EL25600 Partial Relinquishment Report

PHOSPHATE AUSTRALIA LIMITED
ABN 51 129 158 550

PARTIAL RELINQUISHMENT REPORT
FOR THE PERIOD ENDED AUGUST 2010

Tenement: EL25600
Owner: Phosphate Australia Limited (100%)
Operator: Phosphate Australia Limited (100%)
Date: 23 August 2010
Distribution: Phosphate Australia Limited (1)
NT Department of Regional Development, Primary Industry, Fisheries and Resources (1)
EL25600 is located on the Barkly Tablelands of the Northern Territory on the Brunette Downs, Mount Drummond, Alroy and Ranken 1:250,000 map sheets (SE5311, SE5312, SE5315 and SE5316 respectively). The area undergoes a sub-tropical climate with the wet season occurring from November to March every year. During this time, the area can be difficult to traverse by vehicle because the access roads may become flooded. In the dry season, the area is accessible by 4WD vehicle via pastoral tracks.

Phosphate Australia Limited acquired the tenement by application on 14 September 2006 due to the presence of the historical phosphate occurrences at Alexandria, Alroy and Buchanan Dam.

<table>
<thead>
<tr>
<th>Permit</th>
<th>Original Area km²</th>
<th>Application Date</th>
<th>Grant Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL25600</td>
<td>1614</td>
<td>14-Sep-06</td>
<td>23-Aug-07</td>
<td>100% Phosphate Australia</td>
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</tbody>
</table>

At the end of permit year three (22 August, 2010) 118 blocks were surrendered, reducing the permit to 162 blocks (526 km²). A map showing the permit outlines is shown as Figure 1.

EL25600 is part of Phosphate Australia’s East Georgina Phosphate Project and has group reporting status. To date, most of the company’s efforts have been focussed on the Highland Plains Phosphate deposit located on EL25068. Expenditure for EL25600 in 2010 was $66,563 expenditure for the project.

No on-ground exploration activities were carried out on any of the relinquished areas of EL25600.
Figure 1: EL25600 original permit outline in black. Relinquished blocks are in black hatching, retained blocks are shaded red.