RELINQUISHMENT REPORT

EL 25710

MURPHY PROJECT, NT

29 NOVEMBER 2010

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EXECUTIVE SUMMARY

This relinquishment report describes the work carried out on relinquished sub-blocks in EL 25710 being part of Bondi Mining Ltd's Murphy Project area to 28/08/2010. EL 24841 is located over the western end of the Murphy Inlier, NT and is held by Murphy Uranium Pty Ltd; a wholly owned subsidiary of Bondi Mining Ltd.

Work carried out on the relinquished sub-blocks comprised a detailed airborne magnetic and radiometric survey, a detailed geological interpretation, and regional alpha track-etch sampling, as part of the regional exploration program covering the entire Murphy Project area and one regional RC/ Diamond drill hole (MURD014). The work is described in the body of this report.

1 INTRODUCTION

Bondi Mining Ltd, through its wholly owned Australian subsidiary Murphy Uranium Pty Ltd (ACN 053538613), is the holder of EL 25710. The licence is located west of the Westmoreland Uranium Field and forms part of Bondi Mining Ltd's Murphy Project targeting unconformity style uranium deposits within the Southern McArthur Basin in the Northern Territory. The Murphy Project is currently made up of ELs 24694, 24841,25708, 25709, 25710, 26138, 26139, 26140, 27379 and ELAs 27728, 27729 and 27730 (**Figure 1**).

This relinquishment report covers all the exploration work carried out within the area of the relinquished sub-blocks in EL 25710 up to 28/08/2010. The work during this period was directed at determining whether the covered region has the potential to host economic uranium mineralisation and the selection of target areas. Exploration activities involved an extensive review of previous exploration, an airborne magnetic and radiometric survey and detailed mineral assessment aimed at selecting uranium targets. Results of this work did not delineate any targets within the areas nominated for relinquishment.

2 LOCATION & ACCESS

EL 25710 is located approximately 130km west of the NT - QLD border and 170km south east of the McArthur River mine in eastern NT, see **Figure 1.** The licence covers four 1:250,000 map sheets; Walhallow, Brunette Downs, Calvert Hills and Mount Drummond. Access is via the Creswell Downs–Calvert Hills road, which crosses the border near Wollogorang.

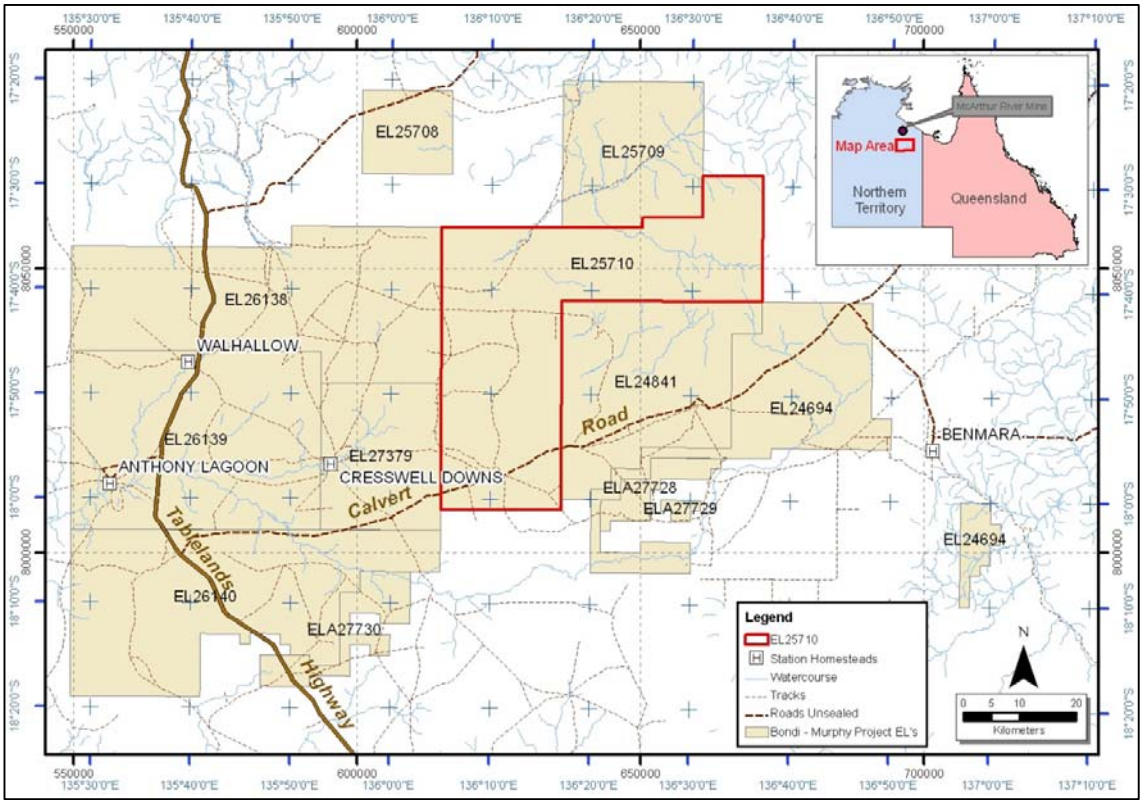

Figure 1 - Tenement Location Map

3 TENURE DETAILS

EL 25710 was originally taken out by Global Discovery Pty Ltd and was acquired from them by Canon Investments Pty Ltd (a wholly owned subsidiary of the Canadian company, Buffalo Gold Limited). In 2007 the Murphy project was acquired by Murphy Uranium Pty Ltd (a wholly owned subsidiary of Bondi Mining Ltd) who are the current operators of the licence. Tenement details are shown below in **Table 1, 2** and **3**. Retained and relinquished sub-blocks are shown in **Figure 2.**

Table 1: Tenement Details

Exploration Licence No.	No. Blocks (Area km^2)	Grant Date	Expiry Date	Expenditure Commitment
EL 25710	500 (1630)	29/08/2007	28/08/2013	$ 100000

Table 2: Tenement Details – Sub-Blocks Retained

Block	Sub-block	Total
1279	WXYZ	4
1280	VW	2
1347	XYZ	3
1350	STUXYZ	6
1351	BCDEGHJKMNOPQRSTUWXYZ	22
1352	ABFGLMQRVW	10
1419	CDEJKPU	7
1420	FGHJKLMNOPQRSTUWXYZ	20
1421	LQVWXYZ	7
1422	CDEHJKNOPSTUVWXYZ	17
1423	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1424	ABFGLMQRVW	10
1492	BCDEGMRW	8
1493	ABCDE	5
1494	ABCDE	5
1495	ABCDE	5
1496	AB	2
1563	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1564	ABFGLMQRVW	10
1635	ABCDEJKOPTUYZ	13
1636	ABFGLMQRVW	10
1706	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1707	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1708	ABFGLMQRVW	10
1778	ABCDE	5
1779	ABCDE	5
1780	AB	2
	Total	**288**

Table 3: Tenement Details – Sub-Block Relinquished

Block	Sub-block	Total
1346	VWXYZ	5
1347	VW	2
1348	VWXYZ	5
1349	VWXYZ	5
1350	QRVW	4
1418	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1419	ABFGHLMNOQRSTVWXYZ	18
1420	ABCDE	5
1421	ABCDEFGHJKMNOPRSTU	18
1422	ABFGLMQR	8
1490	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1491	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1492	AFLQV	5
1562	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1634	ABCDEFGHJKLMNOPQRSTUVWXYZ	25
1635	FGHLMNQRSVWX	12
	Total	**212**

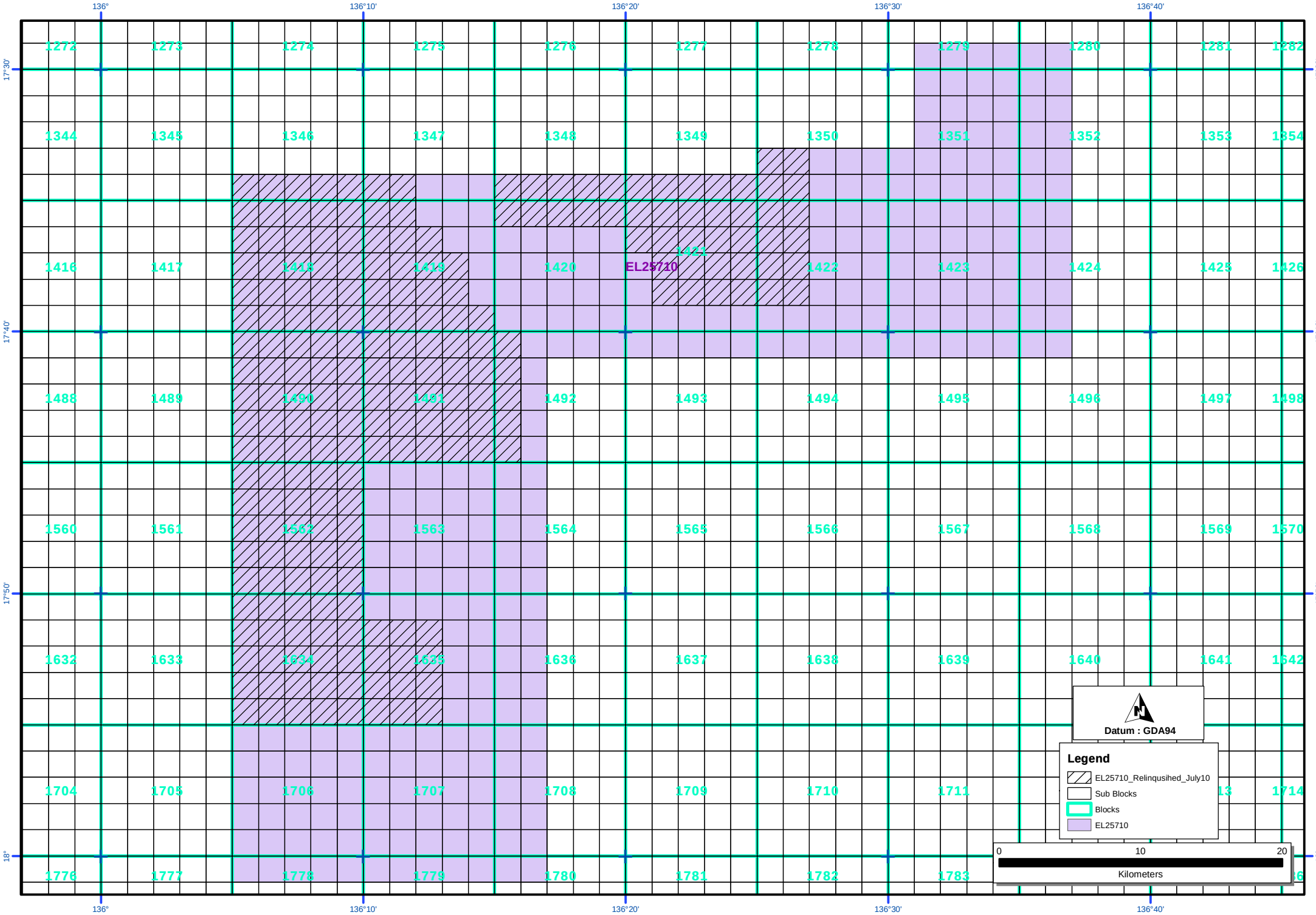

Figure 2 - Sub-Block Identification Map

4 REGIONAL GEOLOGY

The Murphy Project area is located on the western end of the Murphy Inlier. The inlier is referred to as the Murphy Tectonic Ridge and represents a belt of lower Proterozoic basement that separates the middle Proterozoic McArthur Basin to the north and the middle Proterozoic Lawn Hill Platform - South Nicholson Basin to the south. The oldest rocks in the region are the lower Proterozoic Murphy Metamorphics, which form the basal unit of the Murphy Inlier, and consist of isoclinally folded greenschist facies metasediments; typically quartz-feldspar-mica schists and gneiss with minor graphitic units. The Murphy Metamorphics form the core of the Murphy Tectonic Ridge and only outcrop in the NT portion of the inlier. The Cliffdale volcanics unconformably overlay the Murphy Metamorphics and are made up of a series of felsic volcanic and volcaniclastic rocks. The Cliffdale volcanics are only found at the eastern end of the inlier. Both the metamorphics and volcanics are intruded by granites and adamellites of the Nicholson Granite Complex which constitutes the majority of the rocks found in the inlier.

The northern margin of the Murphy Inlier is unconformably overlain by the Westmoreland Conglomerate, which is the oldest unit in the middle Proterozoic Tawallah Group, and marks the base of the southern portion of the McArthur Basin. The Westmoreland Conglomerate is made up of four sub-units; (i) a basal volcanic derived (sourced from the underlying Cliffdale volcanics) conglomerate - breccia that grades up into a pebbly quartz sandstone; (ii) an upward fining coarse to medium grained ferruginous sandstone; (iii) a coarse polymictic conglomerate and minor pebbly sandstone, which can be reverse faulted directly on the Cliffdale Volcanics; and (iv) a porous, crossbedded, coarse grained quartz sandstone, with minor conglomerate bands and laminated tuffaceous siltstone in the lower part. The Seigal Volcanics lie conformably on top of the Westmoreland Conglomerate and consist of massive and amygdaloidal tholeiitic basaltic lavas with minor interbedded siltstones and sandstones. A thin shale bed is commonly found at the base of the Seigal Volcanics and marks the hiatus between deposition of the Westmoreland Conglomerate and the start of volcanism. The middle to upper Tawallah Group consists of interbedded sediments and volcanics. Sediments and volcanics of the McArthur Group lie unconformably over the Tawallah Group.

The southern margin of the Murphy Inlier is unconformably overlain by several belts of Lawn Hill Platform in addition to sediments of the south Nicholson Basin, which unconformably covers the Lawn Hill Platform successions. A thin unit of coarse sandstone and conglomerate, the Wire Creek Sandstone, marks the base of the Lawn Hill Platform in places and is conformably overlain by the Peters Creek Volcanics; a massive sequence of alternating basalt, rhyolite and rhyodacites with minor sediments. Both units can be found lying unconformably on the Murphy Inlier and are considered equivalents to the Tawallah Group in the McArthur basin. The Peters Creek Volcanics are unconformably covered by the Fickling Group, a sequence of conglomerates, sandstones, siltstones and dolomites. The Fickling Group belongs to the Land Hill Platform and in the area of the Murphy Inlier is unconformably covered by shallow marine sediments of the South Nicholson Basin referred to as the South Nicholson Group. This group is also found lying unconformably over the western end of the Murphy Inlier or over the Benmara Beds, which can lie unconformably between the South Nicholson Group and the Murphy Metamorphics. The Benmara Beds are also a middle Proterozoic Tawallah Group equivalent and consist of a mixed rhyolite, trachyte, sandstone and conglomerate package.

Phanerozoic cover consists of mostly early to middle Cambrian sediments and basalts, and Cainozoic sediments. Outcropping of Proterozoic rocks in the project area suggests that Phanerozoic cover is not thick here, although locally developed thin Cambrian Antrium Plateau Basalt flows have been noted in magnetics to the north.

Structurally, the region is cut by a dominantly NW trending series of faults and joints paralleling the Calvert fault. Possible NNW trending extensions of the Emu Fault also pass through the west side of the region under the Phanerozoic cover. A second set of NE trending faults can also be seen paralleling the structural trend of the Murphy Tectonic Ridge. Both sets of faults commonly consist of high angle normal and reverse faults whose intersection appears to form structural blocks displaying horizontal movement and/or tilting. Lateral movement is also common in the NW trending structures. Numerous mafic, commonly doleritic, dykes parallel the faulting and are thought to be cogenetic with the mid Proterozoic volcanics of the Tawallah Group.

Small stratabound disseminated lead –zinc ±copper occurrences, associated with carbonaceous units are found within both the McArthur and Lawn Hill Platform – South Nicholson Basins. Copper mineralisation occurs as unconformity related and breccia pipe occurrences in the region. The latter deposit type forms sub-economic deposits in the Redbank area. These were mined on a small scale in the post war era. Minor tin occurrences have also been found around the Nicholson Granite Complex.

The region is best known for the uranium deposits at Westmoreland (**Figure 3**); notably the Redtree deposit (12,600t U_3O_8), the Junnagunna deposit (5,300t U_3O_8) and the Huarabagoo deposit (3,000t U_3O_8). Mineralisation in these deposits occurs as sandstone hosted uranium within the upper sandstone unit of the Westmoreland Conglomerate, directly below the contact with the Seigal Volcanics, and shows a strong association with fault hosted mafic dykes and sills. Minor mineralisation is also found within other units of the Westmoreland Conglomerate and in shear zones at the unconformity between the Cliffdale Volcanics and Westmoreland Conglomerate. Clusters of minor uranium occurrences can be found to the west and east of the Westmoreland area, along the northern margin of the Westmoreland Conglomerate. To date only minor unconformity type uranium mineralisation has been found at the unconformity between the Murphy Metamorphics and the Westmoreland Conglomerate.

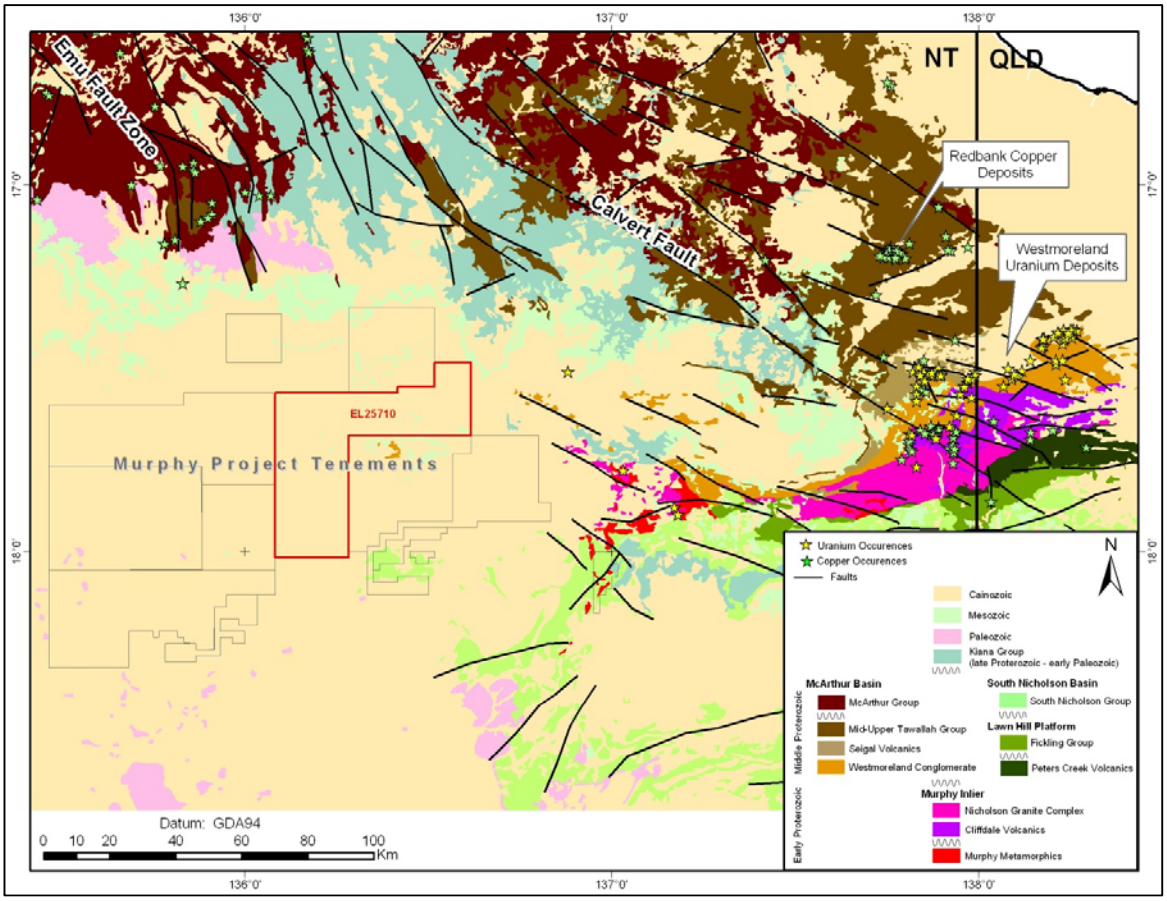

Figure 3 - Simplified Regional Geology

5 EXPLORATION PHILOSOPHY

Bondi Mining Ltd believes that the covered regions about the western end of the Murphy Inlier have not been adequately explored and have the potential to host high grade uranium mineralisation. The uranium mineralisation is envisaged to be either;

(i) unconformity type uranium deposits located at the lower Proterozoic, mid Proterozoic uniformity between the Murphy Metamorphics and Westmoreland Conglomerate, similar to those found in the Alligator Rivers Uranium Field, NT; or

(ii) sandstone hosted uranium deposits associated with the upper unit of the Westmoreland Conglomerate, below the contact with the Seigal volcanics, similar to those found in the Westmoreland uranium deposits, QLD.

6 SUMMARY OF PREVIOUS WORK

A comprehensive review of previous mineral exploration was carried out and an outline is presented below. Important information gained from this review are;

- First recorded work in the area was by Mount Isa Mines in 1956 and consisted of crude airborne radiometric surveys. The results of this work located the Westmoreland deposits and most likely all of the significant outcropping occurrences.

- There was a distinct hiatus in exploration between 1963- 1970, reflecting a slump in the global demand for uranium; the post war proliferation of nuclear weapons had slowed and the nuclear power industry was still in its infancy.

- A second wave of exploration commenced in the 1970's as the demand for uranium for use in nuclear power stations increased. Many of the companies were also operating in the Alligator Rivers region, at the northern end of the Pine Creek fold belt, and much of their focus was on this area after the discovery of significant deposits at Jabiluka, Ranger, Nabarlek and Koongarra. The similarity between the two areas was known, however at this time the nature of the Alligator Rivers deposits was poorly understood and exploration was targeted toward roll front and sandstone hosted uranium deposits in both areas. By the time unconformity type uranium deposits were understood, uranium exploration restrictions were in place and work did not resume in the area until recently.

- More detailed radiometric surveys have been carried out. This work has revealed many outcropping anomalies related to brecciation, quartz veining (silicification) and iron- metasomatism (ferruginisation) associated with faulting in the Nicholson granite and Murphy Metamorphics. None of these anomalies appear to warrant follow-up work, however they indicate that processes associated with the formation of unconformity type uranium deposits have been active in the early Proterozoic basement.

- The region has been explored for gold, basemetal (sedex type deposits) and kimberlite hosted diamonds by several major companies. No significant gold or basemetal discoveries were made. A large number of diamonds were recovered from Ashton's Creswell prospect outside the licence and the area is currently under an EL.

- An airborne GEOTEM survey carried out by BHP targeting unconformity U- Au- PGE deposits indicated the usefulness of input EM surveys in targeting unconformity uranium deposits under cover. In particular the ability to locate basement conductors related to graphite in fault zones or clay alteration. Part of the BHP survey covers the current EL.

- The western covered region of the Murphy Inlier has the potential to host an unconformity type uranium deposit at depth

A list of the ATPs and ELs previously covering EL 25710 is provided in **Table 3**.

Table 3: Previous tenements over EL25710

Licence	**Company**
ATP 444	MIM
ATP 983	Carpentaria Exploration Company
ATP 3401	ESSO Australia
EL 122	Noranda Australia
EL 886 & EL 887	T.W. Cawley and R.A. Weston
EL 1339	AAR Ltd/Otter Exploration “Coolibah” JV
EL1427	Mines Administration/Otter Exploration “Bowgan Creek” JV
EL 1253	Mines Administration/Union Oil JV
EL1234	Mines Administration/ESSO Australia JV
EL 2232	Amoco Minerals
EL 4392 & 4438	Stockdale
EL 4352	Ashton Mining
EL 6836	Carpentaria Exploration Company
EL 7222 & 7223	MIM
EL 8997, 8998, 9163 & 9660	BHP

7 WORK COMPLETED BY BONDI

7.1 Summary of Work Done

Work completed since the acquisition of the tenement area and up to the 31July 2010 consisted of;

- A comprehensive review and assessment of previous mineral and diamond exploration work.
- Ground and helicopter reconnaissance
- An airborne magnetic and radiometric survey.
- A Radon track-etch survey

7.2 Assessment of Previous Exploration

A summary of this review is provided above in Section 6. As part of this review the limited drilling in the area was used to map out a rough depth to basement. The results indicate that Proterozoic basement is at a relatively shallow depth in the licence with the potential for the occurrence of Murphy Metamorphics. In addition, a review of BHP "Bowgan" airborne GEOTEM survey (1997 open file report CR97/260 & 97/325) showed that input EM could be used to map conductive units in the Murphy Metamorphics corresponding to graphitic schists.

7.3 Ground and Helicopter Reconnaissance

No previous ground exploration was conducted over large portions of the area now covered by EL 25710. In July 2008 a ground reconnaissance survey, using a four wheel drive vehicle, was conducted on the EL to see if alpha track sampling was feasible and to explore access to these areas. Access was limited to station tracks along fence lines with some rough tracks. A preliminary alpha track program was initiated in August however inclement weather and slow going due to impenetrable scrub and a high safety risk halted work.

In early September 2008 a Bell Jet ranger 206 helicopter was chartered to determine if all the target areas were inaccessible. This air reconnaissance revealed that, although difficult in places, two field crews with one experienced field assistant in each four wheel drive vehicle could negotiate access for alpha track sampling over most of the targets.

7.4 Airborne Magnetic and Radiometric Survey

A large airborne magnetic and radiometric survey, which covers the north/eastern portion of EL 25710, was flown in October 2007 and another in March – May 2009 covered the rest of the tenement. The surveys were flown north - south at a 100m line spacing, and a height of 50m was designed to provide high quality magnetic and radiometric data which can be used to interpret stratigraphy, faults and potential mineralisation under cover. Refer to **Error! Reference source not found.** for the location map of the survey area. This data has been supplied to the department as **Appendix 10** in the 2009 annual report for EL's 25708, 25709 and 25710.

The radiometric data was rather noisy, however the magnetic data has been processed and various images have been produced. These help to highlight stratigraphic units with different magnetic susceptibilities, faults and zones of magnetite depletion and addition, which may represent alteration. An interpretation of the magnetics and radiometrics was completed by a consulting geophysicist by the end of March 2008. There are no anomalies over the portion of the EL which is being relinquished. Anomalies outlined over the retained part of the EL have been reported on in the body of the Annual report.

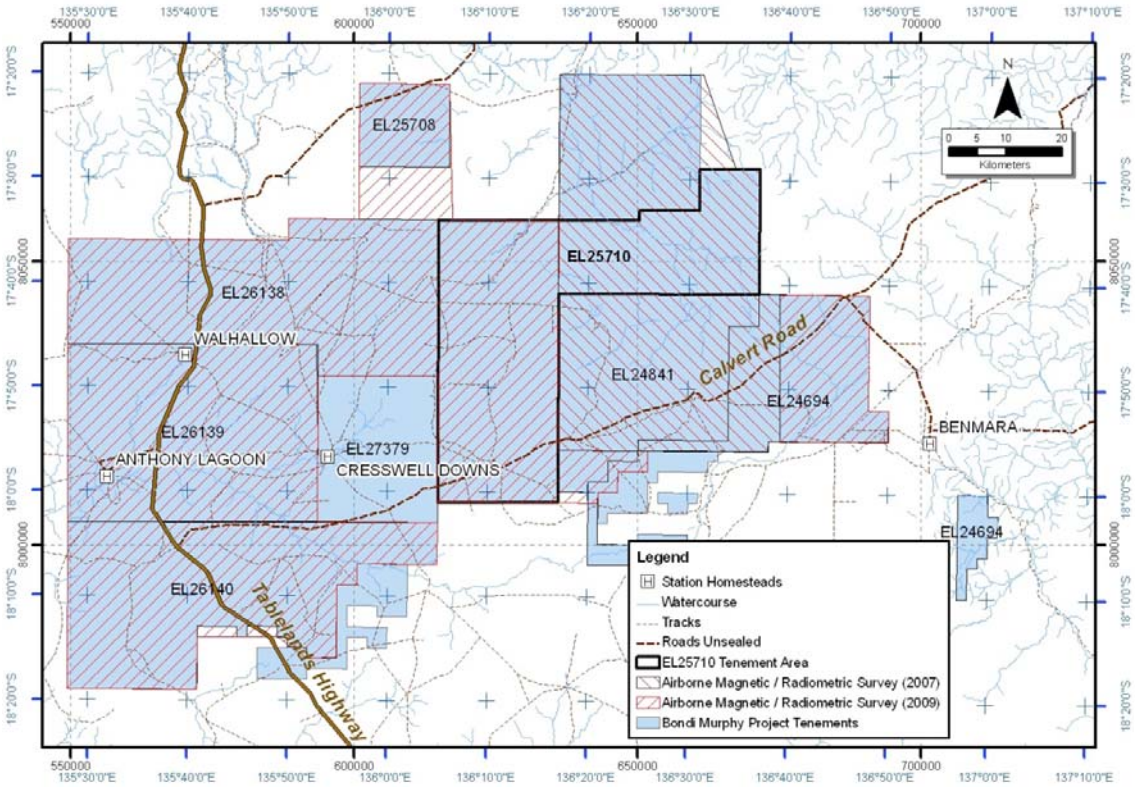

Figure 4 - Area of 2007 Magnetic/Radiometric Survey

7.5 Radon Track-Etch Sampling

Alpha track cups were buried at 200 to 400 m intervals along 800m spaced lines at a depth of 300mm. Each cup has a plastic strip which 'counts' each alpha particle of radon gas it captures. The cups were left in the ground for at least one month and then they were extracted and despatched to Canada for analysis (counting of the tracks made by the alpha particles).

The aim of the alpha track sampling is to detect radon gas from a buried uranium orebody. There are a number of targets within the EL that have been sampled using this method. Refer to **Figure 5** for Track-Etch sample locations within the relinquished sub-blocks. A spreadsheet containing the results with locations (MGA Zone53 GDA94) is located in **Appendix 2**.

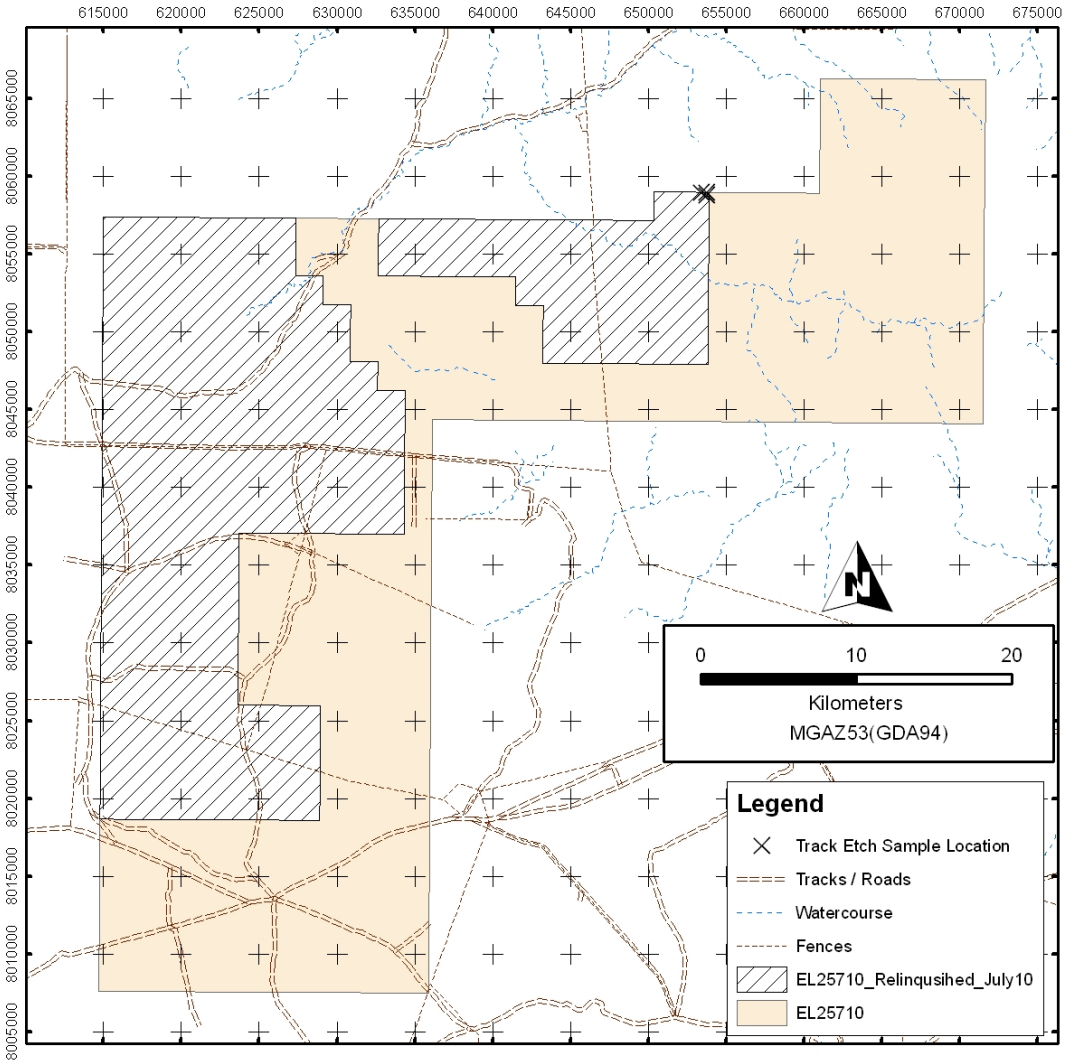

Figure 5 - Track-Etch Sample Locations

7.6 Geological Interpretation

In 2009 Douglas Haynes completed a re-interpretation of the magnetics and radiomagnetics flown in 2007, along with data from the 2009 survey, which was flown to the west of EL 25710. The aim of the interpretation was to define units prospective for hosting uranium mineralisation, and the position of the Murphy Inlier – Westmoreland Conglomerate unconformity. Haynes also defined target areas which were ranked based on a number of criteria including host rock, redox state and structural setting. This report is not included within this report as it covers current tenement areas which are still being explored by Bondi Mining Ltd. Refer to **Figure 6**.

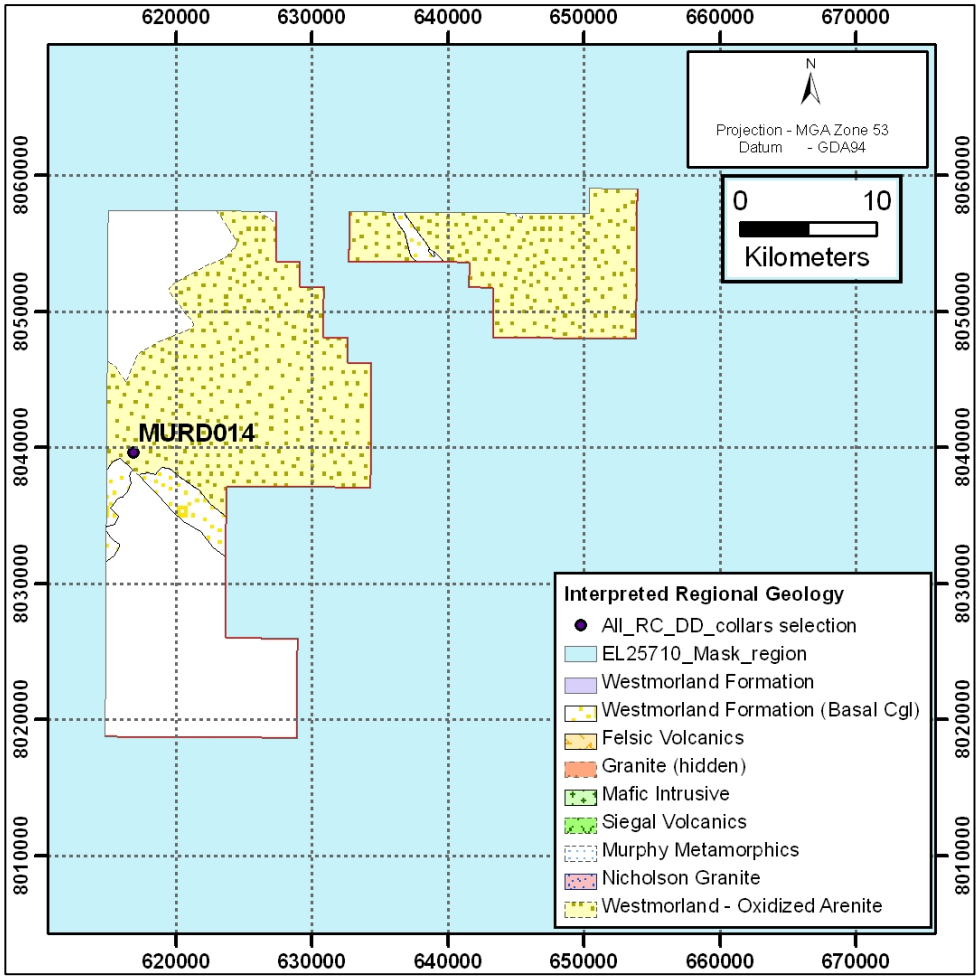

Figure 6 - Geological Interpretation

7.7 Drilling

MURD014 was located within the western portion of the relinquished area figure 6, the RC/diamond drill hole for 323.8m was drilled on a regional target see table 4, testing geophysical anomalies delineated by D. Haynes interpretation.

MURD014, is a vertical hole drilled to a depth of 323.8m and intersecting 2m of black soil, clay, coarse sandstone and cobble conglomerate to 16m, massive to laminated, vuggy Cambrian limestone to 114m (end of precollar), brecciated to vuggy, crytalline limestone with large cavities (7m core loss 148 – 163m) to 163m, massive to laminated mudstone to 173.15m, pebble breccia with clasts of limestone, mudstone and basalt to 181.24m, and then amygdaloidal Antrim Plateau basalt to 323.8m (EOH). This hole was terminated when the rod string sheared off at approximately 236m, leaving 81m of NQ rods and a 6m core barrel down the hole. This problem was caused by the 'broken' limestone between 114 – 163m. Detailed lithological logs are presented in **Appendix 3**.

Table 4 - Drilling Statistics

DRILL HOLE	TARGET	EASTING	NORTHING	DIP	DEPTH (m)
MURD014	Regional	616824mE	8039564mN	-90	323.8
TOTAL:					323.8

8 CONCLUSIONS

Results to date indicate that potential for uranium mineralisation is limited in the areas covered by the western and north-eastern portions of the exploration licence (**Figure 2**) and further work is not warranted. It was decided to relinquish the sub-blocks covering these areas. Work will continue in the remaining part of the tenement.

9 APPENDICES

Appendix 1 Airborne Magnetic & Radiometric Survey Data
(Held by NT Department of Primary Industries, Fisheries and Mines)

Appendix 2 Extract from Alpha Track Results

CUP__	FIELD_CUP	GDA53X	GDA53Y	WPT	SCINT	TARGET	RAW_T_MM2	DATE_IN	DATE_OUT	DAYS_EXPOS	NORMALISED	RR	RR_MEAN	COMMENTS
F-918	653400.00	8059000.00	-1	-1	BMM00934	UC07	653400E.	16/10/2007	01/01/1900	33	290	1.03	0.94	Slightly Damaged
F-917	653800.00	8058800.00	-1	-1	BMM00935	UC07	653800E.	16/10/2007	01/01/1900	33	300	86.50	78.64	-1
F-916	653800.00	8059000.00	-1	-1	BMM00936	UC07	653800E.	16/10/2007	01/01/1900	33	180	97.66	88.78	-1