RELINQUISHMENT REPORT

EL 24281

CHARLEY CREEK PROJECT

7/02/2005 TO 6/02/2010

Panoramic view of the western MacDonnell Ranges

Compiled: Melville P. M.
Tenure Holder: Crossland Nickel Pty Ltd
Submitter of Report: Crossland Nickel Pty Ltd
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1 Summary
This report covers exploration work carried out on the relinquished portions of EL 24281, Charley Creek project for the period 7/2/2005 to 6/2/2010. The licence is located immediately south of the Tanami road approximately 120 kms west northwest of Alice Springs and is centred about 9 km south of Milton Park homestead. The exploration licence is held by Crossland Nickel Pty Ltd and operated by Crossland Uranium Mines Limited. The project area is considered prospective for uranium, REE, copper, nickel and platinum. EL 24281 was granted on 07/02/2005 for a period of 6 years.

Crossland is exploring the region with two uranium target styles in mind - as widespread, disseminated granite-hosted mineralisation and as sedimentary deposits confined to the channels of old, buried drainage systems. The Teapot Granite Complex, which outcrops extensively in the region, is a highly fractionated, enriched granitoid, with an anomalously high uranium content. The extensive area of flat plains and related drainages north of the Teapot Granite are considered ideal as a host environment to secondary concentrations of uranium leached from the granite. The uranium could be hosted in calcrete deposits or occur in 'redox' zones, which can concentrate uranium dissolved in ground water. Some potentially prospective paleo-channels are present within EL 24281.

The principal exploration activities for the period of this report are tabulated on the following page.
Table 1. Exploration Activities 2005 – 2010 EL 24281

<table>
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<tr>
<th>Year</th>
<th>Exploration Activity</th>
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| 2005 - 2006 | • Literature Search and Data Compilation  
• Acquisition of government geological and airborne survey data.  
• Preliminary field reconnaissance |
| 2006 - 2007 | • Field reconnaissance, June 2006  
• Helicopter reconnaissance, August 2006  
• Additional data compilation and literature search  
• Negotiation of an Access Agreement with the Central Land Council |
• Airborne Radiometrics / Magnetics Survey December 2007- January 2008 |
| 2008 - 2010 | • No further work in relinquished sections |
2 Introduction

2.1 Tenure

EL 24281 was granted for a term of six years on 7 February 2005 (expiring 6 February 2011). The title originally covered an area of 63 blocks (198.5 km²), extending between 132°53’E and 133°02’E and from 23°22’S to 23°29’S. The licence area remained at 63 blocks until the end of year 5.

On 22 December 2009 an application for a partial waiver of reduction was lodged. The request to relinquish 22 blocks and retain 41 blocks (129.2 km2) on the anniversary date of Year 5 was granted on 23 March 2010 by the Department of Resources. The extremities of the current licence area conform with the coordinates stated above.

2.2 Location and general description

The Charley Creek Project is situated between 95 and 165 kms west northwest of Alice Springs. The location of EL 24281 relative to the Charley Creek project properties is shown in Figure 1. The entire project area covers a combination of open plains country, desert scrub and the northern foothills of the west MacDonnell Ranges.

2.2.1 EL 24821

This licence is centred 8 km southwest of Milton Park homestead on Amburla Station and 108 kms west-northwest of Alice Springs. The Tanami Road passes about 5 km north of Milton Park. Access within the tenement is provided by station tracks and fence lines. The EL falls on NT Parcel 4423 and Parcel 4443. Parcel 4423, the Hamilton Downs Station, is leased by Helen Mary Margret Miller. Parcel 4443 Amburla Station is leased by Baldy Bay Pty Ltd as trustee for The Long Yard Trust (ABN 65 073 123 876). The EL is drained by Charley Creek and its tributaries, which flow to the north and are dispersed over the Burt Plain.

The area is neither subject to an Aboriginal Land Claim nor any Native Title Claims. However, Crossland recognises the aboriginal traditional owners of the region and have access agreements in place with these people through the Central Land Council.

2.3 Exploration Rationale

The area was selected as a target based on confidential research carried out by Paradigm Geoscience Pty Ltd., renamed Global Geoscience Limited in 2007. Paradigm Geoscience considered the area prospective for nickel-copper and PGE (Platinum Group Elements) accumulations associated with phases of the Mt Hay granulite.

The uranium potential of the region was highlighted by historical exploration in both the Teapot Granite Complex and in the plains to the north of Mount Chapple. Exploration
work by Esso (1977) had shown the Teapot Granite to be regionally significantly elevated in uranium and thorium. This was confirmed by subsequent radiometric surveys carried out by the Northern Territory Geological Survey. The large mass of 'hot' granite within the Teapot Complex has implications for the formation of sedimentary uranium deposits in the environment to the north of the ranges. The alluvial fans and buried drainage channels in the plains country are considered prospective for secondary uranium deposits in both calcrete hosts and in "redox" zones, which can concentrate uranium dissolved in ground water.

### 2.4 Regional Geology

The Charley Creek Project area is located within the Hermannsburg 1:250000 geological map sheet (Figure 2). It lies within the Central Province of the Arunta Block on the southern margin of the North Australian Craton. The southern margin of this block is marked by a high strain zone, the Redbank Thrust Zone, which contains several mapped units. Most of the Central Province is granulite facies metamorphic grade with some retrograde zones of amphibolite facies.
The oldest unit exposed in the project tenements is the Mt Hay Granulite and the laterally equivalent Bunghara Metamorphics (+1780 Ma). The Mt Hay Granulite outcrops in the east whereas the Bunghara Metamorphics are present further to the west where they may be partially covered by shallow Cainozoic sediments. The extensive Teapot Granite Complex (1140 Ma), which intrudes the older mesoproterozoic (1650-1680 Ma) gneissic basement of the Glen Helen Metamorphics is located to the south of EL 24281.

Most of EL 24281 is covered by Tertiary and Quaternary sediments. The Tertiary sediments have previously been described as sands, clays, siltstone, and conglomerates with some lignitic horizons. The Quaternary sediments are characterised by shallow alluvial fans of coarse gravels, sand and clay with a surficial covering of silts and sand. The western extremity of the Mount Hay massif falls within the retained portion of the licence.

Figure 2. EL 24281 Superimposed on Regional Geology (after 1:250,000 NTGS)
3 Previous Exploration Activities

3.1 Other Companies

Regionally, there has been previous exploration activities by Conzinc Rio Tinto Australia Exploration (CRAE) for both sedimentary uranium targets and copper, nickel and PGE, in the 1970’s and in the mid-late 1990’s respectively. Initial exploration by CRAE in the 1970’s involved testing water bores for the presence of uranium in the search for sedimentary uranium deposits. The programme included water sampling of 8 existing water bores and gamma logging 6 of these bores. It was reported that the water samples contained between 4ppb and 41ppb U. Gamma logs located anomalies of 2.5 to 3 times background in 4 of the 6 holes logged. This indicates that uranium appears to be mobile in this terrain as would be required to form calcrete or redox deposits.

Rio Tinto Exploration Pty Ltd explored the Mt Hay Complex in 1997 for layered mafic intrusive-hosted nickel-copper and platinum group elements. They completed detailed airborne magnetics, radiometrics and Geo-Tem surveys over their holdings, which extended 100 km to the east to the Stuart Highway. Follow-up ground geophysics and drilling of the most prominent anomalies/targets was also completed but did not produce results to warrant further work. Geochemical sampling did not produce results of any note.

Esso Australia Limited explored the Teapot Granite in 1977 for uranium following an airborne radiometric survey. Ground follow-up of anomalies led to the discovery of secondary uranium mineralisation occurring in a phase of the granite that formed domal topographic highs. They concluded that the source of the uranium was refractory minerals such as monazite and zircon occurring in the granite and that the high regional background radioactivity was due to potassium.

3.2 Crossland Exploration Activities 2005-2010

Initial activities involved literature research of all available open file reports and compilation of all relevant data. This was done in conjunction with the acquisition, compilation and interpretation of government geological and airborne geophysical data.

Field work consisting of ground and helicopter assisted geological reconnaissance was undertaken in mid 2006. No rock, soil or stream sediment sampling was undertaken during the reconnaissance programs.

A TEMPEST airborne EM survey was conducted in July 2007 by Fugro Airborne Surveys. Approximately 207 line kilometres were flown over the entire tenement on both north-south and east-west flight paths. Lines were spaced at 1,000 metres at a terrain clearance of 120 metres. Within the relinquished areas a total of 15 lines were flown. An approximate area of 69.3 km$^2$ was covered. See Appendix ** for the survey details and CDI sections.
An Airborne fixed wing Mag-Rad survey was conducted by GPX Surveys between 9th December 2007 through to the 9th January 2008. The survey covered both EL 24281 and EL 25230; the area covered within the relinquished portions was 69.3 km². The survey was conducted at 100 metre line spacing and 60 metre sensor height. Survey lines were flown north-south and tie lines east-west. Data was processed in-house.

No further exploration activities on relinquished portions of the licence were carried out.
4 Bibliography


