EL24020 Bynoe South
Final Relinquishment Report for the Period 20th July 2008 to 26th May 2009

Volume 1 of 1

Tenure Holder and Operator: Uranex N.L.

Compiled by: Peter F Robinson

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SUMMARY

Exploration Licence 24020 “Bynoe East” 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 7th September 2004 and then transferred to Uranex NL on 15th February 2006.

Uranex NL reduced EL 24020 from 14 sub-blocks (37.51 km²) to 8 sub-blocks (24.6 km²) on 19th July 2007 as per the licence conditions and a surrender report was submitted for this.

Exploration by Uranex NL consisted of an airborne geophysical survey later followed up by a helicopter assisted ground check of anomalies and most recently an Airborne Electromagnetic survey (AEM).

A detailed aeromagnetic and radiometric survey at a 200 metre line spacing which was flown in late 2006. Processing and interpretation of the magnetic and radiometric data was undertaken by Southern Geoscience Consultants.

Anomalous radiometric targets were identified from the uranium and uranium / thorium images. These were examined by a helicopter assisted ground check in July 2008. No surface mineralisation was located.

An AEM survey was completed in April 2009 after lengthy delays. It was completed by Fugro Geophysical services and flown in conjunction with Geoscience Australia as part of its Woolner Survey. The lines were flown east west with a spacing of 1.66 kilometres for a total of 40 line kilometres.

No anomalous surface uranium was located from the helicopter assisted ground follow up of the airborne survey.

No suitable conductors were located at depth by the AEM survey.

The Burrell Creek Formation is considered not a suitable uranium host and there is no evidence of any nearby unconformable Mesoproterozoic platform cover rocks to generate suitable East Alligator Rivers or Rum Jungle style targets and the tenement was surrendered on 26th May 2009.

Expenditure for the final year to 26th May 2009 totalled $2,009.00.
TABLE OF CONTENTS

1. INTRODUCTION 4
2. TENURE 4
3. REGIONAL GEOLOGY 5
4. PREVIOUS EXPLORATION 7
5. EXPLORATION ACTIVITIES BY URANEX NL 7
  5.1 AIRBORNE DETAILED RADIOMETRIC AND MAGNETIC SURVEY 7
  5.2 HELICOPTER ASSISTED GROUND CHECK 9
  5.3 AIRBORNE ELECTROMAGNETIC SURVEY (AEM) 11
6. EXPENDITURE 13
7. CONCLUSIONS AND RECOMMENDATIONS 13
8. REFERENCES 13

LIST OF TABLES

Table 1 Summary of Helicopter Ground Checks 10
Table 2: Final Year Expenditure July 20th 2008 to May 26th 2009 13

LIST OF FIGURES

Figure 1: Location

Figure 2: Regional Geology Interpretation

Figure 3: EL 24020 Geology

Figure 4: EL 2020 Total Magnetic Intensity

Figure 5: EL 24020 Uranium

Figure 6: EL 24020 Thorium

Figure 7: EL 24020 Potassium

Figure 8: EL 24020 Uranium / Thorium showing Uranium Spot Check Locations
1. INTRODUCTION

EL 24020 ‘Bynoe East’ is located on the southeast side of Bynoe Harbour, approximately 60km south of Darwin in the Northern Territory on the Darwin (SD 52-04) 1:250,000 map sheet.

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

EL24020 forms part of the Bynoe Project that Uranex NL is undertaking exploration on. Exploration is aimed at East alligator River Field (EEARUF) 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 EEARUF 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](image)

2. TENURE

Between 1979 and 1980 Nord Resources (Pacific) held the area. From 1988 till 1995 the ground was held by Corporate Developments Pty Ltd.

Exploration Licence 24020 (Bynoe 5) was granted to Anglo America Exploration (Australia) Pty Ltd. The Licence was granted on 20th July 2004, and was transferred to Continental Nickel NL on 7th September 2004.
On the 1st December 2005, Continental Nickel NL sold its interest in the Bynoe project licenses to Uranex NL. EL24020 was included in the transfer from Continental Nickel NL to Uranex NL on 15th February 2006.

Combined reporting status was granted for the tenements in the Bynoe project on 10th August 2005 with EL24020 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 applied to reduce the licence from 14 to 8 sub-blocks on 19th July 2007.

Following the delayed results of a GA combined Airborne Electromagnetic (AEM) survey completed in April 2009, it was decided the EEARUF targets were not likely to exist and the tenement was surrendered in total.

3. REGIONAL GEOLOGY

Most of 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 (Figure 2). The Welltree Metamorphics is the dominant unit within the project area and is predominantly comprised of quartz-feldspathic schist and gneiss with the basal Sweets Member represented by marble, calc-silicate rock, para-amphibolite and quartz-feldspathic gneiss. It may equate with the important Cahill Formation of the EARUF which hosts the mineralisation there.

However the dominant lithologies in EL 24020 belong to the younger Palaeo-Proterozoic Burrell Creek Formation comprised of greywacke, shale, siltstone and sandstone. These are overlain by variable thicknesses of laterite which are generally exposed in creeks and at change of slope positions. Numerous pegmatites intrude the Burrell Creek Formation and commonly contain tantalite and tin mineralisation.

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 basic uranium exploration model used by Idemitsu Uranium Australia Exploration Ltd and Urangesellschaft Australia Pty Ltd. is being applied by Uranex. It assumes that the basal Sweets Member of the Welltree Metamorphics is equivalent to the Cahill Formation of the East Alligator, and overlies Archean / Proterozoic gneissic and granitic basement.

This stratigraphic correlation does not directly apply to the younger Burrell Creek lithologies contained in EL 24020.
Figure 2: Regional Geology Interpretation

Figure 3: EL 24020 Geology
4. PREVIOUS EXPLORATION

From the late 1960’s through to the early 1970’s, tantalite and tin has been the main exploration focus of previous explorers in the license area.

Between 1979 and 1980, Nord Resources (Pacific) explored the area for tin and uranium as part of their Mount Peel project. Field activities conducted included geochemical rock chip and soil sampling, ground magnetic surveys; and aerial magnetic and radiometric surveys. No anomalies were identified.

Between 1988 and 1995 the area was explored by Corporate Developments Pty Ltd as the Finiss Range Project for Sn, Ta, and Nb mineralisation. Initial exploration focussed on mineralisation hosted by both the primary pegmatites as well as derived secondary alluvial deposits. A major economic resource of Ta, Nb and Sn was discovered within the project area, with significant potential for other elements such as Au, Li and Ti. Mining licences were applied for over the areas of interest while the rest of the area (including EL 24020) was relinquished.

Exploration activities carried out by Continental Nickel NL between 2004 and 2005 comprised of compilation and validation of historical data to generate new targets. With the targeting focused on magmatic intrusive related nickel-copper-platinum group mineralization of the Voisey’s Bay (Canada), Noril’sk (Russia) and Jinchuan (China) style.

For exploration Licence 24020, work conducted by Continental involved literature and data reviews. Previous work was compiled and assessed in order to generate exploration targets.

5. EXPLORATION ACTIVITIES BY URANEX NL

Exploration by Uranex NL consisted of an airborne geophysical survey later followed up by a helicopter assisted ground check of anomalies and most recently an Airborne Electromagnetic survey (AEM).

5.1 AIRBORNE DETAILED RADIOMETRIC AND MAGNETIC SURVEY

UTS Geophysics was contracted to complete a detailed aeromagnetic and radiometric survey at a 200 metre line spacing 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 results are summarised below in Figures 4 to 7.
Figure 4: EL 24020 Total Magnetic Intensity- showing Uranium Spot Check Locations

Figure 5: EL 24020 Uranium- showing Uranium Spot Check Locations
5.2 HELICOPTER ASSISTED GROUND CHECK

Anomalous radiometric targets were identified from the uranium and uranium / thorium images. These were examined by a helicopter assisted ground check in July 2008.
All anomalies in EL 24020 (and EL 24021) were located by GPS and checked, by scintillometer foot traverses across the anomalies. Geological observations were made and samples taken on obvious anomalies.

Anomalies 1 to 4 and 10 are within EL 24020

5.2.1 Field Observations

The table below summarises the observations made at each ground check.

Anomalies 1 to 4 in EL 24020 are selectively lithological and generally over “dirty” lightly ferruginous fine grained to silty quartzite facies of the Burrell Creek Formation. They are approximately 2 times background.

Several pegmatites located were not anomalous.

### Table 1 Summary of Helicopter Ground Checks, Anomalies in EL 24020

<table>
<thead>
<tr>
<th>ANOMALY NUMBER</th>
<th>SAMPLE NUMBER</th>
<th>ROCK TYPE</th>
<th>STRATIG-raphy</th>
<th>BACK-ground</th>
<th>COUNTS</th>
<th>Rb (ppm)</th>
<th>Sr (ppm)</th>
<th>Th (ppm)</th>
<th>U (ppm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BE1</td>
<td>BE1</td>
<td>Silty quartzite - dirty</td>
<td>Burrell Creek</td>
<td>50</td>
<td>100</td>
<td>69</td>
<td>14</td>
<td>18</td>
<td>X</td>
</tr>
<tr>
<td>BE2</td>
<td>BE2</td>
<td>Similar</td>
<td>Burrell Creek</td>
<td>50</td>
<td>120</td>
<td>20</td>
<td>11</td>
<td>14</td>
<td>X</td>
</tr>
<tr>
<td>BE3</td>
<td>BE3</td>
<td>Fe silty quartzite</td>
<td>Burrell Creek</td>
<td>50</td>
<td>90</td>
<td>80</td>
<td>13</td>
<td>23</td>
<td>X</td>
</tr>
<tr>
<td>BE4</td>
<td></td>
<td>Fe silty quartzite</td>
<td>Burrell Creek</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BE5</td>
<td></td>
<td>Grey - black soils</td>
<td>Soil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BE6</td>
<td></td>
<td>Grey - black soils</td>
<td>Soil</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BE7</td>
<td></td>
<td>Grey - black soils</td>
<td>Soil</td>
<td>30</td>
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<td></td>
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<tr>
<td>BE8</td>
<td></td>
<td>Grey - black soils</td>
<td>Soil</td>
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</tr>
<tr>
<td>BE9</td>
<td></td>
<td>Grey - black soils</td>
<td>Soil</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BE10</td>
<td></td>
<td>Siliceous, micaceous</td>
<td>Burrell Creek</td>
<td>50</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Strangely the three (3) above background samples analysed by XRF were all below detection for uranium.
Figure 8: EL 24020 Uranium / Thorium showing Uranium Spot Check Locations

The Burrell Creek Formation, although unconformably overlain by the Meso-Proterozoic Depot Creek Sandstone is currently considered stratigraphically too young to be a prime host sequence.

5.3 AIRBORNE ELECTROMAGNETIC SURVEY (AEM)

An AEM survey was completed in April 2009 after lengthy delays. It was completed by Fugro Geophysical services and flown in conjunction with Geoscience Australia as part of its Woolner Survey. The lines were flown east west with a spacing of 1.66 kilometres for a total of 40 line kilometres. The preliminary results were received and processed by Encom in May 2008.

Selected conductivity layers are presented below to show the near surface conductors (15 to 20 metres) and those at depth (60 to 100 metres).
There are some weak shallow conductors but there is very little activity at depth.
6. EXPENDITURE

Expenditure for the period of last reporting at 19th July 2008 to the surrender date of 26th May 2009 is given below.

Table 2: FINAL YEAR 5 Expenditure
July 20th 2008 to May 26th (Surrender) 2009

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geophysical Consultants</td>
<td>$364.45</td>
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<tr>
<td>Accounting Services</td>
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<tr>
<td>Assaying</td>
<td>$75.00</td>
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<tr>
<td>Tenement Administration</td>
<td>$821.00</td>
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<tr>
<td>Salaries</td>
<td>$40.00</td>
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<tr>
<td>Management Fee</td>
<td>$169.00</td>
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<tr>
<td>Data Entry</td>
<td>$138.00</td>
</tr>
<tr>
<td>Maps &amp; Air photographs</td>
<td>$10.00</td>
</tr>
<tr>
<td>Administrative Overheads (15%)</td>
<td>$262.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,009.00</strong></td>
</tr>
</tbody>
</table>

7. CONCLUSIONS AND RECOMMENDATIONS

No anomalous surface uranium was located from the helicopter assisted ground follow up of the airborne survey.

No suitable conductors were located by the AEM survey.

The Burrell Creek Formation is considered not a suitable uranium host and there is no evidence of any nearby unconformable Mesoproterozoic platform cover rocks to generate suitable East Alligator Rivers or Rum Jungle style targets and the tenement was surrendered on 26th May 2009.

8. REFERENCES


EL24020 Bynoe 5. Partial Relinquishment Report for the Period 20th July 2004 to 19th July 2007