



ABN 26 115 111 763

EL23917 Bynoe 3

Final Relinquishment Report for the Period 20th July 2004 to 13th June 2008

Volume 1 of 1

**Tenure Holder: Uranex N.L.
Level 2 Railway Road Subiaco WA 6008
PO Box 466, West Perth WA 6872**

Compiled by: Peter Robinson

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SUMMARY

Exploration Licence 23917 "Bynoe 3" is located approximately 60km south of Darwin in the Northern Territory. The licence was initially granted to Anglo American Exploration (Australia) Pty Ltd and then transferred to Continental Nickel NL (Continental; a fully owned subsidiary of Goldstream Mining NL) on 9th April 2004. Continental sold the tenement to Uranex NL on the 1st December 2005 with the transfer occurring on 15th February 2006.

Uranex NL reduced EL23917 from 12 sub-blocks (30.22 km²) to 6 sub-blocks (19.57 km²) on 19th July 2007 as per the licence. This final relinquishment report details exploration activities conducted on the Exploration Licence during its tenure.

Exploration carried out on EL23917 by Uranex NL comprised data / literature reviews, geological reconnaissance, and a detailed geophysical aeromagnetic and radiometric survey in order to assess the uranium potential of the licence. No significant uranium anomalies were located for ground follow up. General Uranium background was lower and blander than that over the favoured host lithologies in the east of the project area.

From results received from drilling in the Bynoe project area it appeared that the aeromagnetic signatures over EL23917 suggested that preferred host rock suite for the uranium targets did not exist here.

The EL was relinquished on 13th June 2008.

Expenditure for the tenement for the final year of tenancy to the date of relinquishment totalled **\$7,378**.

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DIGITAL FILES (ON REPORT CD)

EL23917-Final Surrender Report-2008.pdf

Note: The entire Geophysical Survey File for **UTS# A289 in GDF** format which includes EL 23917 has been previously deposited with Northern Territory Geological Survey Department of Primary Industry, Fisheries and Mines

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1. INTRODUCTION

EL23917 'Bynoe 3' is located on the southwest side of Bynoe Harbour, approximately 60km southwest of Darwin in the Northern Territory on the Cape Scott (SD 52-07) 1:250,000 map sheet.

The Stuart Highway provides access to the region, and then dirt tracks continue northwest to the project area (Figure 1).

EL23917 formed part of the Bynoe Project that Uranex NL is undertaking exploration on. Exploration is aimed at Alligator River Field (ARUF) and/or Rum Jungle Uranium Field (RJUF) style uranium deposits. This is based on the recognition by earlier explorers that the Lower Proterozoic stratigraphy has similarities and may equate with stratigraphy in the ARUF or the RJUF.

Targets based on this model have been drilled to a limited extent by Idemitsu Uranium Australia Exploration Ltd and Urangesellschaft Australia Pty Ltd.

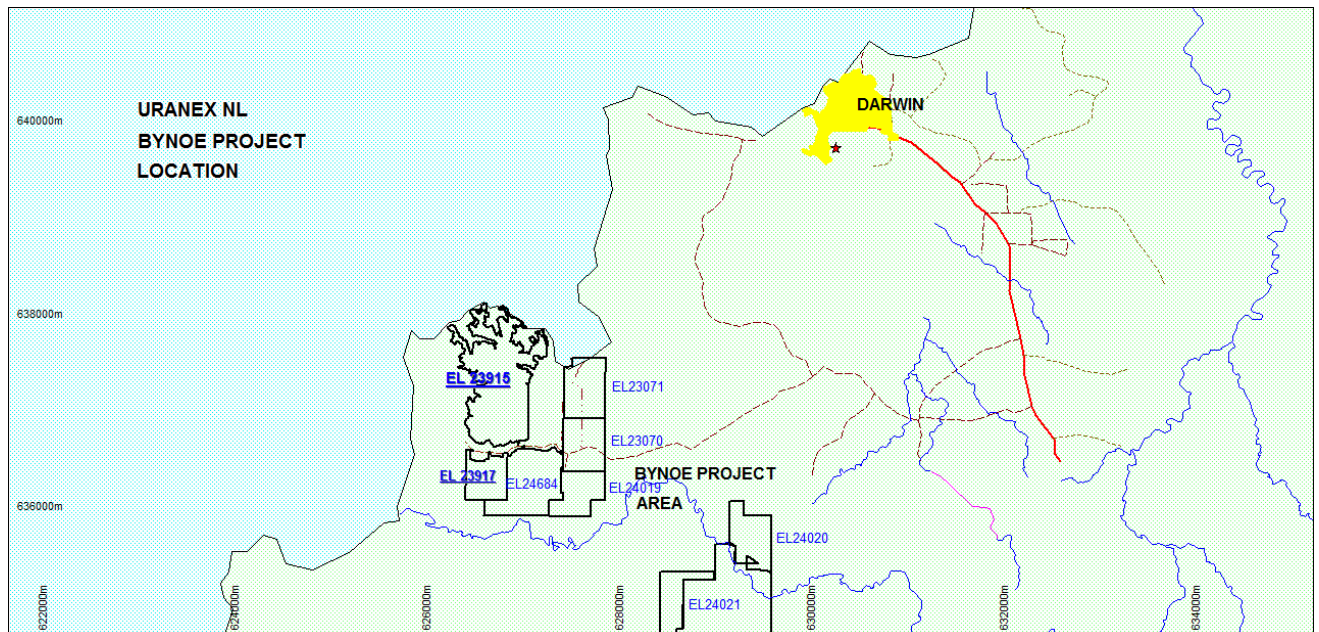


Figure 1: Location

2. TENURE

The licence was initially granted to Anglo American Exploration (Australia) Pty Ltd and then transferred to Continental Nickel NL (Continental; a fully owned subsidiary of Goldstream Mining NL) on 9th April 2004.

On the 1st December 2005, Continental sold its interest in the Bynoe project licences to Uranex NL. EL23917 was included in the transfer from Continental to Uranex NL on 15th February 2006.

Combined reporting status was granted for the tenements in the Bynoe project on 10th August 2005 with EL23917 being a part of these reports. Prior to this date, individual annual reports had been submitted for each of the Exploration Licences in the group.

In order to meet with statutory requirements, Uranex NL reduced the area of the licence from 63 to 32 sub-blocks effective from 20th July 2007.

3. REGIONAL GEOLOGY

The Bynoe Project is located within the Litchfield Province on the western side of the Pine Creek Geosyncline, west of Darwin. The Province extends for several hundred kilometres in a north - south orientation with a width exceeding 60 kilometres.

Geological elements within the Province include Lower Proterozoic gneisses (Well Tree Metamorphics), syn-orogenic lower Proterozoic granitoids and post-orogenic Carpentarian granitoids.

The project area is interpreted to occur on the northern extension of the Hall's Creek Mobile Zone (HCMZ), a major lithospheric structure that separates the Kimberley and North Australian Cratons.

Significant mafic intrusive complexes and known Ni-Cu sulphide mineralization are hosted by the HCMZ.

The Finnis River Lineament, a major north-south transgressive structure, intersects the craton margin and hosts a prominent belt of mafic-ultramafic intrusions.

The Early Proterozoic Welltree Metamorphics is the dominant unit within the lease and is predominantly comprised of quartzo-feldspathic schist and gneiss with the basal Sweets Member represented by marble, calc-silicate rock, para-amphibolite and quartzo-feldspathic gneiss. It may equate with the important Cahill Formation of the ARUF which hosts the mineralisation there. The north east striking regional Tom Turner Fault which transgresses the project area has down-faulted blocks of the Mesoproterozoic Depot Creek Sandstone preserved in it. This suggests the Mesoproterozoic unconformity may be close to the present day land surface.

The tenement areas are overlain by variable thicknesses of sandy conglomerates and laterite which are generally exposed in creeks and at change of slope positions. In elevated areas, the laterites are covered with sand and soil up to 5m deep. Although quite variable the weathering profile averages between 40 to 60m depth.

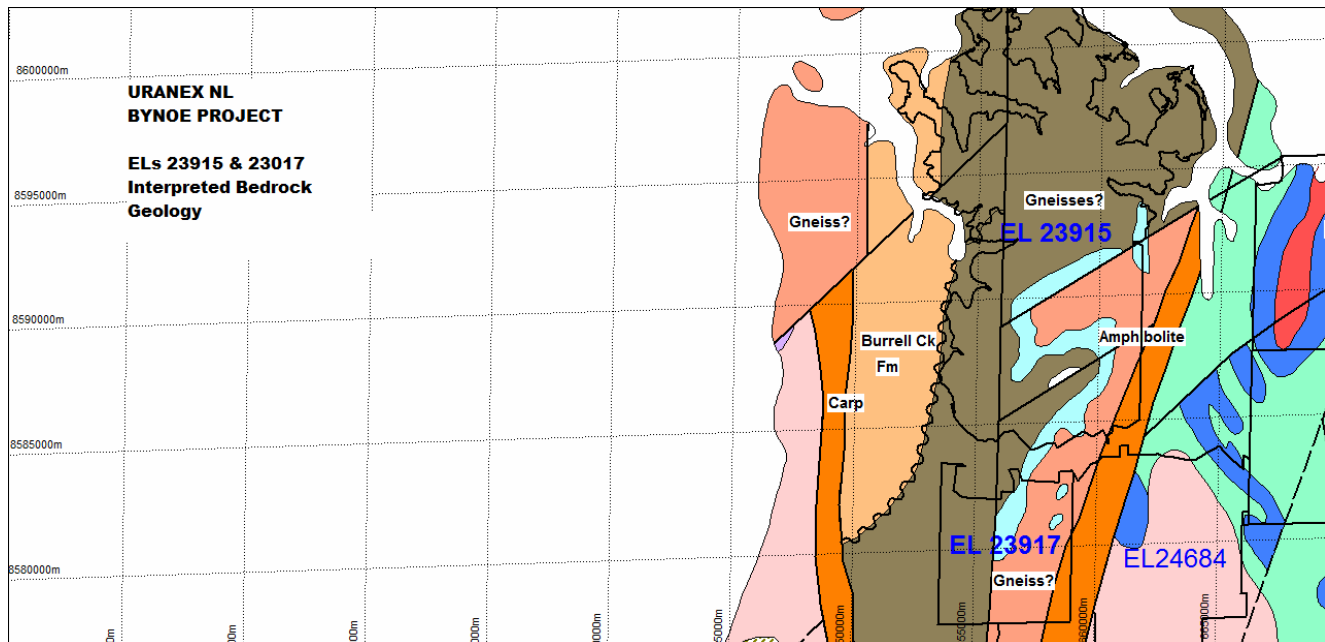


Figure 2: Interpreted Bedrock Geology

4. PREVIOUS EXPLORATION

Initial exploration in the project area was conducted between 1970 and 1974 by ESSO Australia (CR19740065) who completed geophysical gravity surveys, and systematic geochemical shallow auger drilling (10m). The drill samples were analysed for U, Th, Ni, Pb, Zn and Cu and defined a number of geochemical anomalies. The area was relinquished in 1974.

In 1981 drilling by NTGS identified gneisses and trondhjemites in the licence areas. These gneisses were weakly magnetic in character and thought to possibly be stratigraphic equivalents of the uranium prospective Cahill Formation.

Between 1982 and 1988, exploration over the licences was conducted by Idemitsu as part of their Port Patterson uranium exploration project covering licences EL3149, EL3167 and EL3673. The uranium exploration models used by Idemitsu to focus exploration were Alligator River (ARUF) and Beaver Lodge type deposits. Exploration activities conducted over the life of the project included regional geological mapping; airborne magnetic and radiometric surveys; ground magnetic and gravity surveys; geochemical soil sampling, costeaning, diamond drilling (1 hole) and petrography.

Exploration activities carried out by Continental Nickel NL between 2004 and 2005 comprised of compilation and validation of historical data to generate new targets.

5. EXPLORATION ACTIVITIES

During Year 1 of Exploration Licence 23917, work conducted by Continental involved literature and data reviews. Previous work was compiled and assessed in order to generate exploration targets.

Work carried out by Uranex NL in Years 2, 3 and 4 on the Bynoe Project including EL23917 included the completion of a detailed airborne geophysical survey.

UTS Geophysics were contracted to complete a detailed aeromagnetic and radiometric survey comprising 3,413 line kilometres which was flown in late 2006. Processing and interpretation of the magnetic and radiometric data was undertaken by Southern Geoscience Consultants.

The survey was flown using the MGA94 coordinate system (a Universal Transverse Mercator projection) derived from the Geocentric Datum of Australia 1994.

The entire Geophysical Survey File for **UTS# A289 in GDF** format which includes EL **23917** has been previously deposited with Northern Territory Geological Survey Department of Primary Industry, Fisheries and Mines

The results are shown on Figures 3 to 6 below.

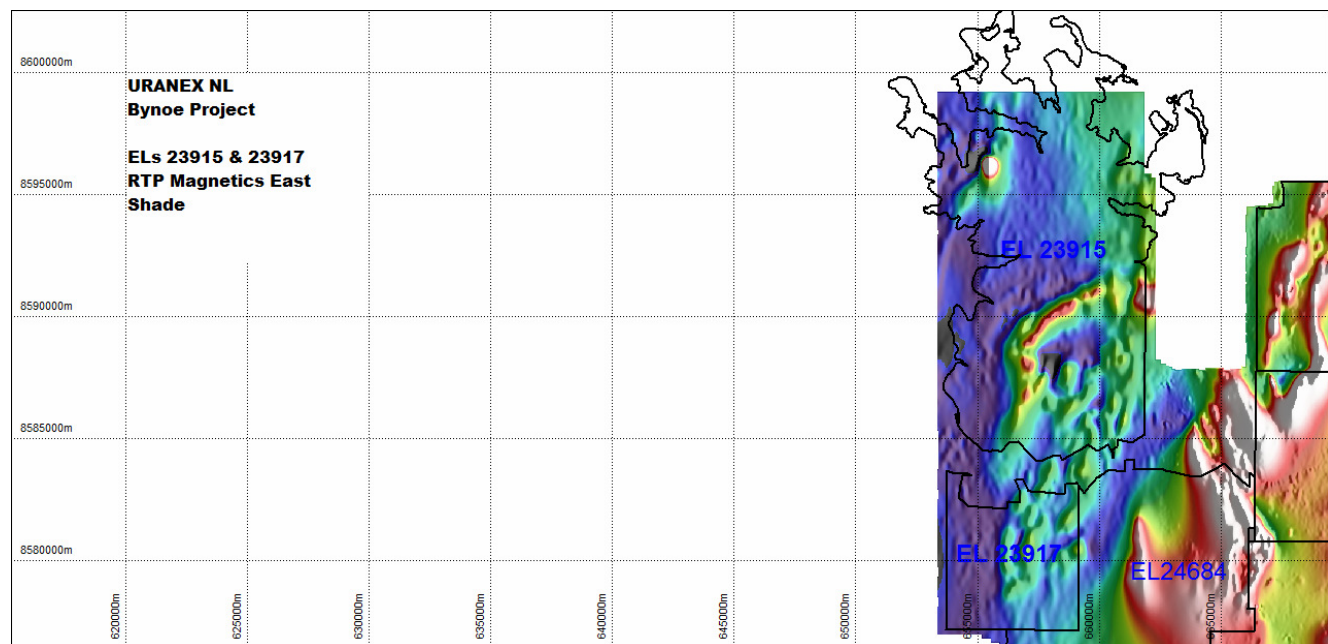


Figure 3: ELs 23915 & 23917 Reduced to Point Magnetics - East Shade

From results received from drilling in the Bynoe project area it appeared that the aeromagnetic signatures over EL23917 suggested that preferred host rock suite for the uranium targets did not exist here.

From the RTP magnetics it appears that the layered strongly magnetic sequence that is interpreted as the Upper Cahill equivalent is absent on EL23917. Hence the prospective Lower Cahill equivalent is also absent.

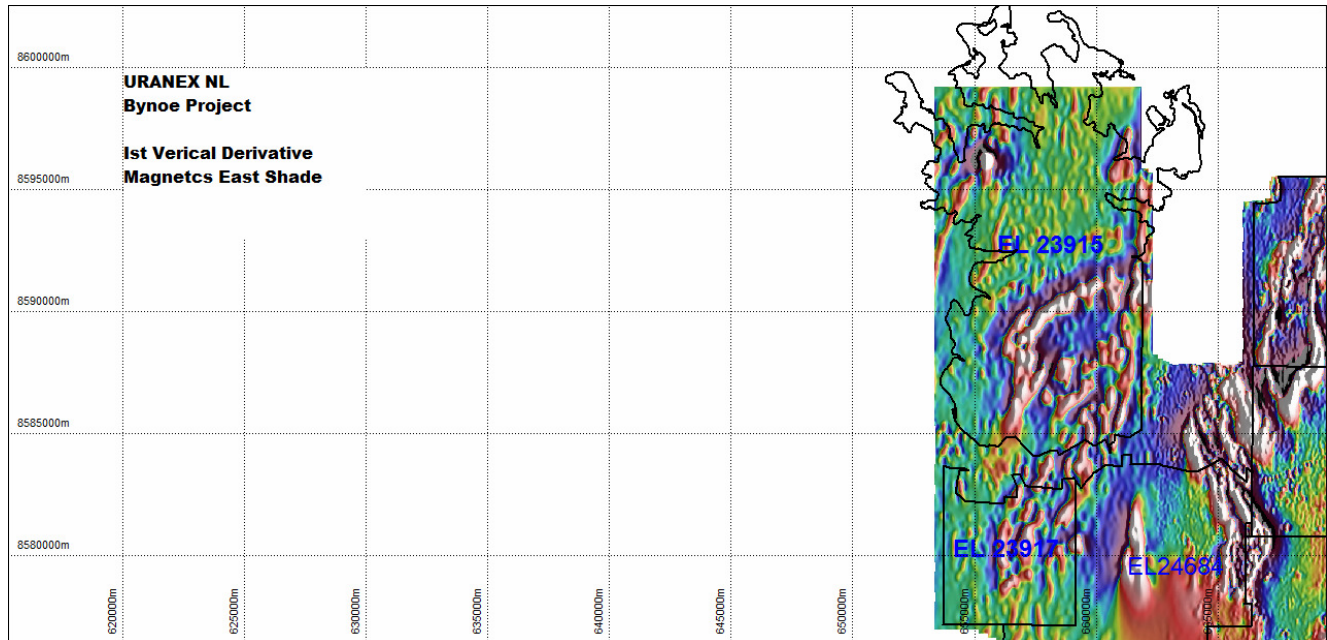


Figure 4: ELs 23915 & 23917 First Vertical Derivative Magnetics - East Shade

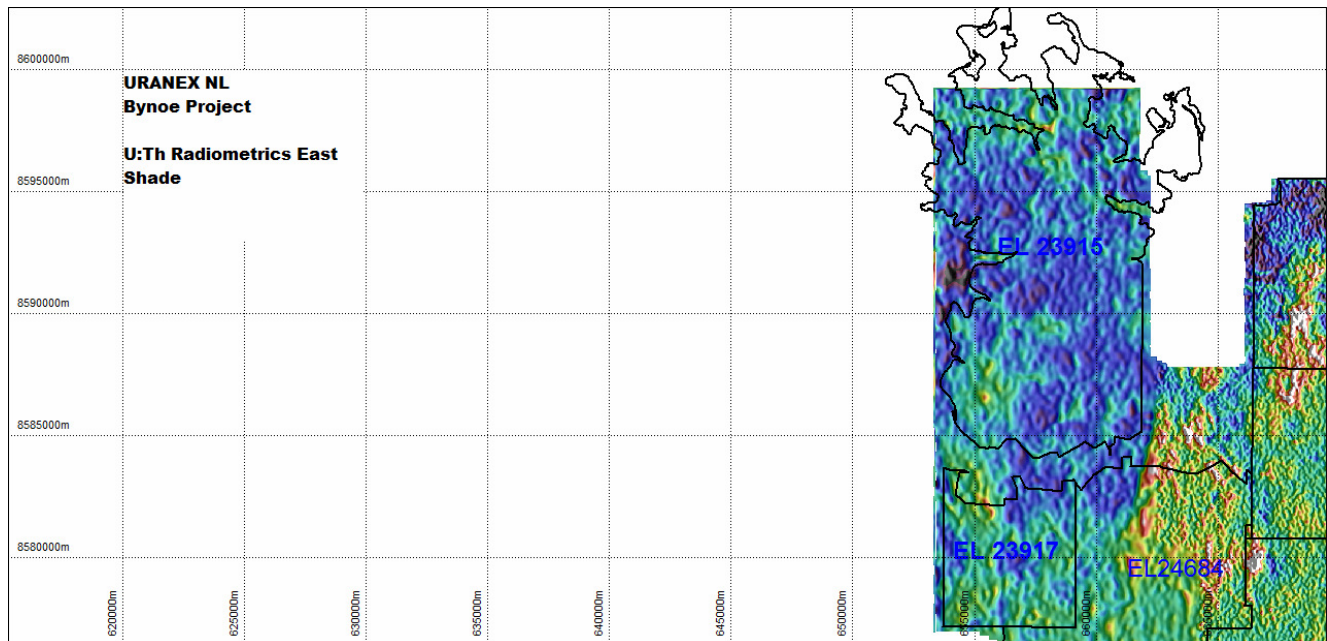


Figure 5: ELs 23915 & 23917 U : Th Radiometrics - East Shade

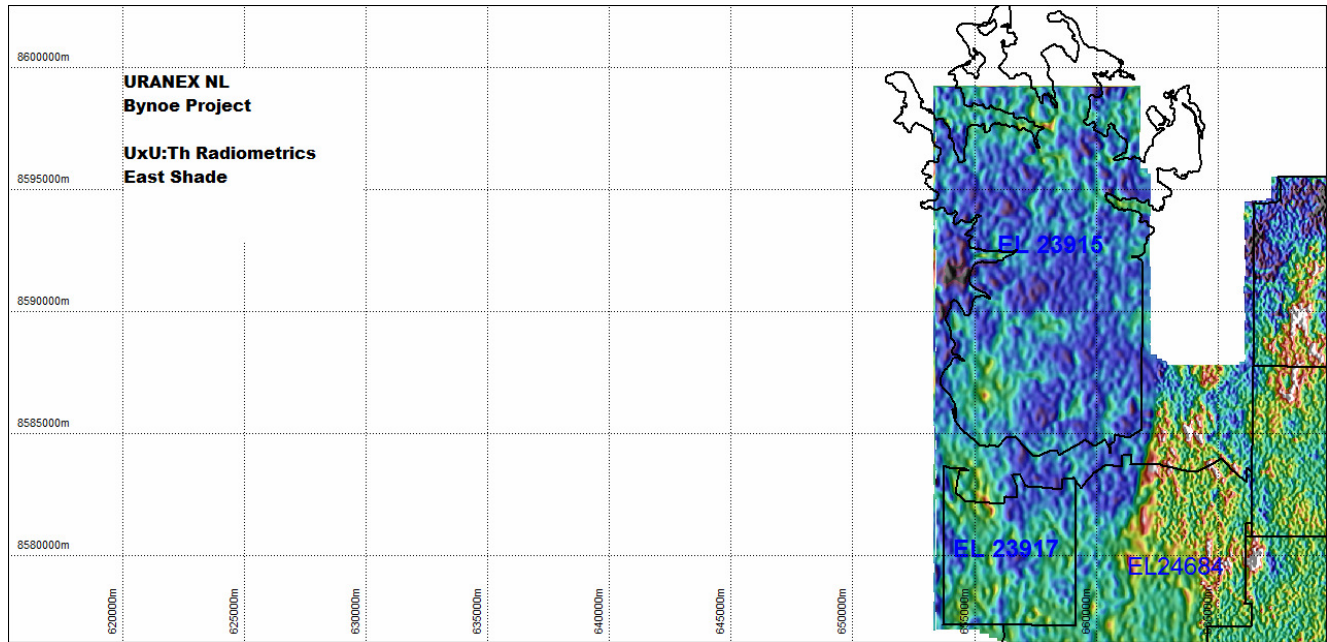


Figure 6: ELs 23915 & 23917 U x U: Th Radiometrics - East Shade

From the radiometrics the higher background response with scattered anomalies seen in the east over the inferred Cahill Formation equivalents is absent in EL 23917. There was no obvious significant uranium anomalies worthy of ground follow up.

6. EXPENDITURE FOR FINAL YEAR

Expenditure for the final year to the relinquishment date totalled \$7,378 as shown on Table 1 below.

Table 1 Expenditure from 20th July 2007 to 13th June 2008

EL23917

Item	
Geological Consultants	\$1,672
General Contractors	
Geophysical Consultants	\$0
Geophysical Data Acquisition	\$0
Gridding	
Drilling RAB / Aircore	
Assaying	
Tenement Administration	\$3,008
Salaries	
Travel and Accommodation	\$22
Other	\$1,714
Total	\$6,416
Administrative Overheads (15%)	\$962
TOTAL	
Tenement Costs	\$240

7. CONCLUSION AND RECOMMENDATIONS

Exploration carried out on the Bynoe Project Area by Uranex NL including EL23917 involved and data / literature reviews, geological reconnaissance and a detailed geophysical aeromagnetic and radiometric survey in order to assess the uranium potential of the licences.

No significant uranium anomalies were located on EL 23917. Also the magnetic signatures did not reflect the character of what might be the Cahill Formation equivalents which were the target host rocks.

Drilling elsewhere in the project area confirmed that the equivalent type of magnetic signature where drilled did not represent potential ARUF or RJUF host lithologies.

The results concluded that no further work would be required on EL 23917.

The Exploration Licence was relinquished on 13th June 2008.

8. REFERENCES

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