

Partial Relinquishment Report Exploration Licence 26954

Holder: North Australian Diamonds Limited

Operator: North Australian Diamonds Limited

Reporting Period: 23rd September 2010 to 22nd September 2011

Sheet Reference: Cape Scott (SD5207) & Port Keats (SD5211) 1:250,000

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SUMMARY

This report details exploration activity carried out by North Australian Diamonds Limited (NADL) over the relinquished portion of exploration licence EL 26954 for the period 23rd September 2010 to 22nd September 2011.

The tenement is located approximately 300km south-west from Darwin, in the Daly River Region of the Northern Territory on the Cape Scott (SD 5207) and Port Keats (SD 5211) 1:250,000 geological mapsheets in the Northern Territory.

In January of 2007 North Australian Diamonds Limited entered into a 'Farm-in Agreement' with Ashton Exploration Australia Pty Ltd, Ashton Mining Limited, and A.O. (Australia) Pty Ltd collectively known as the Rio Tinto Parties with respect to earning 100% ownership of the Yambarra Project area in the Northern Territory. An application was made by North Australian Diamonds on the 18th of September 2008 and the tenement was subsequently granted on the 23rd of September 2009.

No work has been undertaken on the relinquished area of this Licence.

1.0 INTRODUCTION

This report details exploration activity carried out by North Australian Diamonds Limited (NADL) over the relinquished portion of exploration licence EL 26954 for the period 23rd September 2010 to 22nd September 2011.

2.0 LICENCE DETAILS

The tenement is located approximately 300km south-west from Darwin, in the Daly River Region of the Northern Territory on the Cape Scott (SD 5207) and Port Keats (SD 5211) 1:250,000 geological mapsheets in the Northern Territory. A location map is shown as Figure 1.

Table 1: Licence Details

Project Name	Tenement	Grant Date	Expiry	Blocks	Area (km2)
Yambarra	SEL26954	23/9/2009	22/9/2013	111	357.42

3.0 GEOLOGY

The project area covers parts of three geological regions within the Northern Territory.

These are; the Palaeoproterozoic Pine Creek Orogen, the Mesoproterozoic Victoria –

Birrinduddu Basin and the Palaeozoic Bonaparte Basin.

The oldest rocks in the project area are the Early Proterozoic Hermit Creek Metamorphics, which comprise mostly schist and gneissic rocks. Early Proterozoic sediments of the Finniss River Group are inferred to overlie the Hermit Creek Metamorphics although the nature of their relationship is unclear. The Henschke Breccia, a massive breccia conglomerate is interpreted to be approximately synchronous with these units.

The Hermit Creek Metamorphics and Finniss River Group were intruded successively by the Early Proterozoic Muarra-Kamangee Granodiorite and Peppimenarti Granite. Sediments of the Middle Proterozoic Fitzmaurice Group unconformably overly the Early Proterozoic units. Midldle Proterozoic intrusives of both basic (Murrenja Dolerite) and acid (Ti-Tree Granophyre) composition intrude the Fitzmaurice Group sediments

Permian sediments of the Bonaparte Basin occur in the west of the project area. These sediments consist of quartzarenite, subarkose and mudstone with minor conglomerate and coal. Cretaceous rocks form an extensive unit within the project area. Friable, clayey, commonly ferruginous and mottled arenite is the dominant rock type. The youngest geological units in the project area include Cainozoic and Quaternary sediments comprised of colluvium, elluvium and alluvium. These units cover much of the bedrock.

The dominant structural features of the area are the extensive, regional transcurrent faults that are the northerly continuations of the major faults which define the Middle Proterozoic Fitzmaurice Mobile Zone and the Early Proterozoic Halls Creek Mobile Zone.

4.0 EXPLORATION UNDERTAKEN DURING REPORTING PERIOD

No field work has been undertaken on the relinquished area of this Licence.

5.0 REFERENCES

Kammermann, M. (2007), Yambarra Annual Report NADL Ref: 07-043, North Australian Diamonds Limited.

Kammermann, M. (2010) Annual Exploration Report Year 1, 23rd September 2009 to 22nd September 2010, NADL Ref: 10-044.

Kammermann, M. (2011) Annual Exploration Report Year 2, 23rd September 2010 to 22nd September 2011, NADL Ref: 11-060.

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