YEAR 3 REDUCTION REPORT

EXPLORATION LICENCE EL27568

Ooratippra Project

For the reporting period 3rd March 2010 to 2nd March 2013

CKA Resources Pty. Limited

Project Name: Ooratippra

Map Sheets: ELKEDRA SF53–07 1:250,000

Commodities: Gold, Base Metals, Diamond

Licensee: CKA Resources Pty. Limited.

Author: A Chapman

Date: April 2013

CONTENTS

LIST OF FIGURES

LIST OF TABLES

SUMMARY

EL27568 is part of the CKA Resources Pty Limited's (CKA) Ooratippra Project. CKA purchased the project in 2011 from Acacia Minerals Pty Limited, a wholly owned subsidiary of Equator Resources Limited. The transfer was approved by the department on 31/10/2012. The Ooratippra Project covers approximately 1,800 square kilometres straddling the Sandover Highway approximately 300 kilometres northeast of Alice Springs.

During year 3 CKA reduced EL27568 by 24 blocks this report details exploration undertaken on the relinquished ground for the duration it was held.

In 2010 the previous owner of the Ooratippra project ELs, NT Resources Ltd, applied for and was awarded a 'bringing forward discovery' geophysics collaboration with the NT Government for the Ooratippra project. A 1km spaced gravity survey was completed by NT Resources as set out in the collaboration. A total of 56 stations were taken within the relinquished ground.

Although some of the 24 blocks relinquished were within an overall NW trending gravity high no significant residual gravity anomalies were identified. The large NW trending high was interpreted to be too large to be associated with IOCG mineralisation and also at a much deeper depth (1km) than other anomalies within the project group. The ground was subsequently relinquished in year 3 as part of a project wide reduction.

1.0 INTRODUCTION

EL27568 is part of CKA's Ooratippra Project, purchased from Acacia Minerals Pty Ltd, wholly owned subsidiary of Equator Resources Limited. The transfer was approved by the department on 31/10/2011. The Ooratippra Project covers approximately 1,800 square kilometres straddling the Sandover Highway approximately 300 kilometres northeast of Alice Springs.

The project consists of Exploration Licences EL 27568, EL 27626, EL 27714, EL 27715, EL 27716, EL 27717, EL 27718, EL 27719, EL 27720, EL 28308, EL 27526, EL 29443 and EL 29444. EL27526 was previously SEL 27526 (granted in March 2010) which replaced EL's 22488, 24822, 24993, 25019 and 26866.

The Company recognises the similarities between the Ooratippra regional co-incident magnetic and gravity anomalies and the Olympic Dam style iron oxide copper gold ("IOCG") deposit's geophysical signature.

This conceptual model was tested initially by a detailed gravity survey with the objective that any near surface anomalies would be tested by a proposed drilling program.

While minor exploration for base metal mineralisation hosted in calcareous sediments of the Georgina Basin cover sequence has been previously undertaken by various companies, no systematic investigation of the pronounced magnetic and gravity anomalies in the Altjawarra Craton basement had yet been conducted. The Altjawarra Craton (Myers, J. S. et al 1996) is the completely buried south-eastern extension of the composite North Australian Craton in which, among other attributes, most of Australia's producing diamond mines are found. The project covers its geophysically-defined 'Altjawarra Cratonic Nucleus'.

2.0 LOCATION

The Ooratippra project is situated approximately 350km southeast of Tennant Creek and 300km northeast of Alice Springs. The Licence area spans the boundaries of the Elkedra and Huckitta 1:250 000 scale map sheets and are located on the Lucy (6153) and Ooratippra (6154) 1:100 000 scale map sheets.

Access to the Licence area from Tennant Creek is south via the Stuart Highway and then east onto the Ali Curung Aboriginal Community road. This leads to the Sandover Highway which is then followed approximately 80kms east to the northwest portion of the Licence area. Alternatively, the Licence area can be accessed via the Sandover Highway from Mount Isa or Alice Springs, and south using the Lucy Creek Station roads.

Most of the EL has little relief and vegetation, and is quite accessible via good station tracks servicing the water bores in the area.

There is also a good all-weather landing strip approximately 3 kilometres south of the Ooratippra Homestead.

Much of the project area is drained by the upper tributaries of the east flowing Sandover River system which includes Ooratippra Creek. These watercourses flow after rain during the wet season but are dry for most of the year.

Figure 1 shows the location of the Exploration Licences within the Ooratippra Project area in relation to the Sandover Highway.

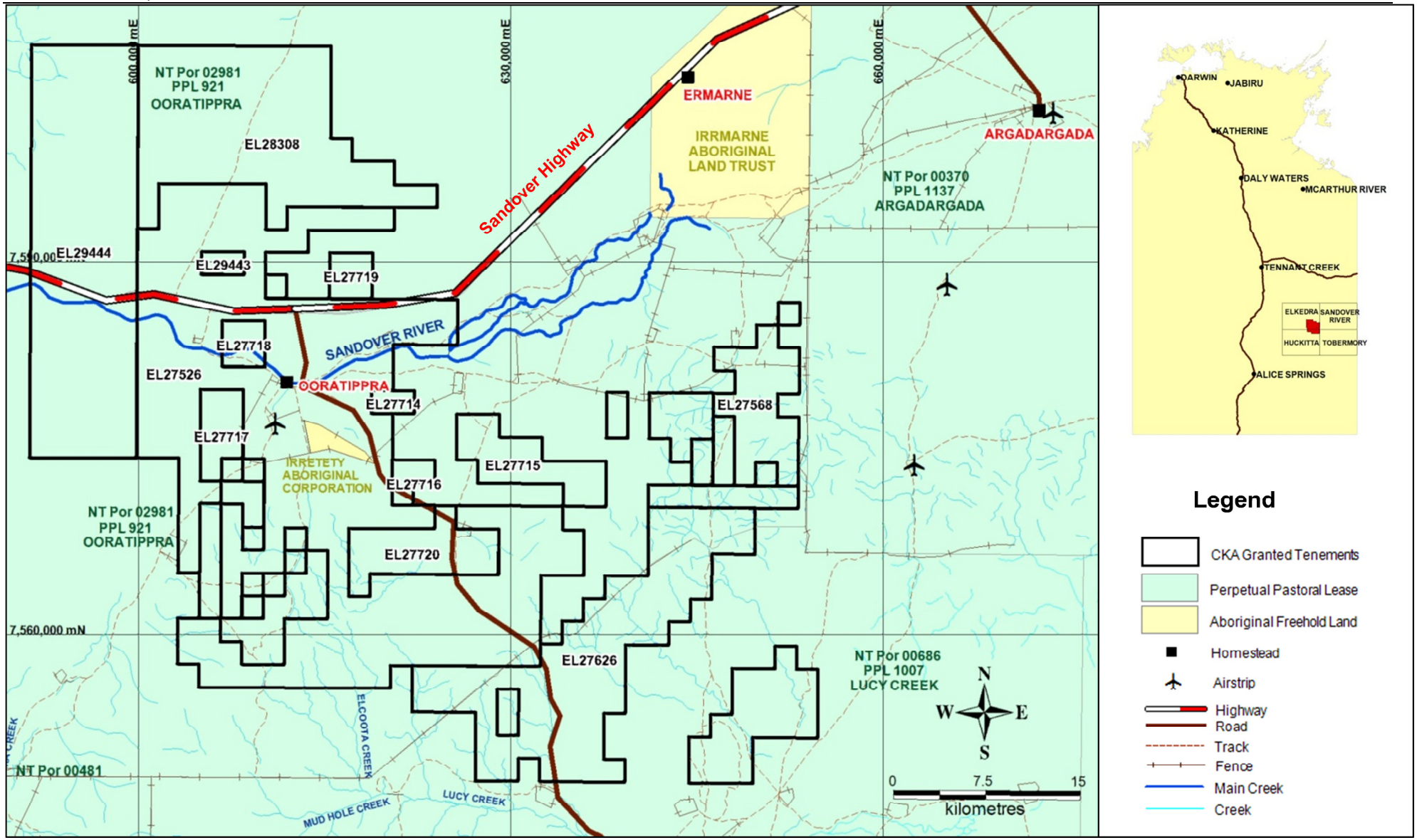

Figure 1: Ooratippra Project Location Plan

3.0 TENURE

EL27568 is 100% owned by CKA Resources Pty Limited, purchased from Equator Resources Limited. It was purchased from Equator Resources in 2011 with transfer approved 31/10/2011.

The tenement was granted on 3/3/2010. At the end of year 2 a waiver from reduction was applied for and granted. During year 3 twenty four blocks were relinquished as part of a project wide reduction. This report details exploration undertaken on the relinquished ground for the duration that it was held.

The license lies within NT Portion 2981, being Ooratippra Perpetual Pastoral Lease 921.

The project consists of Exploration Licenses EL 27568, EL 27626, EL 27714, EL 27715, EL 27716, EL 27717, EL 27718, EL 27719, EL 27720, EL 28308, EL 27526, EL 29443 and EL 29444. Amalgamated Reporting for the project was granted on 9/3/12 (GR222/12).

There is currently one approved native title claim over the project area, represented by the central land council: NTD6043/01, DC01/42 Kngwarrey on behalf of the members of the Irrkwal, Irrmarn, Ntewerrek, Aharreng, Arrty/Amatyerr and Areyn Landholding Groups v Northern Territory of Australia [2011] FCA 428 (5 May 2011).

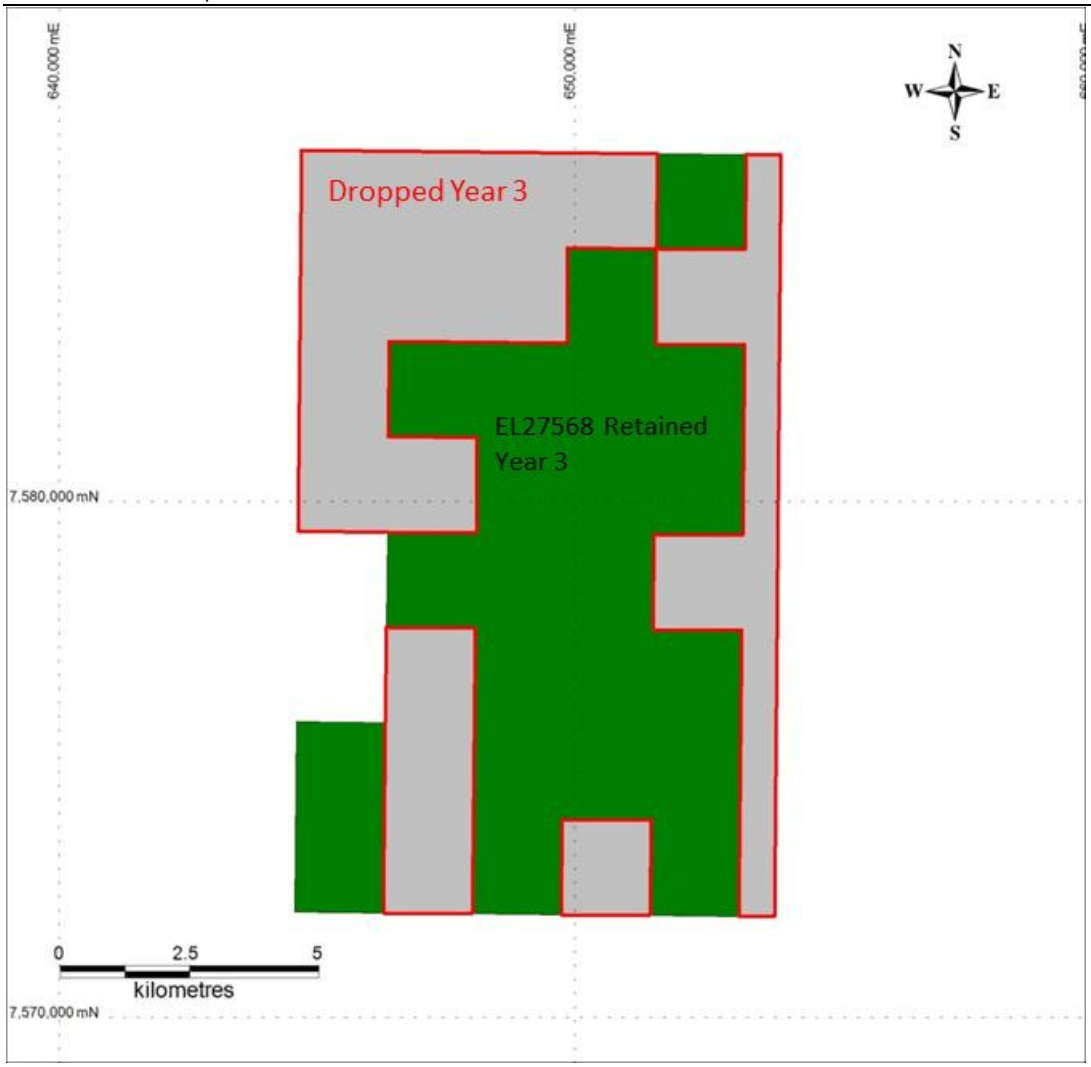

Figure 3: EL27526 Reduction History

4.0 GEOLOGY

4.1 Regional Geology

The Georgina Basin (Dunster, et al 2006) is a 330,000km2 erosional remnant of a series of originally interconnected central Australian intracratonic basins, including the Savory, Officer, Ngalia and Amadeus Basins, which range from Neo-proterozoic to mid-Palaeozoic in age. It covers most of the central-eastern Northern Territory and extends into Queensland. In excess of 1.5km thickness of Neo-proterozoic sedimentary rocks are preserved in down-faulted blocks and half-grabens on the southern margin of the Georgina Basin in the Northern Territory. Depocentres and synclines contain up to 2.2km of Cambrian to Devonian stratigraphy. The southern part of the basin contains the thickest successions and demonstrates the strongest structuring related to distal effects of the 320Ma Alice Springs Orogeny. This part of the basin is the most prospective undeveloped onshore petroleum province in the Northern Territory.

In contrast to the southern region, the central Georgina Basin north of latitude 21°S (well outside the project area) contains a relatively thin stratigraphic succession less than 450m thick, deposited on a tectonically quiescent platform. This central platform has been subdivided into the eastern Undilla Sub-basin and the western Barkly Sub-basin, separated by the Alexandria-Wonarah Basement High.

The northern Georgina Basin is largely concealed beneath Mesozoic sedimentary rocks of the Dunmarra Basin.

The CKA Resources tenement area sits within the south part of the Georgina Basin and is entirely underlain by Palaeozoic sediments (Figure 6). The cover sequence of this area is a simple sequence of gently folded, predominantly calcareous, sediments. The three main units are:

- The Lower Ordovician-Upper Cambrian Tomahawk Beds of calcareous sandstone; buff, green and white siltstone; brown dolomite, grey siliceous limestone, grey oolitic limestone, glauconitic sandstone and chert.
- The Upper Cambrian Arrinthrunga Formation which is mainly brown and buff massive dolomite and limestone, plus thin interbeds of calcareous sandstone, blue oolitic algal limestone and shale.
- The Upper Cambrian Eurowie Sandstone Member consisting of brown quartz sandstone.
- Tertiary laterites and recent surface deposits are the youngest rocks in the area (Figure 6).

Deep basement regional gravity and magnetic data (Figure 5) suggest that the central part of the Ooratippra project area overlies a basement high forming part of a crustal block referred to as the Altjawarra Block. It is unclear whether rocks directly below the basin in this area are an extension of the Davenport Province or part of the Arunta Region Aileron Province such as an extension/offset of the Jervois or Jinka sections. The high metamorphic grade of basement rocks intersected in BMR13 (drilled through the Cambrian cover intersecting altered gneiss and granite at approximately 1000m) indicates the latter.

Structurally the Ooratippra gravity and magnetic complex is situated along strike of a major NNW crustal lineament which influences the majority of mineral occurrences in the Tennant Region including the Tennant Creek mineral field (Figure 4). Also from the 1:250K fault geometry and fractures identifiable from the regional magnetics it could be interpreted that the western side of this project sits on a dilational fracturing/jog regime of this lineament possibly

caused or influenced by whatever the Altjawarra Block is (Figure 4, Figure 5). This would be a favourable setting for focusing mineralising fluids.

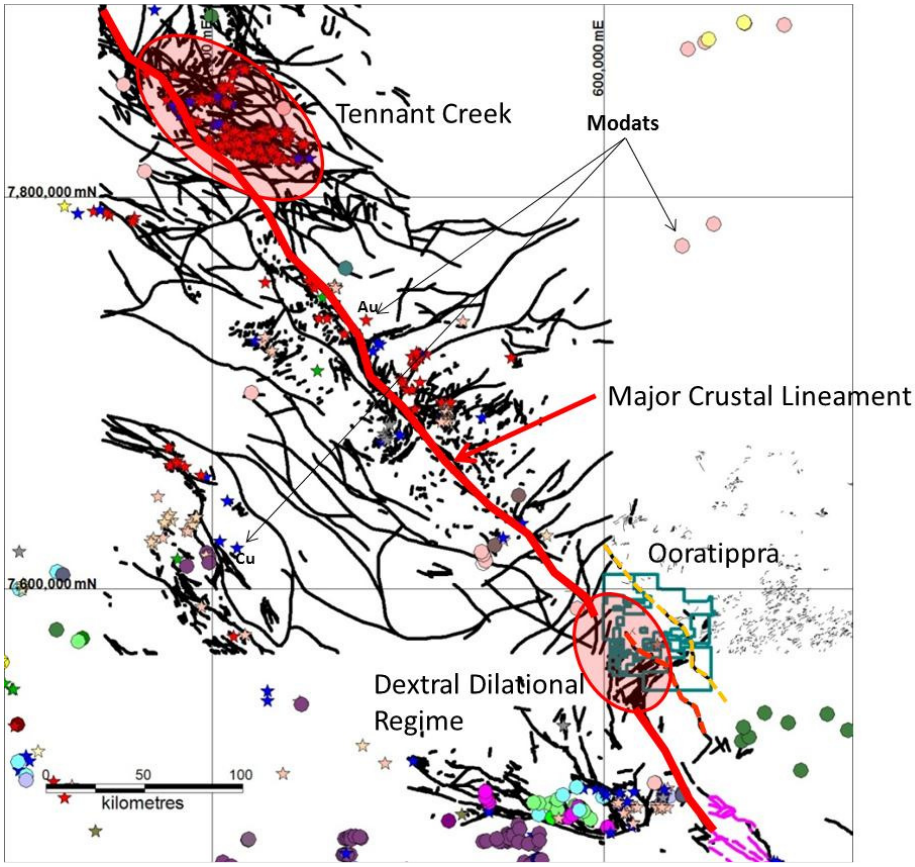

Figure 4 Ooratippra structural regional setting

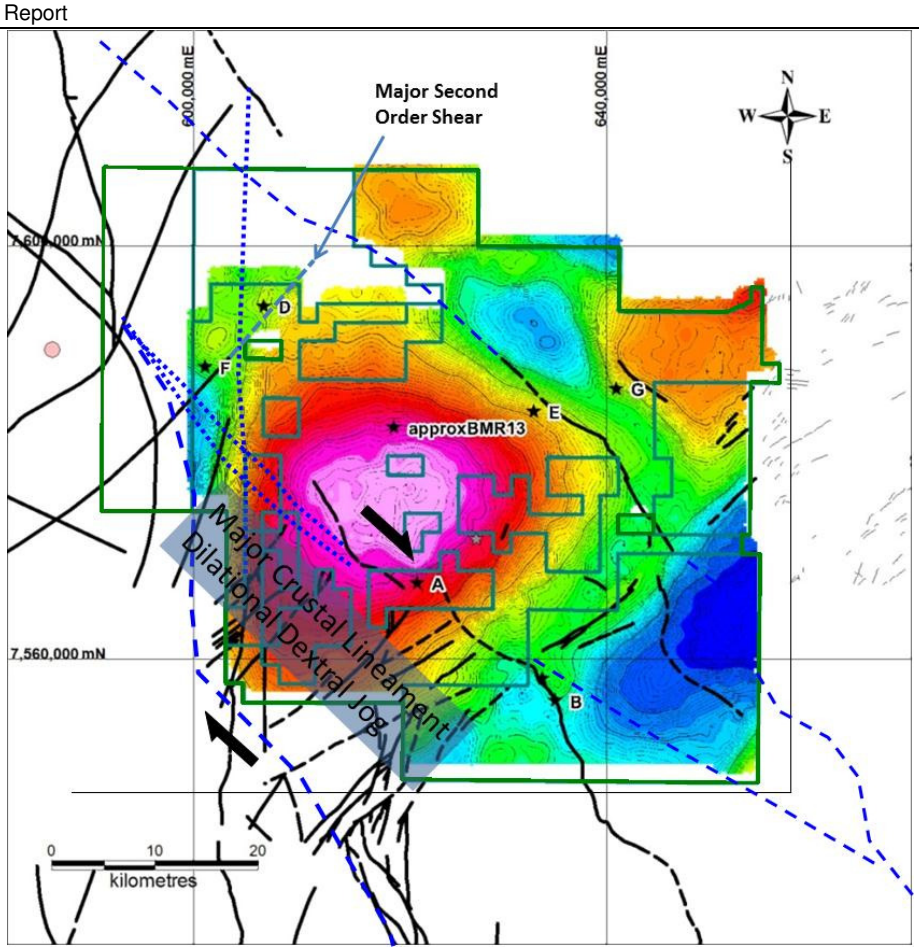

Figure 5 Interpreted dilational jog in the major crustal lineament at Bouguer gravity anomaly

4.2 Local Geology

The CKA Resources tenement area sits within the south part of the Georgina Basin and is entirely covered by Palaeozoic sediments (Figure 6). The cover sequence of this area is a simple sequence of gently folded, predominantly calcareous, sediments. The three main units are:

- The Lower Ordovician-Upper Cambrian Tomahawk Beds of calcareous sandstone; buff, green and white siltstone; brown dolomite, grey siliceous limestone, grey oolitic limestone, glauconitic sandstone and chert.
- The Upper Cambrian Arrinthrunga Formation which is mainly brown and buff massive dolomite and limestone, plus thin interbeds of calcareous sandstone, blue oolitic algal limestone and shale.
- The Upper Cambrian Eurowie Sandstone Member consisting of brown quartz sandstone.

Tertiary laterites and recent surface deposits are the youngest rocks in the area (Figure 6). Deep basement regional gravity and magnetic data suggest that the central part of the current entire Ooratippra project area overlies a basement high. Several moderate linear magnetic features cut the area and some of these can be correlated with surface faults.

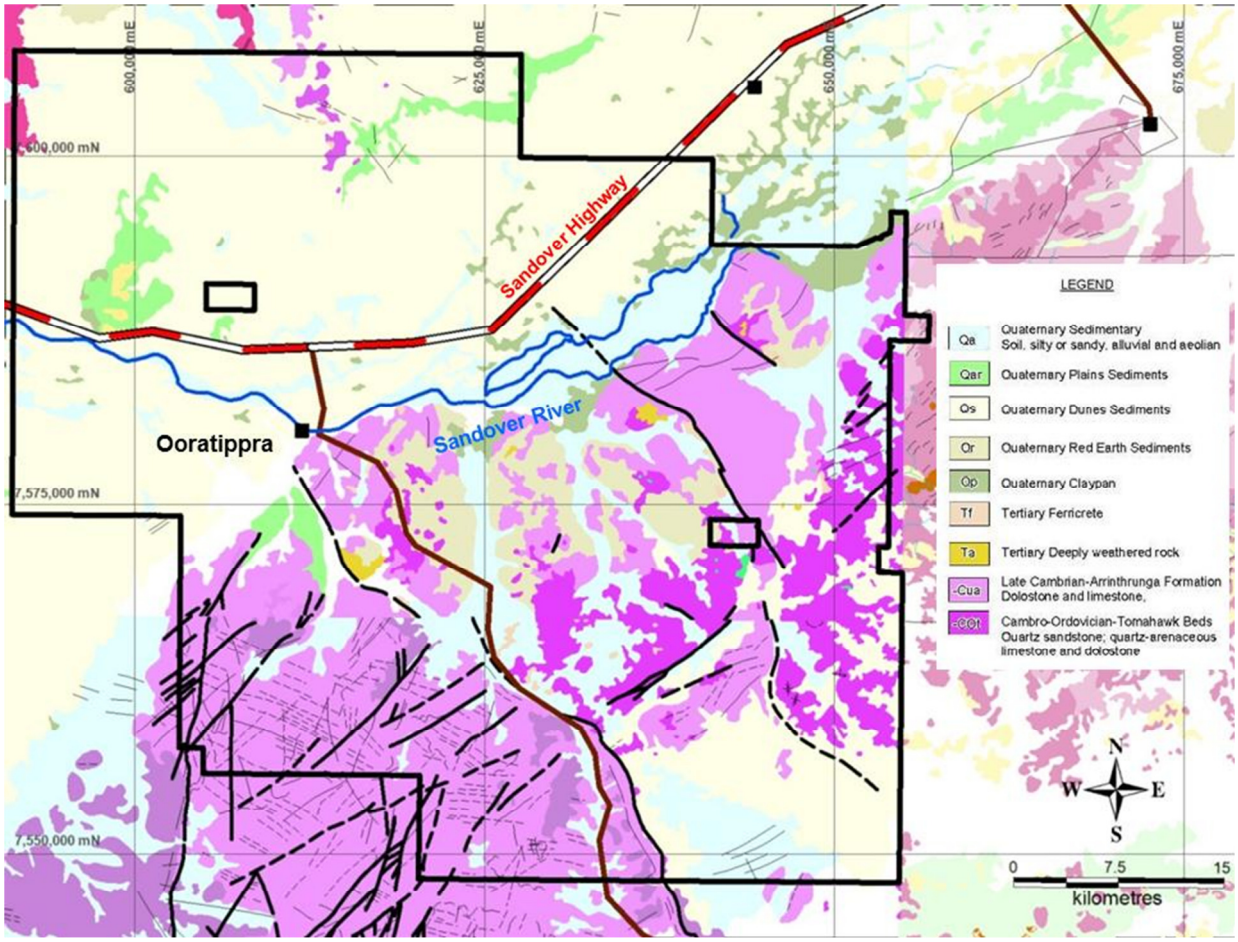

Figure 6: Geological setting and outline of Ooratippra Project area

4.3 Known mineralisation

The Georgina Basin Palaeozoic cover sequences have been explored for a range of mineral deposit styles, including Mississippi Valley Type ("MVT") lead-zinc deposits, stratiform/stratabound Irish- and Century-type base metal deposits, sedimentary phosphate deposits (phosphorites), uranium in phosphorites, and diamonds in kimberlite pipes. The basement rocks are almost completely unexplored, other than during petroleum exploration stratigraphic drilling (e.g. BMR Sandover 13, Figure 5). No systematic investigation of the pronounced magnetic and gravity anomalies in the Altjawarra Craton basement has yet been conducted.

Table 1: Mineralisation in southern Georgina Basin outside the project area

Company/Deposit	Details
Minemakers Limited	167Mt at 21.3% P_2O_5 at the Wonarah phosphate deposit on the Alexandria-Wonarah Basement High
Boat Hill Prospect	'Percent levels' of Zn
Mount Skinner Prospect	A drill core from this area assayed above 2,000ppm Pb over 2.4 metres
Baldwin 1 (Baraka Petroleum Limited)	Zn-Pb mineralisation (up to 1.2% Zn) with hydrocarbons in and below shale cap at contact of Arthur Creek Formation and Thorntonia Limestone possible Century-type mineralisation.
Box Hole Mine	15t of ore mined, averaging 65-70% Pb and 60g/t Ag
Duchess (Queensland)	Large phosphate deposits, average about 16% P_2O_5

No economic mineralisation has been identified on the Ooratippra project area.

5.0 PREVIOUS EXPLORATION

5.1 Geophysics

Previous geophysics over the Ooratippra gravity and magnetic complex includes:

- An airborne magnetic-radiometric survey was flown by the Northern Territory government in 1999 on N-S 400 metre line spacing.
- The national gravity grid data coverage within the Ooratippra project area includes 36 sample points 1.5-17km apart (compared to 4 and 11km national grid).
- A limited 10km-line spaced gravity survey with sampling at 1km along the lines.
- A gravity survey with east west lines 10km apart, readings at 190-300 metres covering a small part of the south west project area.

In 2010 the previous owner of the Ooratippra project ELs, NT Resources Ltd, applied for and was awarded a 'bringing forward discovery' geophysics collaboration with the NT Government for the Ooratippra project. A 1km spaced gravity survey was completed by NT Resources as set out in the collaboration and subsequently a 200m infill survey was completed in 2011 at two prominent targets (Anomalies A and B, Figure 5). Later interpretation by Frank Lindeman identified a much larger anomaly centred on 602000E 7589000N called Anomaly F.

5.2 Drilling

In 1964, the Bureau of Mineral Resources ("BMR") drilled BMR Sandover 13 bore on the Ooratippra project area (Figure 5). This deep stratigraphic bore was part of a petroleum assessment of the Georgina Basin. BMR 13 was drilled to 3330 feet (1015 metres) and intersected basement gneiss and granite at 3310 feet. Overlying sediments include predominantly dolomitic limestone, with lesser limestone, siltstone and some sandstone (Lloyd and Bell, 1964).

Drilling by exploration companies within the Ooratippra project area is limited to two diamond holes drilled by BHP and four percussion holes drilled by Centamin NL targeting MVT-style mineralisation.

The Trackrider barite-fluorite-lead-zinc prospect was drilled by Dampier Mining Company Limited (a subsidiary of BHP) in 1976, targeting a MVT-style Pb-Zn model. Two diamond drill holes, TRD 1 and TRD 2, were collared in the Tomahawk Beds and intersected the Arrinthrunga Formation. Selected analytical results are presented below in Table 2.

Table 2: Maximum Trackrider drillhole intersections

Hole ID	From (m)	To (m)	Pb ppm	Zn ppm	Ag g/t
TRD1	16	19	2480	167	1
TRD1	19	21	2.26%	1160	1
TRD2	35	36	473	228	1

In 1976, Dampier Mining assayed BMR 13 and results showed locally highly anomalous values up to 0.78% Zn over a 3m sample interval, but were too deep and too low grade to justify follow up work.

Exploration work was undertaken by Centamin NL (Cotton, 1973) during 1972 in the central portion of what is now the Ooratippra Project area. Soil and rock chip sampling in the vicinity of scattered surface galena mineralisation near the Trackrider Prospect was followed by four percussion drillholes to average depths of approximately 91m in conjunction with frequency domain Induced Polarisation. Drill results (Table 3) suggested that mineralisation was confined to the upper 16m in the weathered zone and did not seem to be controlled by lithology. High manganese and iron values corresponded with high lead values. The IP results did not indicate any continuity of mineralisation with depth.

Table 3: Selected Trackrider Significant Percussion Drillhole Results

HoleID	From Depth (m)	To Depth (m)	Pb (ppm)	Zn (ppm)	Host Rock
PHD1	0	1.5	990	150	Mn dolomite rubble
PHD1	1.5	3	3,250	130	Mn dolomite rubble
PHD1	3	4.5	710	40	Mn dolomite rubble
PHD1	4.5	6	1,400	65	Fe-Mn stained sandstone
PHD1	6	7.5	2,200	10	Fe-Mn stained dolomite
PHD1	7.5	9	1,900	100	Fe-Mn stained sandstone
PHD1	9	10.5	2,200	140	Fe-Mn stained dolomite
PHD1	10.5	12	1,800	65	Mn jointed dolomite
PHD1	12	13.5	1,350	50	Fe stained dolomite
PHD1	13.5	15	1,450	80	Fe stained dolomite
PHD1	15	16.5	1,850	70	Fe stained dolomite
PHD1	16.5	18	830	55	Fe stained dolomite
PHD2	0	1.5	8,350	520	Mn stained soil
PHD2	1.5	3	**1.2%**	800	Fe-Mn stained dolomite
PHD2	3	4.5	**1.4%**	730	Fe-Mn stained oxides
PHD2	4.5	6	8,000	830	Fe-Mn stained oxides
PHD2	6	7.5	2,850	210	Mn stained dolomite
PHD2	7.5	9	4,100	290	Mn banded dolomite
PHD2	9	10.5	200	200	Mn banded dolomite
PHD2	10.5	12	790	60	Mn stained dolomite

5.3 Other Exploration

Reconnaissance mapping and prospecting by Plenty River Mining Company in 1885 were concentrated in the central part of the present day project area in the vicinity of the Trackrider Prospect. This work suggested that the boundary between the Tomahawk Beds and the Arrinthrunga Formation is defined by a gently undulating, near-horizontal unconformity. Sulphide mineralisation observed to date appears to be concentrated at this unconformity. Surface rock samples taken 2km east of Trackrider showed 3.25% Pb and 42g/t Ag in siliceous dolomite, 4.2% Pb and 72g/t Ag in Mn-rich siliceous boulders with 18.25% Mn which also contained 2.5% Ba and 168ppm F (Ypma, 1986).

Dragon Resources (Cheetham, 1990, 1991) review of the regional magnetic and gravity geophysical data concluded that basement structures appear to extend into the cover sequence and may be suitable for MVT mineralisation. Similarities with the Olympic Dam geophysical signature justified more geophysics to better define the anomaly and determine the depth to basement.

Exploration for kimberlitic indicator minerals was carried out in the area by Stockdale Prospecting Ltd and Amoco Minerals Australia Company in 1984 and CRA Exploration Pty Ltd in 1985. No anomalous results were obtained from these reconnaissance surveys. More recently, Elkedra Diamonds NL found a number of micro-diamonds and a macro-diamond, as well as high-grade manganiferous outcrops and lead mineralisation in the Altjawarra Craton region adjacent to NT Resources' ground (Elkedra Diamonds NL Annual Reports for 2002-2004).

From 2004 to 2009, Acacia Minerals and its predecessor Southwestern Mining Pty Limited surface sampled approximately 80 analytic magnetic anomalies and circular features in searching for diamonds. No significant key indicator minerals or diamonds were identified and no drilling was carried out.

6.0 WORK DONE ON RELINQUISHED GROUND

In 2010 the previous owner of the Ooratippra project ELs, NT Resources Ltd, applied for and was awarded a 'bringing forward discovery' geophysics collaboration with the NT Government for the Ooratippra project. The application proposed to test the Ooratippra basement gravity anomaly which is considerably stronger than those at Prominent Hill and Olympic Dam in South Australia. A gravity survey on a 1km grid spacing was completed by NT Resources as set out in the collaboration.

A total of 56 stations were taken within the relinquished ground (shown in figures below) no significant gravity anomalies were returned within the relinquished ground.

A request to waive the requirement to cookie cut the geophysical data has been submitted and the survey data sets will be sent with the annual report for the combined reporting Ooratippra Group. Appendix 1 contains details of the geophysical equipment and method used, Appendix 2 contains the processed point data within the relinquished ground.

Analysis of significant gravity anomalies was completed by Frank Lindeman of Lindeman Geophysics Pty Ltd using the 2010 collaboration survey and 2011 infill gravity surveys. There were no significant anomalies within the relinquished ground.

Figure 7: Location of 1km spaced gravity survey stations

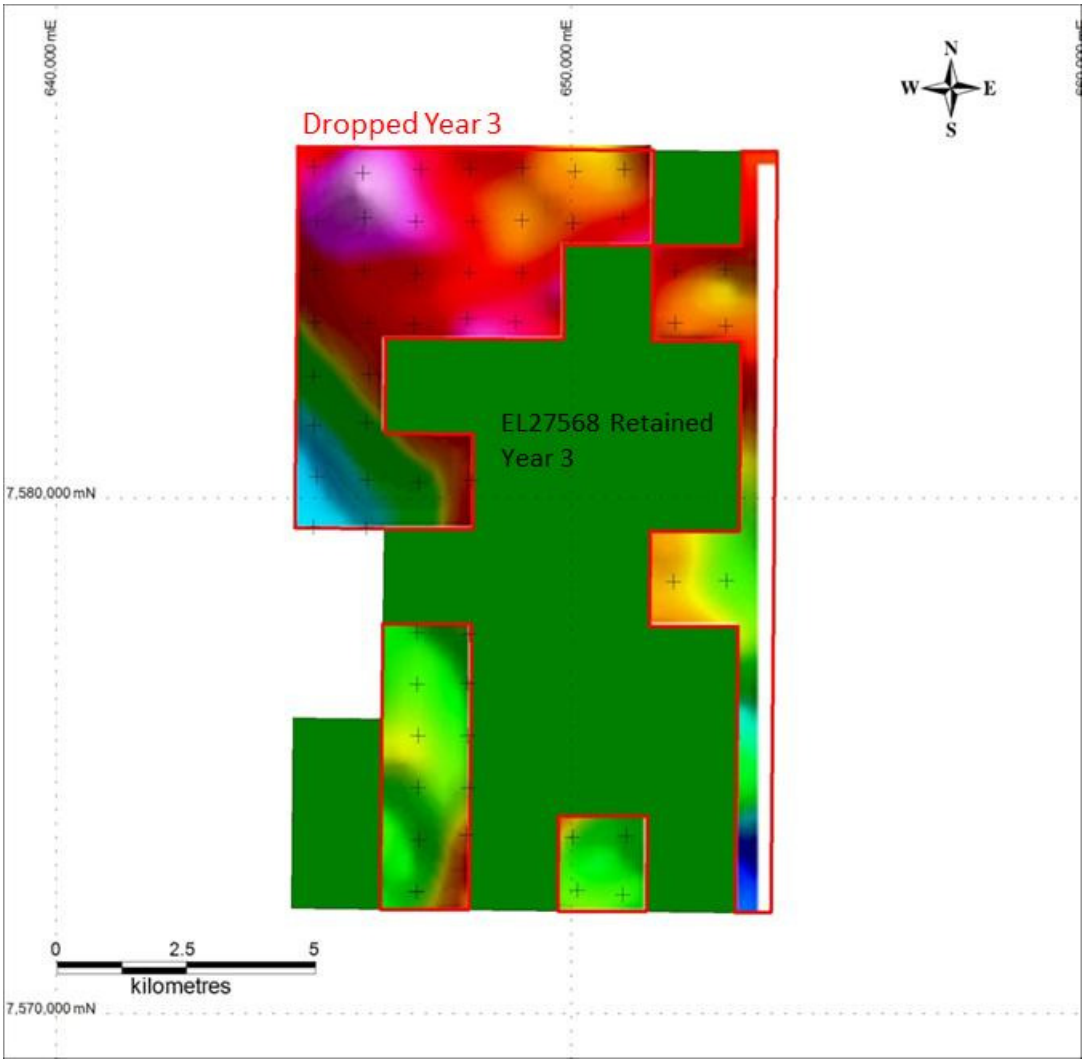

Figure 8: 1km spaced 1VD Gravity image within relinquished ground

7.0 Conclusion and Recommendations

Although some of the 24 blocks relinquished were within an overall NW trending gravity high no significant residual gravity anomalies were identified. The large NW trending high was deemed to be too large to be associated with IOCG mineralisation and also at a much deeper depth (>1km) than other anomalies within the project group. The ground was subsequently relinquished in year 3 as part of a project wide reduction.

BIBLIOGRAPHY

Cheetham, P.L., 1990, Dragon Resources, Annual report, 24 October 1988 to 23 October 1989, Ooratippra project - EL 6253, Northern Territory Geological Survey Open File Report CR1990-0087.

Cheetham, P.L., 1991, Dragon Resources, Final Report Ooratippra Project, 24 October 1988 to 20 September 1990 - EL 6253, Northern Territory Geological Survey Open File Report CR1991-0040.

Cotton, J.S., 1973, Centamin NL, Final report on exploration, Ooratippra, N.T. - AP 2381, Northern Territory Geological Survey Open File Report CR1973-0063.

Dampier Mining Company Pty Limited, 1977a, Report for Year-ending 1-3-77, Ooratippra, N.T. - Exploration Licence EL 1117, Northern Territory Geological Survey Open File Report CR1977-0068.

Dampier Mining Company Pty Limited, 1977b, Final Report, Ooratippra, N.T. - Exploration Licence EL 1117, Northern Territory Geological Survey Open File Report CR1977-0149.

Dunster, J.N., Kruse, P.D., Duffett, M.L., Ambrose, G.J., 2006: "Resource potential of the Southern Georgina Basin - a GIS package"; Northern Territory Geological Survey.
Elkedra Diamonds NL, Annual Reports 2002-2004.

Lloyd, A.R. and Bell, M., 1964, Completion Report BMR No. 13 Well, Sandover, Northern Territory, Bureau of Mineral Resources Geology and Geophysics, Record 1964/127.
Myers, J.S., Shaw, R. D., Tyler, I.M, 1996: "Tectonic evolution of Proterozoic Australia" ***in*** Tectonics 15; 1431-1446.

Rogers, K.R. 2011 Year 2 Annual Exploration Report, Ooratippra Project, EL27714. Equator Resources ltd

Ypma, P.J., 1986, Plenty River Mining Company, Final Report on EL 4216, Ooratippra Station – Exploration Licence EL 4216, Northern Territory Geological Survey Open File Report CR1986-0165.

APPENDIX 1. Gravity Survey Details.

M2010026_ACACIA_MINERALS_Ooratippra_Gravity_Acquisition_Memo.pdf

APPENDIX 2. Gravity Survey Processed Data Points within Relinquished Ground (waiver to cookie cut GDF data has been submitted).

EL27568_1kmgravpoints_reductionyr3_2013.csv