Final Surrender Report

Exploration Licence 27752

20th September 2010 to 19th September 2011
Northern Territory, Australia

Holder: North Australian Diamonds Limited
Operator: North Australian Diamonds Limited
Reporting Period: 20th September 2010 to 19th September 2011
Sheet Reference: Wallhallow 1:250,000 (SE53-07)
Due Date: 19th November 2011

Author: M Kammermann
Date: 19th November 2011
Report No: 11- 053
Copies To: Dept. Resources - NT
NADL

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TABLE OF CONTENTS

LIST OF FIGURES......................................................................................................................................... ii

SUMMARY....................................................................................................................................................... 1

1.0  INTRODUCTION........................................................................................................................................ 2

2.0  LOCATION AND ACCESS.................................................................................................................. 2

3.0  LICENCE DETAILS ............................................................................................................................ 2

4.0  PHYSIOGRAPHY.................................................................................................................................... 2

5.0  PREVIOUS EXPLORATION............................................................................................................... 3

6.0  EXPLORATION COMPLETED DURING CURRENT REPORTING PERIOD.............................. 3

7.0  EXPENDITURE STATEMENT ........................................................................................................... 3

8.0  PROPOSED PROGRAMME AND BUDGET FOR 2011-2012.................................................. 3

9.0  REFERENCES....................................................................................................................................... 4

LIST OF TABLES

Table 1   Licence Details for EL27752

LIST OF FIGURES

Figure 1   EL27752 Location Map
SUMMARY

EL27752 was granted to NADL 20\textsuperscript{th} September 2010. This report details work done on Exploration Licence 27752 from 20\textsuperscript{th} September 2010 to 19\textsuperscript{th} September 2011.

Exploration Licence 26241 is situated on Walhallow (SE53-07) 1:250,000 geological mapsheets and the Lancewood (6163) 1:100,000 topographic mapsheets in the Northern Territory.

No exploration was completed during the reporting period by NADL.

NADL is surrendering this licence and this report is considered a Final Surrender Report. Expenditure for the reporting period was tenement rent only.
1.0 INTRODUCTION
This report outlines exploration activities undertaken by North Australian Diamonds Limited (NADL) on Exploration Licence 27752 between the 20th September 2010 and 19th September 2011.

2.0 LOCATION AND ACCESS
Exploration Licence 27752 is situated on Walhallow (SE53-07) 1:250,000 geological mapsheets and the Lancewood (6163) 1:100,000 topographic mapsheets in the Northern Territory. A location map is provided as Figure 1.

3.0 LICENCE DETAILS
EL27752 consists of 6 blocks, and was granted to North Australian Diamonds Limited on 20th September 2010 for a period of six years. License details for EL27752 are outlined in Table 1 below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
<th>Grant Date</th>
<th>Expiry Date</th>
<th>Current Blocks</th>
<th>Area (sq km)</th>
<th>Holder</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL27752</td>
<td>Granted</td>
<td>20/9/2010</td>
<td>19/9/2016</td>
<td>6</td>
<td>19.7</td>
<td>North Australian Diamonds Limited</td>
<td>100</td>
</tr>
</tbody>
</table>

4.0 PHYSIOGRAPHY

Geomorphology
The licence is located within the Bukalara Plateau sub-division of the Gulf Fall physiographic division and occurs at an elevation of approximately 225m above sea level. The licence contains the western margin of a plateau that narrows and continues northward. The plateau drains westward into Lancewood Creek and northward into major tributaries to the Glyde River.

Geology
The oldest rock unit in the licence area is the Neoproterozoic Bukalara Sandstone that comprises flat-lying quartz sandstone dissected by a prominent east-west and north-south joint pattern.
It is possible that Cretaceous rocks overly the Bukalara Sandstone, however they are not included on the 1:250,000 geology map face. Such sediments are exposed within the region generally above approximately 200m above sea level and include a basal conglomerate and overlying sandstone and siltstone. Surficial sands and ferricrete occur on the plateau.

5.0 PREVIOUS EXPLORATION

Previous exploration has been completed by Ashton Mining and CRA and included stream gravel sampling for kimberlitic indicator minerals. All results were negative.

6.0 EXPLORATION COMPLETED DURING CURRENT REPORTING PERIOD

No exploration was completed during the reporting period by NADL.

NADL is surrendering this licence and this report is considered a Final Surrender Report.

7.0 EXPENDITURE STATEMENT

Expenditure during the current reporting period amounted to tenement rent as detailed in the accompanying Expenditure Report.

8.0 PROPOSED PROGRAMME AND BUDGET FOR 2011-2012

Not applicable.
9.0 REFERENCES