KURUNDI PROJECT

SECOND PARTIAL RELINQUISHMENT REPORT
May 2010

Exploration Licence EL23937

HELD BY
FERRUM CRESCENT LIMITED

JOINTLY OPERATED BY
NORTHERN URANIUM LIMITED
(Uranium and Phosphate Rights)
AND
FERRUM CRESCENT LIMITED
(All other Minerals)

PARTIAL RELINQUISHEMNT REPORT
NTU Report No: 2010-01
NAME: KURUNDI PROJECT – SECOND PARTIAL RELINQUISHMENT REPORT EL23937
PREPARED BY: R.WILSON,
DATE: MAY 2010

SUMMARY

Location: The tenement EL23937 is located approximately 400kms NNE of Alice Springs and 100km SE of Tennant Creek. The eastern portion of EL23937 lies on the western edge of Epenarra Station, and the western portion lies on Kurundi Station.

Geology: The tenement covers the contact between the western Georgina Basin and the Tennant Creek Inlier on the northern side of the Davenport Range. The regional basement rocks are Proterozoic (1870Ma) deepwater marine interbedded greywacke, siltstone and minor porphyritic felsic volcanics of the Warramunga Group which were moderately to tightly-folded about 1810Ma. The Warramunga Group is intruded by members of the Tennant Creek Supersuite. This includes the Hill of Leaders Granite (Pgb) which outcrops extensively in the northwest of the tenement area. The primary Georgina Basin unit present within the project area is the near-basal Gum Ridge Formation which is known to contain phosphate.

Work Done: Exploration activities completed within the relinquished portions of EL23937 were targeted at uranium, tungsten and phosphate and comprised airborne magnetics and radiometrics survey, reconnaissance geological investigations and rock chip sampling.

Results: The work completed failed to define any targets requiring follow-up work.

Conclusions: The relinquished portions of EL23937 are considered to have been adequately tested by the work conducted by Northern Uranium and Washington Resources. The area has low potential for the occurrence of economic mineralisation of the targeted commodities, and has hence been relinquished.

TABLE OF CONTENTS

TABLES

FIGURES

APPENDICES

1.0 SUMMARY

Exploration activities conducted on the relinquished portions of EL23937 by Northern Uranium/Ferrum Crescent were as follows:

1) Airborne Magnetics and radiometrics survey in 2007.
2) Reconnaissance geological investigations for uranium and tungsten mineralisation in 2007/2008
3) Reconnaisance geological investigations of the phosphate potential of the area underlain by the Georgina Basin, including rock chip sampling in 2008

2.0 INTRODUCTION

This report details exploration activities conducted on the relinquished portions of tenement EL23937 between 13 February 2004 and 12 February 2010. The tenement is held by Ferrum Crescent Limited (formerly Washington Resources) and exploration work was undertaken by Northern Uranium Limited pursuant to two agreements relating to phosphate and uranium rights. Ferrum Crescent Limited retains the rights to all other minerals on the tenements and has been conducting exploration for other minerals in parallel with Northern Uranium's activities.

3.0 LOCATION, GEOMORPHOLOGY AND ACCESS

EL23937 is located approximately 400kms NNE of Alice Springs and 100kms SE of Tennant Creek (see Figure 1 below). EL23937 extends across both Kurundi and Epenarra Pastoral Stations.

Access to EL23937 is via the unsealed Wauchope-Epenarra road which passes in an easterly direction along the southern portion of the tenement. Station tracks give access to the northern and southern portions of the tenement from this road.

Topographically, the south-western corner of EL23937 overlies part of the Murchison Range with long, steep –sided, narrow to broad, ridges and valleys. Adjacent to the Murchison Range are areas of dissected terrain consisting of low ridges and hills of sedimentary, volcanic and granitic rocks. An erosional, weathered surface with little organised drainage covers the area in the eastern third of the tenement. Kurundi and Whistleduck Creeks are areas of alluvium and may have surrounding areas of dune fields and sand plains.

Elevation ranges from 300m in the eastern region to over 500m in the southwest. The south western and southern ranges display a mostly erosional regime grading to residual in the northwest, to more depositional in the drainage channels in the northeast. All areas can be overlain by Quaternary colluvial and alluvial cover. Intermittent lateritic duricrust and backslope material of uncertain age is also evident, in particular in the central tenement area. The laterite often displays a vermiform texture and a relatively vuggy matrix. The texture indicates an in-situ lateritic duricrust that has undergone little deflation due to top-loading.

The major streams of the area are bound by extensive open grasslands and often provide the best access into areas, provided the streams can be crossed if required. Several major

streams transect the area with the Kurundi Creek forming the major drainage channel. The latter transects the central licensed area in a southwest to northeast direction. It is fed by the easterly flowing Granite Creek on its western flank approximately in the center of the license. The Mosquito Creek, situated near the northern boundary of the license, merges with the Kurundi Creek in the Fork Creek Bore area and forms a large floodplain. Whistleduck Creek is located in the southeastern quadrant of the exploration license and flows to the northeast. Steep gullies and gorges drain the Murchison Range while gentle silt filled depressions as well as steeply incised creeks form the main tributaries on the plains.

All streams flow intermittently during the 'wet' season which ranges from October to March. Numerous waterholes are located along the individual streams although only few are permanent. Annual rainfall is in the region of 300mm.

4.0 TENURE AND AGREEMENTS

Details of the tenure are shown in Table 1 below.

Northern Uranium Limited acquired the uranium rights to EL23937 from Washington Resources in August 2006, in exchange for shares in Northern Uranium Limited. In June 2008 a Letter of intent was signed between Northern Uranium and Washington Resources whereby the parties agreed to enter in a Joint Venture arrangement with Northern Uranium earning a 60% interest in the phosphate rights of EL23937 in exchange for exploration expenditure.

In December 2009, a tenement renewal application was submitted for EL23937 for an area of 58 blocks. Also in December 2009, Washington Resources completed its merger with Ferrum Crescent resulting in a change of name.

Table 1 – Tenement Details

Tenement	Grant Date	Expiry Date	Relinquished Area	Holder
EL23937	13 Feb 04	12 Feb 10	166 blocks	Ferrum Crescent Limited

5.0 GEOLOGY

The tenement lies within the Davenport Province on the southern part of the Tennant Creek Inlier. The regional basement rocks are Proterozoic (1870Ma) deepwater marine interbedded greywacke, siltstone and minor porphyritic felsic volcanics of the Warramunga Group. The Warramunga Group is intruded by members of the Tennant Creek Supersuite which includes the Hill of Leaders Granite (Pgb). The eastern portion of the tenement and the eastern relinquished portions is underlain by Georgina Basin sediments which is predominantly represented by the Cambrian-aged Gum Ridge Formation.

6.0 EXPLORATION ACTIVITIES

6.1 Airborne Magnetics and Radiometrics survey

A detailed airborne magnetic and radiometric survey was completed over the western portion of EL23937 by Washington Resources and Northern Uranium in early 2007. The survey was completed by GPX Airborne, and the survey specifications were as follows:

Line Spacing	200m
Tie Line Spacing	2000m
Line Direction	E-W
Tie Line Direction	N-S
Magnetometer Sample Rate	10hz
Spectrometer Sample Rate	1hz
GPS Sample Rate	1hz
Altimeter Sample Rate	1hz
Base Magnetometer Sample Rate	1hz
Flying Height	40m subject to risk analysis

The newly acquired data was merged with the existing government data to give effectively 100m spaced flight lines.

The radiometric data was used to identify uranium channel radiometric anomalies. Several radiometric anomalies were identified within the relinquished areas. Basic structural interpretation of the aeromagnetic data was also completed and integrated with the radiometric data to determine whether there was any spatial relationship between the structures and the uranium channel radiometric anomalies. Two linear, magnetically low features, one striking northeasterly and the other southeasterly were noted within the relinquished area.

Figure 3 below shows an outline of the area covered by the survey. The data from within the relinquished portions of EL23937 is attached as Appendix 1 in digital format only.

6.2 Reconnaissance geological prospecting

Prospecting activities conducted by Northern Uranium for uranium involved locating radiometric anomalies, basic geological mapping, spectrometric analysis to locate anomalous lithologies and sampling of a range of material. No significant uranium radiometric anomalies were identified.

Washington Resources found no outcrops of any rocks typically associated with tungsten mineralisation within the relinquished area in the course of their prospecting activities.

6.3 Rock-chip Sampling

No rock samples were taken during the uranium exploration program within the relinquished portions of EL23937. A second rock chip sampling program was carried out in the eastern portion of EL23937 in September 2008. This followed the signing of a Heads of Agreement between Northern Uranium Ltd and Washington Resources Ltd whereby Northern Uranium would acquire an interest in the phosphate rights of the

tenement in exchange for exploration expenditure. Twenty-eight (28) samples were taken from within the relinquished portions of EL23937, which were submitted to ALS, Alice Springs for sample preparation and then forwarded to ALS, Adelaide for multi-element analyses using methods ICP-MS and ICP-AES. Results from these samples warranted no further follow-up work.

All rock chip sample locations are shown on Figure 2 below and results are attached as Appendix 2. All assay method details are attached as Appendix 3.

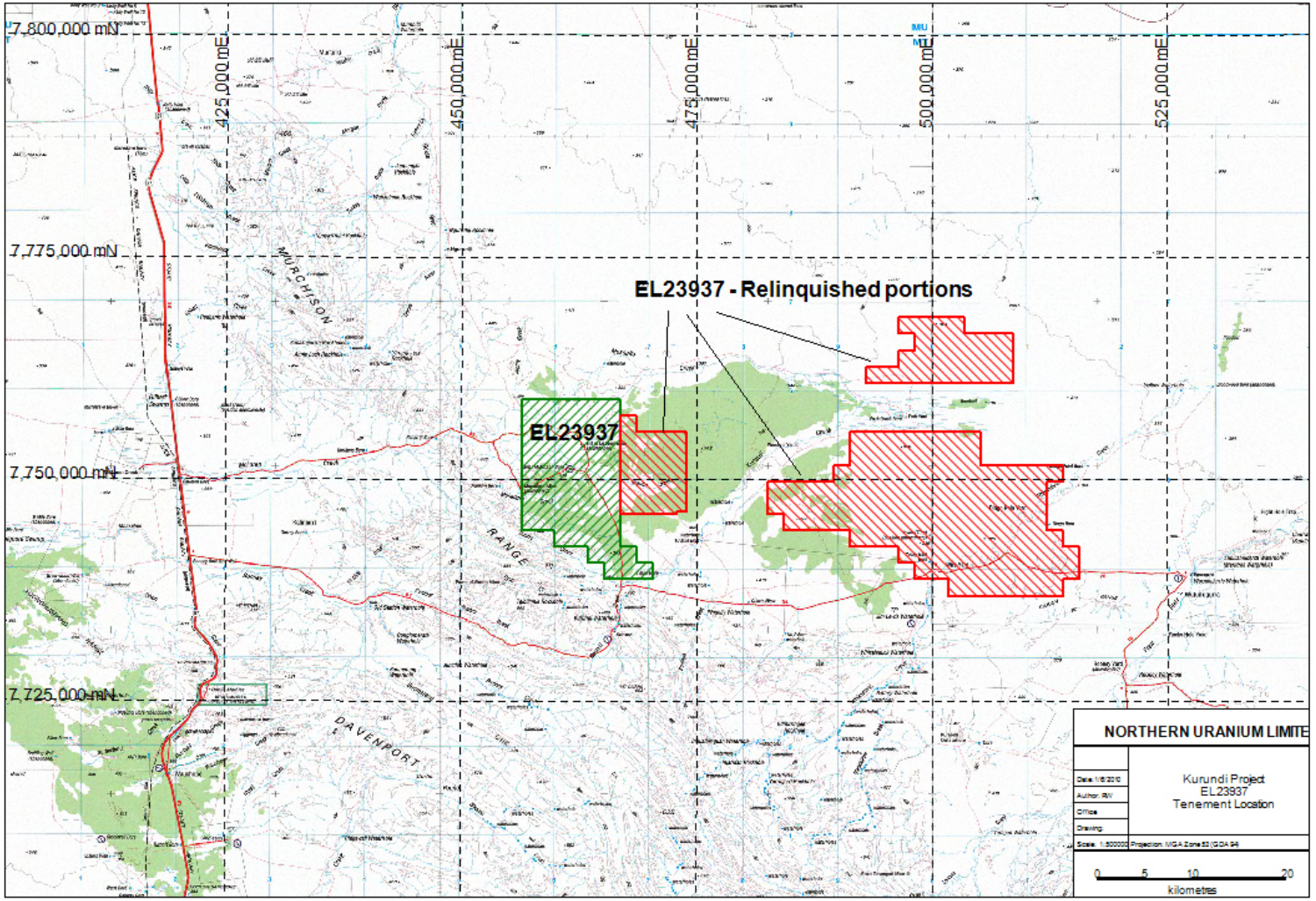
7.0 REFERENCES

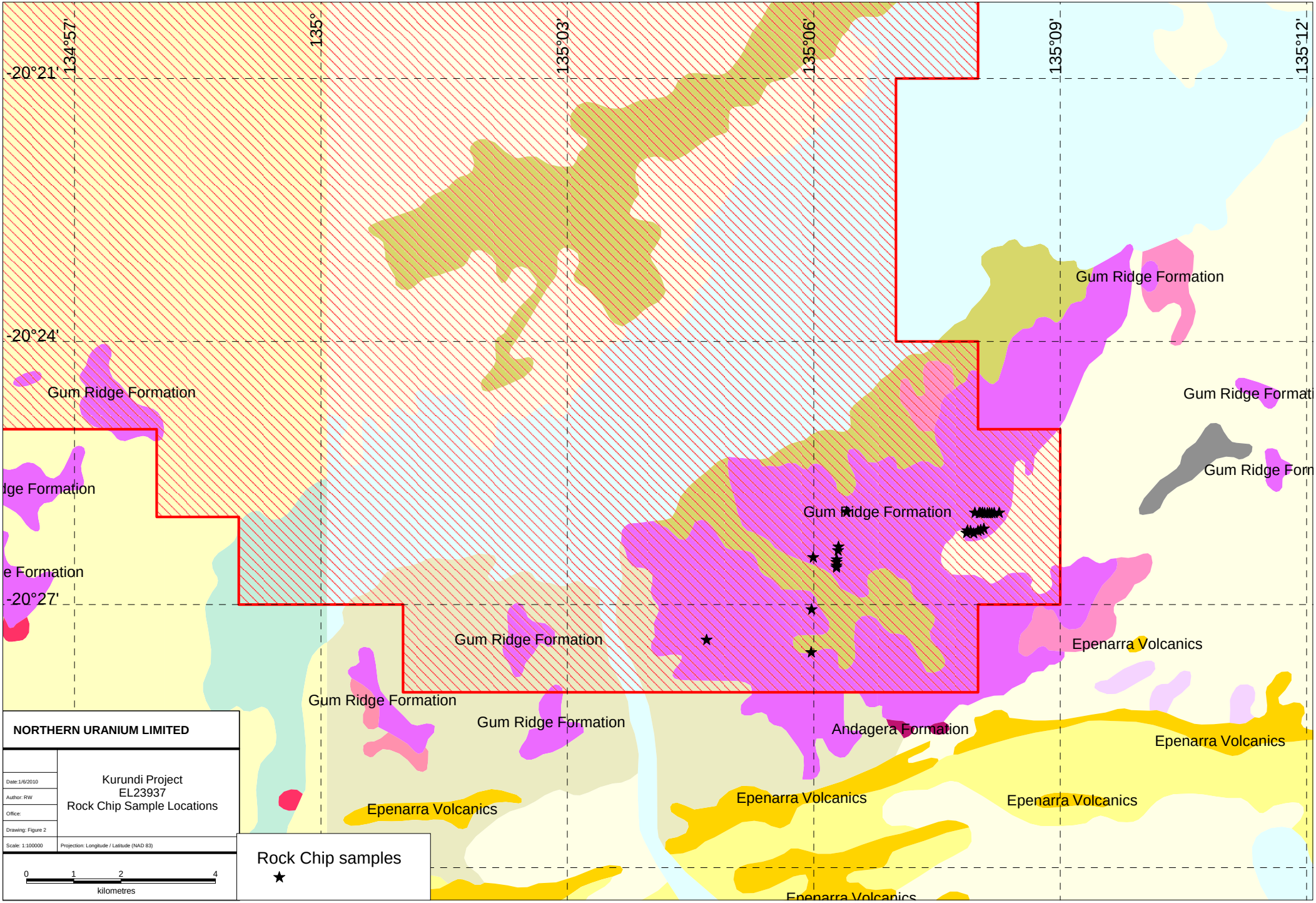
Wyche, S. And Simons, B., 1987. 1:250 000 Geological Maps Series Explanatory Notes, Bonney Well SF 53-2.

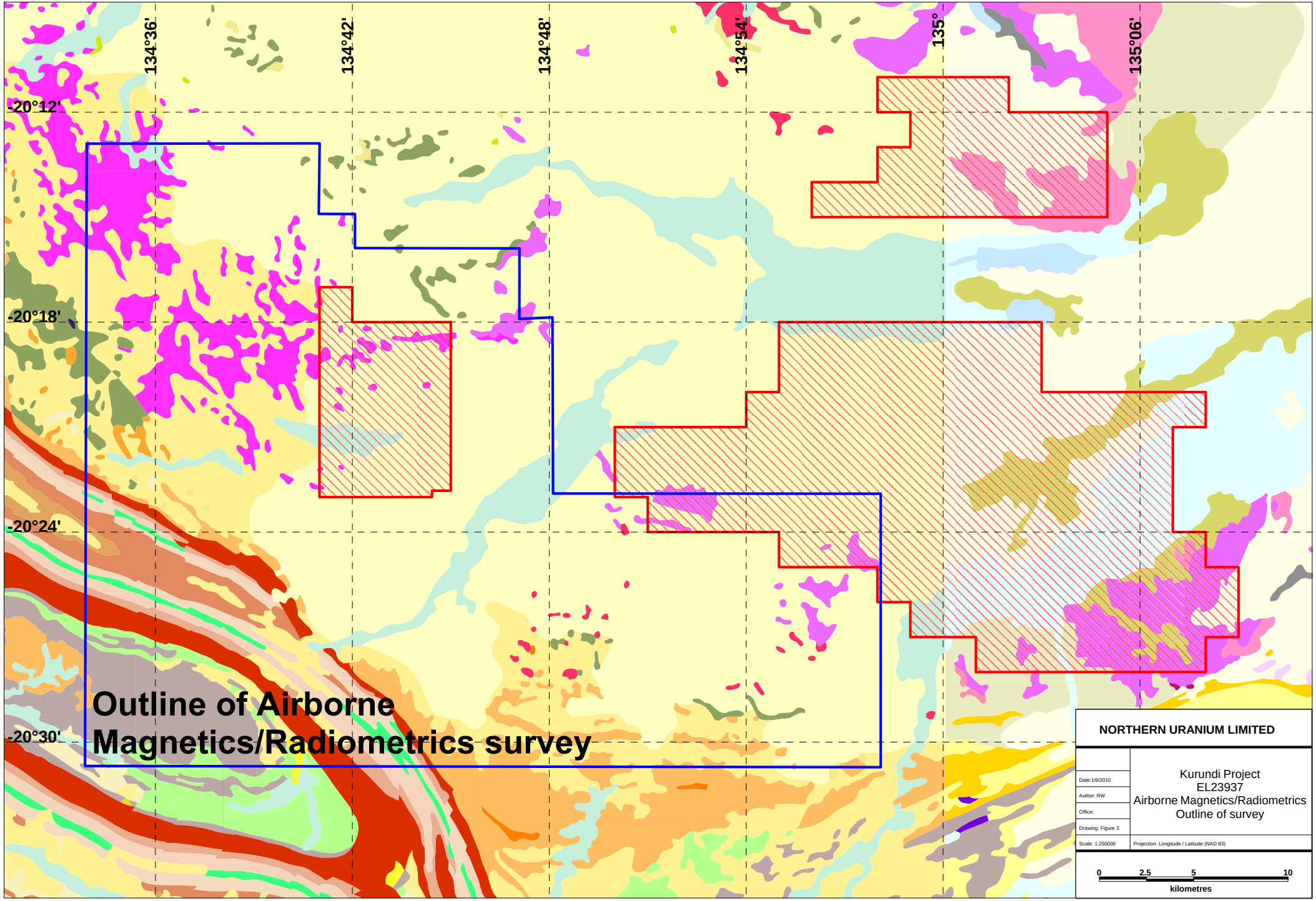
Walley, A.M., 1987., 1:250 000 Geological Maps Series Explanatory Notes, Frew River SF 53-3.

FIGURES

Figure 1 – Kurundi Project (EL23937) - Tenement Location – Relinquished portions




134°57'
135°
135°03'
135°06'
135°09'
135°12'
-20°21'
-20°24'
-20°27'
Gum Ridge Formation
Gum Ridge Formation
Gum Ridge Formation
Gum Ridge Formation
Gum Ridge Formation
Gum Ridge Formation
Gum Ridge Formation
Gum Ridge Formation
Andagera Formation
Epenarra Volcanics
Epenarra Volcanics
Epenarra Volcanics
Epenarra Volcanics
Epenarra Volcanics
NORTHERN URANIUM LIMITED
Kurundi Project
EL23937
Rock Chip Sample Locations
Date:1/6/2010
Author: RW
Office:
Drawing: Figure 2
Scale: 1:100000
Projection: Longitude / Latitude (NAD 83)
0
1
2
4
kilometres
Rock Chip samples


134°36'
134°42'
134°48'
134°54'
135°
135°06'
-20°12'
-20°18'
-20°24'
-20°30'
Outline of Airborne Magnetics/Radiometrics survey
NORTHERN URANIUM LIMITED
Date:1/6/2010
Author: RW
Office:
Drawing: Figure 3
Scale: 1:250000
Kurundi Project
EL23937
Airborne Magnetics/Radiometrics
Outline of survey
Projection: Longitude / Latitude (NAD 83)
0
2.5
5
10
kilometres

APPENDICES

APPENDIX 1

Airborne Magnetics and Radiometrics Survey
(Digital Data only)

APPENDIX 2

Rock Chip Sampling Results

H0002 Version 3
H0003 Date_generated 27-May-2010
H0004 Reporting_period_end_date 27-May-2010
H0005 State Northern Territory
H0100 Tenement_no EL23937
H0101 Tenement_Holder Northern Uranium Limited
H0102 Project_name Kunrundi
H0106 Tenement_operator Northern Uranium Limited
H0150 250K_map_sheet_number not known
H0151 100K_map_sheet_number not known
H0200 Start_date_of_data_acquisition not known
H0201 End_date_of_data_acquisition not known
H0202 Data_format SG3
H0203 Number_of_data_records 28
H0204 Date_of_metadata_update 27-May-2010
H0500 Feature_type Sample point
H0501 Geodetic_datum GDA94
H0502 Vertical_datum AHD
H0503 Projection MGA
H0505 Surveying_instrument not known
H0600 Sample_Code ROCK
H0601 Sample_type ROCK
H0602 Sample_description ROCK CHIP
H0602 Sample_description not known
H0800 Assay_code ICP
H0801 Assay_company not known
H0802 Assay_description not known
H0900 Remarks not known
H1000 Project_Code SampleID PointEast PointNorth PointRL
POINTTENEMENTID POINTPROSPECT POINTGRIDNAME PRIORITY
LITH_DESCRIPTION PCOMPANY Al_ME_ICP61_pct As_ME_ICP61_ppm
Fe_ME_ICP61_pct K_ME_ICP61_pct Mg_ME_ICP61_pct
Mn_ME_ICP61_ppm P_ME_ICP61_ppm Th_ME_ICP61_ppm
U_ME_ICP61_ppm LabJobNo_D Drill_code Sample_code
H1001 metres metres metres
pct ppm pct pct pct ppm ppm ppm ppm
H1002
ICP ICP ICP ICP ICP ICP ICP ICP ICP
H1004 0.00000001 0.00000001 0.00000001
0.00000001 0.00000001 0.00000001 0.00000001
0.00000001 0.00000001 0.00000001 0.00000001 0.00000001
0.00000001
H1003
0.000000 0.000000 0.000000 0.000000 0.000000
0.000000 0.000000 0.000000 0.000000
D KU KU337584 EL23937 KURUNDI MGA94
1 chert NORTH URAN 2.18 18 10.8 0.37 0.19 339
1340 -20 -10 AD08146729 ROCK
D KU KU337585 EL23937 KURUNDI MGA94
1 chert NORTH URAN 1.56 5 3.86 0.26 0.12 122
410 -20 -10 AD08146729 ROCK
D KU KU337586 EL23937 KURUNDI MGA94
1 clay, chert, fe-gravel NORTH URAN 2.79 28 21.2 0.25
0.13 735 1900 -20 -10 AD08146729 ROCK

D	KU	KU337587					EL23937		KURUNDI		MGA94		
	1	siltstone	NORTH URAN			4.59	34	16.95	0.64	0.12			
	229	350	-20	-10	AD08146729		ROCK						
D	KU	KU337588					EL23937		KURUNDI		MGA94		
	1	chert	NORTH URAN		0.27	-5	0.87	0.02	0.02	93			
	50	-20	-10	AD08146729		ROCK							
D	KU	KU337589					EL23937		KURUNDI		MGA94		
	1	chert	NORTH URAN		0.46	16	6.41	0.02	0.02	244			
	780	-20	-10	AD08146729		ROCK							
D	KU	KU337590					EL23937		KURUNDI		MGA94		
	1	chert,clay	NORTH URAN			1.74	22	12.45	0.13	0.03			
	389	1250	-20	-10	AD08146729		ROCK						
D	KU	KU337591					EL23937		KURUNDI		MGA94		
	1	chert, clay	NORTH URAN			1.77	8	4.66	0.29	0.04			
	327	290	-20	-10	AD08146729		ROCK						
D	KU	KU337592					EL23937		KURUNDI		MGA94		
	1	chert	NORTH URAN		0.6	5	1.92	0.09	0.02	116			
	130	-20	-10	AD08146729		ROCK							
D	KU	KU337593					EL23937		KURUNDI		MGA94		
	1	sand, chert	NORTH URAN			2.2	6	4.62	0.34	0.05			
	164	160	-20	-10	AD08146729		ROCK						
D	KU	KU337594					EL23937		KURUNDI		MGA94		
	1	sand, chert	NORTH URAN			2.74	11	4.55	0.44	0.06			
	167	160	-20	-10	AD08146729		ROCK						
D	KU	KU337595					EL23937		KURUNDI		MGA94		
	1	sand, chert	NORTH URAN			2.42	5	3.41	0.41	0.05			
	148	180	-20	-10	AD08146729		ROCK						
D	KU	KU337596					EL23937		KURUNDI		MGA94		
	1	sand, chert	NORTH URAN			2.27	6	2.93	0.41	0.05			
	134	140	-20	-10	AD08146729		ROCK						
D	KU	KU337597					EL23937		KURUNDI		MGA94		
	1	sand, chert	NORTH URAN			1.98	-5	2.71	0.35	0.04			
	205	130	-20	-10	AD08146729		ROCK						
D	KU	KU337598					EL23937		KURUNDI		MGA94		
	1	sand, chert	NORTH URAN			0.88	10	1.99	0.16	0.02			
	114	180	-20	-10	AD08146729		ROCK						
D	KU	KU337599					EL23937		KURUNDI		MGA94		
	1	sand, chert	NORTH URAN			0.64	-5	1.18	0.09	0.01			
	90	230	-20	-10	AD08146729		ROCK						
D	KU	KU337600					EL23937		KURUNDI		MGA94		
	1	chert	NORTH URAN		0.66	12	4.95	0.05	0.02	113			
	240	-20	-10	AD08146729		ROCK							
D	KU	KU337606					EL23937		KURUNDI		MGA94		
	1	siltstone	NORTH URAN			1.31	25	10.4	0.16	0.03			
	717	1160	-20	-10	AD08146729		ROCK						
D	KU	KU337609					EL23937		KURUNDI		MGA94		
	1		NORTH URAN		1.15	23	25	0.09	0.02	254			
	4860	-20	20	AD08146729		ROCK							
D	KU	KU337610					EL23937		KURUNDI		MGA94		
	1	siltstone	NORTH URAN			6.32	59	23.8	0.2	0.05			
	1200	3840	30	-10	AD08146729		ROCK						
D	KU	KU337611					EL23937		KURUNDI		MGA94		
	1	siltstone	NORTH URAN			3.69	38	11.8	0.24	0.05			
	1675	2640	30	-10	AD08146729		ROCK						

```
D	KU	KU337612	EL23937	KURUNDI	MGA94
	1	chert, Siltstone	NORTH URAN	2.22	32	15.2	0.2
	0.04	1540	2770	-20	-10	AD08146729	ROCK
D	KU	KU337613	EL23937	KURUNDI	MGA94
	1	NORTH URAN	2.5	47	15.25	0.25	0.04	572
	1020	-20	-10	AD08146729	ROCK
D	KU	KU337614	EL23937	KURUNDI	MGA94
	1	ironstone	NORTH URAN	1.5	32	16.6	0.38	0.05
	110	480	-20	-10	AD08146729	ROCK
D	KU	KU337615	EL23937	KURUNDI	MGA94
	1	claystone	NORTH URAN	1.35	16	10.4	0.36	0.05
	625	470	-20	-10	AD08146729	ROCK
D	KU	KU337616	EL23937	KURUNDI	MGA94
	1	siltstone	NORTH URAN	5.44	14	17.75	2.62	0.27
	160	580	20	-10	AD08146729	ROCK
D	KU	KU337617	EL23937	KURUNDI	MGA94
	1	Siltstone	NORTH URAN	1.31	-5	1.47	0.13	0.02
	74	200	-20	-10	AD08146729	ROCK
D	KU	KU337618	EL23937	KURUNDI	MGA94
	1	Greywacke	NORTH URAN	4.75	-5	1.48	1.14	0.12
	41	230	-20	-10	AD08146729	ROCK
EOF
```

APPENDIX 3

Rock Chip Sampling – Assay Method Details

Geochemical Procedure – ME-ICP61
Trace Level Methods Using Conventional ICP-AES Analysis

Sample Decomposition:	HNO_3-$HClO_4$-HF-HCl digestion, HCl Leach (GEO-4ACID)
Analytical Method:	Inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP - AES)

Each sample was taken from an area up to one metre around a central point. Each weighed approximately one kg. Samples were sent to ALS Laboratory Group in Alice Springs for testing. There they were dried at 110-120 C and then the entire sample crushed with either an oscillating jaw crusher or a roll crusher.

The ALS Chemex QC specification for crushed material is that >70% of the sample must pass a 2mm (10 mesh) screen. It was then riffle split to a maximum of 3kg and pulverized using a ring mill to 85% passing 75 microns or better. The unpulverised reject was bagged and retained.

A prepared sample (0.25 g) is digested with perchloric, nitric, hydrofluoric and hydrochloric acids. The residue is topped up with dilute hydrochloric acid and the resulting solution is analyzed by inductively coupled plasma-atomic emission spectrometry. Results are corrected for spectral interelement interferences.

NOTE: Four acid digestions are able to dissolve most minerals; however, although the term "*near-total*" is used, depending on the sample matrix, not all elements are quantitatively extracted.

Element	Symbol	Units	Lower Limit	Upper Limit	Default Overlimit Method
Silver	Ag	ppm	0.5	100	Ag-OG62
Aluminum	Al	%	0.01	50	
Arsenic	As	ppm	5	10000	
Barium	Ba	ppm	10	10000	
Beryllium	Be	ppm	0.5	1000	
Bismuth	Bi	ppm	2	10000	
Calcium	Ca	%	0.01	50	
Cadmium	Cd	ppm	0.5	500	
Cobalt	Co	ppm	1	10000	Co-OG62
Chromium	Cr	ppm	1	10000	
Copper	Cu	ppm	1	10000	Cu-OG62
Iron	Fe	%	0.01	50	
Gallium	Ga	ppm	10	10000	
Potassium	K	%	0.01	10	
Lanthanum	La	ppm	10	10000	
Magnesium	Mg	%	0.01	50	
Manganese	Mn	ppm	5	100000	
Molybdenum	Mo	ppm	1	10000	Mo-OG62
Sodium	Na	%	0.01	10	
Nickel	Ni	ppm	1	10000	Ni-OG62
Phosphorus	P	ppm	10	10000	
Lead	Pb	ppm	2	10000	Pb-OG62
Sulphur	S	%	0.01	10	
Antimony	Sb	ppm	5	10000	
Scandium	Sc	ppm	1	10000	
Strontium	Sr	ppm	1	10000	
Thorium	Th	ppm	20	10000	
Titanium	Ti	%	0.01	10	
Thallium	Tl	ppm	10	10000	
Uranium	U	ppm	10	10000	
Vanadium	V	ppm	1	10000	

Element	Symbol	Units	Lower Limit	Upper Limit	Default Overlimit Method
Tungsten	W	ppm	10	10000	
Zinc	Zn	ppm	2	10000	Zn-OG62