

EXPLORATION LICENCE 27143

MOUNTAIN CREEK PROJECT

NORTHERN TERRITORY

PARTIAL RELINQUISHMENT REPORT

Date: November 2011

Period: 24 August 2009 to 23 September 2011

Target commodity: Iron, Base Metals

Author: Andy Bennett

Contact Details: Level 1 / 26 Greenhill Road

Wayville SA, 5032

Ph: 08 8177 8800

Email for further technical details: andy.bennett@wdrl.com.au laurie.ackroyd@wdrl.com.au

Datum/Zone: GDA94 (Zone 53)

Map Sheets: 1:250,000 Hodgson Downs (SD5314)

1250,000 Urapunga (SD5310) 1:100,000 Chapman (5768) 1:100,000 Urapunga (5868) 1:100,000 St Vidgeon (5867)

Copies: Western Desert Resources Ltd (1)

Department of Resources - Minerals and Energy (1)

SUMMARY

Exploration Licence 27143 is centred approximately 25 kilometres south of Ngukurr in the gulf country of the Northern Territory.

EL 27143 was granted to WDR Iron Ore Pty Ltd, a wholly owned subsidiary of Western Desert Resources Ltd (WDR), for six years on 24 August 2009. The tenement was considered prospective for sediment hosted iron ore deposits, stratiform base metal deposits and diamonds.

The exploration licence is located within the boundaries of the former St Vidgeon pastoral lease, now crown land, and lies within the boundaries of the proposed Limmen National Park. Native Title has been granted over the former St. Vidgeon pastoral lease.

This report relates to the 50% relinquishment required under the licence conditions at the end of Year 2 of tenure. The ground chosen for relinquishment is shown in Figure 1 and the selection is based on the perceived low prospectivity for hosting iron deposits, due to the absence of Sherwin Iron Formation. To a lesser degree, there is also considered lower potential for base metals in the relinquished areas due to the lack of the prospective Vizard Group rocks.

There has been no exploration on the relinquished portion of the lease.

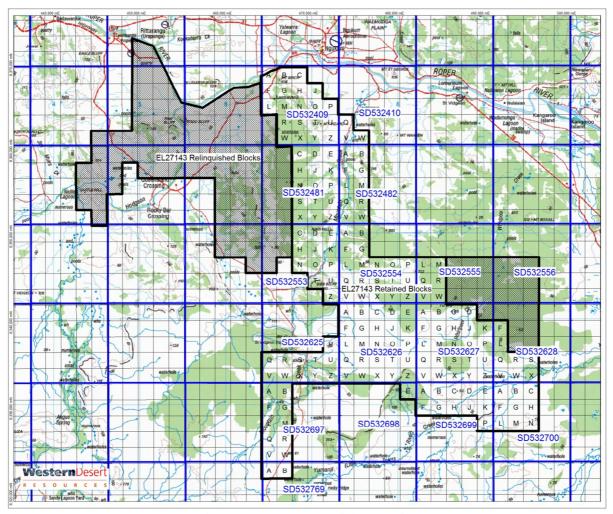


Figure 1: EL27143 Partial Reduction