Globe Resources Pty Ltd
(a wholly owned subsidiary of Elixir Petroleum Limited)

Annual Report

EL 25260 (Amadeus Project)

For the period 7th February 2007 to 7th February 2008

Prepared by Griffin Money
Compilation of work undertaken by consulting geologist D.W.Milton of Hardrock Mining Consultants Pty Ltd
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1. Summary of Activities

No new in-field exploration activities were undertaken during the reporting period (year 1 of tenure). The primary activities undertaken were collating all existing open file geological, geochemical and geophysical data for EL 25260 and considering a forward exploration plan for the licence.

Early in the first year of tenure, a change of management occurred at Gawler Resources Limited (“Gawler”) (of which Globe Resources Pty Ltd (“Globe”) is a wholly-owned subsidiary) as a result of the then Board agreeing to expand the focus of the company to petroleum development and production. On 23 March 2007 a merger agreement was announced between Gawler and Elixir Petroleum Ltd (“Elixir”). The merger received court approval on 25 October 2007. During this period of time, the merger process required that the target company (being Gawler) not alter its capital structure. Following the completion of the merger between Gawler and Elixir, Elixir is now the parent, and holds a 100% interest in, the licencee, Globe. With the ratification of the merger in mid-November 2007, the group is now in a position to commence a comprehensive exploration program in the second year of tenure.

2. Introduction

The Exploration Licence EL 2560 was granted to Globe on 7 February 2007. The licence area known as the Amadeus Project spans an area of 238.7 km2 and is located approximately 40 km east of Alice Springs in the Amadeus basin. The region is prospective for roll front uranium style deposits with a number of significant deposits (ie. Pamela and Angela) being discovered in the area during the 1970’s, prior to the introduction of the Three Mines Policy in 1984.

Figure 1: EL 2560 (Amadeus Project) location map
3. **Topography and Access**

The lease is located within 40km of Alice Springs and has reasonable unsealed road access. The following figures show the lease area with respect to the main topographical features derived from the Natmap 250k series maps.

![Figure 2: EL 25260 250K Topographical features](image_url)

4. **Geology**

The Amadeus basin is a large east-west trending intra-cratonic basin of late Proterozoic to Carboniferous aged marine and continental sediments. These sediments were derived from surrounding Proterozoic aged granites and metamorphic rocks of the Arunta Block to the north and the Musgrave Block to the south. The rocks are deformed by broad folding and faulting. The main fold trends are east-west while faulting is both normal and thrusting styles. Only weakly developed low grade metamorphism is recognised in the southern part of the basin.

The uranium deposits and occurrences within the basin are located within the Undandita Member (sandstone) of the Brewster Conglomerate. The Undandita Member is the uppermost unit of the Pternjara Group, a thick sequence of sediments of Late Devonian to Early Carboniferous age. The Undandita Member comprises fine to coarse grained lithic sandstones and medium to coarse grained lithic arkoses interbedded with thin mudstone units. The sequence merges with the Brewster Conglomerate in the MacDonnell Ranges and reaches a maximum thickness of 3,000m in the Missionary Syncline 15km south of Alice Springs. The sediments are generally oxidized but a wedge shaped zone of reduced sandstone (the redox zone) which is a favourable environment for uranium precipitation is preserved within the sequence.

EL 25260 is on the eastern margin of the Orange syncline and is mainly a flat westerly dipping sequence of rocks.
Excluding the ubiquitous recent sands and sediments (mainly quaternary or younger) that form the creek lines and sand plain areas and the extensive Tertiary related residual laterite, billy and chert areas, the main rock units in the lease area are:

- **Pzr** Devonian to Carboniferous Hermannsburg Sandstone Red-brown sandstone, pebbly sandstone, minor siltstone
- **Pzm** Silurian? to Devonian Mereenie Sandstone White cross-bedded sandstone
- **Oc** Cambrian to Ordovician Larapinta Group Carmichael Sandstone Red-brown sandstone; siltstone interbeds
- **Os** Cambrian to Ordovician Larapinta Group Stairway Sandstone Fossiliferous sandstone, siltstone, thin phosphorite and limestone
- **Ot** Cambrian to Ordovician Larapinta Group Stokes Siltstone Siltstone, fossiliferous limestone and sandstone interbeds
- **Oh** Cambrian to Ordovician Larapinta Group Horn Valley Siltstone Fossiliferous siltstone, limestone
- **-COp** Cambrian to Ordovician Pacoopta Sandstone Fossiliferous sandstone and silty sandstone
- **-Cg** Cambrian Goyder Formation Fossiliferous silty sandstone, siltstone and limestone
- **-Cs** Cambrian Shannon Formation Fossiliferous siltstone, shale and limestone
- **-Ck** Cambrian Giles Creek Dolomite Fossiliferous dolomite, limestone, siltstone, and shale

Not all rock units are exposed due to the extensive Quaternary cover and residual laterites.
4.1 Reported Mineralisation

The Amadeus basin to this date has only shown minor mineral deposits, the largest being the Angela and Pamela Uranium deposits about 30 kilometres south of Alice Springs. These deposits are described in further detail latter in this report. Only minor occurrences of copper and gold have been reported at several locations within the basin. Minor phosphorous bearing areas have been identified.

There are no reports on the NTGS MODAT data base of mineral deposits within close proximity of the tenement.

4.1.1 Angela and Pamela Uranium Deposits

These deposits lie well outside the tenement areas but between the two granted tenements. The deposits are considered to be sandstone hosted “roll front” deposits formed at the boundary of oxidised and reduced sediments. Uranium has been concentrated at this boundary and a resource of between 6,000 to 10,000 tonnes of equivalent (e) U3O8 at a cut off of 0.05% eU3O8. The deposits lie at about 400m to 650m below the surface.

The discovery of the deposits was made in 1972 as a result of a deliberate search of the area seeking this style of deposits (known from the USA) using airborne spectrometry which detected a small anomaly. Ground follow-up located three small surface anomalies. Follow-up mapping, costeaming and then drilling located the deposits in the Undandita Member of the Brewer Conglomerate. These rocks are among the youngest (Upper Devonian to Lower Carboniferous) sediments in the Amadeus basin, representing the last phases of sedimentation.

Subsequent extensive exploration along the west and east and the north and south axis of the Missionary and Orange Creek Synclines failed to find additional deposits. This exploration included detailed ground scintillometry, radon surveys, shallow drilling and geochemistry.
Central Australia known resources according to Scrimgeour et al. 2007 in the Central Australian region are:

- Energy Metals – Bigrlyi 4.53 Mt @ 0.14% U3O8, 0.16%V2O5
- Arafura Resources - Nolans Bore 18.6Mt @ 0.02% U3O8
- Toro Energy – Napperby 1.9 Mt @ 0.036% U3O8
- Angela-Pamela (currently under re-assessment) - 8.54Mt @ 0.12% U3O8
- A major emerging uranium province
- Diverse styles of mineralization

4.1.2 Styles of Mineralisation and Targeting Strategies

The regions covered by the leases have the potential to host uranium or base metal deposits (copper lead zinc).

Prospectivity in Central Australia is considered high for the following types of uranium mineralisation:

- Roll front and stratiform sediment-hosted mineralisation;
- Shear-hosted, pegmatite-hosted and apatite-hosted; and
- Basins and palaeochannels sourced from granite, which may be quite distal.
The following series of figures illustrate the type and styles of uranium mineralisation that are potential targets in the leases.

**Figure 5:** Model of roll front uranium deposit

**Figure 6:** Geological section of roll front uranium mineralisation
Figure 7: Model of unconformity related uranium deposit. After Vic Wall 2007

Figure 8: Model of stratiform uranium deposits. After Vic Wall 2007
5. Previous Exploration

5.1 Previous Mineral Drilling

There has been essentially no mineral drilling carried out on the lease. The flowing diagram shows the extent of the drilling in the region. Most of the holes relate to the exploration for phosphates or uranium.
There are 10 holes in EL 2560. Two related to phosphate exploration and eight related to uranium exploration. The details of the holes are as follows:

<table>
<thead>
<tr>
<th>Hole Id</th>
<th>Drill Type</th>
<th>Depth</th>
<th>Company</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PD4</td>
<td>Percussion</td>
<td>92m</td>
<td>BHP</td>
<td>Details in report 1976-0073</td>
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<tr>
<td>PD5</td>
<td>Percussion</td>
<td>150m</td>
<td>BHP</td>
<td>Details in report 1976-0073</td>
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<td>VB146</td>
<td>Vacuum</td>
<td>NR</td>
<td>Uranez</td>
<td>Details in report 1978-0078</td>
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<tr>
<td>VB147</td>
<td>Vacuum</td>
<td>NR</td>
<td>Uranez</td>
<td>Details in report 1978-0078</td>
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<tr>
<td>VB148</td>
<td>Vacuum</td>
<td>NR</td>
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</tr>
</tbody>
</table>
5.2  Geochemical Surveys

Various types of geochemical samples have been collected on the lease, stream sediment, rock chip and soil samples. No whole rock samples have been collected. The most extensive are the stream sediment surveys.
Figure 12: Regional stream sediment survey coverage

Figure 13: Regional Soil Survey coverage
The coverage of each lease with stream sediments and their relationships to rock types is shown in the following diagram.
5.3 Geophysical Surveys

Airborne surveys have been carried out by AGSO on behalf of the NTGS over the lease area in the last 10 years and were obtained from the DPIFM.

The following map shows the extent of the regional surveys in relation to the lease.

Figure 17: EL25260 Airborne survey coverage

Details of survey for lease EL25260:

One survey by AGSO, the details of which follow;
6. Work Completed in Year 1

During the first year of tenure Globe, through the services of consulting geologist David Milton (Hardrock Resources Pty Ltd) undertook the assimilation of all openfile geoscience data relating to the licence, EL 25260.

The following public domain data were collated:
1. 1:250,000 scale geology maps for:
   a. Alice Springs SF5314
   b. Henbury SG5301
   c. Rodinga SG5302
2. 1:250,000 scale topographic information from NATMAP topographical series.
3. Open file gravity data girded at 2,000 metre centres from Northern Territory Geological Survey (NTGS).
4. Open file aeromagnetic and radiometric data from NTGS. Specifically, surveys.
5. Mineral deposit data from the NTGS MODAT database.
6. Open file company reports from the NTGS.

7. **Expenditure During Year 1**

Expenditure related to EL 25260 for the period 7 February 2007 to 7 February 2008 amounted to $14,960.16.

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenditure</th>
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<tbody>
<tr>
<td>Tenement Management</td>
<td>$265.00</td>
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<tr>
<td>Technical Consultancy</td>
<td>$3,993.83</td>
</tr>
<tr>
<td>Management</td>
<td>$8,750.00</td>
</tr>
<tr>
<td>Overheads</td>
<td>$1,691.15</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td><strong>$14,960.16</strong></td>
</tr>
</tbody>
</table>

8. **Proposed Program for Year 2**

The following work program is proposed for year 2:

1. Acquisition of geophysical survey data for AGSO Survey1007 (Amadeus West), TMI, 256 channel radiometrics and DTM and reprocess data using consultant geophysicist targeting low order radiometric and magnetic anomalies as basis of uranium target revaluation ($15,000)

2. Progress land access agreements with native title holders and pastoral lease owners ($10,000).

3. Fixed wing aircraft EM survey of 50 square kilometers in SW section of lease, Eastern margin of Amadeus basin targeting potential structures and features that may host uranium mineralisation. ($35,000)

A budget of $60,000 is proposed for the program.
9. References


10. Open File Summaries

<table>
<thead>
<tr>
<th>Report Number</th>
<th>Status</th>
<th>Title</th>
<th>Tenure</th>
<th>Year</th>
<th>Corp Author</th>
<th>Open Abstract</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR1976-0073</td>
<td>Open File</td>
<td>Final report, Ooraminna, NT</td>
<td>EL 1064</td>
<td>1976</td>
<td>BHP Minerals</td>
<td>Phosphate values averaging 12.8% P2O5 were intersected. However results have not warranted further testing.</td>
</tr>
<tr>
<td>CR1982-0021</td>
<td>Open File</td>
<td>Annual report on exploration in Alice Springs, NT</td>
<td>EL 2163</td>
<td>1982</td>
<td>Uranerz Australia</td>
<td>Carpentaria Exploration Company</td>
</tr>
<tr>
<td>CR1983-0334</td>
<td>Open File</td>
<td>Relinquishment report, Alice Springs area</td>
<td>EL 2163</td>
<td>1983</td>
<td>Uranerz Australia</td>
<td>Carpentaria Exploration Company</td>
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<tr>
<td>Report Number</td>
<td>Status</td>
<td>Title</td>
<td>Tenure</td>
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<td>Corp Author</td>
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<tr>
<td>CR1984-0013</td>
<td>Open</td>
<td>Final report on part of Alice Springs area, NT 07/06/1978 to 02/12/1983</td>
<td>EL</td>
<td>1984</td>
<td>Uranerz Australia</td>
<td>Carpentaria Exploration Company</td>
</tr>
<tr>
<td></td>
<td>File</td>
<td>EL 9334, New Year Dam, EL 9336, Mount Ooraminna, EL 9338 Eagle Bore and EL 9339 Mount Burrell, combined first annual report for period ending, 3-11-1996</td>
<td>EL</td>
<td>1996</td>
<td>CRA Exploration</td>
<td>874 soil, 109 stream sediment and 118 Rock Chip Samples were collected from the project area. 5 areas were identified as being above background values for Cu, Pb, Zn over more than one line, with 11 isolated soil sample lines with one or more elevated value. The rock chip samples returned anomalous base metal values with maximum values of 1800ppm As, 3600ppm Co, 1300ppm Cu, 960ppm Ni, 580ppm Pb, and 5300ppm Zn. These elevated values were associated with high Fe (max 60.6%) and Mn (29.8%). The association suggests scavenging, however further investigation is warranted. The stream sediment program also identified a couple of areas with elevated Cu, Zn, Co, Pb.</td>
</tr>
<tr>
<td>CR1966-0017</td>
<td>Open</td>
<td>Final Report, AP 1604 Orange Block.</td>
<td>AP 1604</td>
<td>1966</td>
<td>Magellan Petroleum</td>
<td>AP 1604 was granted to test the non-petroliferous mineral potential of the Amadeus Basin stratigraphy intersected in petroleum exploration well Orange 1. As a result of core studies and thin section descriptions that failed to identify anything of interest, it was requested that AP 1604 be surrendered.</td>
</tr>
</tbody>
</table>
The tenement is one of several ELs covering the Missionary Syncline being explored for uranium in a joint venture between Uranerz Australia and Carpentaria Exploration Company. Work carried out during the reporting period included re-evaluation of all data, particularly drilling data, accumulated over the life of the project. The results were intended to show a more precise interpretation of the ore distribution and sedimentological/cementation controls at Angela ore body, its satellite ore bodies and regional prospects. A ROAC survey was also carried out over Angela during the reporting period.

Six areas were RAB drilled (301 holes totalling 4294m) as follow up to anomalous base metal values outlined in the 96 soil sampling program.

The drilling at Oliffe Range showed anomalous copper at the base of the Chandler Formation, open to the east. Drilling of Ironstone outcrop in the Bitter Springs Formation returned values of 1800ppm Zn, 550ppm Co & 600ppm Ni associated with Fe/Mn. Though there is a positive correlation with Fe/Mn follow up warranted due to the tenor of the results.

Elevated Zn/Co at deep well not associated with Fe/Mn & so the values warrant follow up.
<table>
<thead>
<tr>
<th>Report Number</th>
<th>Status</th>
<th>Title</th>
<th>Tenure</th>
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<td>CR1998-0564</td>
<td>Open File</td>
<td>EL 9334 New Year Dam, EL 9336 Mt Ooraminna, EL 9338 Eagle Bore, EL 9339 Mt Burrell final report</td>
<td></td>
<td>1998</td>
<td>Rio Tinto Exploration</td>
<td>In year one, stream, soil and rock chip sampling completed whilst in year two RAB drilling was completed, details can be obtained in the relevant annual reports. In year 3, rock chip sampling was completed within EL9339 with low results obtained, in addition a detailed geological map was compiled for the same area.</td>
</tr>
<tr>
<td>CR2003-0085</td>
<td>Open File</td>
<td>Annual exploration report for EL 10279</td>
<td></td>
<td>2003</td>
<td>Johnson's Well Mining</td>
<td>Work was limited to the literature reviews.</td>
</tr>
</tbody>
</table>
The Rand Project is a joint venture between Gutnick Resources N.L. (manager) and Johnson’s Well Mining N.L. The Rand Project is based on a new genetic interpretation for the Witwatersrand mineralisation in South Africa. These new hydrothermal models suggest that similar and related styles of mineralisation may be present in other sedimentary basins with similar structural and stratigraphic styles to the Witwatersrand. Following a literature and field based review of potential target basins around the world, the Amadeus and Ngalia Basins were selected for exploration as part of the Rand Project. A literature search of government open file data was completed to review past exploration techniques and methodology. Previous exploration for gold is limited. Current exploration involved the application and assessment of regolith, structural geology, geochemistry and geophysics. An orientation program was designed to determine the best method for geochemical sampling, by comparing areas of known mineralisation to areas with none. A regional stream sediment and rock chip sampling program was then completed over areas of outcrop at the Mt Doreen and Illogwa Creek target areas in the Amadeus Basin. Fourteen base of slope samples were taken during the stream sediment program and were analysed for the same elements as the stream sediments using the same analytical techniques. All exploration was non-invasive with negligible environmental impact. A total of 510 stream sediment samples were taken in the active channels of dry creek beds to a density of 1 sample per 5 square kilometres. Each sample site represented a 3 kilogram sample that was sieved to – 4 mm and analysed using low level detection BLEG for gold and sieved to –2 mm +40 mesh and analysed using ICP-OES or ICP-MS for the multi element analysis. Several discrete areas return elevated gold levels with 21 stream sediment samples containing in excess of 1 ppb gold with a maximum value
of 6.15 ppb. One area also returned elevated silver results with 12 stream sediment samples containing 0.10 ppm silver or better with a maximum of 0.25 ppm. Elevated levels of base metals and other elements were also returned in a number of areas. Reconnaissance rock chip sampling conducted during the stream sediment program returned several anomalous gold and silver values with maxima of 25 ppb and 5 ppm respectively. Maximum values for other metals include 350 ppm arsenic, 1000 ppm copper, 32 ppm bismuth and 16.5 ppm antimony. Field observations in several of these areas confirm the presence of quartz veining, deformation and mica alteration in the sedimentary rocks and the metal anomalies may reflect these alteration systems. Rock chips were analysed using the Atomic Absorption method. Fourteen base of slope samples were taken during the stream sediment program and were analysed for the same elements as the stream sediments using the same analytical techniques. All exploration was non-invasive with negligible environmental impact.

Exploration activities during the first year of the EL 2163 have been described. A total of 25 diamond and 245 percussion holes were drilled with a total of 1426 metres of diamond drilling and 66850 metres of percussion drilling over the Angela adjoining area. Geological reserves and potential of the Angela zones have been recalculated.

The survey to locate zinc silicate bodies in the Early Cambrian dolomite produced negative results. No further work is recommended.