Operator: Crossland Uranium Mines Ltd

Chilling -Tipperary

Annual Report for Year Six and Final Surrender Report for EL 25078 for the period 18 September 2006 to 17 September 2012

Tenement Holders: Crossland Mines Pty Ltd

Matthew Buskas
September 2012

Summary

Originally comprised of 64.5 sub-blocks (216.2 km^2) EL 25078 was held as part of Crossland Uranium Mines Ltd's Chilling Project. Work within the license during the period of tenure consisted of reconnaissance, geological mapping, radiometric and magnetic airborne surveys, aircore drilling and airborne electromagnetics. The EL was surrendered on 17 September 2012. Crossland's primary target was uranium.

Bibliographic Data

Report Title	Annual Report for Year Six and Final Surrender Report for EL 25078 for the period 18 September 2006 to 17 September 2012
Author	Matthew Buskas
Project Name	Chilling Project - Tipperary
Tenement Number	EL 25078
Tenement Holder	Crossland Mines Pty Ltd
Operator	Crossland Uranium Mines Ltd
Commodities	Uranium, base metals
1:250 000 Map Sheet	Pine Creek (SD5208)
1:100 000 Map Sheet	Reynolds River (5071), Daly River (5070)

Appendices

1 2008 GPX Airborne Survey Logistics Report (EL25078_2012_F_02_A1_MagRadLogistic.pdf)

2 2008 GPX Airborne Survey Data (EL25078_2012_F_03_A2_MagRadData)

3 Ground Radiometric Surveys (EL25078_2012_F_04_A3_GroundRad)

4 Aircore Lithology Logs (EL25078_2012_F_05_A4_ACLith.txt)

5 Aircore Hole Locations (EL25078_2012_F_06_A5_ACollar.txt)

6 Aircore Chip Tray Photos (EL25078_2012_F_07_A6_ACPhoto.pdf)

7 Rum Jungle AEM Report (EL25078_2012_F_08_A7_AEMReport.pdf)

Figures

Table of Contents

1 Introduction

1.1 Background

The Chilling area was initially selected because of the presence of a 'Primary Hub', which was identified using confidential technology supplied by Paradigm Geoscience, (now Global Geoscience Limited). The aim of the technology is to identify targets for mineral exploration with the same signatures as major mineral deposits. The method offers a means to identify important mineral resources without the need to acquire title to broader areas, with the resultant demanding access and land use challenges. Because of the restricted areas selected, more intensive exploration than would be normal in greenfields exploration can be focused on the limited area by even junior mineral explorers such as the holders. The Hubs have responded to the selection process in a similar fashion to major mineral deposits. It is to be expected that in most cases the target deposits do not outcrop, or they would already have been discovered, so it will be necessary to penetrate the overburden to make discoveries. The selection technique does not permit identification of target commodities, and these must be determined by consideration of regional metallogenic factors and field reconnaissance.

1.2 The Target Area

The Chilling Target Area as identified by Paradigm Geoscience became the now surrendered EL 23682. The region is situated at or close to a locus of important geological features including the Litchfield Province, the Fitzmaurice Mobile Zone, the Pine Creek Geosyncline and the Daly Basin. Some important intersecting bounding structural features are also present as are an unusual diversity of intrusive rocks, as demonstrated by the airborne radiometrics and magnetics.

The principal focus is on the paleoproterozoic basement and the unconformably overlying Mesoproterozoic platform cover, a combination which extends throughout much of the project licences and covers a considerable strike length. The more recent licence acquisitions, which now make up the Chilling Project, are considered highly prospective for the classic basement-hosted, unconformity-related uranium deposits and also structurally controlled deposits within or adjacent to granites.

2 Location and General Description

The approximate geographic centre of EL 25078 is located about 28 kilometres (km) northeast of the Daly River Crossing. Access from Darwin is gained by following the Stuart Highway to Adelaide River and then following the Dorat Road to the Daly River Road and continuing west towards the Daly River Crossing. Location is illustrated in Figure 1. Access within the northern most limb of the

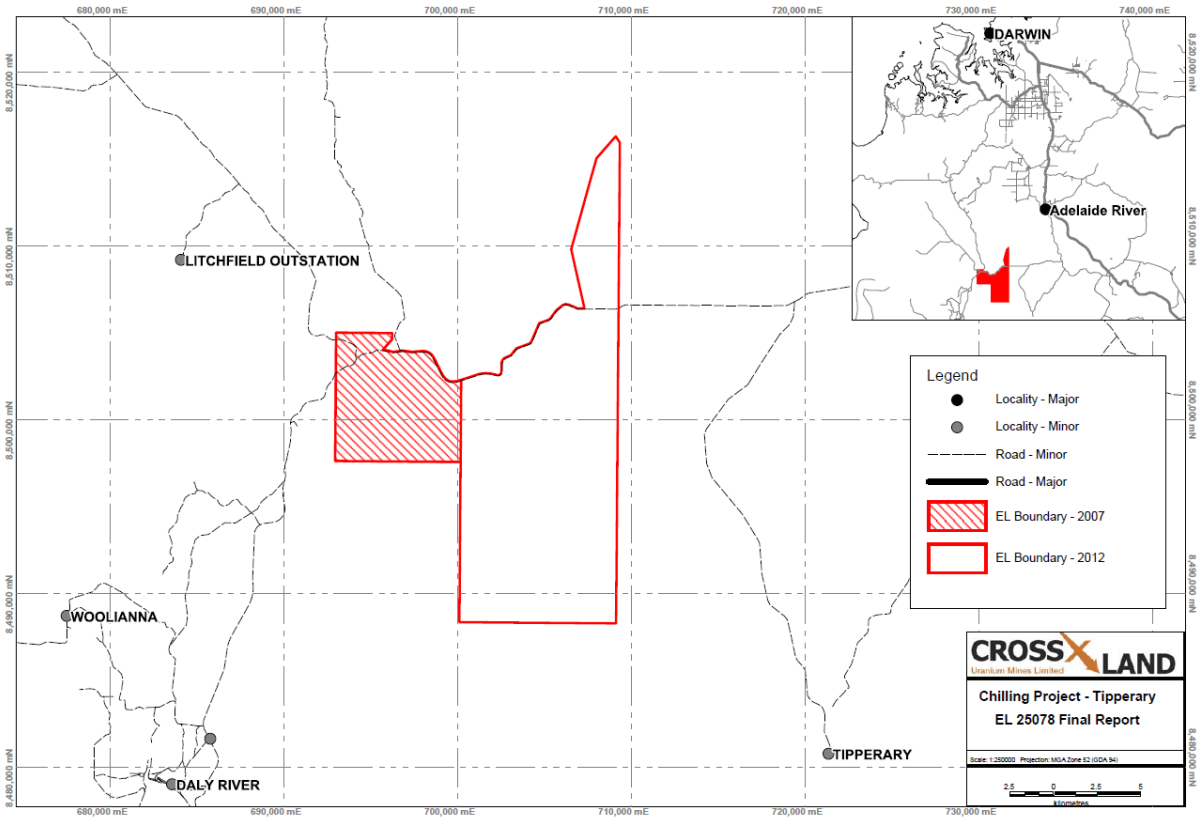

Figure 1. Location of Tipperary EL 25078

tenement north of the Daly River Road and west of Litchfield Park is excellent as a station track traverses the area. Likewise access to the westernmost part of the EL is good as this area is crossed by both the Daly River Road and a station track which leads south from the Daly River Road about 35 kms east of the Daly River Crossing. This EL overlaps with NT Parcels 2681 and 2682 which are held by Branir Pty. Ltd (ACN 061 718 876) and NT Parcel 3037 which is held by Australian Telecommunications Corp. The area is subject to a Native Title Claim, FC_No. NTD8/07, Tipperary (KAMU).

3 Tenure Details

EL 25078 (Tipperary) was granted for a six year term on 18 September 2006.. The title originally covered an area of 64.5 sub-blocks (216.2 km^2). A Waiver of Reduction was granted on 17 September 2009 allowing all sub-blocks to be retained. In 2010, 24 Sub-blocks were relinquished leaving a total of 49 sub-blocks (145.12 km^2). In August 2011 a further 33 sub-blocks were relinquished. On 17 September 2012 the remaining 16 blocks of EL 25078 were surrendered at the expiration date of the EL.

2.1 Joint Venture Details

Pancontinental Uranium Corporation and Crossland Uranium Mines Ltd. currently have an agreement whereby Pancontinental has a 45% interest in Crossland held ELs within the Northern Territory where uranium and/or rare earth elements are the target commodity.

4 Geology

4.1 Regional Geology

The Chilling Project tenements are covered by three 1:100,000 scale maps, which from north to south are the Reynolds River, Daly River and Wingate Mountains sheets. Details as follows:

- NTGS 1:100,000 Wingate Mountains Sheet, published with explanatory notes, in 1989 (Edgoose *et al*, 1989).
- NTGS 1:100,000 Daly River Sheet, published with explanatory notes in 1987 (Dundas *et al*, 1987).
- NTGS 1:100,000 Reynolds River Sheet, published with explanatory notes in 1989 (Pietsch, 1989).

The geology of the project area is illustrated in Figure 2. The figure was constructed from the 1:250,000 scale geological map of the Northern Territory (Ahmad and Scrimgeour, NTGS 2006).

In summary, the rock units present within the company's licences range in age from Paleoproterozoic to Cretaceous with development of Tertiary and Quaternary deposits in places. The dominant mapped stratigraphic units are

- The Paleoproterozoic Finnis River Group metasediments, consisting of greywacke (lithic quartz arenite), phyllite and minor conglomerate with locally developed andalusite schist and carbonaceous/graphitic schist. The Chilling Sandstone is present in the southern part of the tenement package and contains some interbedded volcanics. These rocks form the basement throughout much of the region.
- The middle Proterozoic Tolmer Group, present as remnants of regionally extensive platform cover rocks. Dominant lithologies within the tenements are quartz arenites. These grade upwards into carbonate dominant sequences. The basal unit, the Depot Creek sandstone, is seen to be unconformably overlying the paleoproterozoic and various granites.
- Cambrian volcanics, limestone and minor sandstone. Remnants are present within some tenements. Best exposures are in ELs 25076 and 24557, which fringe the western extremity of the Daly Basin and in EL 22738.
- Cretaceous sediments. Mostly confined to the Wingate Mountains in the south, overlying the Tolmer Group.
- Various intrusives. Soldiers Creek, Allia, Reynolds River Granite, basic rocks etc.

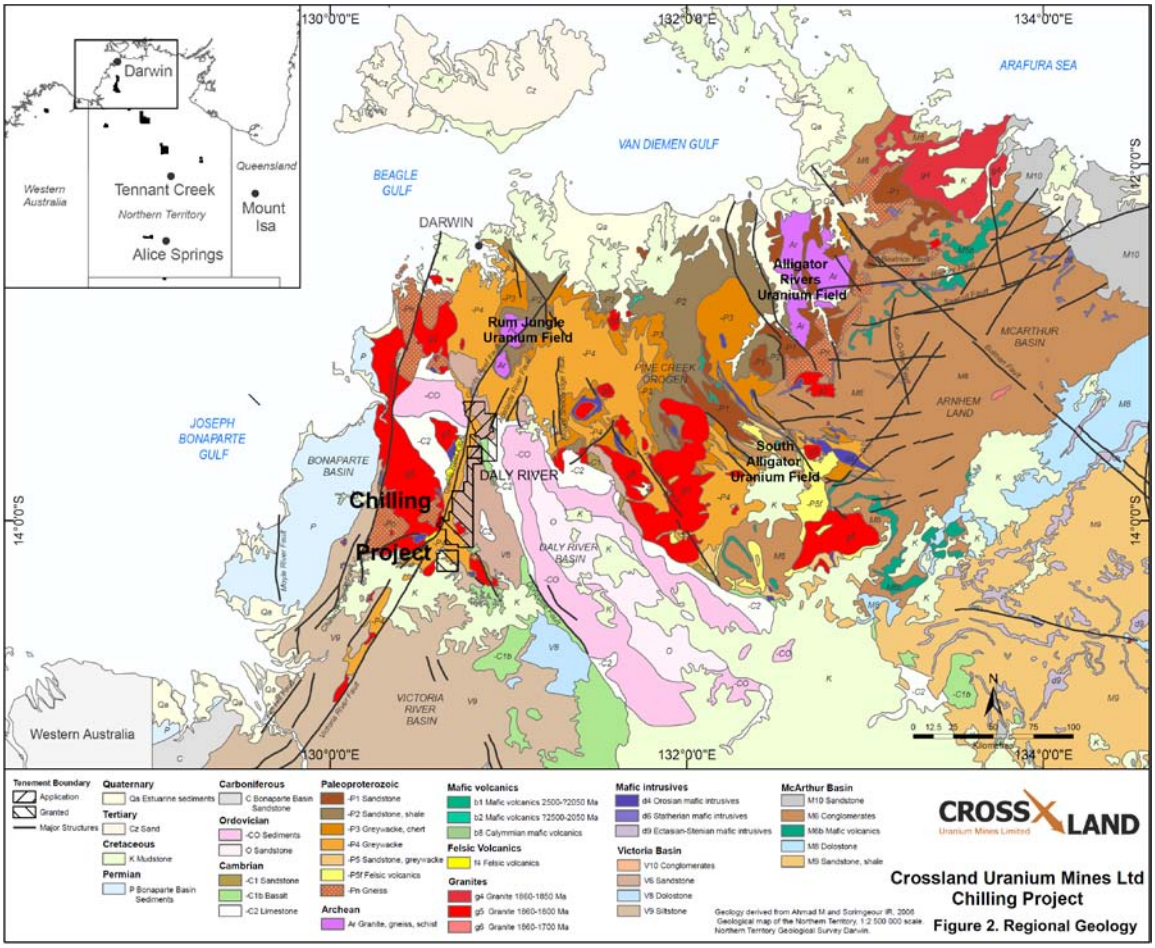

Figure 2. Chilling Project 1:250 000 Geology

4.2 EL 25078 Geology

From oldest to youngest and from west to east, the main rock units are the lower Proterozoic Burrell Creek Formation, Tolmer Group, Uniya Tillite and the lower to middle Cambrian rocks comprising the Antrim Plateau Volcanics and the Daly River Group sediments. The Burrell Creek metasediments are tightly folded and have a regional strike to the NNE. They are partially covered by the unconformably overlying, shallow dipping Depot Creek Sandstone. To the east the sandstone is progressively obscured by Uniya Tillite and younger volcanics. Tertiary palaeosoils cover much of the Daly River Group; however occasional exposures of the Tindal Limestone member have been mapped in this part of the tenement.

5 Previous Exploration

In 2007 Crossland conducted a search of the Northern Territory Geological Survey's "STRIKE" (Spatial Territory Resource Information Kit for Exploration) data base. Results indicated 9 historical APs (Application to Prospect) and 79 historical ELs overlap geographically with ELs of the Chilling Project. Naturally a large number of companies and individuals have explored for a variety of commodities

including gold, base metals, barite, cobalt, chromium, diamonds, fluorite, limestone, nickel, PGE's, silver, tin, tantalum and uranium. The "STRIKE" database indicates that there are 234 open file annual reports describing exploration undertaken by lease holders on these historical tenements. To summarize all this work is well beyond the scope of this report. However, there were several exploration programs undertaken within the district that are worth noting.

In the early 1970s Kewanee Australia Pty Ltd undertook an extensive exploration program primarily for base metals, their tenement holdings overlapping with the northern part of the project area. Towards the end of their program Kewanee conducted an airborne radiometric survey during which they discovered two weak radiometric anomalies, one (A2) was flagged for follow up work with 8 soil samples collected the best result being 12 ppm U_3O_8. In the mid-seventies Le Nickel Exploration Pty. Ltd. was engaged in exploration for base metals to the west of the northern part of the project area.

In the 1980s Sutton's Motors acquired a substantial ground holding within the district and engaged in joint ventures with other companies to explore for a variety of commodities including diamonds, gold, tin and uranium. The Sutton's Motors / Mobile Energy Minerals Australia joint venture explored for gold tin and uranium to the north of Fletcher's Gully within EL 25076. This work identified the presence of alluvial gold and tin as well as identifying an uraniferous showing referred to as Binn's Shear.

Also in the 1980s both Ashton Mining Ltd and Stockdale Prospecting Ltd. sampled the area of EL 23628 for diamonds, but the results were negative. Carpentaria Exploration Company (CR1986/120) completed quite intensive investigations of Terry's Prospect, a series of narrow but in places high grade veins in and around the outcropping area of Berinka Volcanics to the west of the project area. They also conducted regional gold exploration over an area which included the western parts of the project area, and in the process identified the Bubbles Prospect about 5km west of the western boundary of EL 23682, and the Anniversary Ridge Prospect, which is associated with a breccia zone which trends beneath Cretaceous cover on the western margin of the EL. Another area of elevated BLEG and As results were found overlapping with the southwest corner of EL 25076, and is perhaps an extension of the Fletcher's Gully mineralisation.

From the late 1980s to the early 1990s both Renisons Goldfields Consolidated Ltd and Northern Gold NL explored within the district including parts of the project area for gold. Although these companies identified sites with anomalous gold geochemistry none were judged to be significant enough to undertake extensive follow up work. Also during this period Total Mining Australia Pty Ltd in joint venture with PNC Exploration (Australia) Ltd conducted a program of uranium exploration which took in part of the northern Chilling Project area. During the course of their work they renamed Kewanee's A2 radiometric anomaly Eccles I and during the course of their work discovered Eccles II which Prospect.

PNC Exploration (CR1995/188) in the mid 1990s undertook an extensive examination on and around an earlier discovery of minor secondary uranium mineralisation by Planet Management and Research Pty Ltd in the late 1960s. This is associated with alteration zones in the Soldier's Creek Granite, which forms a batholith several km to the south of the southern boundary of EL 25076. This granite is heavily greisenised and contains the numerous small tin showings at Collah near its southern extremity, about 25km to the south of EL25076. PNC did take several BLEG and stream sediment samples within the area of EL23682, but these did not return anomalous values. Indeed,

only one sample returned detectable levels of gold. PNC also completed a 200m spaced airborne magnetic and radiometric survey which covers the licence area.

The results of the literature research indicated that within the project area exploration has been carried out to varying degrees, with some areas more highly explored than others. This is due in part to differences in the prospectivity over the area but it also reflects the difficulty of gaining access to certain areas, particularly EL 23682. Furthermore, with regard to EL 23682, the presence of a thin layer of cover rocks and the swampy conditions present over most of the EL including some of the major drainages has resulted in adequate sample sites being few in number and thus only allowing for limited exploration.

6 Work Completed

This section has been compiled from previous annual reports for the Chilling Project. Below is a yearly breakdown of the work completed:

6.1 Year 1

Work undertaken on EL 25078 included automobile reconnaissance to identify road access and undertake some first pass radiometric prospecting.

6.2 Year 2

An airborne radiometric and magnetic survey was completed over the entire Chilling Project. Crossland Uranium Mines contracted GPX Aeroscience Pty Ltd (GPX) of Perth WA to conduct the surveys. The survey was carried out between 9 November 2007 and 4 December 2007 with the crew operating out of the town of Batchelor.

The surveys were flown using a Cessna 210 fixed wing aircraft. Equipment used to conduct the survey included a Billingsley Ultra Miniature TFM 100G2 fluxgate magnetometer, a Pico Envirotec G-Mag with Scintrex CS-3 Cesium vapour sensor base magnetometer, a Pico Envirotec GRS-410 gamma ray spectrometer and a Rockwell Collins ALT-50A radar altimeter.

The survey was originally planned to be on 100m line spacing but because the survey was started late in the season after rains had commenced the line spacing was increased to 200m. The survey was conducted at a height of 60 m. The amended logistics report for this survey is located within Appendix 1. Cookie-cut data for EL 25078 is located within Appendix 2.

Following processing of the airborne radiometric data, 4 anomalies were identified as priority for follow-up ground assessment within the relinquished ground. The latter exercise was undertaken by helicopter in April 2008 with each anomaly being identified on the ground by traversing with a spectrometer. The geological environment was also described. This process led to all being considered worthy of further, more detailed work. Locations of anomalies are illustrated in Figure 3.

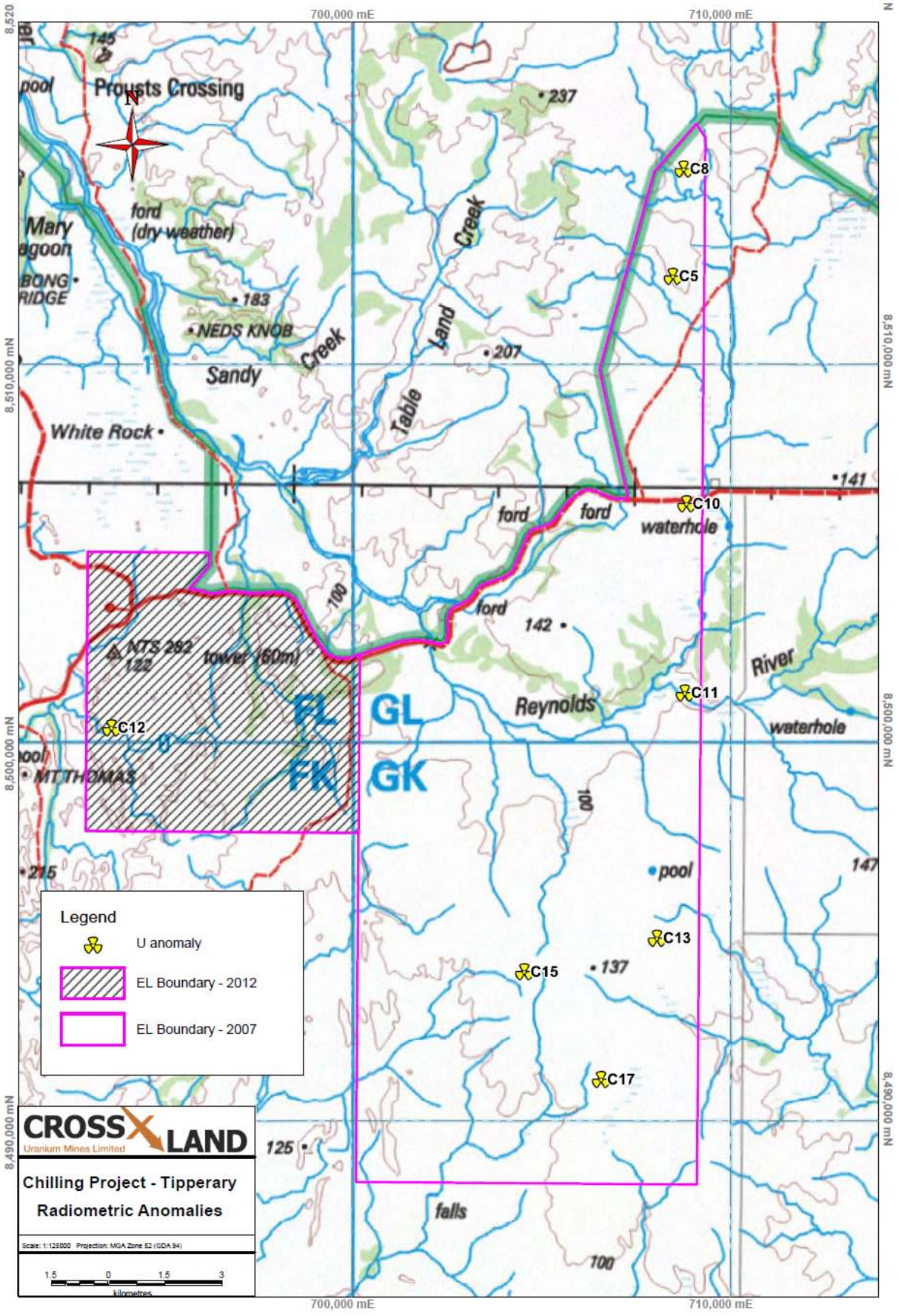

Figure 3. Locations of Radiometric Anomalies

Close-spaced spectrometer surveys were carried out on 5 of the anomalies during the reporting period. At selected anomalies C5, C12, C13, C15 and C17; surveys were completed using a Pico Envirotec PGIS 21 continuous reading spectrometer with dedicated Garmin GPS. If the terrain allowed, the operator utilised an ATV with the equipment mounted on the front of the vehicle. Data from the ground based radiometric surveys is located within Appendix 3. Locations of the anomalies are illustrated in Figure 3.

6.3 Year 3

An aircore program was commenced and completed in November 2008 by McCleod Drilling of Roxby Downs, South Australia. The object was to investigate two weak but well defined radiometric anomalies designated as C13 and C15. Both anomalies are located on the western margin of the Cambrian Daly Basin within the Tipperary pastoral lease, approximately 30 to 40 km south of the Daly River road. Rock types in this environment are mapped as limestone, calcareous sediments and vesicular basaltic rocks of the Antrim Plateau volcanics. Locations of the two anomalies are and drillholes are illustrated on Figure 4. The drilling was conducted over several traverses, which adequately covered each anomaly.

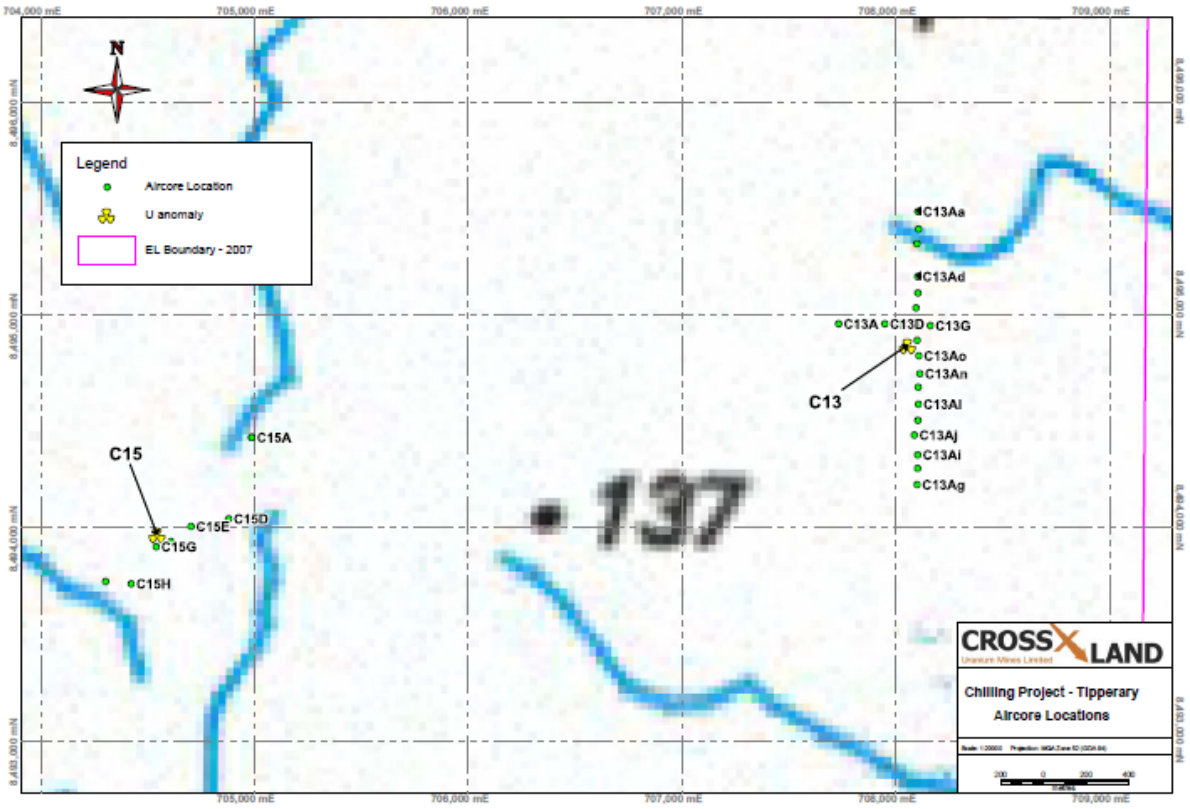

Figure 4. Aircore locations

Drilling results for C13, the most easterly anomaly, indicated regolith up to 15 m deep with bedrock being described as predominantly calcareous shale. Only slight variations in the downhole radiometric response were observed; only marginally above background. Twenty three (23) holes were drilled over this anomaly, ranging in depth from 12 to 45 metres. Anomaly 15 is located

approximately 5 km WSW of 13. Eight (8) holes were drilled ranging in depth from 21 to 63 m. Two holes were terminated in basalt, the others in variably coloured weathered or fresh crystalline limestone. Radiometric response was uniformly low. Aircore locations, lithology logs and photos of the chips retained from the drilling are presented as Appendix 4, 5 and 6.

6.4 Year 4

Data from a TEMPEST EM survey was received from Geoscience Australia (GA) in the latter half of the reporting period for the subject EL. The survey was co-funded by Crossland and GA. Preliminary in-house processing was carried out and some interpretation finalised. Several days of follow up reconnaissance were completed, mainly confined to outcropping areas of Tolmer Group sandstones north of the Hayward Creek prospect, and in the northeast corner of the licence, to investigate the surface environment of interpreted EM features of interest. Attached within Appendix 7 is "Rum Jungle Airborne Electromagnetic (AEM) Mapping Survey Acquisition and Processing Report for Geoscience Australia." Data or this survey is readily available through GA and therefore not included within this report.

6.5 Years 5 and 6

During this period field work was limited because of an excessive wet season in 2011. During 2012 Crossland elected to focus their time and money on other tenements within the Chilling Project.

Work within this period included:

- Reprocessing of data
- Data compilation
- Reconnaissance
- Geological mapping

7 Conclusions and Expenditure

Crossland relinquished EL 25078 in leu of higher priority targets within the Chilling Project and to limit cost. Expenditure over the course of tenure was $355 701. A yearly breakdown of expenditure is listed in the table below.

Year	Expenditure
1	$5,000
2	$62,460
3	$178,166
4	$54,282
5	$36,920
6	$18,873
Total	**$355,701**

8 References

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