EXPLORATION LICENCE
EL22298

COX PROJECT

Surrender Report

FOR THE PERIOD

24 APRIL 2002 TO 23 APRIL 2008

BY

M Edwards, G McGoldrick

Date due: 22nd July 2008

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Legend International Holdings, Melbourne
TENEMENT REPORT INDEX

OPERATOR: Legend International Holdings
PROJECT: Cox
TENEMENTS: Exploration Licence: 22298
REPORT PERIOD: 24 April 2002 to 23 April 2008
DUE DATE: 22 July 2008
AUTHOR: M Edwards, G McGoldrick
STATE: Northern Territory
LATITUDE: S15° 06’ – S16° 40’
LONGITUDE: E134° 01’ – E135° 30’
MGA (easting): 400000 - 5500000
MGA (northing): 81500000 - 8325300
1:250,000 SHEET: SD53-14 Hodgson Downs, SD53-15 Mount Young SE53-02 Tanumbirini, SE53-03 Bauhinia Downs
1:100,000 SHEET: 5767 Hodgson, 5867 St Vidgeon, 5967 Towns, 5766 Nutwood, 5866 Cox, 5966 Mantungula, 5865 Tanumbirini, 5965 Bauhinia Downs, 5864 October, 5964 O T Downs
MINERAL FIELD:
COMMODITY: Diamonds
KEYWORDS: Diamonds, data review, target areas
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1 SUMMARY OF EXPLORATION ACTIVITIES

The exploration activities for EL22298 amounted to a complete and thorough review of all open files on previous exploration data, reprocessing of data, site visit and stream sediment sampling.

2 TENEMENT STATUS

Astro Diamond Mines NL is manager of the Cox Project, the project consists of one tenement covering an area of 1,469.4km².

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<tr>
<th>Tenement</th>
<th>Date of Grant</th>
<th>Area (km²)</th>
<th>Holder</th>
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<td>1,469.4</td>
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3 LOCATION AND ACCESS

The Cox Project covers approximately 8,676.9 square kilometers west of the Merlin diamond field. The Cox Project is located between Roper Bar and Cape Crawford, on the north western part of the Bauhinia Downs (SE53-03), eastern half of the Hodgson Downs (SD53-14), the north eastern corner of the Tanumbirini (SE53-02) and the western parts of the Mount Young (SD53-15) 1:250 000 map sheets (Figure 2). The northern area is accessed via the Roper Highway and station roads to Hodgson River, Nutwood Downs and Cox River, and the southern area is accessed via the Carpentaria Highway towards Cape Crawford.

4 GEOLOGY

All the economic diamond deposits and other significantly diamondiferous occurrences in Australia occur on the North Australian Craton (“NAC”). The NAC underlies the Kimberley region of northern WA, the northern two thirds of the NT and the north western part of Queensland. It is also host to many significant base metal, gold and uranium deposits. The NAC was formed at about 1850 million years (Ma) during the Barramundi Orogeny by the amalgamation of Archaean and early Proterozoic rocks which now form the basement rocks of the NAC. Proterozoic (1820-1600 Ma ) platform cover sediments, Palaeozoic volcanics and sediments, and Mesozoic sediments cover these basement rocks. The Palaeozoic volcanics comprise the Lower Cambrian Antrim Plateau Volcanics (about 550 Ma in age) and its equivalents. The only volcanic activity that has occurred on the NAC for the past 500 Ma has been the intrusion of diamondiferous kimberlite at 367 Ma (the Devonian age Merlin kimberlite field), 179 Ma (Jurassic age Timber Creek kimberlite field), and the 25 Ma (Tertiary age) lamproite field in the Ellendale (West Kimberley) area.
The large time span for the intrusion of diamondiferous rocks makes the NAC very prospective for diamond exploration and indicates diamonds have been preserved in the lithosphere below the NAC and that eruption of diamond-bearing volcanic rocks can occur at any time during the last 500 Ma. It is expected that kimberlites would occur in the central parts of the NAC and lamproites would be favored in the marginal areas and in cross cutting Proterozoic mobile zones.

The kimberlites and lamproites of the NAC tend to occur along major north west and north east trending structures. These structures can be seen in the gravity data crossing the NAC and have a strike length of many hundreds of kilometers. These structures are interpreted to be fundamental fractures in the NAC and are potential channel ways for diamondiferous intrusives.

4.1 LOCAL GEOLOGY

EL22298 is located within the Cox Project Area in the central western area of the Proterozoic McArthur Basin (Figure 3). In the west of the Project area, the Mesozoic Dunmarra Basin overlies the McArthur Basin. The majority of the area is underlain by Mesoproterozoic Roper Group sediments and minor volcanics. In the west of the Project area, Lower Cambrian mafic volcanics and sediments overlie the Proterozoic rocks. The mafic volcanics are the Nutwood Downs Volcanics and are equivalent to the Antrim Plateau Volcanics in the western part of the NT. Flat-lying Cretaceous sediments unconformably overlie the Proterozoic and Palaeozoic rocks. Dolerite sills intrude the Roper Group rocks.

Northwest trending faults parallel to and possible extensions of the regional Calvert Hills Fault are evident within the tenements. The Mallapunyah fault is mapped to the south, and other breaks are apparent to the north.

A series of northerly trending faults are also mapped within the tenements. Many of these are parallel to the north northwest Emu fault on the eastern margin of the McArthur Basin, however the numerous domes and anticlines suggest mostly strike slip faulting.

5 EXPLORATION

5.1 SUMMARY

Target selection in this tenement was focused towards geochemical anomalies and investigating the stratigraphy and possible existence of kimberlitic intrusives underlying significant Cenozoic cover.

5.2 GEOLOGICAL & GEOPHYSICAL DATA REVIEW

A compilation and analysis of historic exploration data from open-file reports and multi-client airborne magnetic data was reviewed with a view to developing an appropriate exploration strategy.
5.3 **SAMPLING**

Eleven stream sediment samples (COS1-COS11) were taken. The samples underwent a HMA diamonds & indicator minerals analysis by Diatech. The products of sized samples were passed through the mini-DMS and the concentrates further separated. The 1.2 to 0.3mm fraction was processed for observation and the +1.2mm material stockpiled.

5.4 **RESULTS**

Of the eleven stream samples analysed for HMA, diamonds and indicator minerals, three chromite/ chromite-spinels were recorded, two at +0.3 and one at +0.4:

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<tr>
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<th>KeyMineral</th>
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<th>KFraction</th>
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5.5 **DISCUSSION**

The chromite mineral chemistry looks encouraging for two of the stream samples (COS3 & COS6) but provenance is questionable. The Northern Territory has a vast scattering of redistributed Cretaceous and Tertiary chromites, especially in the area south of Cox. The origin of these chromites may not be local in relation to the sample position.

6 **BIBLIOGRAPHY**

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## Appendix 1: Cox Stream HMA Sampling Locations and Geochemical Assays

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