

HALE ENERGY LIMITED

EL 24735

Year 3 Relinquishment Report

25 February 2006 – 24 February 2009
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ILLOGWA 1:250,000 MAP SHEET

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- Hale Energy Limited (Wembley Office)

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SUMMARY

Hale Energy Limited a wholly owned subsidiary of Thor Mining PLC is the registered holder of the granted exploration licenses EL24735 in the Harts Range area on the Illogwa 1:250,00 map sheet SF53-15 in the Northern Territory (figure 1).

Regional uranium exploration was conducted over the Harts Range uranium tenements in 1992 and 1995 by PNC Exploration (Australia) Pty Ltd. The implementation of regional reconnaissance sampling of the area by PNC, lead to the discovery of significant uranium mineralisation, which was later followed up by an extensive regional assessment program.

Harfort Nominees Pty Ltd a wholly owned subsidiary of Batavia Mining Limited acquired the Harts Range tenements in 2005 including EL24735. In January 25th 2006 Harfort Nominees Pty Ltd was transferred to Hale Energy Ltd and holds a 100% interest in the tenement covered in this report.

Exploration activities during the period of tenure on the relinquished area of the tenement included detailed rock chip sampling and mapping including 5 rock chip samples collected from the Ryoma and Casper prospects. The results are included in the Appendix.

1.0 INTRODUCTION

This report covers all exploration activities completed by Hale Energy Limited on the relinquished area of EL24735 for the period 25 February 2006 to 24 February 2009.

2.0 LOCATION AND ACCESS

Exploration Licence 24735 originally comprised 48 SBKS blocks covering an area of 151.4 km² and was reduced in size to 12 SBKS blocks with a total area of 37.8km² at the end of Year 3. The EL is located 299km north east of Alice Springs, with access via Stuart highway and the Plenty highway (Figure 1).

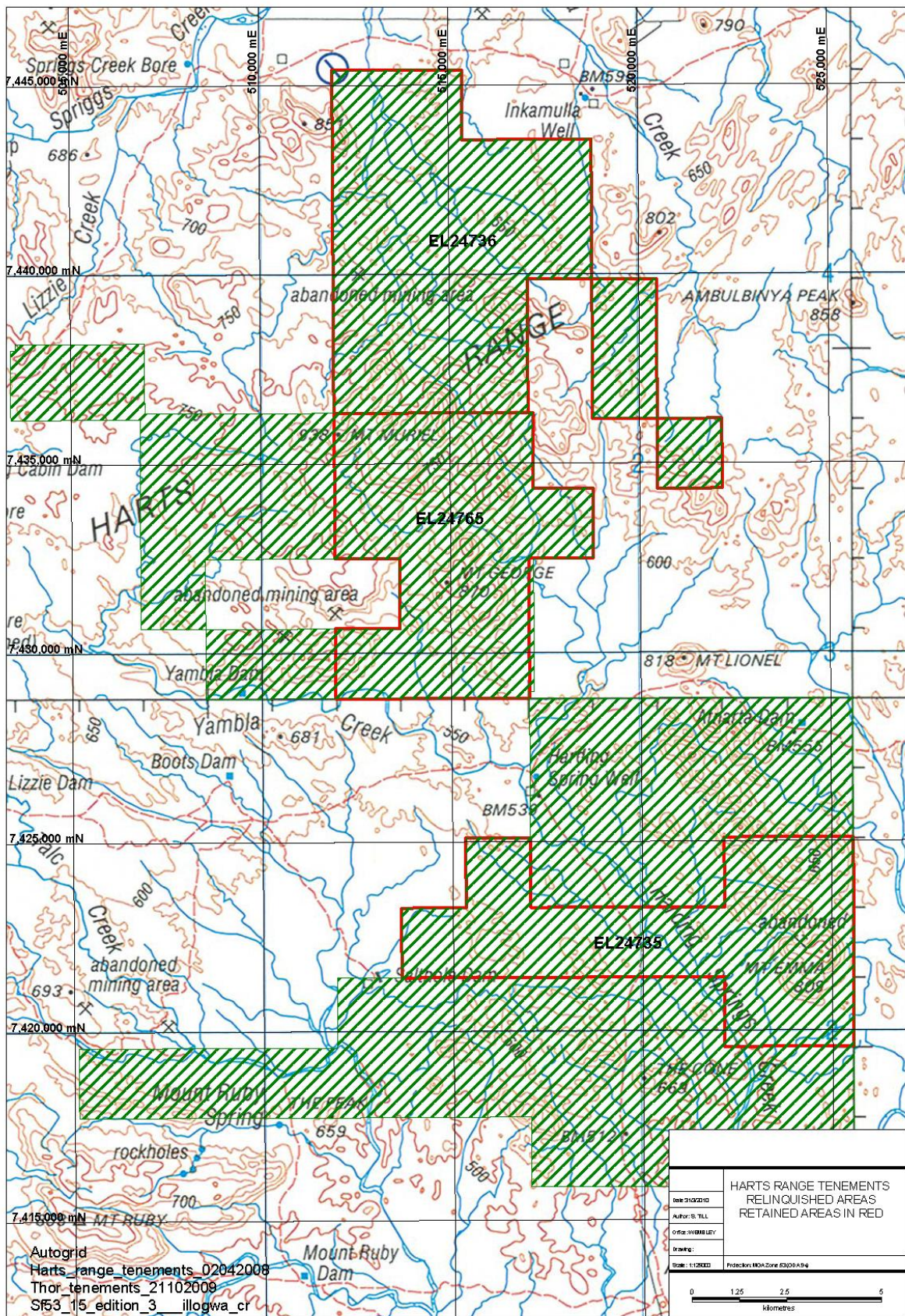


Figure 1: EL24735 on topographical base showing relinquished areas.

3.0 NATIVE TITLE AND SITE CLEARANCE

The Native Title Agreement for all tenements in the Harts Range Group including EL24735 is based on the premise that Hale Energy Ltd is:

- Not to file and register a Native Title Application nor lodge objections in the National Native Title Tribunal to the use of the “expected procedures” in the grant of the six exploration licences; and;
- at the completion of any airborne and handheld radiometric surveys to seek your agreement that you will notify the Central Lands Council (CLC) of the specific areas where you intend to undertake onground disturbing exploration activities such as drilling, so that we can organise clearances of any cultural and heritage sites. This will ultimately provide you with the sacred site clearances you will require under the Northern Territory Aboriginal Sacred Site Act.

The proposal effectively divided the exploration program into two phases. The first phase of work did not involve ground disturbing activities and hence did not involve native title holders and nor did it interfere with their legal rights. Further exploration work involving ground disturbing activities on the surrendered area of the tenement was not completed.

4.0 HARTS RANGE GEOLOGY

The project area covers high grade metamorphic rocks of the Proterozoic Harts Range Complex, which are situated in the south-eastern zone of the central Australian Arunta block, in the Entia Domal Structure (Figure 2). The Entia Gneiss (Harts Range Group) forms the core of the Entia Dome, consisting of acid muscovite biotite gneiss overlain by tonalitic quartz/feldspathic gneiss. Granite intrusions form smaller domes within the central structure. Metamorphosed gabbroic and ultramafic bodies are also present within the gneisses. The stratigraphy has been dislocated by numerous faults and shear zones.

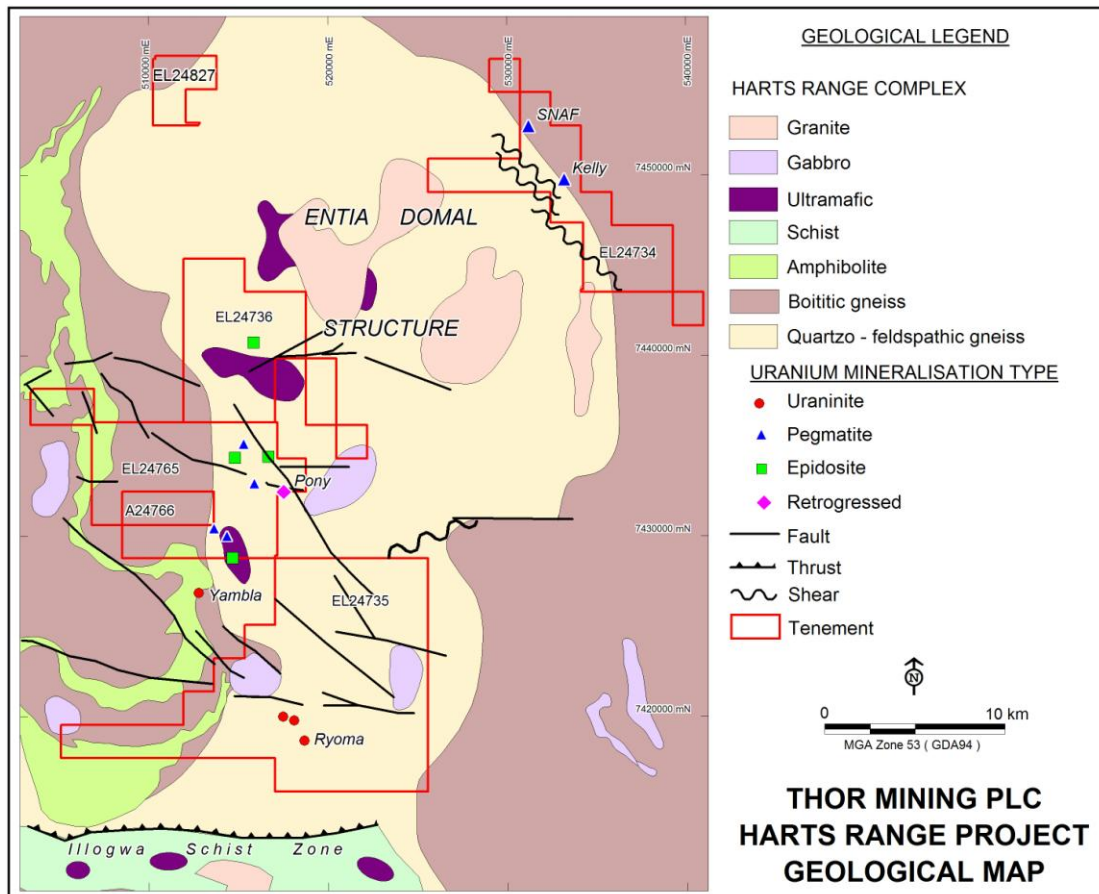


Figure 2: The Harts Range project showing the original tenement holding and the distinct styles of uranium mineralisation outlined by PNC Exploration.

The tenement area has been covered by modern radiometric and magnetic airborne surveys. The first, in 1993, was over the southern portions of the area. It was flown for PNC Exploration (Australia) Pty Ltd (PNC) at a 200m line-spacing. The second, in 1997, was over the remaining northern portion. It was flown for the NTGS at a 400m line-spacing. The surveys identified three clusters of radiometric anomalies within the tenements. The largest clusters were located within the Entia Gneiss, in the southwest and south of the Entia Dome. The third cluster, marginal to the dome, is spatially associated with a zone of northwest orientated shears.

Exploration for uranium was conducted over the area between 1992 and 1995 by PNC, which carried out regional reconnaissance sampling and discovered occurrences of uranium mineralisation in a number of locations, which were followed-up by prospect scale mapping and sampling. Although some of the occurrences contained high-grade mineralisation, none were of sufficient size to warrant drill-testing. PNC reported four separate types of uranium mineralisation, based on mineralogy:

- **Uraninite-type:** Uraninite occurring as mm to cm sized crystals, crystalline aggregates, or nodules. The mineralisation is associated with felsic phases in amphibolite and gneiss. At the Yambla Prospect the mineralisation is within quartz veining in an altered fault zone. At the Ryoma Prospect it is associated with haematite-altered fractures within gneiss. Grab samples from this prospect gave analyses of up to 8.5% U.

- Pegmatite Type: Uranium bearing rare earth oxide minerals within or immediately adjacent to a suite of pegmatites. At the SNAF Prospect, and the latest rock chip sample site for Mt Mary, on EL24734, grab samples from the contact zone between pegmatite and gneiss produced analyses to 0.26% U. At the Kelly Prospect parts of the contact between a 3km long pegmatite and surrounding altered amphibolite is anomalous in uranium.
- Epidosite Type: Sub-microscopic uraninite and uriferous allanite grains occur in veinlets and vugs, on epidote grains, and in quartz-apatite-sulphide pockets. The mineralisation is associated with epidote and epidote-garnet metasomatic alteration in shear and fault zones.
- Retrogressed Type: Finely disseminated uranium mineralisation associated with clay-silica alteration along faults.

A total of 58 open file reports have been acquired and compiled covering all or part of the Harts Range tenements including EL24735.

5.0 PROSPECT GEOLOGY

The project lies to the south of the Entia Dome, with the Bruna Gneiss (Harts Range Group) being the dominant lithological unit within the area. The rock type consists of porphyroblastic feldspar gneiss (+/- biotite gneiss), mylonitic and biotite rich in part. The Riddock Amphibolite Member and the Entire Gneiss form the basics of the western margin of the EL area. On the central portion of the EL area, there is metamorphosed to partly metamorphosed norite and gabbro, containing relict igneous textures.

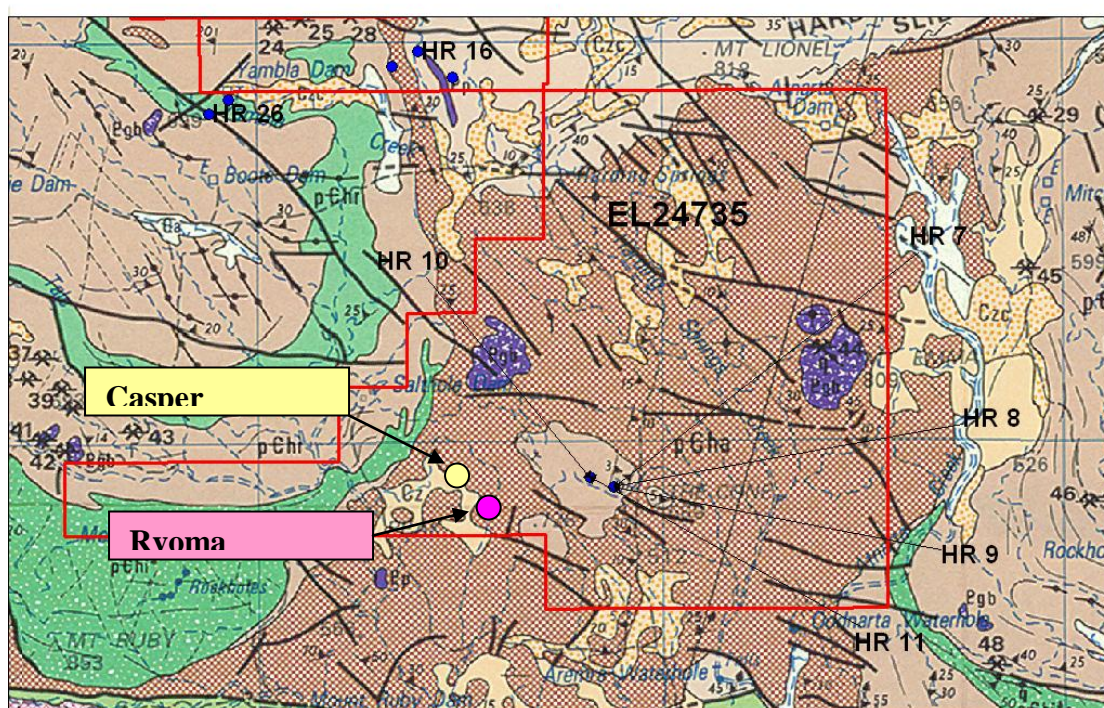


Figure 3: EL24735 original tenement map showing anomalous uranium prospects identified by PNC and more recent Hale Energy reconnaissance sampling.

6.0 PREVIOUS EXPLORATION

The anomalies found by PNC on tenement EL24735 include Ryoma, in the south western portion, and Casper, which is 600m northwest of Ryoma (Figure 3). Both prospects are within Irindina Gneiss. Within this zone there is numerous WNW trending fractures zones exhibiting weak hematitic alteration of feldspar along the margins. Weak hotspots in the range of 75-130 cps are present along the fractures with clusters of several hotspots, ranging between 400-3,000 cps. The strongly radioactive 3,000 cps anomaly is associated with centimeter size fragments of yellow stained uraninite mineralisation.

Geological mapping delineated localised zones of re-crystallized shearing. The origin of this zone is obscure but it is likely that it has occurred during the development of several parallel orientated mylonite zones, one of which occurred about 10-15 m above the uraninite mineralisation. A one meter trench was excavated into a highly fractured system and associated hotspots.

Traces of uraninite mineralisation occur as small (cm sized) crystals embedded in biotitic amphibolite were identified within the trench. The uraninite is spatially associated with the hematite altered fractures which range from 0-10 cm. Rock chip samples taken across altered fractures showed thin alteration halo of chlorite, which is typical of unconformity style uranium mineralisation.

Previous assays of uraninite mineralised grab samples gave 3.2% – 8.5% U, 900-3,100 ppm Y, 600-1,000 ppm P and approximately 0.4% Ti. The zone of altered fractures at Ryoma can be traced over an area of 250 x 100 m at various intensities.

To the NW of Ryoma lies the Casper prospect where PNC found small brown-black cubic uraninite crystals with strong radioactivity (4,000 cps) within a fractured zone. The assay results returned 5,090 ppm U and 480 ppm Th and resulted in the excavation of a shallow pit (1m deep).

Spotty uraninite-xenotime mineralisation was found within a vein-textured quartz-plagioclase pod, hosted in an east west shear zone. A sample of strong radioactive mineralisation was collected from the bottom of the pit, which assayed 2.6% U, 0.3% Th, 0.8% Y and 0.5% Ti.

A detailed ground spectrometer survey (5 x 5 m) was completed over infill areas at both Ryoma and Casper by Batavia, to try to identify a halo around the known mineralised sites. The survey did not show any recognisable low grade uranium halo. The ground magnetics showed weak WNW-ESE trends parallel to the structural grain as evidenced by a series of photo lineation's that cut across the area of the two grids.

7.0 EXPLORATION COMPLETED BY HALE ENERGY LIMITED

Five samples were collected at Ryoma and Casper prospects by Hale Energy Limited in October 2006 (HR007-011), with results ranging from 121ppm to 31.6% U, confirming the known elevated uranium potential of the area. Results were also elevated in rare earth elements (REE) including Yttrium and Zirconium. HR008 also returned up to 1.62% Pb.

The results above include a single assay of 31.6% U, containing a significant amount of visible uraninite; however this is not regarded as representative of the complete zone of shearing noted in the mafic amphibolites. The sampling confirms the association with elevated REE values, which are often associated with late stage intrusive and large pegmatite bodies. The result of 0.61% U from Casper confirms this with the sample also exhibiting anomalous Nb, Ta and Cs.

Compilation of all available open file data was carried out during Year 2 of tenure.

Year 3 exploration included additional compilation of all known open file reports and review of all previous data. Location of several open file prospects in the field has proved difficult and in some cases errors in excess of 200m have been noted

APPENDIX 1.0

DIGITAL DATA:

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