PARTIAL RELINQUISHMENT REPORT FOR
EXPLORATION LICENCE 26243
MT EBENEZER

HELD BY:
QUASAR RESOURCES PTY LTD
100%

Author: Joy Barnes
Date: 18 May 2012
Distribution: Quasar Resources (1)
DRDPIFR (1)

Submitted by: [Signature]

Accepted by: [Signature]

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Summary

Quasar Resources Pty Ltd relinquished 50% of EL 26243 on the 2 March 2012.

Work completed to date includes:
- the primary ‘on ground’ activity was the collection of 461 gravity stations using helicopter support.
- the collection of 89 surface samples over the relinquished area for multi-element geochemical analysis.

There has been no exploration activity since 2009.
Proponent Details

The operator for the exploration licence is Quasar Resources Pty Ltd.

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Contact Person

Joy Barnes – Executive Assistant/Tenement Manager
1. Location and Access
EL 26243 is situated on the Henbury SG5301 and Kulgera SG5305, 1:250,000 map sheets of Northern Territory. (Figure 1) The tenement now covers approximately 124 blocks and totals 386 km² and is located west of Erldunda crossing the Lasseter Highway. Quasar Resources Pty Ltd relinquished 50% of EL 26243 in February this year (Figure 2).

Access from Alice Springs is via the sealed Lasseter Highway, which bisects the southern portion of the tenement area. Within the tenement, access is by formed gravel roads and pastoral station tracks.

2. Tenement Details
QSR holds 100% interest in EL 26243, which was granted on the 25 of March 2008. The land tenure of the licence is Perpetual Pastoral Lease and (Table 1).

<table>
<thead>
<tr>
<th>NT Portion</th>
<th>Type No</th>
<th>Owner's Name</th>
<th>Owner's Address</th>
</tr>
</thead>
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<tr>
<td>01991</td>
<td>PPL 1140</td>
<td>Fogarty Holdings</td>
<td>Palmer Valley Station, via Alice Springs NT 0872</td>
</tr>
<tr>
<td>00680</td>
<td>PPL 1056</td>
<td>Fogarty Holdings</td>
<td>Palmer Valley Station, via Alice Springs NT 0872</td>
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<tr>
<td>03336</td>
<td>Estate in fee simple</td>
<td>Impanpa Development Association Incorporated (Mt Ebenezer Roadhouse)</td>
<td>C/- Phil Ralfe – CLC PO Box 3321 Alice Springs NT 0872</td>
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<tr>
<td>01230</td>
<td>Estate in fee simple</td>
<td>Impanpa Community Incorporated (Community Living Area)</td>
<td>C/- Phil Ralfe – CLC PO Box 3321 Alice Springs NT 0872</td>
</tr>
<tr>
<td>03350</td>
<td>PPL 1088</td>
<td>John Garnaut Stanes</td>
<td>C/- Lyndavale Station, PMB, Alice Springs NT 0872</td>
</tr>
<tr>
<td>03351</td>
<td>PPL 1031</td>
<td>Ailbern Pty Ltd</td>
<td>Erldunda Station via Alice Springs NT 0870</td>
</tr>
</tbody>
</table>

Table 1: Landholders over EL 26243 Mt. Ebenezer.

3. Geology
Targeting the sandstone-hosted potential of the Palaeozoic clastic succession, including Devonian sandstones of the Amadeus Basin. This licence is located on an intra-basinal structural culmination in the southern part of the basin, and the exploration play is based largely on petroleum-style concepts.

There is potential for brine-basement interactions, and early Cambrian arkoses derived from the Musgrave Block during the Petermann Orogeny (Mt Currie Conglomerate, Multijulu Arkose, Arumbera Sandstone) are possible higher level uranium source rocks.

Seismic data suggests the potential for the focusing of deep basinal, saline and oxidative brines derived from a thick evaporate section of the Neoproterozoic Bitter Springs Formation into high level mixing zones and trapping with hydrocarbons. Such saline fluids are known to be effective in leaching and transporting uranium (Heinrich et al., 1995)
4. Exploration Work Completed

4.1 Gravity

A precision GPS-Gravity survey was conducted by Daishsat Geodetic Surveyors between 12 November and 4 December 2008. A total of 461 stations were collected over the relinquished area of the tenement at a nominal station spacing of 1km.

Stations were accessed using a Robinson R-44 Helicopter and Yamaha Rhino ATV’s. Gravity measurements were made using Scintrex CG-3, Scintrex CG5 and LaCoste & Romberg Type-G gravity meters. Position and level data was obtained using Leica 1230GG geodetic grade GPS receivers collecting GPS and GLONASS positional information operating in post-kinematic mode. Data was processed by Daishsat using standard reductions to the ISOGAL84 gravity network using Geosoft GRAVRED software.

This survey was conducted as part of a larger survey covering three explorations licenses operated by Quasar Resources. A full logistics report which details the acquisition methodology and data processing by Daishsat is included in Appendix A.

The 1km x 1km survey was the result of the NTGS’s “Bringing Forward Discovery” initiative for collaboration in geophysics surveys. The additional traverses were not part of the geophysics collaboration.

4.2 Surface Sampling

Surface samples were collected on an 800 x 800 m grid over EL 26243 Mt. Ebenezer. Sample locations were moved off the square of the grid where they were outside any traditionally significant areas (such as salt lakes) and sand dunes. Areas of extensive sand dunes outside this programme were not sampled. The location of sample points over the relinquished area can be seen in Figure 3.

Preferentially, calcrete samples were collected, followed by ferricrete. If neither were intersected to a depth of 1 m a soil sample was taken. The presence of calcrete was tested using 10% HCl. Where nodular or sheet calcrete was intercepted the samples were sieved to collect the nodules, otherwise whole soil samples were taken. Samples were approximately 1.0 kg.

Details of the samples which fall within the relinquished area are shown in Appendix B.

A total of 89 surface samples submitted for geochemical analysis fall within the relinquished area. Three different preparation/analytical techniques, each with a specific suite of elements, were used (Table 2). ME-MS62 is a whole rock near-total four acid digest with ICP-AES finish. ME-ICP61 is a four acid digest with ICP-MS finish. ST44 is a gold analysis by aqua-regia extraction with ICP-MS finish.

A record of the type of calcrete; cover lithology, type and characteristic; acid reaction; type of outcrop present (if any) and terrain type was taken at each sample location.

<table>
<thead>
<tr>
<th>Method ME-MS62</th>
<th>Method ME-ICP61</th>
<th>Method ST44</th>
</tr>
</thead>
<tbody>
<tr>
<td>Element</td>
<td>Unit</td>
<td>LLD</td>
</tr>
<tr>
<td>U</td>
<td>ppm</td>
<td>0.1</td>
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<tr>
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</tr>
<tr>
<td>Ag</td>
<td>ppm</td>
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</tr>
</tbody>
</table>
Due to the three different sample media collected, analysis of each medium was undertaken separately.

4.3 Results

A zone of anomalous uranium is seen in the south east of the programme area which will not be relinquished. This roughly coincides with exposures of Siluro-Devonian Mereenie Sandstone and Devonian Horseshoe Bend Shale. Smaller anomalies occur north of Basedow Range and are near out- or sub-cropping Mereenie Sandstone and Horseshoe Bend Shale.

All the >5 ppb results for gold in calcrete occur near out- and sub-cropping Mereenie Sandstone. A broad anomalous area for ferricrete and soil results exists to the north of the Basedow Range.

Three small anomalous zones occur for silver, one to the north of Basedow Range, one to the east and one to the south east, all of which do not cover the area being relinquished.

A zone of elevated lead, zinc and copper is seen in the south-eastern part of the programme area. These zones approximately correspond with areas of outcropping Siluro-Devonian Mereenie Sandstone and Devonian Horseshoe Bend Shale. Several smaller anomalies, including the highest lead result, occur north of Basedow Range.

5. Conclusions

The area being relinquished is considered to have either lower prospectivity for sediment-hosted uranium or is relatively inaccessible due to sand dunes. Results show a zone of elevated results for several elements which roughly corresponds with exposures and sub-cropping occurrences of sandstone formations. The proximity of potential source rocks from the adjacent Musgrave Block points to a possibility of sandstone hosted uranium mineralisation.

6. References


Figure 2

Project: NORTHERN TERRITORY

EL 26243: Mt Ebenezer
BOUGUER GRAVITY

Figure 2

Requested by: B. Packer
Designed by: J. Ross
Sheet: 1:200,000
Datum: MGA Zone 53, GDA 94

Date: 10.05.2012

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