



EL 26142 'Yambla'

Closure report for the period

7th April 2010 to 10th June 2011

Confidential Internal report. Not for public release.

Author: J. Schusterbauer
Date: 10th June 2011
Distribution: 1. UXA Resources Ltd
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1:250,000 map sheet: **Illogwa Creek SF53-15**
1:100,000 map sheet: **QUARTZ (5951)**

Bibliographic Data Sheet

Project Name: Yambla Project

Tenement Number(s): EL 26142

Tenement Holder: Cullen Exploration Pty Ltd ('CUL')
(a subsidiary of Cullen Resources Ltd)

Tenement Operator: UXA Resources Limited ('UXA')

Report Type: Close-out Report

Report Title: EL 26142 'Yambla' closure report for the period 7th April 2010 to 10th June 2011

Report Period: 16 months ended 10th June 2011

Author: Jurgen Schusterbauer

Date of Report: 10th June 2011

1:250,000 map sheet: Illogwa Creek (SF53-15)
1:100,000 map sheet: QUARTZ (5951)

Target Commodity: Uranium, Copper-Cobalt, Nickel-Copper-PGE and REEs

Geological Province: Irindina and Aileron Provinces

Geological Units: Palaeoproterozoic: Strangeways Metamorphic Complex and Enitia Dome sequence

Neoproterozoic: Bruna Gneiss, Huckita Granite, Riddoch Amphibolite, Irindina Gneiss, Brady Gneiss

Keywords: Uranium, Copper, Nickel, Cobalt, PGEs, REEs, Strangeways Metamorphic Complex (Division 1), Harts Range Group (Division 2), Bruna Gneiss, Riddoch Amphibolite, Huckita Granite, Irindina Gneiss, Brady Gneiss, Enitia Dome Sequences, Illogwa Schist, Yambla, Bonnie, Hof, Moondyne, Swallow and Dolerite prospects.

Abstract: Exploration Licence 26142 is located within the Harts Range region, approximately 200km east of Alice Springs. The tenement is being evaluated for uranium, copper, nickel, PGEs and REEs potential under a joint venture agreement between Cullen Exploration Pty Ltd and UXA Resources Ltd. UXA are operators of the project.

Work Completed: Exploration comprised historical data compilation; purchase of quickbird mosaic images; re-processing and re-imaging of regional airborne magnetic and radiometric data; geological/structural mapping; surface rock chip sampling; and minus 80 and (+80,-2mm) mesh stream sediment sampling.

Recommendations: At Moondyne-Swallow prospect, mapping and chip sampling identified an un-mapped strongly radiogenic coarse grained K-feldspar- quartz-hornblende pegmatite with uranium values up to

1140ppm U3O8. Elsewhere, assay results from the -80# stream sediment survey highlighted several Au, HREE, and U anomalies within in the central and south-eastern parts of the tenement.

Mapping and soil sampling is proposed to be carried out at the Moondyne-Swallow prospect to determine the scale of mineralisation present. Gold-base metal and REE anomalism delineated during the regional stream sediment program requires reconnaissance mapping and sampling. In addition, an airborne hyperspectral survey is recommended to be flown prior to any RC/NQ diamond drilling.

Summary

UXA Resources Limited operates the Yambla project (NT) within the 34.7 sq km area secured by EL 26142 and held by Cullen Exploration Pty Ltd, a wholly owned subsidiary of Cullen Resources Ltd.

The tenement is being actively explored for uranium together with other mineralising styles including nickel-copper semi-massive and disseminated sulphides associated with metamorphosed amphibolites; pegmatite hosted REE mineralisation; PGEs within amphibolite hosted rock and Ag-Pb-Zn mineralisation within the Neoproterozoic gneisses.

During the sixteen month period to 10th June 2011, exploration activities comprised compilation of previous exploration data; compiling, levelling, reprocessing and re-imaging of regional NTGS aeromagnetic and radiometric data; preliminary interpretation of the geophysical datasets; surface rock chip sampling (77 samples); stream geochemistry (114 samples) and regional/prospect scale geological and structural mapping.

At Yambla, previous drilling and trenching targeting radiometric anomalism has encountered high grade but poddy uranium mineralisation in the form of uraninite concretions over a wide area within Neoproterozoic amphibolite. Recent mapping of these uraninite concretions indicates a small high grade target of 60-metre strike length and of variable width ranging from 2 to 5m. Importantly, PNC EW-oriented drilling may have missed the best mineralisation as the mineralised shoots may plunge gently to the SW (ie parallel to a lineation in the schist).

A previously unmapped radiogenic hornblende-bearing pegmatite at Swallow North associated with highly anomalous uranium values up to 1140ppm U3O8 requires further evaluation. Additional mapping and soil sampling is recommended prior to drill testing.

Third year exploration expenditure for the period 18th February 2010 to 17th February 2011 was \$132,750 against a covenant of \$250,000. A variation in covenant has been submitted to the NTGS as well as a request for deferral in compulsory Year 3 reduction in area of 50%.

UXA having fulfilled its financial obligations having spent a minimum of \$150,000 has elected to withdraw from the joint venture.

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(+80, -2MM) MESH STREAM SEDIMENT RESULTS

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EXPENDITURE REPORT

List of electronic files

Title	format	File Name
EL 26142 'Yambla' closure report for the period 18 th February 2010 to 17 th February 2011	PDF report	EL26142_2011_R_reportbody
Appendix 1 – Tenement Status		EL26142_2011_R_01_tenementrpt
Appendix 2 – Structural Geologists Report	PDF report	EL26142_2011_R_02_consultantsreport
Appendix 3- Rock Chip Assay Results	txt	el26142_2011_R_03_rockchipassays
Appendix 4- -80 mesh stream sediment results	txt	el26142_2011_R_04_80mesh
Appendix 5- (+80, -2mm) stream sediment results	txt	el26142_2011_R_05_(+80,-2mm)
Appendix 6 – Expenditure Statements	PDF report	EL26142_2011_R_06_expendreport

1.0 Introduction

UXA Resources Limited operates the Yambla project within the 34.7 sq km area secured by EL 26142 and held by Cullen Exploration Pty Ltd, a wholly owned subsidiary of Cullen Resources Ltd. The tenement is located in the Harts Range region, approximately 200km east of Alice Springs (Figure 1). EL 26142 is situated on the Quartz (5951) 1:100,000 map sheet within the Illogwa Creek (SF5315) 1:250000 map sheet.

Main access to the project area from Alice Springs is via the Ross River Highway and then station roads via Arltunga, Claraville Homestead and Brumby Bore. The tenement lies within the Ambalindum Pastoral lease.

Exploration is focussed on Group 1 metals including gold, copper, nickel and rare earth element (REE) mineralisation.

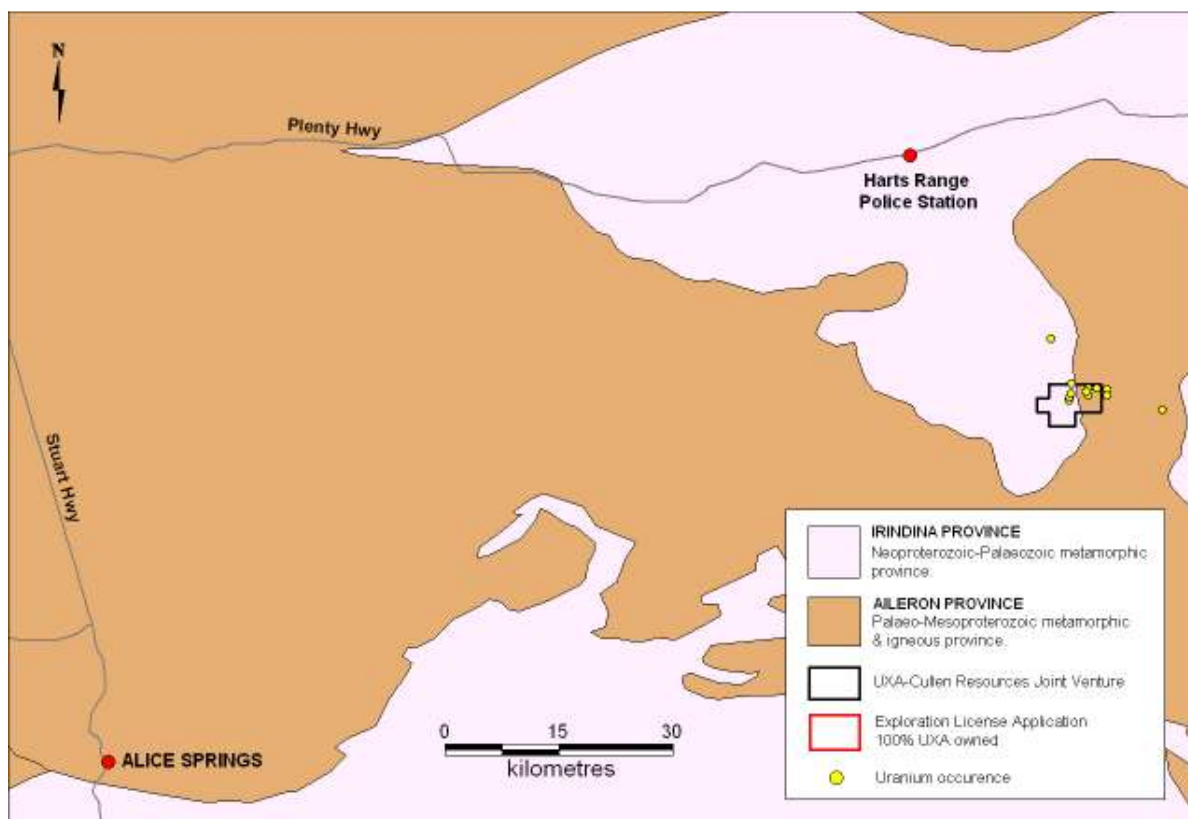


Figure 1: Location Plan EL 26142

2.0 Tenure

EL 26142 is held by Cullen Exploration Pty Ltd (a wholly owned subsidiary of Cullen Resources Ltd) and is being explored under a joint venture agreement between UXA and CUL that was executed in April 2010. UXA is manager and operator of the tenement. UXA having met its expenditure obligations of \$150,000 has elected to formally withdraw from the joint venture.

An application for a waiver of exemption for the compulsory Year Three area reduction was submitted to the NTGS with a request to retain 100% of the area and is still pending. In addition, application has been lodged for a Variation of Covenant for the shortfall in third year expenditures (\$132, 750 versus a covenant of \$250,000). A statement outlining the tenement status is contained in Appendix 1.

Although no Native Title claims have been lodged over the area, UXA is currently negotiating an exploration agreement with the Central Land Council.

3.0 Previous exploration

Historical exploration within and surrounding the Yambla project area is summarised below. A map illustrating the location of historical ELs and previous mineral exploration holes is presented in Figure 2.

Initial exploration within the Harts Range project area focused on mica, gemstone, base metal (mainly in Division 1) and gold occurrences near Arltunga (in Division 3 and associated structures). Prior to 1993, the majority of the exploration was carried out by prospectors with little or no systematic exploration undertaken.

From 1993 to 1997, PNC undertook regional exploration including detailed airborne radiometrics and magnetic, exploring for metamorphosed unconformity-related uranium. Based on aeromagnetism and radiometrics, detailed mapping and sampling, grid-based geophysics and trenching were carried out on a few prospects including Yambla, Pony and Haddock. At Yambla, this work defined a 1000m zone of metasomatic anomalism that was subsequently drill tested by 13 shallow (<50m vertical depth) RC/diamond drill holes (Figures 2 and 6). Only about 150m of mineralised strike length has been tested with drilling intersecting scattered uneconomic uraninite-type uranium mineralisation. Two drill holes (HRD-8 and HRD-9) showed moderate downhole anomalism. Drillhole assays ranged from 5-50ppm U₃O₈. PNC concluded that the uranium mineralisation at Yambla is of a high temperature vein-type occurrence, hosted within a metamorphosed amphibolite.

In 2004, Paladin Resources targeting PGEs, Cu, Au, Ag and U carried out research and interpretation of PNC's database that was generated in the 1990s. Paladin did not undertake any fieldwork but indicated that any future drilling should be directed towards drilling the strike length and depth extensions of the known uranium mineralised zone at Yambla.

During 2005 to 2007, Deep Yellow Limited conducted a review of PNC's database which yielded two drilling proposals. The first targeted the E-W structures cross-cutting the Yambla Amphibolite and their easterly extensions at Bonnie. The second proposal involved test pattern drilling to further investigate the uraninite distribution between PNC drill holes HRD-8 and HRD-9. Following a helicopter reconnaissance trip to evaluate the two proposals it was decided to target potential mineralisation associated within cross-cutting veins and faults only and not the erratic, nugget, stratabound uraninite/brannerite presently known. Deep Yellow drilled a total of 13 RC holes at Yambla and Bonnie prospects with no significant (<9ppm U₃O₈) mineralisation intersected. They concluded that no significant ascent of

uraniferous fluid occurred via the east-west fracture system, and that the uraninite/brannerite surface nodular scatter is unrelated to these faults.

Cullen Exploration Pty Ltd (2009) conducted a data review and field reconnaissance program to locate identified U occurrences and to appraise their geological setting. PNC's mapping, costeaning and rockchip sampling was verified and found to be accurate and within approximately 20m of the actual location. The landform can be categorized as dominantly erosional with some interspersed depositional domains.

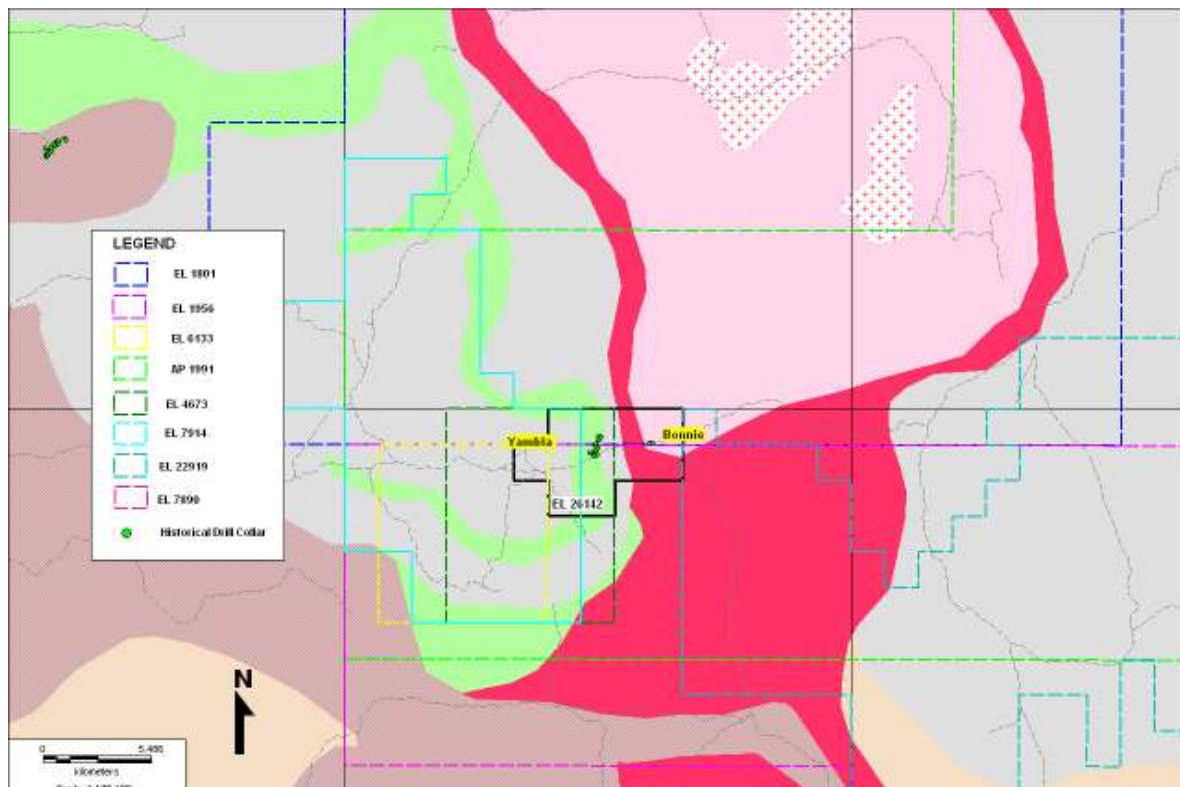


Figure 2: Plan showing EL 26142 with respect to historical ELs and drill holes.

4.0 Geological Setting

EL 26142 is located within the SE corner of the Arunta Inlier and comprises a complex assemblage of high grade metamorphic rocks of both sedimentary and igneous origin. The project area straddles two provinces; the Irindina province to the west and the Aileron province to the east (Figure 1).

Basement lithologies (Division 1) within the tenement comprise Palaeoproterozoic mafic and felsic granulites, pelitic and calcareous sediment and younger felsic gneisses (Entia) of the Strangeways Metamorphic Complex (SMC). Only the Entia Gneiss (Pse), however, is exposed in the northeastern part of the tenement (Figure 3).

Unconformably overlying the SMC is a sequence of predominantly pelitic and semi-pelitic gneisses, amphibolite and lesser subordinate calcareous gneisses of the Harts Range Group

(Division 2). The Harts Range Group is subdivided into the lower Irindina Gneiss (Phi) and the upper Brady Gneiss (Phb).

The Irindina Gneiss, furthermore, includes the amphibolite member (Riddoch Amphibolite, PHyi – Figure 3) and a composite member consisting of a calcareous component and a gneissic component with feldspar megacrysts (Stanovos Gneiss Member).

Southwest of the tenement area, the Illogwa Schist Zone separates the Harts Range Group from the well-layered quartzofeldspathic gneiss, amphibolites and meta-sediments (Albarta Metamorphics).



Figure 3: Simplified Regional geology of the Yambla project area (EL 26142).

5.0 Exploration Rationale

Previous drilling and trenching at Yambla targeting radiometric anomalism intersected high grade but poddy uranium mineralisation associated with uraninite concretions in amphibolite. Better trench assays of channels (0.5-1.0m) ranged 0.1to 10% U₃O₈. Drill assays ranged from 5-50ppm U₃O₈ in altered rock. PNC recognised retrograde “white alteration”, consisting of albite+quartz+feldspar closely associated with these concretions. Exploration at Yambla (Figure 4) is primarily focussed on investigating the mineralised region to determine its potential for hosting a mineralised uranium system of economic grade.

In addition, the tenement shows indications of multi-element mineralisation including Cu, Ag, Pb, Zn and traces of Pt and a Cu-Au prospect a few hundred metres north of the tenement (Figure 4). Encouragingly, Mithril (ASX release, Dec 2009) has identified six new nickel-copper sulphide prospects (Blackadder, Baldrick, Edmund, Kevin Darling, Miggins and Percy) and three new copper sulphide prospects (Basil, Poly and Manuel) located approximately 20km SE of the project area (Figure 4). Drilling at Mithril’s Basil prospect has returned broad low-grade intersections of 41m @ 0.6% Cu and 432ppm Co including 9m @ 1.0% Cu and 336ppm Co and 146.5m grading 0.24% Cu and 328ppm Co. The copper-cobalt

mineralisation comprises semi-massive and disseminated sulphides associated with metamorphosed amphibolites. The nickel-copper sulphide mineralisation occurs within weakly or unaltered olivine bearing gabbroic intrusions.

Figure 4: Known mineral occurrences in relation to the Yambla project area (EL 26142).

6.0 Exploration Activities for the 16 months ended 10th June 2011

6.1 Geophysics

The 1vd reduced-to-pole image depicted in Figure 5 highlights the Yambla Amphibolite contact (green) which appears to correspond to a magnetically quiet area and possibly reflects magnetite destruction of the amphibolites associated with meta-somatic alteration. These zones of magnetite destruction may have potential to host mineralisation similar to that defined at Yambla. In addition, a number of conspicuous NW-SE structures crosscut stratigraphy within the project area and these may act as fluid conduits for potential mineralisation. The magnetic highs possibly relate to massive, unaltered amphibolites

bodies within the Irindina gneiss as well as metamorphosed norite and gabbro intrusive bodies (purple).

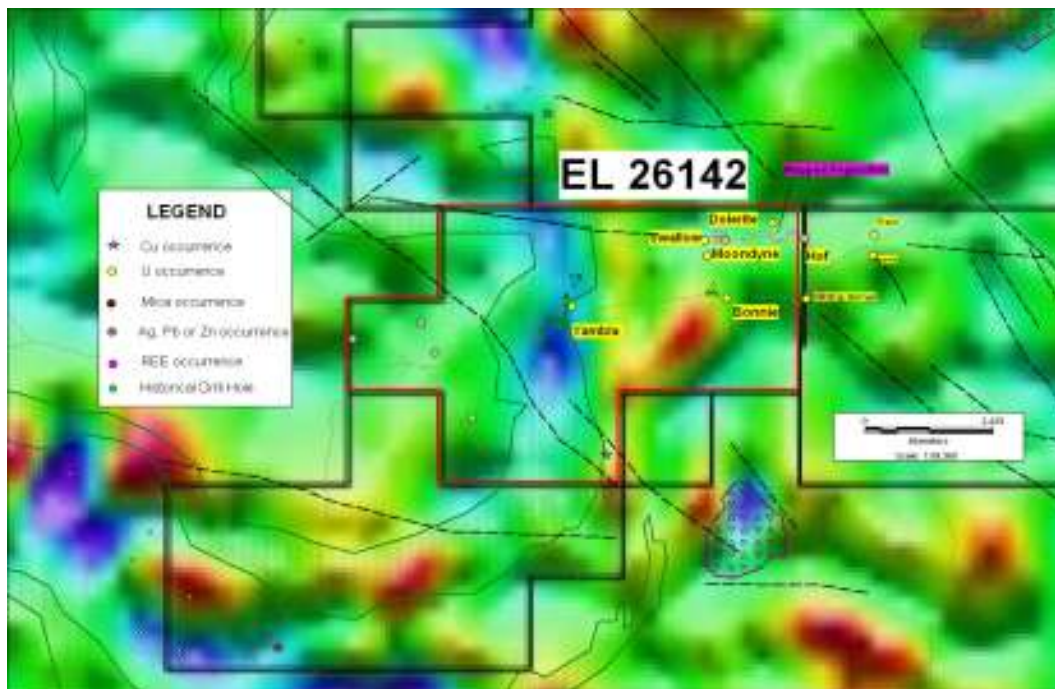


Figure 5: 1vd reduced-to-pole magnetic image over tenement EL 26142

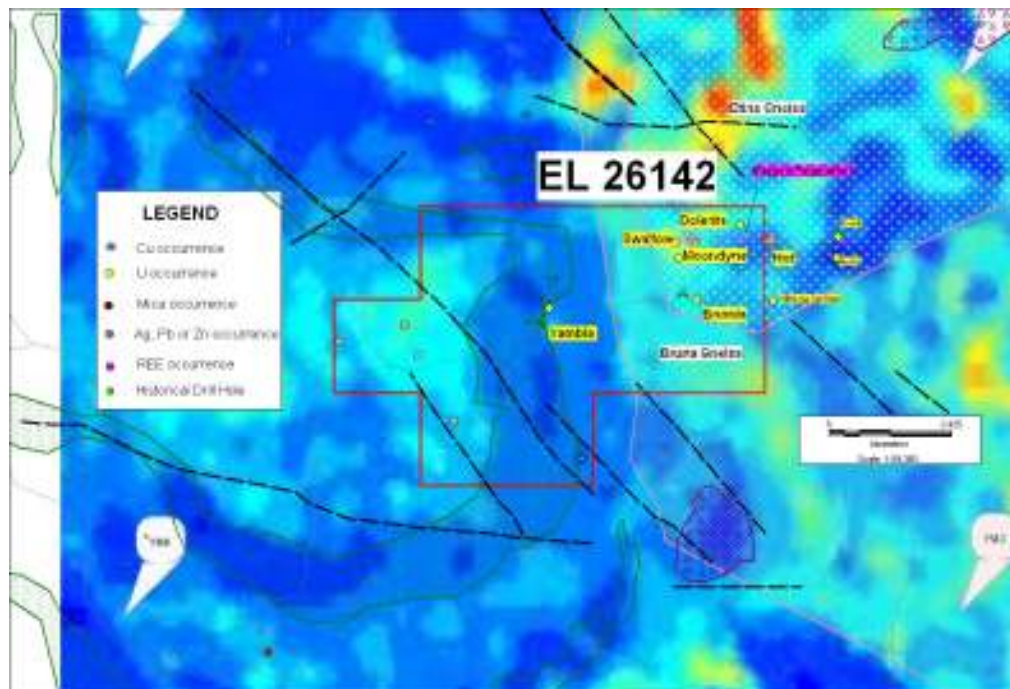


Figure 6: U2/Th image over tenement EL 6404

The U2/Th image (Figure 6) shows the distribution uranium anomalism with respect to EL 26142 including Yambla (weak) and Bonnie (moderate) prospects. The Riddoch Amphibolite is mainly defined by a radiometric low with minor weak spotty anomalism. Moderate to high U2/Th anomalism appear to be associated with the Bruna and Entia Gneiss. In the southeastern part of the tenement the U2/Th image defines a NNW-EW flexure/fault (?) bend of weak to moderate anomalism within the Bruna Gneiss. Elsewhere, a variably weak to moderate U2/Th anomaly occurs in the northwestern part of the tenement and is broadly coincident with a Quaternary drainage system (defined by the NW-trending fault).

6.2 Geological Mapping

During the first phase of field work from April to June, reconnaissance geological mapping at 1:5000 scale was undertaken over the central and northeastern portions of EL 26142 (Figure 7). Mapping and sampling was directed toward altered, brecciated, veined or gossanous rock at or near the amphibolite contacts; areas of interest as defined by previous explorers (ie Yambla, Bonnie, Swallow Moodnyne, Dolerite and Hof), existing geological maps and preliminary interpretation of the aeromagnetic data as well as a series of previously unrecorded radiogenic late stage outcropping pegmatite dykes with REE potential extending from Hof to Swallow. The initial ground assessment at Yambla was undertaken with the assistance of a consultant structural geologist. A report by the consultant that summarises the mapping conducted over the Yambla, Bonnie and Hof to Moondyne prospects, together with subsequent findings and recommendations is presented in Appendix 2.

In the central part of the project, mapping of uraninite concretions at Yambla (previously identified by PNC) indicates a small high grade target of 60-metre strike length and of variable width ranging from 2 to 5m. PNC EW-oriented drilling may have missed the best mineralisation as the mineralised shoots may plunge gently to the SW (parallel to a lineation in the schist).

At Bonnie, two weakly mineralised (generally 500-600cps) but folded quartz-plagioclase-k-feldspar-biotite±garnet sills up to 0.4m wide were mapped over a strike length of 40m. As such, given the narrow, short strike length and low grades at Bonnie, no further work is recommended.

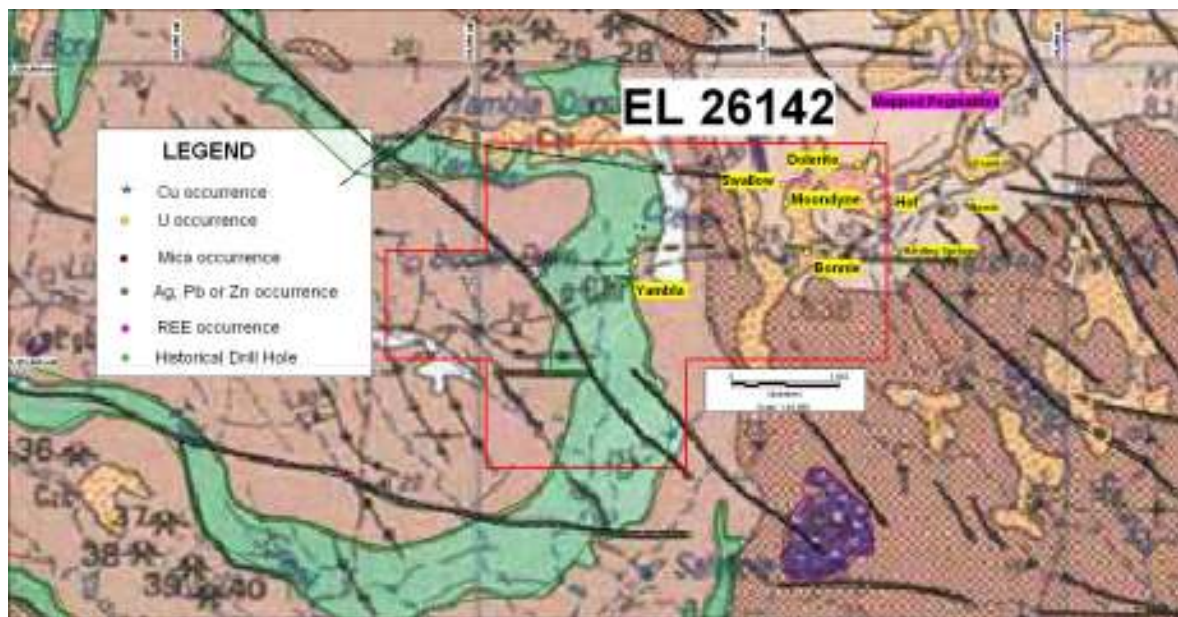


Figure 7: Regional 1:250k geology map over EL 26142

Immediately north of Swallow, a previously unrecorded outcrop of K-feldspar-quartz-hornblende pegmatite with a strong radiogenic response (up to 6500cps) was discovered. The 2-3m wide pegmatite strikes 075, dips steeply and is exposed over a strike length of 40-60m. The amphibolite, biotite shear zone and schistose sills in contact with the pegmatite were also radiogenically anomalous (up to 1000cps).

This late, coarse grained K-feldspar, quartz and hornblende pegmatite identified north of Swallow during the initial field reconnaissance in May was mapped and sampled. The pegmatite is 0.3 to 0.4m thick, strikes E-W then NE (parallel to foliation) and dips steeply over a distance of 50m. It has a very strong radiogenic response (up to 6500cps; 2434ppm U and 339ppm U – Niton XRF) and is in contact with a biotite shear and quartz veined epidote altered quartzite (?).

Between Swallow and Hof prospects, a series of outcropping weakly radiogenic late stage pegmatites were mapped during the second field phase that were not previously recognised by PNC. In general, the pegmatites were 0.5 to 3m wide, up to 500m in length, E-W striking, mainly steep to S-dipping and associated with low grade (200-300cps) and spotty radiometric anomalies. There appears to be a number of dyke phases present with older sheared and brecciated dykes overprinted by younger undeformed pegmatite with coarse feldspar (aplitic) and later quartz veins striking E-W and NE.

The lower and upper contacts of the interpreted amphibolite that transgress the central portion of the Yambla project area were mapped, sampled and analysed by a portable Niton XRF. With the exception of a few isolated and local zones of quartz-epidote veined amphibolite, secondary ironstone and gossanous quartz sub-crop no shallow expressions of platinoid group elements, copper or nickel mineralisation was observed at surface. The highest reported copper value of 785ppm Cu and nickel value of 571ppm Ni as determined

by the Niton XRF was contained in a float sample of gossanous quartz (1m x 1m circa) taken from amphibolite exposures on the northwest side of the Yambla prospect. Generally, the Niton XRF results taken on the amphibolite returned copper values ranging from below detection to 213ppm Cu and nickel values up to 197ppm Ni, reflecting the bedrock geochemistry of the rock.

In the western portion of the tenement (Boots), a number of previously identified base-metal occurrences were prospected. Mapping and sampling suggest that the mineralisation is associated with narrow (0.3m), 055 –striking quartz±goethite veins hosted within amphibolite. Alteration selvages include chlorite and possibly malachite.

6.3 Surface Geochemistry

6.3.1 Rock Chip Sampling

Rock chip samples were taken of altered, brecciated, veined or gossanous rock at or near the amphibolite contacts and radiogenic late-stage outcropping pegmatite dykes (Figure 9). A total of 77 rockchip samples were collected and submitted to Amdel (Adelaide) for gold-base metal, PGE and REE analysis. A complete set of results is contained in Appendix 3.

Encouraging uranium results have been returned from a number of prospects including Yambla, Swallow North and Dolerite (Figure 8). Significant uranium values greater than 300ppm U are outlined in Table 1.

Prospect	Sample Number	Easting_MGA	Northing_MGA	Nickel (ppm)	Copper (ppm)	U3O8 (ppm)
Yambla	99073	512806	7424607	1000	360	-
Yambla	99001	512633	7426508	50	95	19000
Yambla	99002	512650	7426448	44	600	138100
Yambla	99008	512633	7426521	48	95	22700
Yambla	99003	512447	7426215	14	9	415
Yambla	99004	512447	7426215	45	10	335
Yambla	99005	512703	7426985	23	9	2820
Dolerite	99035	515543	7428111	2	12	485
Dolerite	99108	515543	7428113	4	10	415
Swallow	99121	515247	7428198	4	19	570
Swallow Nth	99025	515237	7428183	8	4	890
Swallow Nth	99026	515232	7428175	9	<2	1140

In the central part of the project, the uranium mineralisation at Yambla (previously identified by PNC) occurs in a shoot with a strike extent of approximately 50-60m at surface and ranges in width from 2 to 5m. The uranium mineralisation is associated with strongly radiogenic uraninite concretions. High uranium concentrations from recent rockchip sampling include 19000ppm U3O8, 138100ppm U3O8 and 22700ppm U3O8 (Table 1). In

addition, anomalous uranium values up to 2820ppm U₃O₈ associated with epidote veined and altered amphibolite as well as secondary ironstone occurs within the Yambla prospect area.

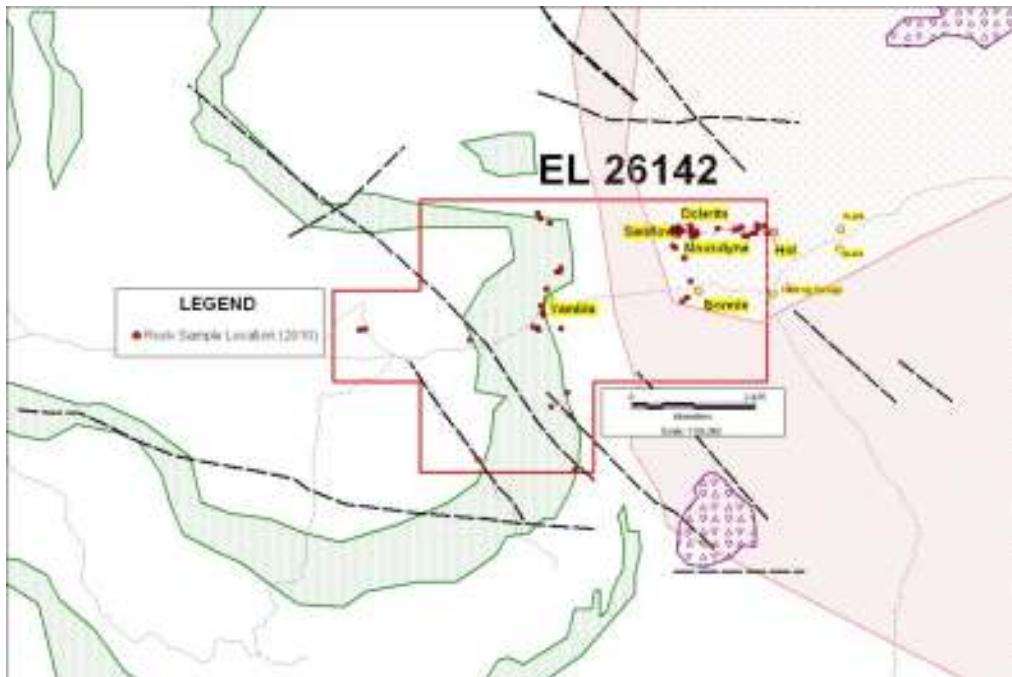


Figure 8: Rock chip sample location plan

At Swallow North, rockchip samples have yielded anomalous uranium concentrations including 1140ppm U₃O₈ and 890ppm U₃O₈ associated with a previously unmapped coarse-grained K-feldspar, quartz and hornblende pegmatite.

At the Dolerite prospect, located between Swallow and Hof low grade and spotty radiogenic anomalies were found associated with late stage K-feldspar-quartz rich pegmatite that is approximately 2-3m thick over a 200m strike length. A peak uranium value of 485ppm U₃O₈ was obtained and there appears to be a weak correlation with Ta (305ppm) and Nb (375ppm).

Anomalous copper (0.036%) and nickel (0.1%) assays were returned from a float sample at the Yambla prospect comprising a vuggy, gossanous ironstone (after amphibolite) over a 2m x 3m circa.

6.3.2 Stream Sediment Sampling

Contiguous with mapping and chip sampling, an orientation stream sediment survey comprising 14 (-2mm, +80#) and -80 mesh stream sediment samples was completed (Figure 9). Samples were collected and dispatched to Amdel (Adelaide) for analysis of Au, Ag, Co, Cu, Fe, Pb, Zn, Mn, Ni, PGEs and REEs.

A comparison of the assay results for the two sieved fractions indicated that the majority of elements show very similar concentrations. The Rare Earth Elements (REEs) and Y, however, tend to have slightly lower overall concentrations in the fine fraction compared to the coarse

fraction. Due to the little variance between assays for the two sieved fractions, UXA expanded the regional stream survey with the collection of an additional 86 -80# stream sediment samples within EL 26142 for a total of 100 samples. Assay for both sieved fractions are contained in Appendix 4 and 5.

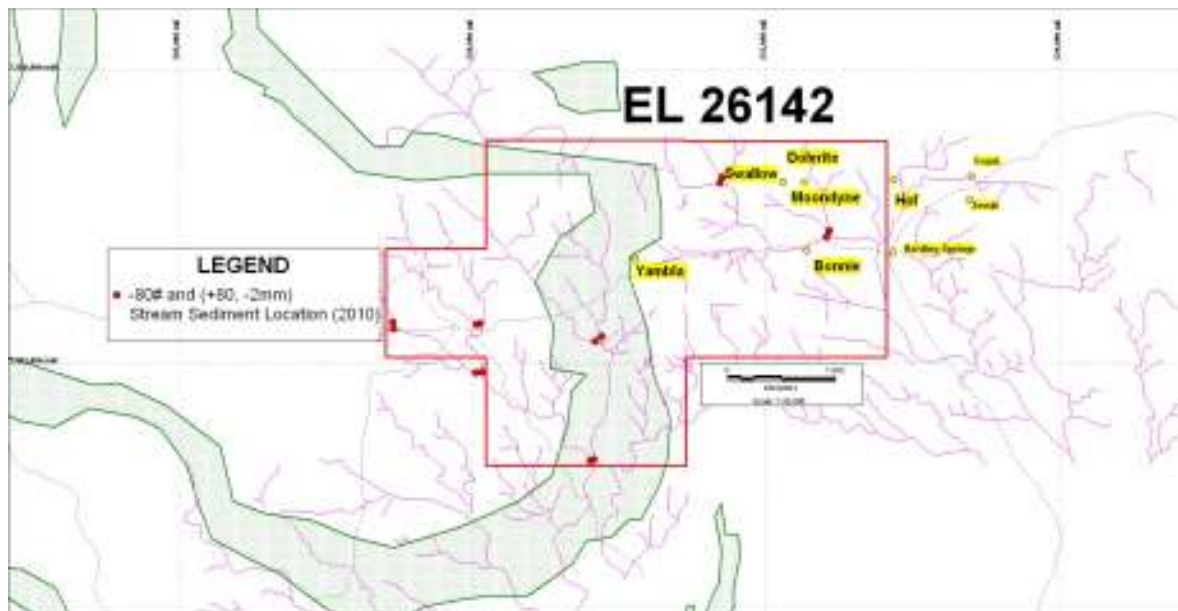


Figure 9: Orientation stream sediment location plan.

The assay results generated from the regional -80# stream sediment survey have been plotted and reviewed. Geochemical plots were produced for Au, Cu, Ni, Pb, Zn, U, Zr and HREE, LREE and TREE elements using Discover gridding software. The interpolation of 77 sample points was done by use of the inverse distance squared (id2) method using a 50m grid cell and 1000m search radius. For each of the REE groupings (LREE (La to Sm), HREE (Eu to Lu) and TREE) a CHI index was calculated based on the anomalous thresholds of each the REE elements analysed derived from log-normal probability plots, viz:

LHREE CHI Index:

$(2\text{La}+1\text{Ce}+21\text{Pr}+4\text{Nd}+19\text{Sm})$

HREE CHI Index:

$(5\text{Eu}+1\text{Gd}+6\text{Tb}+1\text{Dy}+6\text{Ho}+2\text{Er}+14\text{Tm}+2\text{Yb}+14\text{Lu})$

TREE CHI Index:

$(2\text{La}+1\text{Ce}+21\text{Pr}+4\text{Nd}+19\text{Sm}+86\text{Eu}+20\text{Gd}+115\text{Tb}+18\text{Dy}+103\text{Ho}+32\text{Er}+33\text{Yb}+264\text{Lu})$

Low order Ni-Cu-Zn-Pb base metal anomalism is apparent in several adjacent catchments in the western part of the project area; however, these are considered lithological as these chalcophiles appear to be coincident with the Riddoch Amphibolite (Figure 10).

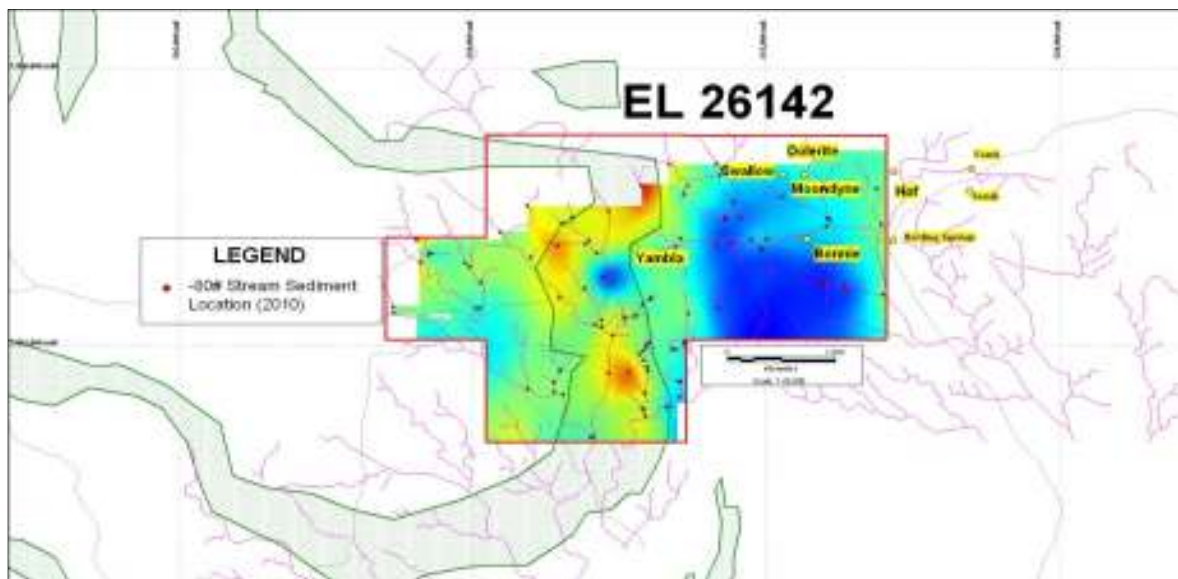


Figure 10: Gridded (id2) Geochemical Map showing distribution of Ni ppm.

Gold data has been plotted and contoured to outline a conspicuous 'bullseye' gold anomaly with a peak gold value of 7ppb that measures 770m x 440m within the eastern part of the project area (Figure 11).

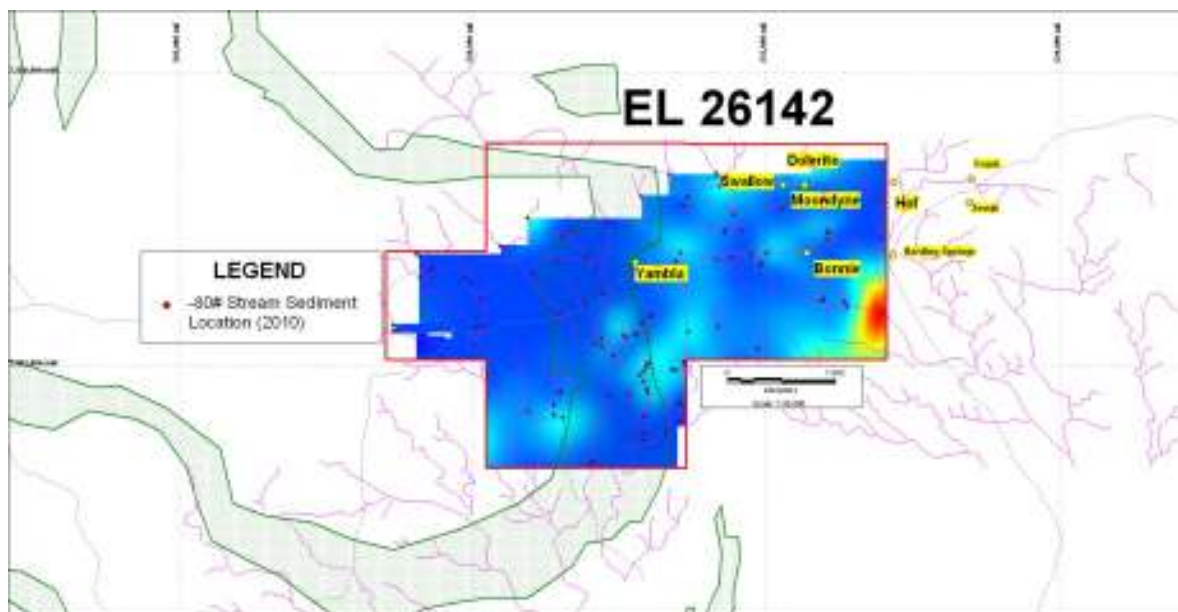


Figure 11: Gridded (id2) Geochemical Map showing distribution of Au ppm

Within the project area, there were several regional samples >20ppm U (Figure 12). East of Yambla, a maximum value of 29.5ppm U with corresponding Zr, P and HREE values up to 17500ppm Zr, 3000ppm P and 110ppm HREE were returned. South of Bonnie, weak to moderate U values up to 14.5ppm U are associated with anomalous P (3200ppm), HREE (331ppm) and Zr (5900ppm). The strong correlation between U and Zr, P, and HREE suggests a fine zirconium phase within the pegmatite/felsic gneiss (?) host rock, indicating potential

for mineralisation. The presence of phosphorous and associated HREE's indicates small apatite inclusions that may host the HREE's.

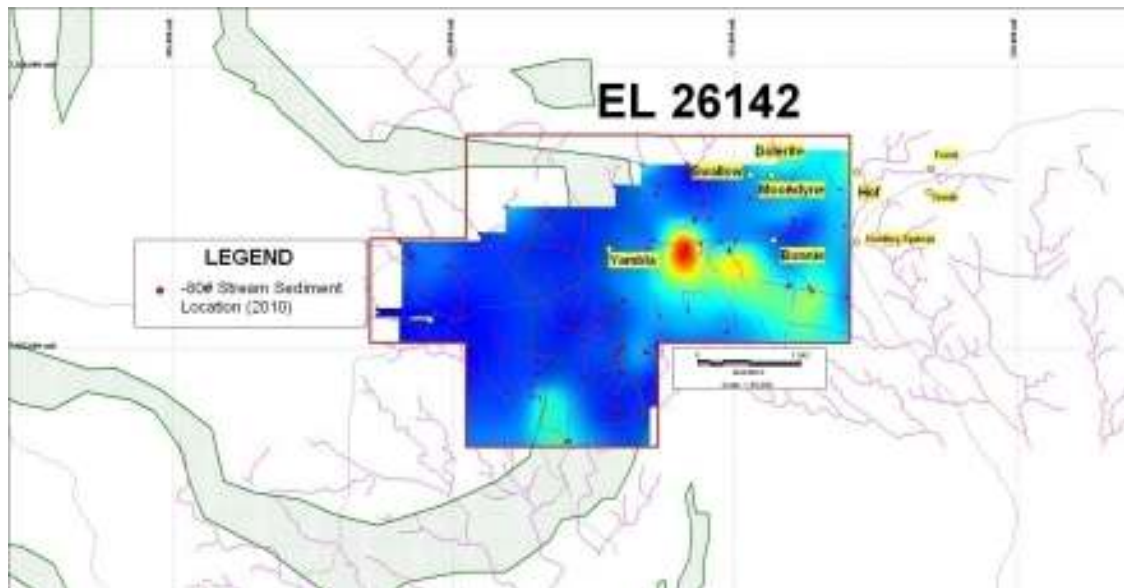


Figure 12: Gridded (id2) Geochemical Map showing distribution of U ppm

Unusually, no uranium anomalism was detected within the known U occurrences at Yambla and Moondyne - Swallow prospect areas. Either there is little or no recharge of uranium into the streams from the nearby source rocks or that the uranium is soluble and is 'flushed' away.

The distribution of the LREEs (La to Sm) appears to be confined mainly to the central part of the project area, generally within and/or on the margins of the para-amphibolite (Riddoch Amphibolite – Figure 13). Stream sediment sampling has identified 3 anomalous LREE zones (values up to 4985ppm LREE) including the Yambla prospect with corresponding elevated Th (160ppm), P (1500ppm) and weak-moderate U (18ppm) assay values. These LREE anomalies may possibly be related to metasomatic alteration/veining (?) associated with torbenite (?) mineralisation and/or apatite inclusion phases.

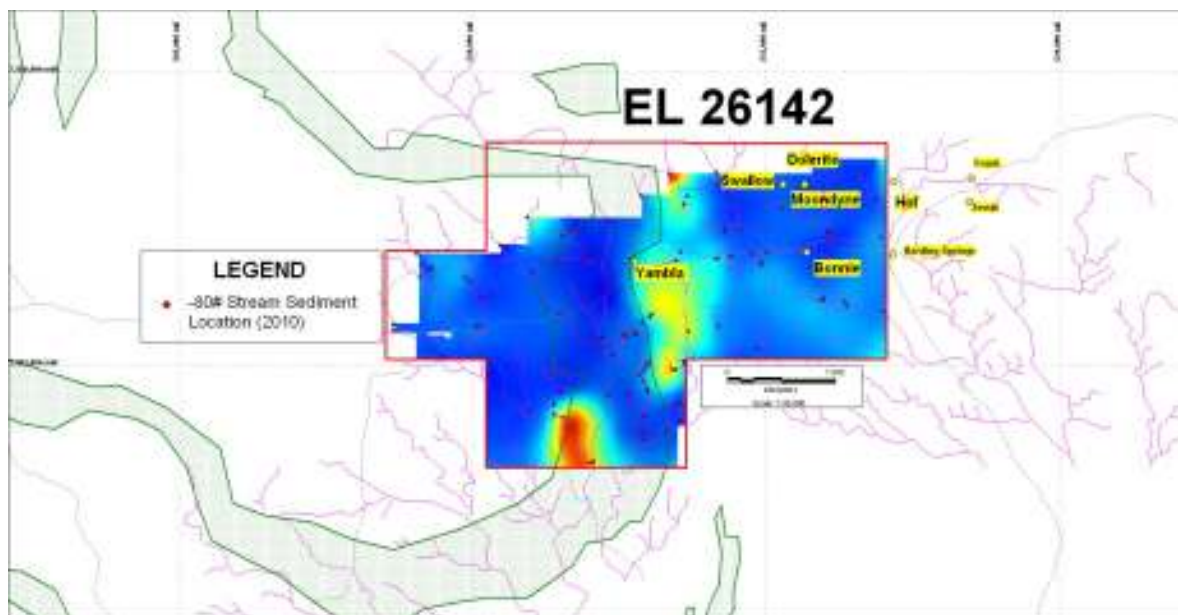


Figure 13: Gridded (id2) Geochemical Map showing distribution of LREE ppm

Regional sampling has delineated several broad HREEs (Eu to Lu) anomalies within the central and eastern parts of the study area (Figure 14). The largest anomaly, located south of the Bonnie prospect, covers several catchment areas and has dimensions of 1.1km x 0.5km. The anomaly has a peak HREE assay of 331 with corresponding P and U assays up to 3200ppm P and 14.5ppm U, respectively. The elevated phosphorous suggests that the HREE's are contained in small inclusions of apatite and/or torbenite mineralisation. The HREE anomaly located East of Yambla shows a strong correlation with Zr, P and U, indicating potential for HREE and U mineralisation within zircon bearing rocks.

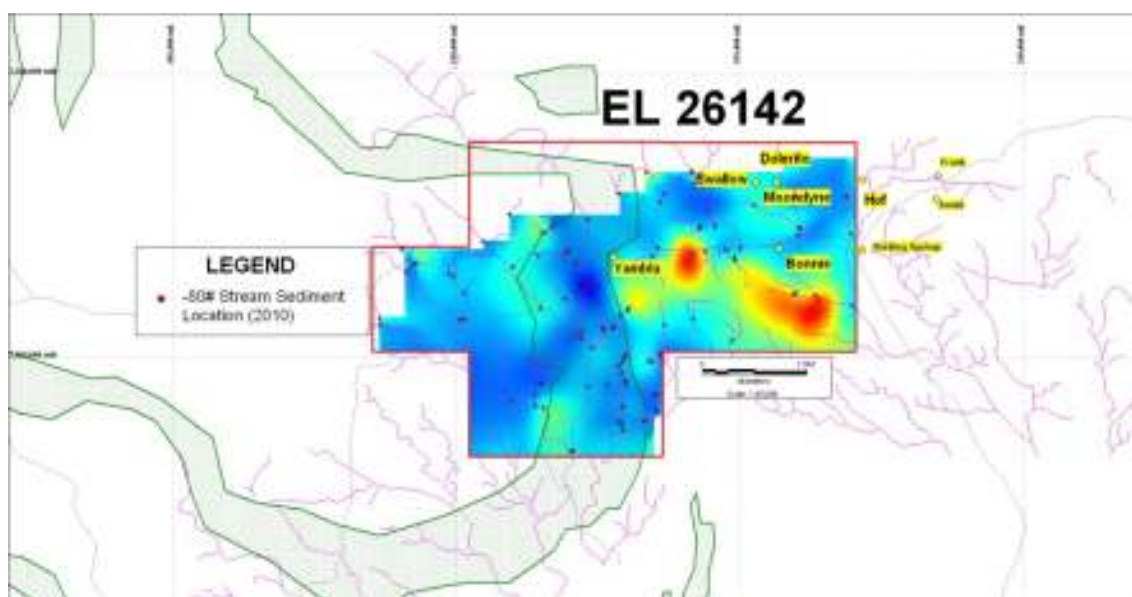


Figure 14: Gridded (id2) Geochemical Map showing distribution of HREE ppm

7.0 Expenditure Statement

Exploration expenditure for the previous reporting period (ie 18th February 2010 to 17th February 2011) amounted to \$132,750 against a covenant of \$250,000. As such, a variation in covenant has been lodged with the NTGS. A detailed breakdown of expenditure is provided in Appendix 6.

The variation in expenditure for the third year is largely due to the company being unable to finalise an exploration agreement with the Central Land Council (CLC). The CLC has been difficult to engage and despite the company having identifiable drill ready targets, the lack of an exploration agreement has seriously impeded UXA's ability to meet its third year expenditure commitment.

Since assuming management of the project in April 2010, UXA has spent in excess of \$150,000 and therefore has met its financial obligations prior to formally withdrawing from the joint venture. Appendix 6 contains a breakdown of expenses.

For the current reporting year (from 18th February 2011 to present), UXA has spent about \$29,600 (Appendix 6).

8.0 Conclusions and Recommendations

EL 26142 is being actively explored for uranium together with other mineralising styles including nickel-copper semi-massive and disseminated sulphides associated with metamorphosed amphibolites; mineralisation; pegmatite hosted REE mineralisation; PGEs within amphibolite hosted rock and Ag-Pb-Zn mineralisation within the Neoproterozoic gneisses.

At Yambla, previous drilling and trenching targeting radiometric anomalism has encountered high grade but poddy uranium mineralisation in the form of uraninite concretions over a wide area within Neo-proterozoic amphibolite. Future exploration efforts for this prospect will focus on locating economic mineralisation. Additional drilling is recommended to test the mineralising potential of the SW plunging mineralised shoots (ie parallel to a lineation in the schist) identified from mapping to host economic mineralisation and possibly missed by past PNC's E-W oriented drilling.

A previously unmapped radiogenic hornblende-bearing pegmatite at Swallow North associated with highly anomalous uranium values up to 1140ppm U3O8 requires further evaluation. Additional mapping and soil sampling is recommended prior to drill testing.

Follow-up gridding, mapping and soil sampling is proposed on the anomalies delineated from the regional stream sediment program to further evaluate the gold, uranium, HREE and LREE potential of the area.

In addition, an airborne hyperspectral survey is recommended to be undertaken to assist with alteration/regolith mapping, detecting quartz stockworks±xenotime REE phosphate, map carbonate dykes and pods as well as detect the presence of apatite in the rocks. Shallow expressions of mineralisation generated from this work will then be ranked and prioritised.

All top high priority targets generated from the hyperspectral survey as well as the will be drill tested using conventional RC/diamond drilling.

9.0 References

Hussey, K.J., Rare Earth Element Mineralisation in the Eastern Arunta Region. Geological Survey Record (2003-2004).

Mithril Resources Ltd ASX release, 16th December 2009

APPENDIX 1

Tenement Status

APPENDIX 2

Structural Consultants Report

APPENDIX 3

Rock Chip Assay Results

APPENDIX 4

-80 mesh Stream Sediment Results

APPENDIX 5

(+80, -2mm) mesh Stream Sediment Results

APPENDIX 6

Expenditure Report