed within the Field River Anticline core and the younger Black Stump arkose crops out further to the east.

Younger rock units that typically form hill capping plateaus and mesas include the Tertiary Austral Downs limestone, a partly silicified lacustrine limestone underlain by a lateritic palaeosol, and Cretaceous clastic sedimentary rocks. The Cretaceous beds are commonly associated with zones of silicretization both within the beds and penetrating the underlying Cambro-Ordovician strata.

Figure 2. Simplified regional geological map for SEL24769 and adjacent tenements.
4 EXPLORATION COMPLETED DURING REPORTING PERIOD

Exploration activities undertaken during the reporting period included:

1) Receipt of final results for diamond mini-bulk samples
2) Review of economic mineral potential of the area
3) Planning for aerial EM survey
4) Reconnaissance Field Visit

4.1 Review of Base Metals Potential

The compilation of historical data focusing on all mineral commodities within the project area was continued during the reporting period.

Previous work by Elkedra and other companies has shown that base metal anomalies occur within the Thorntonia Limestone, Red Heart Dolostone and overlying carbonaceous shales of the lower Arthur Creek Formation which are all stratigraphic units within the southern Georgina Basin. These units are of early to middle Cambrian age (about 520 million years old), a time recognised around the world for deposition of metal-rich, black shales and phosphorite. The prospective units occur over large strike lengths. In the Boat Hill Corridor within the SEL, the prospective stratigraphy is excess of 33km in length and has an outcrop width of up to 1.5km (Fig. 2). This zone is structurally repeated in the Desert Syncline on Field River EL (Fig. 3). In addition, numerous polyphase hydrothermal quartz veins cross-cut mainly Neoproterozoic strata in the southeast part of the SEL and contain anomalous levels of Au and Cu. This data has been previously reported.
Figure 3. Geological map of the SEL area (Hay River - Mt Whelan Special Sheet) showing site locations mentioned in the text. Put = Yardida Tillite, Pun = Gnallen-A-Gea Arkose, Pus = Black Stump Arkose, Cmh = Thorntonia Limestone, Cmm = Arthur Creek Formation, Cua = Arrinthurunga Formation, Con = Ninmaroo Limestone, Olc = Coolibah Limestone, Olk = Kelly Creek Sandstone, Omc = Carlo Sandstone, Omm = Mithaka Formation, Ome = Ethabuka Sandstone, Dc = Cravens Peak beds, JK = Cretaceous beds, Ta = Austral Downs Limestone. Magnetic anomalies CWN-148, 145, Xmas Dam, historical hole BHD7, a BHP bore, and the MIM core farm locations are shown.
4.2 Magnetics Interpretation

During the reporting period NTGS magnetic survey data was stitched and reprocessed by Dr D.R. Cowan (geophysics consultant). The separation filter product was found to be the most useful for highlighting structural elements and an interpretation of magnetic linears is shown below in Fig. 4.

Figure 4. Separation filtered magnetics for SEL24769 (stitched from NTGS surveys) showing interpreted magnetic linears (yellow) and the Toomba Fault Zone (red). Magnetic anomalies CWN-148, 145, Xmas Dam, historical hole BHD7, a BHP bore, and the MIM core farm locations are shown.
4.3 Radiometric Interpretation

During the reporting period NTGS radiometric survey data was stitched and reprocessed by Dr D.R. Cowan (geophysics consultant) to give the imagery presented below (Fig. 5). A number of U anomalies of interest were highlighted including those in the Boat Hill area that are associated with phosphorites and one to the south associated with ferruginized Cretaceous sandstones. Both these areas require further investigation.

Figure 5. RGB (red = K, green = Th, blue = U) radiometrics draped over total count radiometrics. Zones high in Th and K are outlined and uranium anomalies of different intensity are identified.
4.4 Regional Gravity Interpretation

During the reporting period the NTGS East Arunta Gravity Survey data was reprocessed by Dr D.R. Cowan (geophysics consultant) to give the residual gravity image presented below for part of the SEL (Fig. 6). A residual gravity ridge is located in the core of the Field River anticline, east of Red Heart Bore and paralleling the Marqua Creek.

![Residual gravity image processed by Dr D.R. Cowan from the 2006 East Arunta Gravity Survey data. Areas of the in-fill surveys are outlined in black.](image_url)

**Figure 6.** Residual gravity image processed by Dr D.R. Cowan from the 2006 East Arunta Gravity Survey data. Areas of the in-fill surveys are outlined in black.
4.5 Infill Gravity Surveys

A helicopter-supported in-fill gravity survey was undertaken at 500m spacing over (a) magnetic anomaly CWN-148 and (b) the Xmas Dam area were anomalous mineralized granitoids crop out. The infill surveys were undertaken in conjunction with the 2006 NTGS East Arunta Gravity Survey. The gravity data was processed by Dr D.R. Cowan giving the imagery presented below (Fig. 7).

CWN-148 is located just to the east of a strong NW-trending gravity gradient. The in-fill anomaly shows a local gravity low between two east-west gravity highs. The northern high correlates with the magnetic high zone.

Xmas Dam is a complex gravity low zone. The zone correlates with intersecting NW and WNW faults seen in magnetic imagery.

![Residual gravity image for area surrounding CWN-148 (Area 1). Centroid of magnetic anomaly CWN-148 is shown.](image)

Figure 7. Residual gravity image for area surrounding CWN-148 (Area 1). Centroid of magnetic anomaly CWN-148 is shown.
4.6 Reconnaissance Field Visit and Portable XRF Results

A brief field visit was undertaken in July 2007 to assess ground conditions for a planned aerial EM survey later in the season. A visit to the NTGS Alice Springs Core Library was also undertaken. Mineralized sections of drill core from the historical hole BHD9 at Boat Hill (location: 768794E, 7466645N, MGA94, Zone53) were analysed by Niton portable XRF and the
results are presented in Table 2. Of particular interest is 1.6% Zn recorded within an interval of the Thorntonia Limestone. Visible sphalerite is present in the core.

Table 2. Portable XRF Analyses of Core Samples from Hole BHD9

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<th>Zr-ppm</th>
<th>Sr-ppm</th>
<th>U-ppm</th>
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<th>Pb-ppm</th>
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Units of parts-per-million for As to U and % for Fe to P; typical errors are +/- 25 to 35%.
bdl = below detection limit

Table 3. Portable XRF Analyses of Rock Samples from Boat Hill Sites YB01 & YB02

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<th>Pb-ppm</th>
<th>Zn-ppm</th>
<th>Cu-ppm</th>
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</tbody>
</table>

Units of parts-per-million for As to U and % for Fe to P; typical errors are +/- 25 to 35%.
bdl = below detection limit
In the field, two sites were visited YB01: 768650E, 7466350N and YB02: 768744, 7464840N (MGA94, zone53). At site YB01, located at the contact between Cambrian black shales and underlying Neoproterozoic arkose, gossanous, mineralized rocks containing up to 1581 ppm Zn and 1387 ppm Pb were located (Table 3). It is clear that mineralizing fluids have affected both shales and underlying arkoses, a key feature of the Kupferschiefer model proposed for mineralization in the area. At site YB02, approximately 2 km to the south of YB01, fluorite-bearing, lead-mineralized rocks containing up to 3.2% Pb (32,077 ppm) have been identified (Table 3). These results have confirmed the base metal prospectivity of the area. At site YB01 several vegetation samples of *Acacia georginae* were collected for biogeochemical analysis with results to be reported next period.

5 SUMMARY

A review of the base metals potential of the project area was completed in August 2006. This included reprocessing of available magnetic, gravity and radiometric data. In-fill gravity surveys have been completed over two areas. Planning commenced for a helicopter-based electromagnetic (EM) survey proposed for the 2007 field season. Portable XRF results on historical core and rock samples in the field confirm the prospectivity of the area.

6 REFERENCES