

Hale Energy Limited

EL 25378

Bundey River

Alcoota SF53-10 & Huckitta SF53-11
1:250,000 Map Sheets

Year 2 Relinquishment Report

February 15th 2007 – February 14th 2009

Distribution: 1. Hale Energy Limited (THOR Mining PLC Perth Office)

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1.0 SUMMARY

The Bunday River Project is located in the Plenty River area about 125km northeast of Alice Springs. The project is part of two contiguous tenements that cover about 1,200km² of the Tertiary Waite and Huckitta Basins within the Proterozoic Arunta Block, which are prospective for palaeo drainage hosted uranium mineralisation. The Bunday River passes through the west and the Little Frazer Creek to the east of the Bunday River project area. The prospective areas within the tenement are topographically flat and are covered by scrubland and grassland.

The project area covers part of the Tertiary Waite and Huckitta Basins which are relatively shallow sedimentary basins; the central portions of which were probably lakes during deposition of their sediments. The basins were fed from both the Harts Range metamorphic rocks in the south and by various channels that drain areas of Proterozoic granitic and metamorphic rocks to the north. The sedimentary sequence within the basin is dominated by clays and sandy clays, with lesser amounts of sands. Lignite and evaporite horizons are also present. The sediments were subject to slight uplift during the late Pliocene and the upper parts of the sequence have been eroded in part. The sequence is poorly known, with the approximate 1,200km² of basin within the project areas having been tested by only about 15 drill-holes. Within the Plenty Highway tenement basement was reached in only one hole and the basin is known to be in excess of 200m vertical depth at its deepest point.

Early stratigraphic information was obtained by the BMR, which drilled two holes into the basin during the 1960s.

Alcoa explored the basins for uranium during 1979 and 1980. Alcoa drilled 71 holes to maximum depths of 200m for a total of 6,260 metres. Of these holes, six were drilled within the area of EL24810 and a further six within the adjacent tenement EL25378. Significant uranium intersections were only achieved in four holes, drilled outside Hale Energy's project areas. The best intersection, at a depth of 104m, was of 45ppm U₃O₈ within a reducing horizon of pyritic carbonaceous silt.

In late January of 2008, a helicopter borne time domain electromagnetic survey (SkyTEM) was flown over the eastern half of the tenement. Modelling and interpretation by Montana GIS identified numerous drill targets.

27 Air Core holes were drilled totalling 1685m to test some of the anomalies during mid 2008 however the work was completed on the eastern side of the tenement not covered in this report.

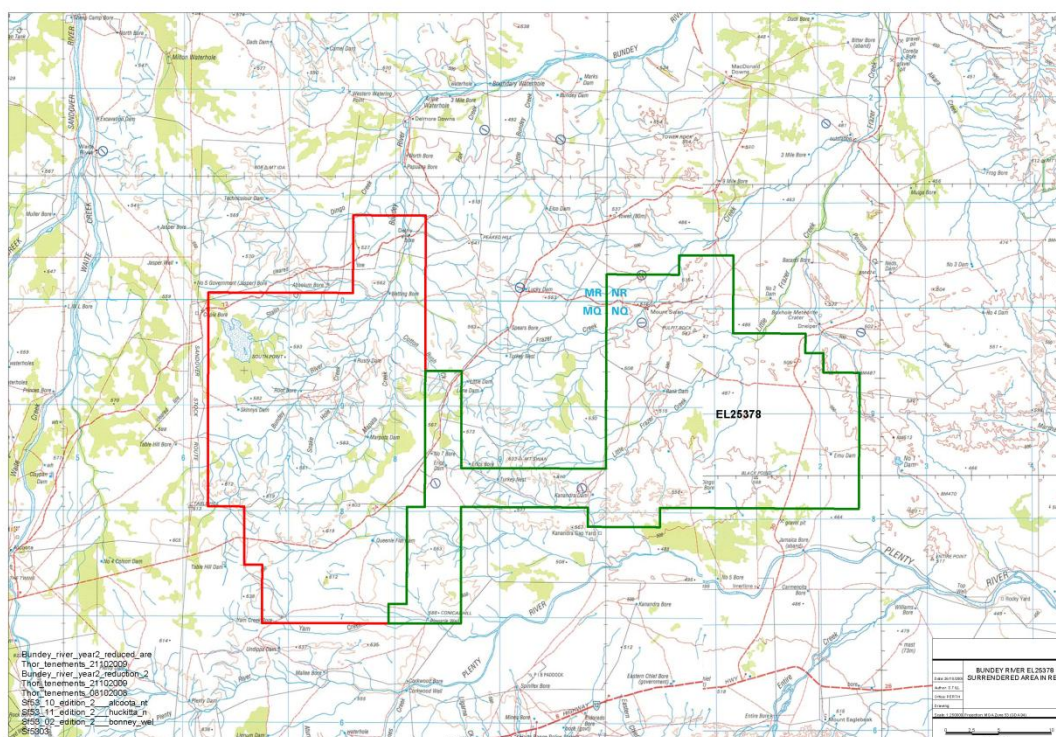
2.0 INTRODUCTION

This report covers all exploration completed on the surrendered portion of EL25378 (western half) for the period 15th February 2007 to 14th February 2009. Exploration Licence EL 25378 was originally comprised of 396 graticular blocks (1255 km²) and was granted to Hale Energy Limited on 15th February 2007 by the DRDPIFM NT. At the end of the Year 2 Anniversary the western half of the tenement was surrendered (see Figure 1.0). The tenement now comprises 198 graticular blocks (627.5 km²).

3.0 LOCATION AND ACCESS

EL 25378 is located on the Alcoota 1:250,000 (SF53-10) and Huckitta (SF53-11) map sheets 160km northeast of Alice Springs (Figure 1.0). Access is via the Stuart Highway to the Plenty Highway turnoff 70km north of Alice Springs, then east for 90km along the Plenty Highway. The area of the licence is well served by station roads and tracks.

Figure 1.0 – Bunday River Location Plan & Surrendered Area (In Red)



4.0 NATIVE TITLE AND SITE CLEARANCE

A search of the AAPA database has been completed which identified several recorded sites in the area and was referred to in the MMP submission. The MMP covering drilling activities was approved on 20 May 2008, Authorisation 0411-01. No drilling activities were completed on the surrendered western half of the tenement.

5.0 GEOLOGY

The Bunday River project area (EL 25378) covers part of the Tertiary Waite and Huckitta Basins which are relatively shallow sedimentary basins; the central portions of which were probably lakes during the majority of the deposition phase of the sediments. The basins were fed from both the Harts Range metamorphic rocks in the south and by various channels that drain areas of Proterozoic granitic and metamorphic rocks to the north. The sedimentary sequence within the basin is dominated by clays and sandy clays, with lesser amounts of sands. Lignite and evaporite horizons are also present. The sediments were subject to slight uplift during the late Pliocene and the upper parts of the sequence have been eroded in part.

The sequence is poorly known, with the approximate 1,200km² of basin within the project areas having been tested by only about 15 drill-holes. Within the Plenty Highway tenement basement was reached in only one hole and the basin is known to be in excess of 200m vertical depth at it's deepest point.

6.0 PREVIOUS EXPLORATION

Early stratigraphic information was obtained by the BMR, which drilled two holes into the basin during the 1960s.

Alcoa explored the basins for uranium during 1979 and 1980. Alcoa drilled 71 holes to maximum depths of 200m for a total of 6,260 metres. Of these holes, six were drilled within the area of EL24810 and a further six within on the adjacent Hale Energy tenement EL25378. Significant uranium intersections were only achieved in four holes, drilled outside Hale Energy's project areas. The best intersection, at a depth of 104m, was of 45ppm U₃O₈ within a reducing horizon of pyritic carbonaceous silt.

7.0 EXPLORATION ON RELINQUISHED AREA

Extensive open file and report data was reviewed during Year 1 and Year 2.

In late January of 2008, a helicopter borne time domain electromagnetic survey (SkyTEM) was flown over the eastern half of the tenement. The survey consisted of 52 traverses with 500m line spacing, collected in a North-South Orientation for a total collection of approximately 1085 line km of data. **Note none of the SkyTEM survey or the follow reconnaissance air core drilling covered the surrendered western half of the tenement.**

APPENDIX 1

Bundey River Open File Data:

CR19690010

CR19730208

CR19790035

CR19790071

CR19790091

CR19810180

CR19810205