



Legend International Holdings
ACN 82 120 855 352

EXPLORATION LICENCE
EL22351

CALVERT HILLS PROJECT

Partial Relinquishment Report

FOR THE PERIOD

5 AUGUST 2003 TO 4 AUGUST 2008

BY

A. Raza, C. Ashcroft & G. McGoldrick

Date due: 4th November 2008

PRIVATE AND CONFIDENTIAL
NOT TO BE COPIED OR DISTRIBUTED

Vivienne Bryner (Tenement Manager), vivienneb@axisc.com.au
Level 8, 580 St Kilda Road, Melbourne, Victoria, 3004, Australia
Telephone: +61 3 8532 2810 Facsimile: +61 3 8532 2805

DISTRIBUTION:

Department of Business, Industry & Resource Development, Darwin
Legend International Holdings, Melbourne

TENEMENT REPORT INDEX

OPERATOR: Legend International Holdings

PROJECT: Calvert Hills

TENEMENTS: Exploration Licence: 22351

REPORT PERIOD: 5 August 2003 to 4 August 2008

DUE DATE: 4 November 2008

AUTHOR: A. Raza, C. Ashcroft & G. McGoldrick

STATE: Northern Territory

LATITUDE: 136° 13' 48"

LONGITUDE: 16° 27' 58"

MGA (easting): 630 637 m

MGA (northing): 8 178 967 m

1:250,000 SHEET: SE53-03 Bauhinia Downs

1:100,000 SHEET: 6165 Borroloola, 6164 Glyde

MINERAL FIELD:

COMMODITY: Diamonds, base metals

KEYWORDS: Diamonds, base metals, data review, target areas

TABLE OF CONTENTS

1.	SUMMARY OF EXPLORATION ACTIVITY	1
2.	TENEMENT STATUS	1
3.	LOCATION AND ACCESS	1
4.	GEOLOGY	4
4.1	Regional Geology	4
4.2	Local Geology	4
5.	EXPLORATION	7
5.1	Summary	7
5.2	Open File Data Review	7
5.3	Geophysical Data Review	7
5.4	Discussion	7
6.	BIBLIOGRAPHY	9

LIST OF FIGURES

1. Exploration Index EL22351 Relinquished Blocks – 1:250 000 Scale, A3
2. Regional Location EL22351 Relinquished Blocks - 1:250 000 Scale, A3
3. Regional Geology EL22351 Relinquished Blocks - 1:150 000 Scale, A3
4. Relinquished Area Geophysical Anomaly Location – 1:250 000 Scale, A3

LIST OF TABLES

1. Tenement Status
2. Tenement Block Status
3. Exploration Summary

1 SUMMARY OF EXPLORATION ACTIVITIES

Exploration work carried out over the relinquished blocks of EL22351 during the reporting period included a complete and thorough review of all open files on previous exploration data, as well as acquisition and reprocessing of geophysical data. Exploration on the tenement is part of the larger McArthur Project and Calvert Hills Group.

2 TENEMENT STATUS

Astro Diamond Mines NL applied for EL22351 on 7th January 2000. The exploration licence was granted on 5th August 2003, (Figure 1). As of 2006 the tenement has been managed by Legend International Holdings, Inc.

Tenement	Date of Grant	Area (km ²)		Holder
EL22351	5 th August 2003	Total prior to reduction	312.3	Legend International Holdings, Inc.
		Relinquished blocks	152.5	
		Retained Blocks	159.8	

Table 1: Tenement Status

5 Minute Block	Relinquished 1 Minute Blocks	Retained 1 Minute Blocks
SE5303411	e, j, k, o, p, t, u, y & z	a, b, c, d, g, h, m, n, r, s, w & x
SE5303412	a, b, c, d, f, g, h, j, l, m, n, o, q, r, s, t, v, w, x & y	
SE5303483	d, e, j, k, o & p	b, c, g, h, m & n
SE5303484	a, b, c, d, f, g, h, j, l, m, n & o	
SE5303339		a, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y & z
SE5303267		v, w, x, y & z

Table 2: Tenement Block Status

3 LOCATION AND ACCESS

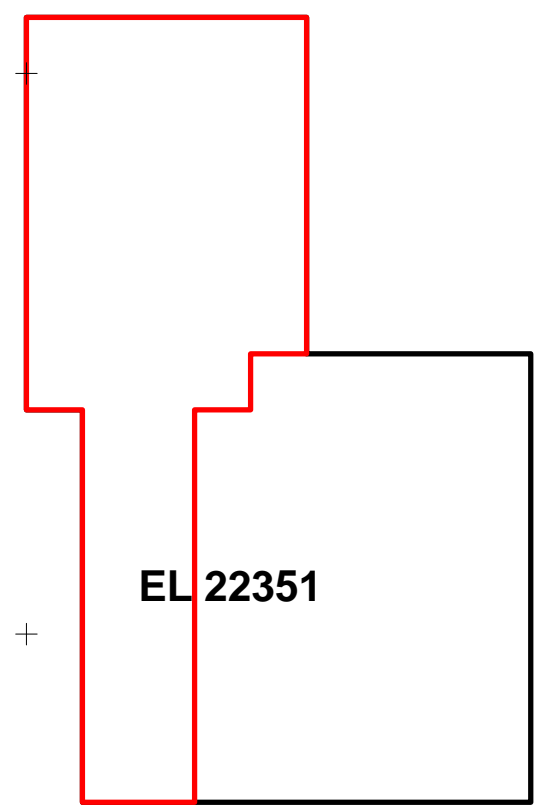
The Calvert Hills Project covers approximately 8,347 square kilometres surrounding and east of the Merlin diamond field. EL22351 is on the Bauhinia Downs 1:250,000 map sheets. Access to the area is via the Carpentaria Highway, east from Daly Waters to Cape Crawford, Borroloola and from the south via Wollongorang. Access tracks into the tenement are limited, (Figure 1 & 2).

136°00'E 136°10'E 136°20'E 136°30'E

16°10'S 16°20'S 16°30'S 16°40'S



136°00'E 136°10'E 136°20'E 136°30'E

16°40'S 16°30'S 16°20'S 16°10'S



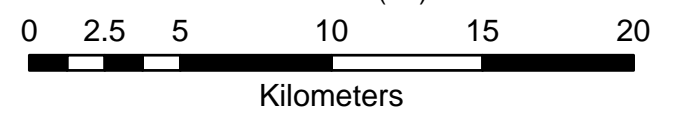
EL 22351

Legend

-  Retained Area of Tenement
-  Original Tenement Boundary



GDA94/MGA53
1:250 000 (A3)

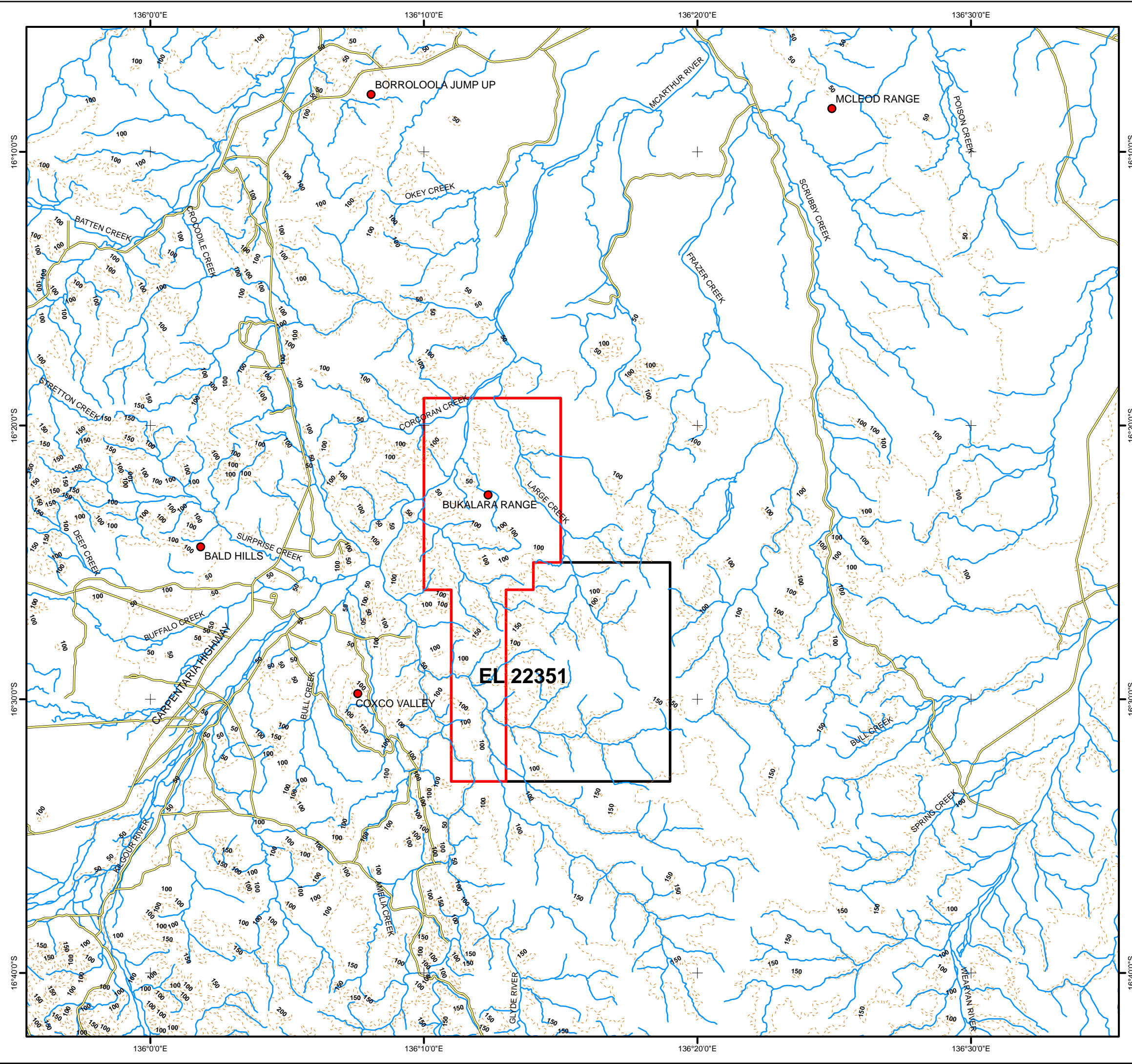


EL 22351 Exploration Index

Comp. : Legend International Holdings, Inc. Date : 22/10/2008

File : EL22351_EI_A3_221008 Loc. : Melbourne

Plot : Exploration Index Figure : 1

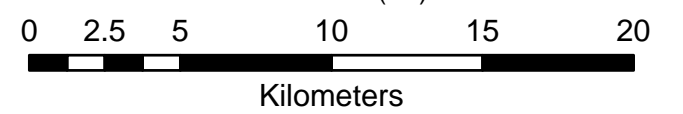


Legend

- Town
- Water Course Lines
- Roads
- - - Topography - 50m contours
- Retained Area of Tenement
- Original Tenement Boundary



GDA94/MGA53
1:250 000 (A3)



EL 22351 Location

Comp. : Legend International Holdings, Inc.	Date : 22/10/2008
File : EL22351_location_A3_221008	Loc. : Melbourne
Plot : Location	Figure : 2

4 GEOLOGY

4.1 REGIONAL 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 about 1850 Ma ago during the Barramundi Orogeny by the amalgamation of Archaean and early Proterozoic rocks which now form the basement rocks to the younger sequence. 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 (~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.

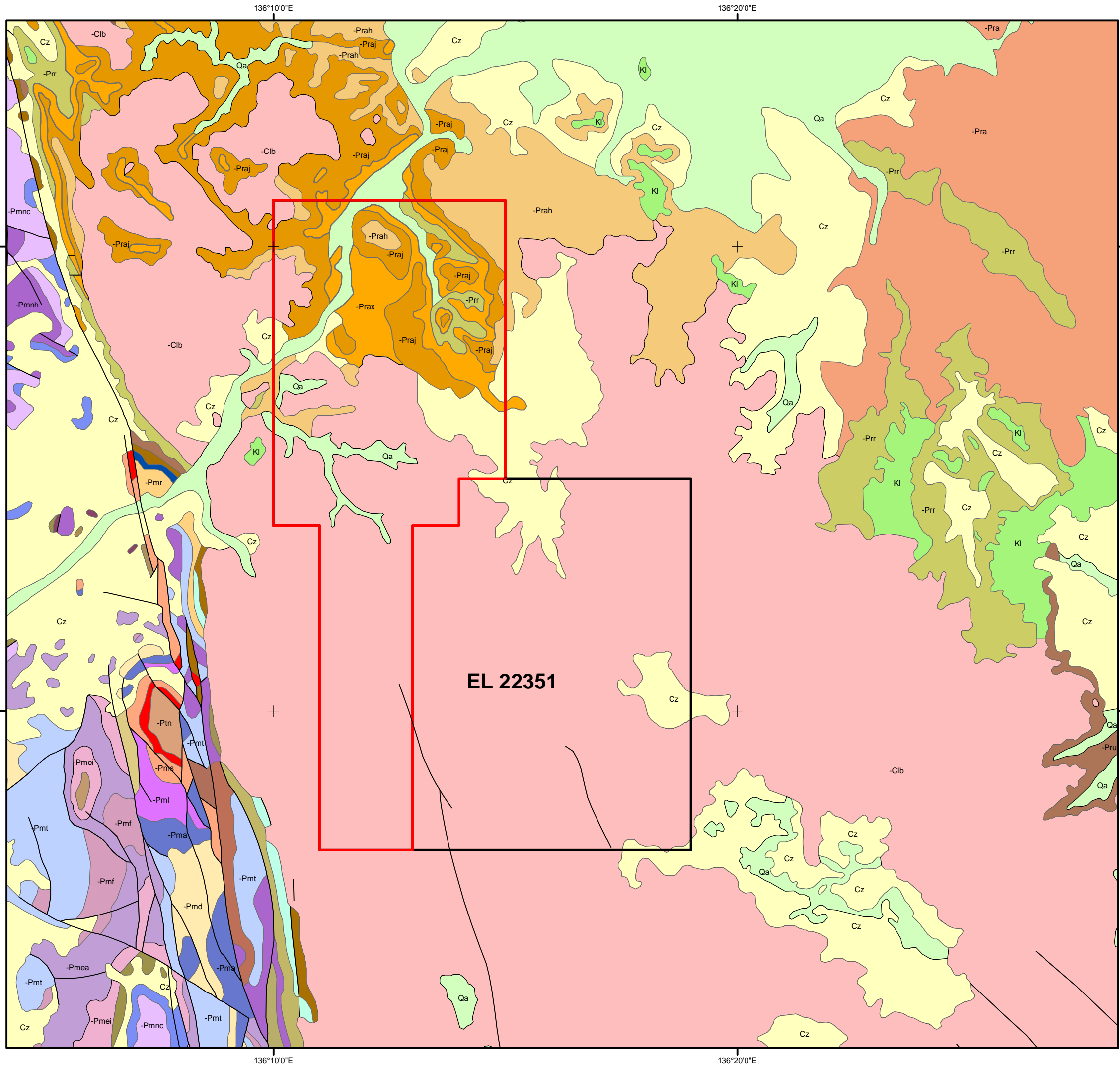
The large time span for the intrusion of diamondiferous rocks makes the NAC very prospective for diamond exploration. It is expected that kimberlites would occur in the central parts of the NAC and lamproites would be favored in the marginal areas and in cross cutting Proterozoic mobile zones.

The kimberlites and lamproites of the NAC tend to occur along major northwest and northeast 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.

4.2 LOCAL GEOLOGY

The tenement is a part of the McArthur Basin that contains a thick platform cover of unmetamorphosed and relatively undeformed sediments and minor volcanics of middle Proterozoic age. The Batten Trough, hosting major base metal deposits, is located to the west of the tenement. In the north the Cretaceous sediments of the Dunmarra Basin and in the south the Cambrian Bukalara Sandstone covers the McArthur Basin’s stratigraphy (Pietsch et al, 1991).

The exposed lithological units within the tenement are the middle Proterozoic Abner Sandstone of the Roper Group and the Cambrian Bukalara Sandstone. It is expected that the Abner Sandstone continues below the Bukalara Sandstone in the project area, (Figure 3).

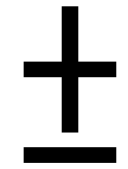


Legend

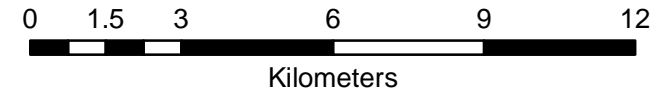
- Retained Area of Tenement
- Original Tenement Boundary
- Fault

Geology

- | | | | | |
|---|-------------------------------------|---|---|--|
| CAINOZOIC | MESOZOIC | Qa | Alluvium | |
| | | Cz | Colluvium | |
| | | Kl | Cretaceous Sandstone | |
| | | -Clb | Bukalara Sandstone | |
| PROTEROZOIC | Roper Group | -Pra | Abner Sandstone | |
| | | -Prah | Ridge Forming
Abner Sandstone | |
| | | -Praj | Recessive Abner Sandstone | |
| | | -Prax | Abner Sandstone
10-30cm cross-bed sets | |
| | | -Prr | Crawford Formation | |
| | | -Pru | Mainoru Formation | |
| | Nathan Group | -Pri | Limmen Sandstone | |
| | | -Pnz | Balbirini Dolomite | |
| | | McArthur Group | | |
| | | -Pmo | Looking Glass Formation | |
| | | -Pmr | Stretton Sandstone | |
| | | -Pmj | Yalco Formation | |
| Tawallah Group | | | | |
| -Pmnh | Ridge Forming
Lynott Formation | | | |
| -Pmnc | Recessive Lynott
Formation | | | |
| -Pmx | Reward Dolomite | | | |
| -Pmq | Barney Creek Formation | | | |
| -Pmei | Ridge Forming
Emmerugga Dolomite | | | |
| -Pmea | Recessive Emmerugga
Dolomite | | | |
| -Pmf | Myrtle Shale | | | |
| -Pmt | Toogaminie Formation | | | |
| -Pmd | Tatoola Sandstone | | | |
| -Pma | Amelia Dolomite | | | |
| -Pml | Mallapunyah Formation | | | |
| -Pms | Masterton Sandstone | | | |
| -Ptn | Wununmantlyala Sandstone | | | |
| -Pte | Settlement Creek Volcanics | | | |



GDA94/MGA53
1:150 000 (A3)



EL 22351 Geology

Comp. : Legend International Holdings, Inc. Date : 31/10/2008

File : EL22351_Geology_311008 Loc. : Melbourne

Plot : Geology Figure : 3

The following summary of rock units has been taken from Pietsch et al, 1991.

Abner Sandstone

The Abner Sandstone covers the northern one-third of the tenements. It consists of three members; the Hodgson, Jalboi and Arnold Members. The upper most Hodgson member and the basal Arnold Sandstone Members are lithologically indistinguishable and are separated by the thin Jalboi Member. In fact, where the Jalboi Member is absent it is impossible to identify one from the other.

The Arnold member consists of generally white to dirty white quartzarenite. The quartz grains in the sandstone are medium, subrounded to subangular and are moderately well sorted with a minor silty clay matrix in places. It is friable but weathering has silicified and hardened the exposed surface. Its thickness reaches up to 290 m. Cross bedding and ripple marks are commonly present.

The Jalboi Member consists of a fining upward cycle of interbedded conglomerate, sandstone, siltstone and mudstone. Where exposed it is up to 15 m thick. The Jalboi Member was deposited during periods of both alluvial outwash and flood plain deposition and subsequent shallow marine transgression.

The Hodgson Sandstone Member consists of white to dirty white, in places iron oxide stained, quartzarenite. The quartz grains in the quartzarenite are mainly medium, subrounded to subangular and reaches to granule- to pebble-size in bands that are repeated commonly throughout the member.

Both the Arnold and Hodgson Sandstone Members are shallow platform sequences deposited in an intertidal to subtidal environment.

Bukalara Sandstone

This unit is extensively exposed within and surrounding the tenement. It has red-brown thin to thick bedding and is a fine to very coarse grained feldspathic quartz sandstone. Cross-bedded layers of 2-3 m thickness commonly occur. Occasionally in the upper sections horizons maroon shale pebbles or ripples are found.

5 EXPLORATION

5.1 SUMMARY

Location	Date	Work Done	Result	Conclusion
EL22351-2008 relinquished blocks, Calvert Hills, Northern Territory	2003-2005	Review and compilation of published literature, historical company reports and NTGS database	No sampling data was identified over the relinquished area.	No samples were identified in the relinquished area.
EL22351-2008 relinquished blocks, Calvert Hills, Northern Territory	2003-2005	Acquisition and processing of multi-client geophysical data	Stacked magnetic profiles and LANSAT TM were used to pipe-like anomalies.	2 targets were identified on the relinquished area using TM images.(Figure 4)

Table 3: Exploration Summary

5.2 OPEN FILE DATA REVIEW

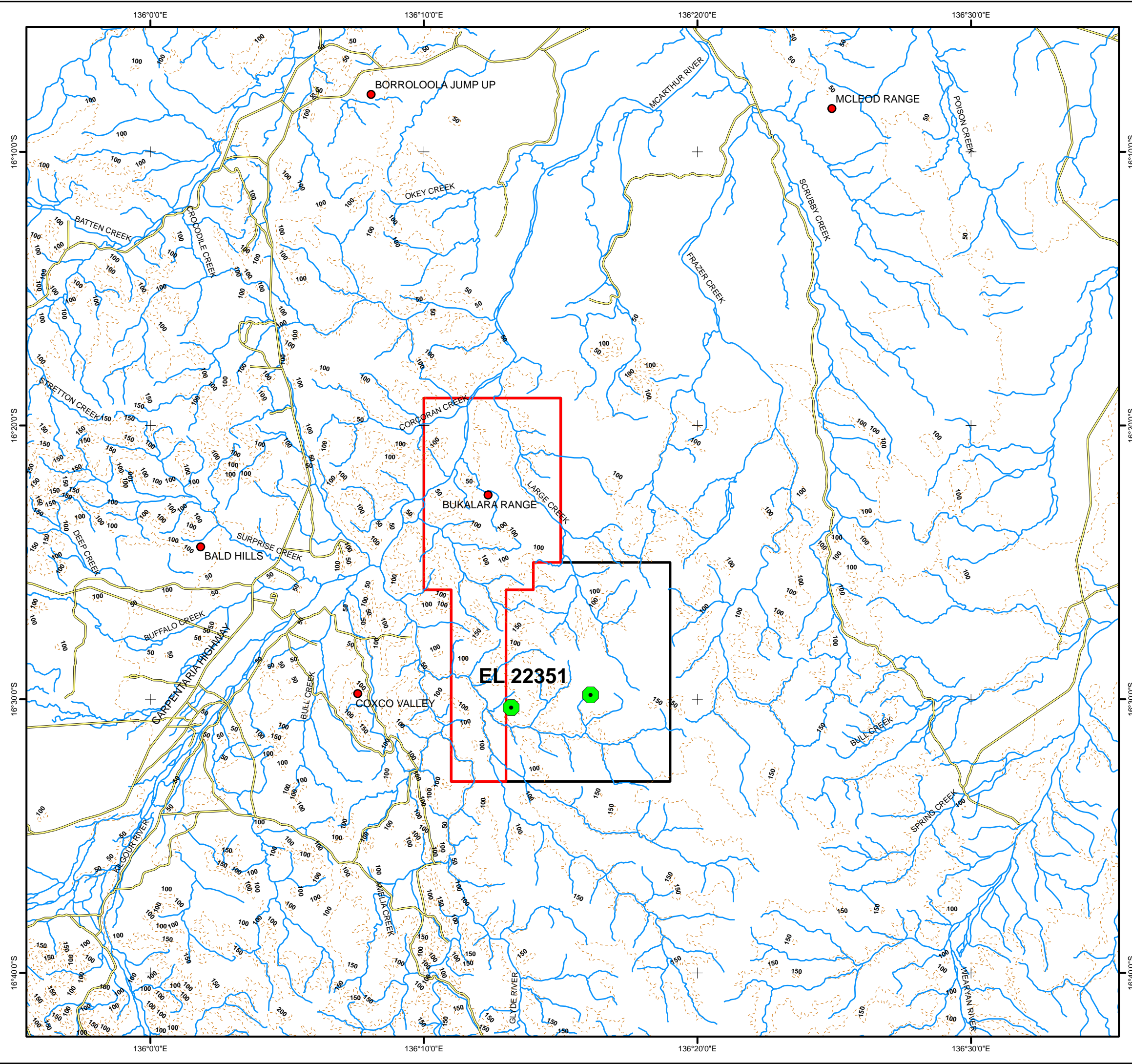
A thorough review of published literature, open file company reports and data was completed. Reports revealed no specific positive historical results in the relinquished area, while the regional area was flagged as prospective for diamond and possible base metal mineralisation.

5.3 GEOPHYSICAL DATA REVIEW

Multi-client airborne geophysical data and LANSAT TM images were purchased and reprocessed in house. These profiles were used to target pipe-like anomalies with the aim of following these up with field visit and surface loam sampling.. Two targets were identified in the relinquished area, (Figure 4). Follow-up field work was never conducted on these anomalies as other more prospective anomalies elsewhere were given priority.

5.4 DISCUSSION

As summarised above, the review of work previously conducted and multi-client geophysical data for EL22351 identified three geophysical anomalies over the relinquished area. However, these anomalies were given low priority and follow-up field work was never conducted. These were the controlling factors in the reduction strategy.

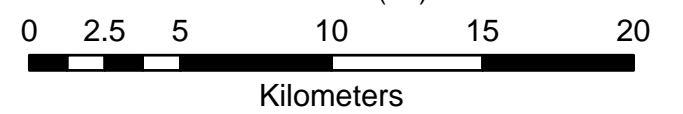


Legend

- Geophysical Anomaly Locations
- Town
- Water Course Lines
- Roads
- - - Topography - 50m contours
- Retained Area of Tenement
- Original Tenement Boundary



GDA94/MGA53
1:250 000 (A3)



EL 22351 Anomaly Locations

Comp. : Legend International Holdings, Inc. Date : 22/10/2008
 File : EL22351_location_A3_221008 Loc. : Melbourne
 Plot : Location Figure : 4

6 BIBLIOGRAPHY

Pietsch, B.A., Rawlings D.J., Creaser P.M., Kruse P.D., Ahmad M., Ferenzi P.A., and Findhammer T.L.R., 1991: Bauhinia Downs SE5303, 1:250,000 Geological Map Series, Explanatory Notes, Northern Territory Geological Survey, Darwin.