

Hale Energy Limited

EL 24810

“Plenty Highway”

ALICE SPRINGS 1:250K MAP SHEET

Year 2 Annual Report

August 2nd 2007 – August 1st 2008

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DRILL_COLLAR_DATA_EL24810_2008
DRILL_LITHOLOGY_DATA_EL24810_2008
DRILL_ASSAY_DATA_EL24810_2008

1.0 SUMMARY

The Plenty Highway Project is located in the Plenty River area about 125km northeast of Alice Springs. The project is part of two contiguous tenements that cover about 1,200km² of the Tertiary Waite and Huckitta Basins within the Proterozoic Arunta Block, which are prospective for palaeo drainage hosted uranium mineralisation. The Plenty Highway passes through the south of the Plenty Highway project area. The prospective areas within the tenement are topographically flat and are covered by scrubland and grassland.

The project area covers part of the Tertiary Waite and Huckitta Basins which are relatively shallow sedimentary basins; the central portions of which were probably lakes during most of the time of deposition of their sediments. The basins were fed from both the Harts Range metamorphic rocks in the south and by various channels that drain areas of Proterozoic granitic and metamorphic rocks to the north. The sedimentary sequence within the basin is dominated by clays and sandy clays, with lesser amounts of sands. Lignite and evaporite horizons are also present. The sediments were subject to slight uplift during the late Pliocene and the upper parts of the sequence have been eroded in part. The sequence is poorly known, with the approximate 1,200km² of basin within the project areas having been tested by only about 15 drill-holes. Within the Plenty Highway tenement basement was reached in only one hole and the basin is known to be in excess of 200m vertical depth at it's deepest point.

Early stratigraphic information was obtained by the BMR, which drilled two holes into the basin during the 1960s.

Alcoa explored the basins for uranium during 1979 and 1980. Alcoa drilled 71 holes to maximum depths of 200m for a total of 6,260 metres. Of these holes, six were drilled within the area of EL24810 and a further six within that the adjacent tenement EL25378. Significant uranium intersections were only achieved in four holes, drilled outside Hale Energy's project areas. The best intersection, at a depth of 104m, was of 45ppm U₃O₈ within a reducing horizon of pyritic carbonaceous silt.

2.0 INTRODUCTION

This report covers all exploration completed on EL24810 for the period 2nd August 2007 to 1st August 2008. Exploration Licence EL 24810 is comprised of 235 graticular blocks (733 km²) and was granted to Harfort Nominees Pty Ltd on 2nd August 2006. On the 16th June 2006 Harfort Nominees Pty Ltd underwent a name change to Hale Energy Pty Ltd. Hale Energy Pty Ltd became a wholly owned subsidiary of Thor Mining Pty PLC when the company listed on the ASX on 27th September 2006.

3.0 LOCATION AND ACCESS

EL 24810 is located on the Alcoota 1:250,000 map sheet (SF53-10) 160km northeast of Alice Springs (Figure 1.0). Access is via the Stuart Highway for 70km north of Alice Springs, then east for 90km along the Plenty Highway. The area of the licence is well served by station roads and tracks.

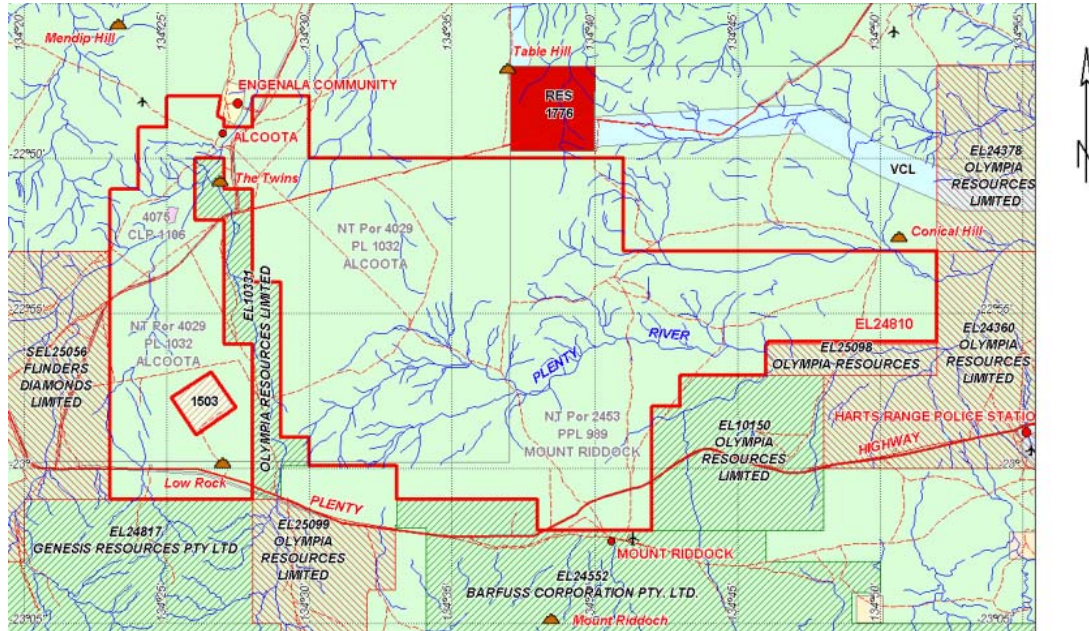


Figure 1.0 – Plenty Highway Location Plan

4.0 NATIVE TITLE AND SITE CLEARANCE

A search of the AAPA database has been completed which identified several recorded sites in the area.

5.0 GEOLOGY

The Plenty Highway project area (EL 24810) covers part of the Tertiary Waite and Huckitta Basins which are relatively shallow sedimentary basins; the central portions of which were probably lakes during most of the time of deposition of their sediments. The basins were fed from both the Harts Range metamorphic rocks in the south and by various channels that drain areas of Proterozoic granitic and metamorphic rocks to the north.

The sedimentary sequence within the basin is dominated by clays and sandy clays, with lesser amounts of sands. Lignite and evaporite horizons are also present. The sediments were subject to slight uplift during the late Pliocene and the upper parts of the sequence have been eroded in part. The sequence is poorly known, with the approximate 1,200km² of basin within the project areas having been tested by only about 15 drill-holes. Within the Plenty Highway tenement basement was reached in only one hole and the basin is known to be in excess of 200m vertical depth at its deepest point.

6.0 PREVIOUS EXPLORATION

Early stratigraphic information was obtained by the BMR, which drilled two holes into the basin during the 1960s.

Alcoa explored the basins for uranium during 1979 and 1980. Alcoa drilled 71 holes to maximum depths of 200m for a total of 6,260 metres. Of these holes, six were drilled within the area of EL24810 and a further six within that the adjacent tenement EL25378. Significant uranium intersections were only achieved in four holes, drilled outside Hale Energy's project areas. The best intersection, at a depth of 104m, was of 45ppm U_3O_8 within a reducing horizon of pyritic carbonaceous silt.

Extensive open file and report data was also reviewed.

In late November of 2006, a helicopter borne time domain electromagnetic survey (HoistEM) was flown over the tenement. The survey consisted of 126 traverses with 400m line spacing, collected in a North-South Orientation for a total collection of approximately 1800 line km of data.

The HoistEM Data was then modelled and interpreted by Dave McInnes of Montana GIS Pty Ltd. His report was forwarded to Hale Energy Limited in April 2007.

7.0 YEAR 2 EXPLORATION

A drill program of 16 holes for 1579m was completed in late August to early September 2007. Of these holes approximately half failed to reach the bedrock target with the remaining holes ending in clays.

Water was intersected in 3 holes 07PHAC002, 07PHAC003 and 07PHAC011. Of these the latter 07PHAC011 had the best water flow and could sustain a bore if water quality was suitable.

The general stratigraphy in the area is a thin sandy/soil layer at surface overlying a calcrete horizon with sand. Underneath this zone is characterised by calcareous clay with traces of gypsum and calcrete. The most prospective area encountered is along the fence line between holes 07PHAC010 and 07PHAC012. Drill hole 07PHAC011 intersected a zone of quartz sand 8m thick (hole ended before the end of intersection) which exhibited some anomalous readings from the scintillometer.

Compilation and review of all open file data was completed during the reporting period.

8.0 YEAR 3 PROPOSED EXPLORATION

The fence line traverse between holes 07PHAC010 and 07PHAC012 requires further infill drilling to determine the prospectivity of the sand layer identified in drilling to date.

Other targets identified by Montana GIS to the north and north west of the current drill coverage need to be tested with reconnaissance air core drilling.

9.0 CONCLUSIONS

The HoistEM survey was a technical success and outlined several conductive shells in an extensive palaeo drainage system which is considered to be prospective for “roll front” style uranium mineralisation. Drilling to date has not identified any economic uranium mineralisation however only limited coverage of the paleo drainage system has been completed due to budget limitations.

Further reconnaissance drilling testing of paleo drainage targets outlined from the HoistEM interpretation by Montana GIS is recommended.

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