

Final Surrender Exploration Licence 27754

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: 16th November 2011

Report No: 11- 055

Copies To: Dept. Resources - NT

NADL

The contents of this Report remain the property of North Australian Diamonds Limited and may not be published in whole or in part, nor used in a company report without the written consent of the company

TABLE OF CONTENTS

| LIST C | DF FIGURES | İÌ |
|--------|---|----|
| SUMM | ARY | .1 |
| | | |
| 1.0 | INTRODUCTION | .2 |
| 2.0 | LOCATION AND ACCESS | .2 |
| 3.0 | LICENCE DETAILS | 1 |
| 3.0 | | |
| 4.0 | PHYSIOGRAPHY | .2 |
| 5.0 | PREVIOUS EXPLORATION | .3 |
| 6.0 | EXPLORATION COMPLETED DURING CURRENT REPORTING PERIOD | 7 |
| 0.0 | | |
| 7.0 | EXPENDITURE STATEMENT | .3 |
| 8.0 | PROPOSED PROGRAMME AND BUDGET FOR 2011-2012 | .3 |
| 9.0 | REFERENCES | 1 |
| 7.0 | REFERENCES | ٠, |

LIST OF TABLES

Table 1 Licence Details for EL27754

LIST OF FIGURES

Figure 1 EL27754 Location Map

SUMMARY

EL27754 was granted to NADL 20th September 2010. This report is the Final Surrender Report.

Exploration Licence 27754 is situated on Walhallow (SE53-07) 1:250,000 geological mapsheets and the Lancewood (6163) 1:100,000 topographic mapsheets in the Northern Territory.

Previous exploration includes stream gravel and loam sampling by Ashton Mining and CRA. No kimberlitic indicator minerals have been reported and no kimberlite has been identified.

No field work was undertaken by NADL during the reporting period and NADL is surrendering the licence.

Expenditure for the reporting period was \$280.

1.0 INTRODUCTION

This Final Surrender report outlines exploration activities undertaken by North Australian Diamonds Limited (NADL) on Exploration Licence 27754 between the 20th September 2010 and 19th September 2011.

2.0 LOCATION AND ACCESS

Exploration Licence 27754 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

EL27754 consists of 14 blocks, and was granted to North Australian Diamonds Limited on 20th September 2010 for a period of six years. License details for EL27754 are outlined in Table 1 below.

Table 1: License Details for EL27754

| Name | Status | Grant Date | Expiry Date | Current Blocks | Area (sq km) | Holder | Percentage |
|---------|---------|------------|----------------|-------------------|-----------------|--------------------------------------|------------|
| EL27754 | Granted | 20/9/2010 | 19/9/2016 | 14 | 45 | North Australian Diamonds Limited | 100 |

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 includes stream gravel and loam sampling by Ashton Mining and CRA. No kimberlitic indicator minerals have been reported and no kimberlite has been identified.

6.0 EXPLORATION COMPLETED DURING CURRENT REPORTING PERIOD

No field activities were completed during the reporting period.

7.0 EXPENDITURE STATEMENT

Expenditure for the current reporting period amounted to \$280 and is detailed in the accompanying Expenditure Report.

8.0 PROPOSED PROGRAMME AND BUDGET FOR 2011-2012

Not applicable.

9.0 REFERENCES

Department of Mines and Energy, Northern Territory Geological Survey. Calvert Hills 1:250,000 Explanatory Notes. 1991.