Hale Energy Limited

EL 24823 (Curtis Pound)

Year 1 Annual Report

August 2nd 2006 – August 1st 2007

BONNEY WELL 1:250,000 MAP SHEET SF53-02

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FIGURES

Figure 1: Location of the Curtis Pound Exploration License area

Figure 2: Geology of the Curtis Pound Exploration License area
1.0 SUMMARY

The Curtis Pound Project covers Proterozoic rocks of the Tennant Inlier and contains a number of identified radiometric anomalies. A review of the geological data and previous exploration reports was undertaken during the first year of the lease, reconnaissance ground exploration work was carried out to check access.

2.0 INTRODUCTION

Hale Energy Limited acquired the Curtis Pound Exploration License 24823 on the 2\textsuperscript{nd} August 2006. The tenement has an area of 729.3km\textsuperscript{2} and an expiry date of 1 August 2012, with an annual exploration commitment of $41,600.

2.1 Location and Access

Hale Energy Limited’s Exploration License 24823 is located in the central part of the Northern Territory. Hale Energy Limited is a wholly owned subsidiary of Thor Mining PLC. The tenement is located approximately 340km north-northeast of Alice Springs and 125km south-southwest of Tennant Creek via the Stuart Highway and the Kurundi Station Track on the Bonney Well 1:250,000 SF53-02 map sheet (Figure 1). It covers over 700km\textsuperscript{2} of Proterozoic sediments that Hale Energy intends to explore for sandstone hosted uranium deposits. The prospective areas within the tenement are topographically steep and are covered by semi arid vegetation.
2.2 Native Title and Site Clearance

There are three known recorded historical sites in the tenement; there are some non-registered Aboriginal sacred sites in the surrounding area. However, no mining or exploration activity will affect them. The Central Land Council has conducted a site clearance over the proposed areas and has placed an exclusion zone out of the area of exploration.

3.0 GEOLOGY

The project area is over Paleoproterozoic rocks of the Tennant Creek Inlier. The rocks are comprised of two sedimentary and volcanic sequences (see Figure 2).
The upper sequence, of Hatches Creek Group rocks, covers most of the project area, within which the sequence is folded into three synclines and two intervening anticlines along northwest axes. The southwest syncline has moderate dips and forms the Curtis Pound. The tightly folded and faulted out Alexandra Syncline trends north-northwest in the central portion of the tenement, and the steeply folded Bonney Syncline is in the northeast of the area. The sequence, from top to bottom, is shale and siltstone, sandstone, basalt, siltstone with minor carbonate sediments, and a major sandstone unit.

The Hatches Creek Group unconformably overlies the Warramunga Group, which outcrops in the Skinner Anticline in the southeast of the project area, where it is comprised of a sandstone unit overlying basic volcanic rocks.

Figure 2: Geology of the Curtis Pound Exploration License area

4.0 EXPLORATION & MINING

4.1 Previous Exploration

The region was explored for uranium by Pechiney (Australia) Exploration Pty Ltd (“Pechiney”) in 1971 and 1972. Pechiney flew an airborne radiometric survey over the region. It located nine radiometric anomalies within the Curtis Pound tenement area and followed up two of them. One, in a siltstone unit, was found to be caused by thorium.
The other, near the axis of the Curtis Syncline, was traced to a 90m long and 1m thick bed consisting largely of microcrystalline apatite. A grab sample of the rock contained 320ppm U₃O₈.

4.2 Current Exploration

A review of the geological data and previous exploration reports was undertaken during the first year of the lease, no exploration work was carried out other than field reconnaissance. A list of the open file reports reviewed is displayed in Appendix 1.

4.2 Exploration Potential

Minimal exploration has been carried out over the tenement area for uranium mineralisation. A number of anomalies have been identified, but are not known to have been followed-up. Systematic detailed exploration of the area can be expected to confirm the location of both the previous anomalies and identify others.

4.3 Proposed Exploration

Hale Energy Limited proposes to initially acquire and process satellite imagery and digital terrain data, to complete a detailed airborne magnetic and radiometric survey, and to carry out on-ground geological reconnaissance and geophysical anomaly follow-up. The proposed second stage exploration will comprise systematic drill testing of targets delineated during initial exploration.

5.0 EXPENDITURE

See the attached expenditure form.
## 6.0 APPENDICIES

### Appendix 1: Open File Report List

| CR1987-0071 | First annual report period ending 28-02-1986 to 28-02-1987 |
| CR1990-0225 | EL 4860, 1989 annual report |
| CR1990-0226 | EL 4860, Report on relinquished area of Licence |
| CR1990-0647 | Final report EL 4860 |
| CR1989-0147 | Report on preliminary regional reconnaissance EL 5505 NT. |
| CR1990-0177 | Geological reconnaissance and assessment of the prospectivity EL 5505. |
| CR1990-0114 | First and final report EL 5572 Bonnie Well area |
| CR1995-0762 | Annual report to 16 September 1995, EL 8653 |