ILLOGWA PROJECT

EL 25162 Numery

FINAL TECHNICAL REPORT
ILLOGWA PROJECT, NT,

For the Period Ending 25 May 2009

OPERATOR: Eromanga Uranium Ltd

TENEMENT HOLDER: Maximus Resources Ltd

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Figure 1 Project Location
1. **SUMMARY**

The Illogwa Project consisted of two exploration licences, EL’s 25161 and 25162. The Project is governed by the Eromanga Basin Agreement between Eromanga Uranium Limited (ERO) and Maximus Resources Limited (MXR).

The principal target for exploration was sedimentary uranium in palaeochannels within the Mesozoic Eromanga Basin.

2. **INTRODUCTION**

The sedimentary formations of the Eromanga Basin within the Illogwa tenements are in a relatively good position to have received uranium-bearing groundwater from the Arunta Complex over an extensive period of time.

ERO was targeting Cretaceous rock formations, in particular sandstone horizons within the Cadna-owie Formation, and the Hooray-Algebuckina Sandstone.

3. **LOCATION AND ACCESS**

EL 21562 was located about 200km east of Alice Springs on the western edge of the Simpson Desert. Access from Alice Springs is via the Numery Station road and Colson track.

Except for a few low outcrops of Jurassic-Cretaceous sandstone in the northwest corner of the tenement area, the property is entirely covered with sand dunes averaging 7m in height above the surrounding landscape.

4. **TENURE**

<table>
<thead>
<tr>
<th>Tenement Number</th>
<th>Tenement Name</th>
<th>Date Granted</th>
<th>Surrender Date</th>
<th>Area (sq km)</th>
<th>Registered Holder/Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 25162</td>
<td>Numery</td>
<td>16/11/06</td>
<td>25/05/09</td>
<td>216</td>
<td>Maximus Resources Limited</td>
</tr>
</tbody>
</table>

The tenement is subject to the Eromanga Basin Agreement dated 23 May 2006 between ERO and MXR whereby ERO as exploration operator may earn a 70% interest in the project by meeting specific expenditure conditions.

5. **LAND TITLE**

EL 25162 lay entirely within private pastoral land. The adjacent EL 25161 application lay entirely within the Pmere Nyente Aboriginal landholding and this application was under moratorium until 1 August 2012.

6. **GEOLOGICAL BACKGROUND**

The Illogwa Project tenements lay at the contact between the Eromanga Basin and late Proterozoic sediments at the eastern margin of the Arunta Block. Crystalline rocks of the Arunta Block containing uranium occurrences within Proterozoic schist, gneiss and granite are a potential source for uranium-bearing groundwater. Although the nature of the Eromanga Basin in the project area is not well understood the area is believed to be underlain by Hooray Sandstone, equivalent to the basal Algebuckina Sandstone and succeeding formations. The Hooray-Algebuckina Sandstone and Cadna-owie Formation along the basin margin are potential hosts for sedimentary uranium mineralisation.
7. **RECENT EXPLORATION**

No on-ground exploration was undertaken by ERO on EL 25162 since grant. It had been planned to undertake a regional airborne EM survey at 1km line spacing over both EL 25161 and EL 25162 to define palaeochannels which may host uranium mineralisation. Follow-up drilling of specific areas would then ensue.

However following a meeting with Traditional Landowners in 2007 a 5 year moratorium was placed on the grant of EL 25161.

ERO considered that it is both logistically and financially unviable to undertake this work on the smaller area of EL 25162 only.

8. **RECOMMENDATIONS**

After reviewing the viability of treating EL 25162 as a stand-alone licence with a view to either undertaking the proposed airborne EM survey and subsequent drilling or surrendering the title a decision was made to surrender the tenement.

Surrender of EL25162 was registered on 25 May 2009.