



Partial Surrender Report

SEL 24769 - Marqua

Marqua Project

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1:250,000 Hay River –Mount Whelan Area
1:250,000 Hay River

Summary

Tenement SEL24769 is located approximately 360 km (500 km by road) east of Alice Springs, in the Northern Territory, with good road access via the Plenty Highway and a network of established minor roads and station tracks.

The tenement was originally held by Elkedra Diamonds NL (Elkedra), and was transferred to Uramet Minerals Limited (Uramet) during the 2007 season and covers an area of 971 km². Uramet is exploring the area for base metals and phosphate.

This report details exploration work carried out by Uramet and Elkedra within the surrendered portion of SEL24769 since the grant of the tenement in August 2006. Work undertaken consisted of a helicopter-borne electromagnetic (VTEM) survey regional reconnaissance work and mapping, and surface geochemistry.

Relatively little work has been undertaken with the surrendered portion of the tenement, the bulk of the work being focused in the central (retained) portion of the tenement. Assessment of the geology, together with field reconnaissance and surface sampling however indicates that little potential exists for significant base metal mineralisation to occur within the surrendered portion of the tenement.

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1. INTRODUCTION

Exploration License EL24769 covers Uramet's Marqua base metal project and Marqua phosphate project. This report details all work carried out on the tenement up until 8 August 2008 by Uramet.

The Marqua project area is located approximately 550 km east of Alice Springs, NT, with good road access 40 km off the Plenty Highway and a network of established minor roads and station tracks. The tenement is approximately 39 km in length and 24 km in width.

An Aboriginal Areas Protection Authority (AAPA) clearance survey was conducted over the tenement prior to field work and any area of cultural significance was avoided.

2. LOCATION AND ACCESS

The SEL is located approximately 400 km east-northeast of Alice Springs in the Northern Territory, with access via the Plenty Highway and station tracks on Marqua Station.

The SEL falls within the Tobermorey (SF53-12) and Hay River (SF53-16) 1:250,000 sheets.

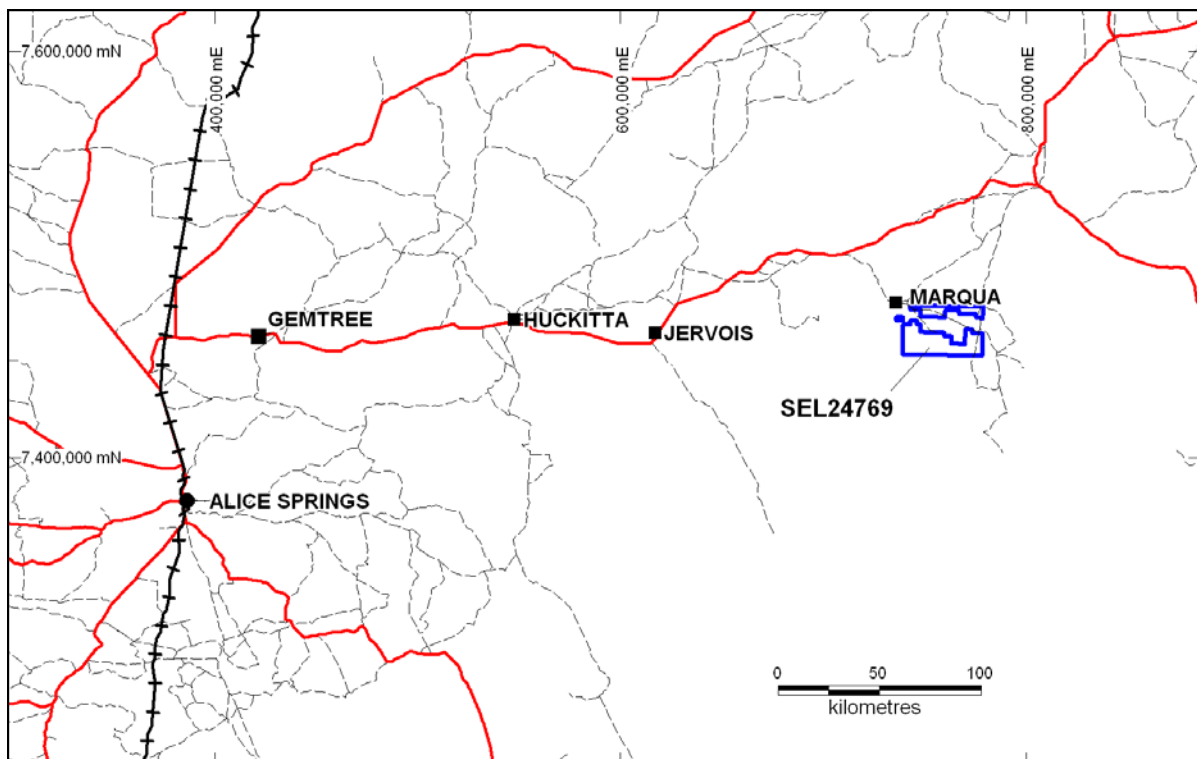


Figure 1. Tenement location plan.

Physiography of the area consists of flat-topped plateau country in the Toko Ranges in the northeast and low hills and ridges interspersed with alluvial plains and sand plains in the southwest. The most prominent ridge comprises the Toomba Range. Grave Hole Creek and tributaries drain the southwest facing slopes of the Toko Range and Linda Creek drains the northeastern slopes. The vegetation ranges from sparse savanna woodland and annual grasslands to perennial spinifex dominated grassland. The vegetation is consistent with a continental desert regime.

3. TENURE

SEL24769 was granted to Elkedra on 9 August 2006. The tenement was transferred to Uramet in 2007, with Elkedra retaining rights, with Uramet having rights to all other minerals.

The tenement originally comprised 307 sub-blocks, having an area of 971 km². Following an area reduction in 2009, the tenement was reduced to 123 sub-blocks, equating to 389 km².

The tenement expires on 8 August 2010.

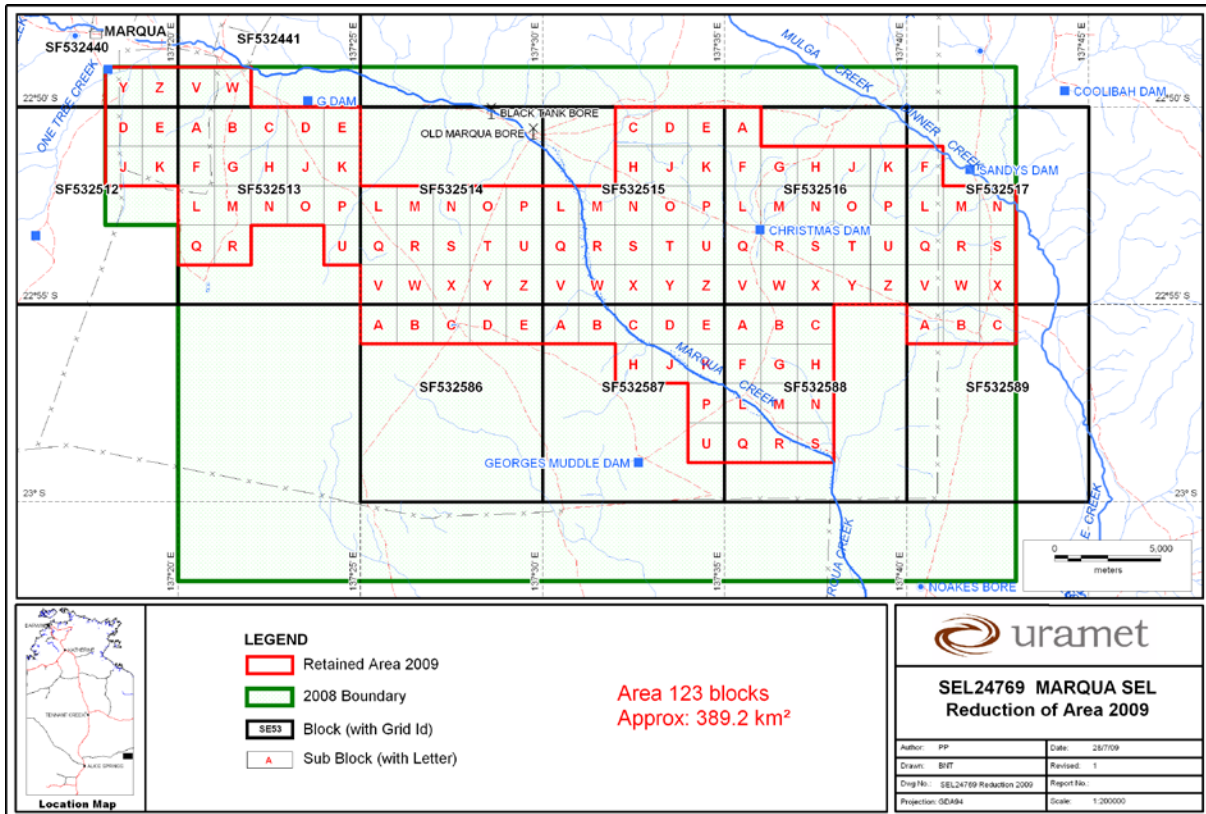


Figure 2. Tenement plan showing retained and relinquished areas.

4. GEOLOGY

4.1 Regional Geology

The project area is part of the southern Georgina Basin, comprising Neoproterozoic to Cambro-Ordovician platform cover of sedimentary rocks (dominantly sandstone, shale, limestone, dolostone) overlying the Precambrian basement of the Northern Australian Craton. This Precambrian basement is exposed along major fault systems on the southern margin of the basin.

The Northern Territory Geological Survey (NTGS) has recognised the mineral potential of the southern Georgina Basin and recently prepared a comprehensive review of both government and private exploration undertaken, and has now developed from various authoritative sources applicable ore genesis models (Dunster et al., 2007).

Since the 1960's, the basin has been considered prospective mainly for Mississippi Valley Type (MVT) lead-zinc mineralisation. More recently, however, the potential for other commodities in a variety of geological settings has been investigated, and the basin is now regarded as having potential for several styles of mineralisation. For example:

Mississippi Valley Type Pb-Zn (MVT),
Carbonate-Hosted Pb-Zn (Irish Type),
Stratiform Shale-Hosted Base Metals,

The area is also envisaged as having potential for phosphate hosted Cambrian limestone. In 1969 exploration in the southern Georgina Basin identified locally phosphatic intervals in the Arthur Creek Formation and the Thornton Limestone in the Ammaroo area. In the NT part of the Georgina basin the Wonarah deposit was discovered in the early 1970's.

Prospective ground for phosphate rock within Middle Cambrian units can be defined along the margin of the basin and on basement highs within the basin.

4.2 Tenement Geology

The Marqua project area is located in the structurally complex south-eastern portion of the Georgina Basin, which is comprised of basement granitoids, Neoproterozoic tillites and arkosic sedimentary rocks, overlain by Cambrian and Cambro-Ordovician limestone, dolostone, shale and clastic sedimentary rocks of the Toko Syncline (Figure 2). These units have been disrupted by multiple folding and faulting events. Faulting in the project area generally trends northwest and individual faults have been locally offset by later northeast trending faults.

Part of the regionally significant Toomba Fault Zone lies east of the Marqua tenement and segregates a structurally complex zone dominated by arkosic sediments to the southwest from limestone, dolostone and sandstone of the Toko Syncline to the north. The Toomba Fault Zone is a reverse fault which dips ~45° towards the southwest and lies in close proximity to a number of parallel folds and faults including the Field River Anticline. A northwest trending fault zone in the Christmas Dam area represents a structural divide between gently north dipping sedimentary rocks to the west and vertical dipping sediments to the east.

The Neoproterozoic Yardida Tillite, which comprises diamictite, siltstone, sandstone, and arkose, is exposed within the Field River Anticline core and the younger Black Stump arkose crops out further to the east.

Younger rock units that typically form hill capping plateaus and mesas include the Tertiary Austral Downs limestone, a partly silicified lacustrine limestone underlain by a lateritic palaeosol, and Cretaceous clastic sedimentary rocks. The Cretaceous beds are commonly associated with zones of silicification both within beds and penetrating the underlying Cambro-Ordovician strata.

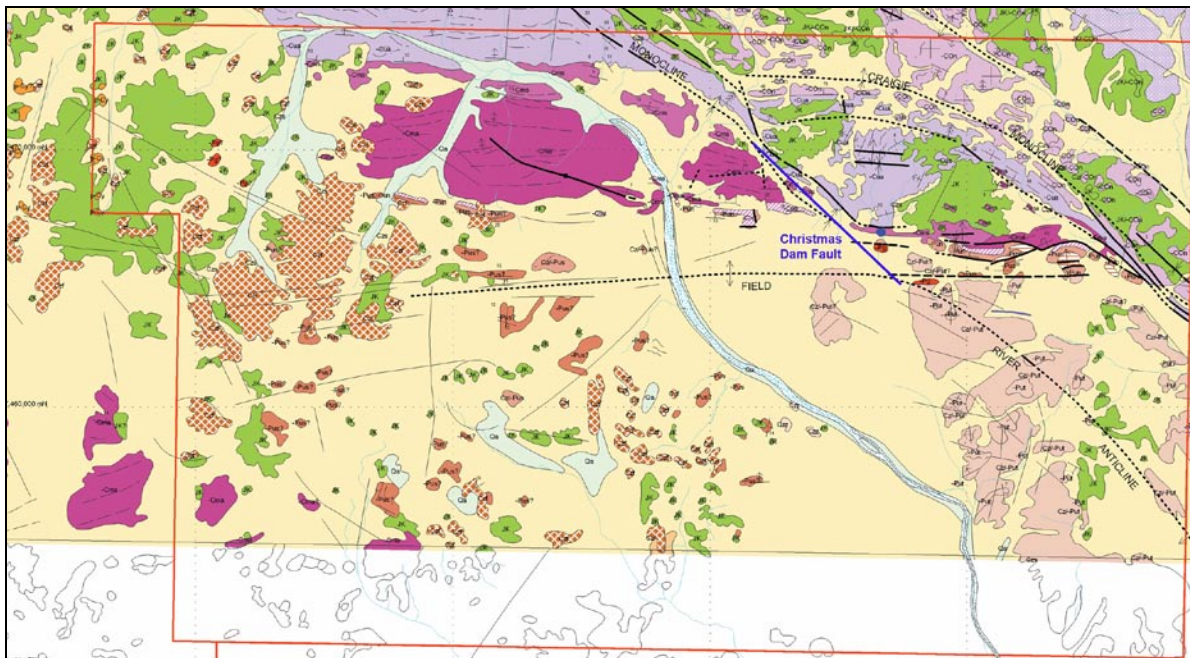


Figure 3. Geological map of the Marqua tenement area with the Christmas Dam Fault.

5. PREVIOUS EXPLORATION WORK

The Marqua project area has been subject to lead-zinc exploration for over 30 years. Mapping of the Marqua area (Tobermorey map sheet) was carried out by BMR 1959-1960 and subsequent re-mapping was done throughout the 1970's and 1980's. Exploration for base metals during that time was mainly focusing on rock chip and stream sampling. During 1977-1978 and 1983 BMR drilled four cored stratigraphic holes in the area. Anomalous zinc levels were found in these holes (BMR1979/36).

Subsequently Agip showed interest in base metal exploration in 1981 covering the tenement area (CR19830328). Reconnaissance mapping and rock chip sampling demonstrated that base metals are anomalous within the Late Proterozoic Wonnadinna Dolostone and Thornton Limestone. Sixteen holes were drilled during 1982 to test the zinc anomalies over a strike length of 8 km.

Saracen Minerals drilled nineteen percussion holes in 1988 (CR19880057) with the aim of detecting possible platinum-group element mineralisation. No platinum group elements were detected.

MIM explored the area in the early 1990's to test for Pb, Zn and Carlin-style Au and Pt (CR19920506). Re-assays of Saracen Minerals percussion drill holes and ten additional drill holes within the prospective units concluded that mineralisation is structurally controlled.

In conjunction with regional re-mapping of the Tobermorey map sheet, NTGS drilled cored stratigraphic hole NTGS99/1 within the current tenement area.

The NTGS re-evaluated the area as part of the southern Georgina Basin Geology and Resource Potential Report in 2007 and concluded that the Marqua area remains prospective for base metals since the lithostratigraphy of the area was not fully understood until recently (Dunster et al., 2007).

6. WORK BY URAMET

6.1 Desktop Review

A review of previous exploration work was undertaken, and has been summarised above.

6.2 Magnetics Interpretation

During 2006, the regional NTGS magnetic survey data was stitched and reprocessed by Dr D.R. Cowan (geophysics consultant). The separation filter product was found to be the most useful for highlighting structural elements and an interpretation of magnetic linears is shown below in Figure 4.

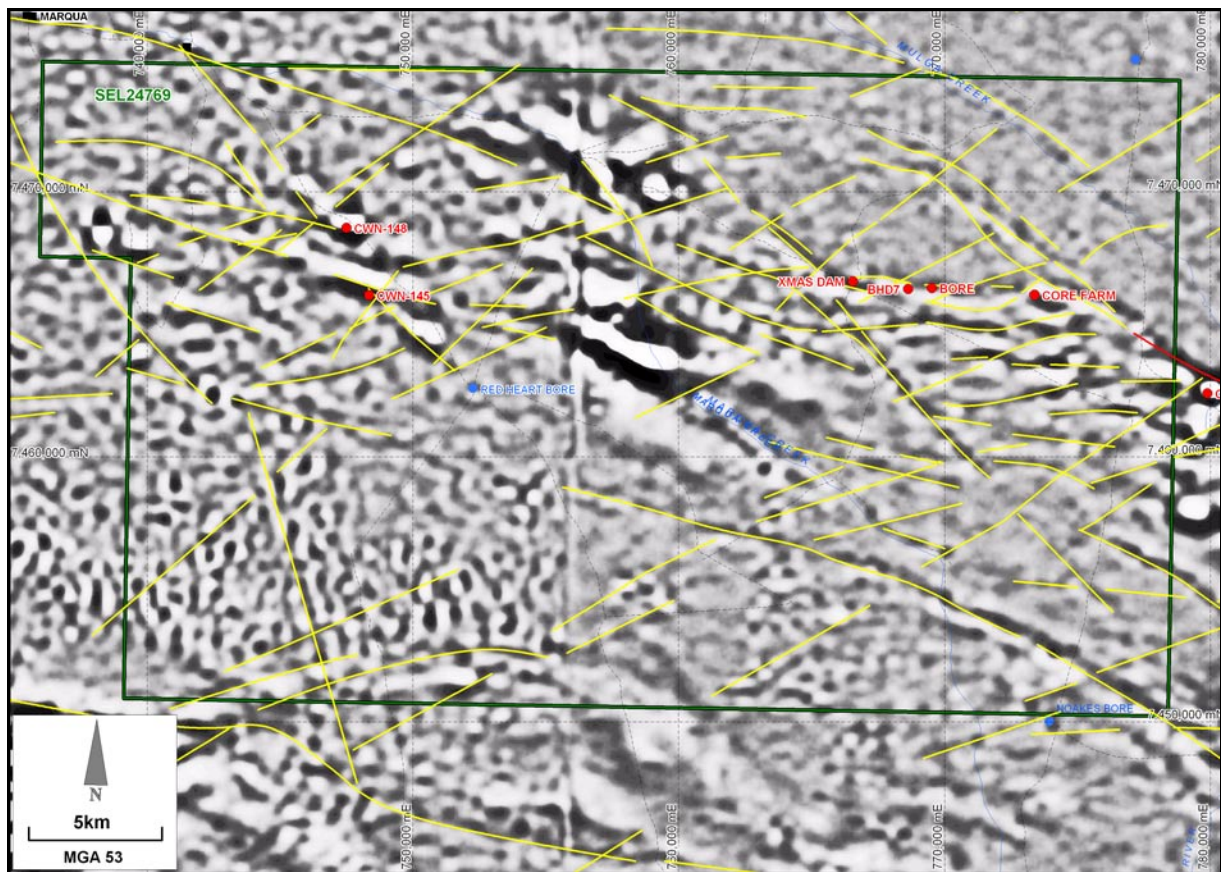


Figure 4. Separation filtered magnetics for SEL24769 (stitched from NTGS surveys) showing interpreted magnetic linears (yellow) and the Toomba Fault Zone (red). Magnetic anomalies CWN-148, 145, Xmas Dam, historical hole BHD7, a BHP bore, and the MIM core farm locations are shown.

6.3 Radiometric Interpretation

During the reporting period NTGS radiometric survey data was stitched and reprocessed by Dr D.R. Cowan (geophysics consultant) to give the imagery presented below (Figure 5). A number of U anomalies of interest were highlighted including those in the Boat Hill area that are associated with phosphorites and one to the south associated with ferruginised Cretaceous sandstones. Both these areas require further investigation.

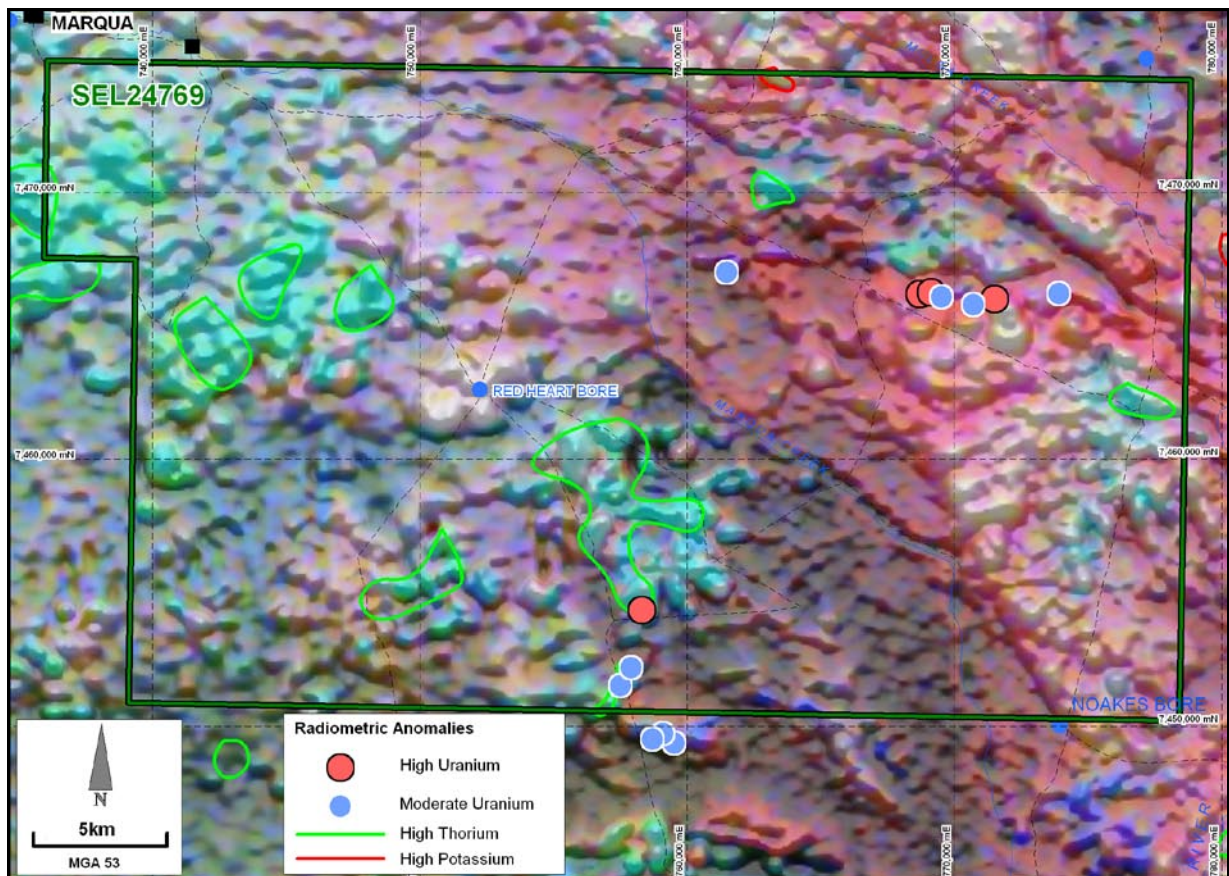


Figure 5. RGB (red = K, green = Th, blue = U) radiometrics draped over total count radiometrics. Zones high in Th and K are outlined and uranium anomalies of different intensity are identified.

6.4 Regional Gravity Interpretation

During the reporting period the NTGS East Arunta Gravity Survey data was reprocessed by Dr D.R. Cowan (geophysics consultant) to give the residual gravity image presented below for part of the SEL (Figure 6). A residual gravity ridge is located in the core of the Field River anticline, east of Red Heart Bore and paralleling the Marqua Creek.

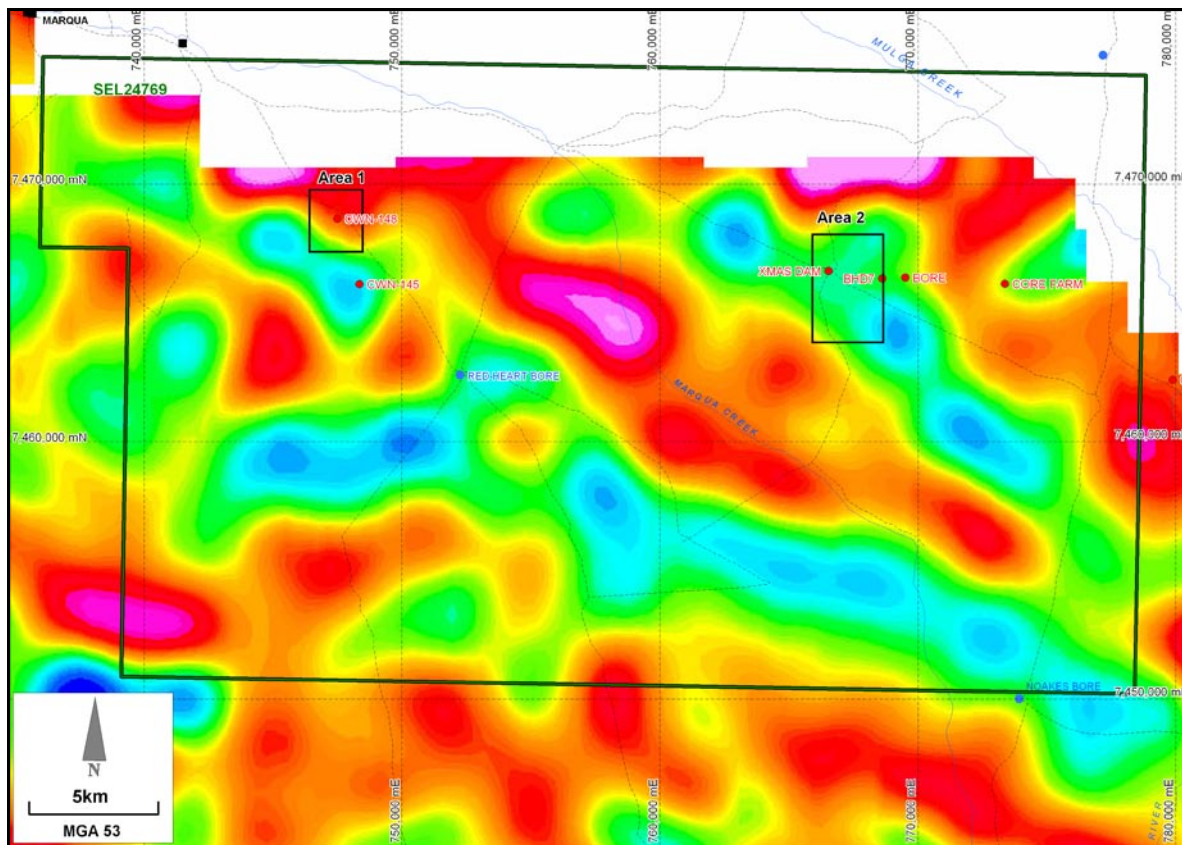


Figure 6. Residual gravity image processed by Dr D.R. Cowan from the 2006 East Arunta Gravity Survey data. Areas of the in-fill surveys are outlined in black.

6.5 Reconnaissance Work and Field Mapping

Reconnaissance work and field mapping was undertaken during several campaigns, with some modifications to the previous published mapping being incorporated into Uramet's mapping. The modified mapping is presented in Appendix 1.

6.6 Surface Sampling

Elkedra collected a number of surface samples, mostly stream sediment samples, targeting diamonds. The heavy fine fraction for a number of these samples were submitted for multi-element analysis. The sample locations are indicated in Figure 7, with all results appended in digital form.

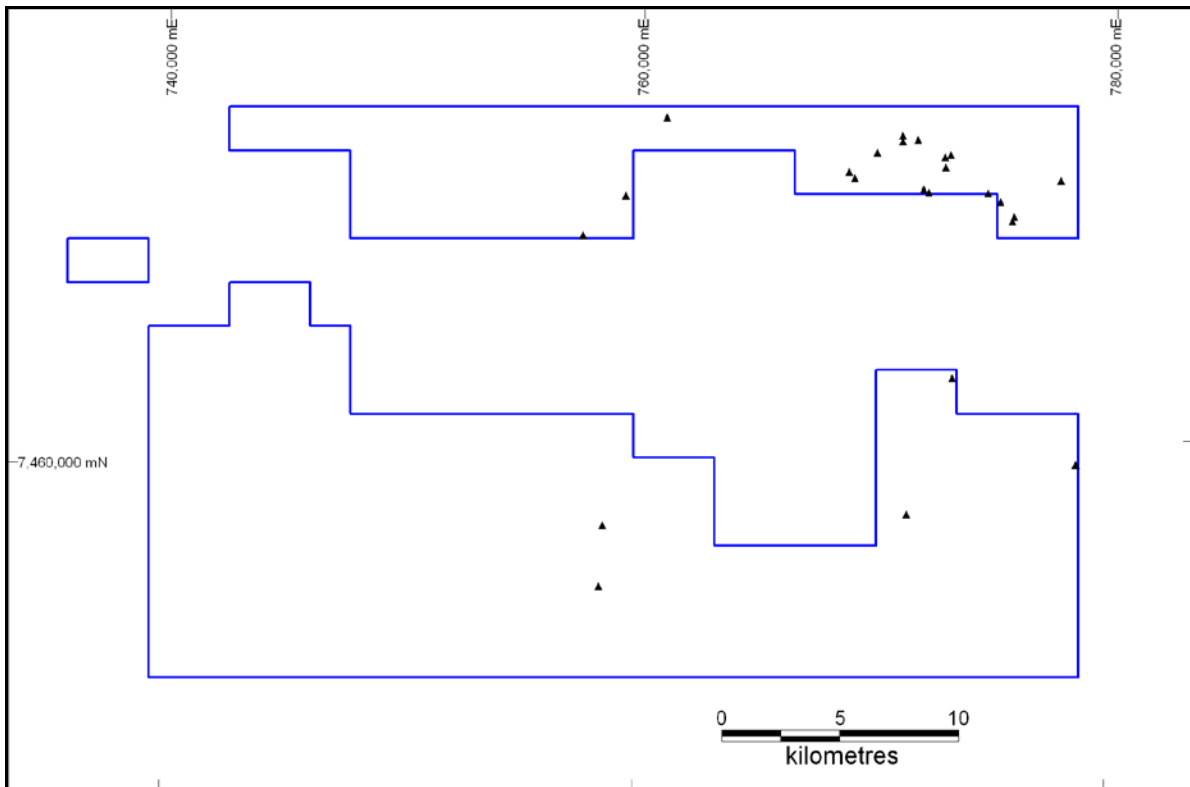


Figure 7. Surface sample location plan.

6.7 Helicopter-borne Electromagnetic Survey

A helicopter-borne EM (VTEM = versatile time domain electromagnetic) survey amounting to 1627 line-kilometres over the tenement was flown by Geotech Airborne Ltd (www.geotechairborne.com.au) in October 2007, however only a small portion of the survey falls with the surrendered portion of the tenement (Figure 8). The data did not detect any potential massive sulphide targets; however it was a very useful aid in interpreting different stratigraphic units and major structural lineaments occurring under cover. Black shales of the Thornton Limestone and some Cretaceous rock units give rise to most of the conductivity highs.

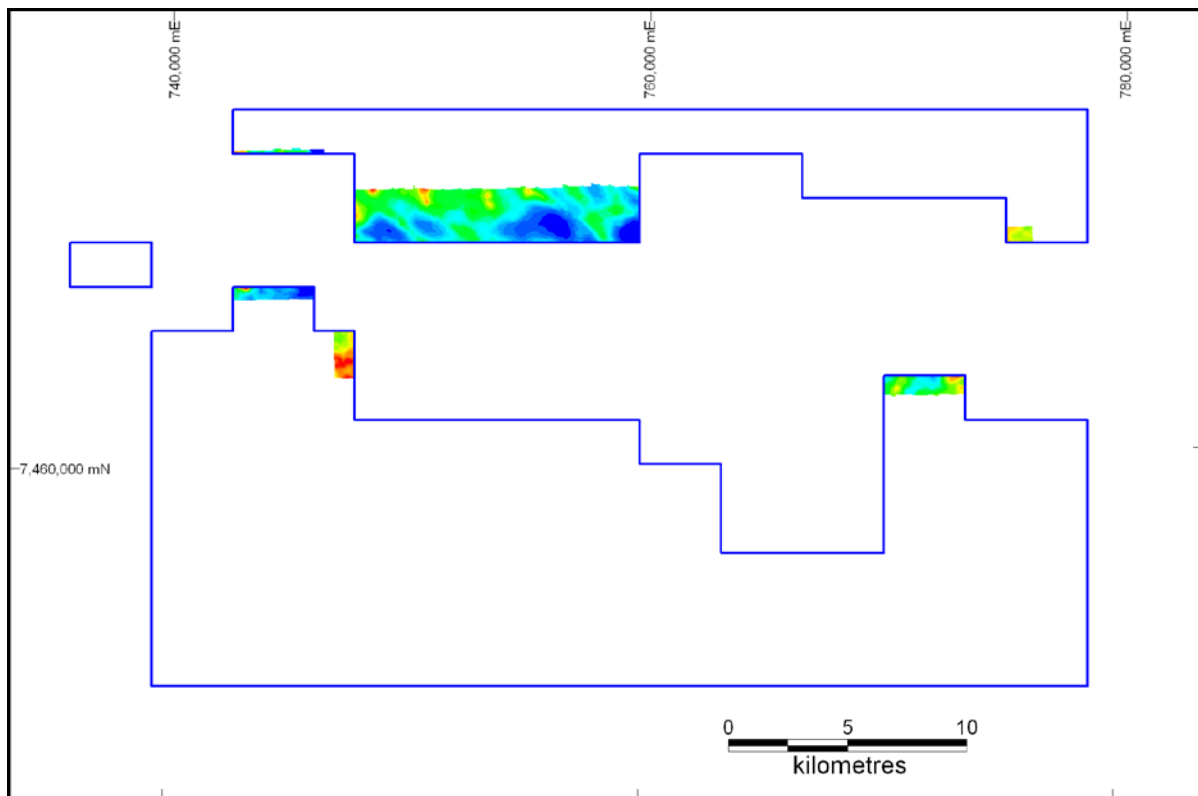


Figure 8. Channel 18 conductivity map of VTEM data within relinquished portion of the tenement.

7. CONCLUSIONS

Relatively little work has been undertaken within the surrendered portion of the tenement, the bulk of the work being focused in the central (retained) portion of the tenement. Assessment of the geology, together with field reconnaissance and surface sampling however indicates that little potential exists for significant base metal mineralisation to occur within the surrendered portion of the tenement.

8. REFERENCES

Dunster JN, Kruse PD, Duffett ML and Ambrose GJ. 2007. Geology and resource potential of the southern Georgina Basin, Northern Territory, NTGS.