



Partial Relinquishment Report

Exploration Licence 26528

Holder: Legend International Holdings Inc.

Operator: Legend International Holdings Inc.

Reporting Period: 18th July 2008 to 17th July 2011

Sheet Reference: Bauhinia Downs (SD5303) 1:250,000

Due Date: 6 February 2012

Author:	Mike Kammermann
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SUMMARY

This report details exploration activity carried out by Legend International Holdings Inc. (Legend) over the relinquished portion of exploration licence EL 26528 for the period 18th July 2008 to 17th July 2011.

EL26528 is part of the McArthur Project. The project area is approximately fifty-five (55) kilometres south-southeast of Borroloola and is situated on the Bauhinia Downs (SD 53-03) 1:250,000 geological mapsheet of the Northern Territory. Access is inaccessible by vehicle and helicopters remain the only form of access for this area.

One stream sample was collected on the relinquished area of the Licence. This has returned a positive result containing 2 chromite grains, which is not considered anomalous as it falls within Matheson Creek, downstream from the Emu kimberlites.

1.0 INTRODUCTION

This report details exploration activity carried out by Legend International Holdings Inc. (Legend) over the relinquished portion of exploration licence EL 26528 for the period 18th July 2008 to 17th July 2011.

2.0 LICENCE DETAILS

EL26528 is part of the McArthur Project. The project area is approximately fifty-five (55) kilometres south-southeast of Borroloola and is situated on the Bauhinia Downs (SD 53-03) 1:250,000 geological mapsheet of the Northern Territory. Access is inaccessible by vehicle and helicopters remain the only form of access for this area. A location map is shown as Figure 1.

Table 1: Licence Details

Project Name	Tenement No	Grant Date	Expiry Date	Blocks	Area (km ²)
McArthur	EL26528	18/07/2008	17/07/2014	45	144.9

3.0 GEOLOGY

The McArthur Project mostly overlies the Batten Trough of the Southern McArthur Basin. The N-S trending Emu Fault Zone is the main structural feature in the project area.

The Proterozoic geology of tenements is dominated by the sequence of the McArthur Group. It consists of interbedded succession of stromatolitic and evaporitic dolostone, sandstone and mudstone. In the eastern part of the project area, Cambrian Bukalara Sandstone overlies the Proterozoic rocks. These pre-Mesozoic rocks are unconformably covered by the flat-lying Cretaceous sediments.

The McArthur Project also lies in the North Australian microdiamond field. The Merlin diamond mine consisting of 14 kimberlite pipes is located on a fault splay off the Emu Fault Zone. Due to the proximity to the known deposits of diamonds and base metals and

having all relevant geological features that control their occurrence, the project area is classified as highly prospective and holds excellent potential for major discovery.

4.0 EXPLORATION UNDERTAKEN DURING REPORTING PERIOD

Fieldwork undertaken on the relinquished area of the Licence included the collection of one stream sample, MCH000026. This sample was sent to the company laboratory in Perth and has returned a positive result containing 2 chromite grains. The sample is not considered anomalous as it falls within Matheson Creek, downstream from the Emu kimberlites.

5.0 REFERENCES

Abello, J. (2010) McArthur Project, Combined Annual Report – GR143/09 for the Period
3rd February 2010 to 2nd February 2011

Table 2. Sample Details

SAMPLE	TENEMENT	TYPE	EASTING	NORTHING	DATUM	ZONE	RESULT	CHROMITE	DIAMOND
MCH000026	EL26528	STREAM	633588	8149494	GDA94	53	POSTIVE	2	0