



Suite 3, Level 4, 12-20 Flinders Lane, MELBOURNE VIC 3000
T: +61 3 9671 3801 F: +61 3 9671 3523 E: info@kidmanresources.com.au
W: www.kidmanresources.com.au ACN: 143 526 096

**HALE RIVER EXPLORATION
LICENCE 27962
FIRST RELINQUISHMENT REPORT
FOR PERIOD ENDING 26 NOVEMBER 2012**

Licence Holder	CROWL CREEK EXPLORATION LIMITED
Operator	KIDMAN RESOURCES LIMITED
Licence	EL27962
Map 1:250,000	SG53-03
Map 1:100,000	5949, 6049
Datum/Zone	GDA94, Zone 53
Report reference:	EL27962_201109_A_01_Report.pdf
Target Commodity:	REE, copper, gold
Expenditure email:	dominique@kidmanresources.com.au

CONTENTS

1. INTRODUCTION & SUMMARY	1
2. LOCATION AND TITLE	1
3. GEOLOGY.....	2
4. SUMMARY OF PREVIOUS WORK BY OPERATOR.....	2
5. EXPLORATION CONDUCTED ON AREA RELINQUISHED	3
6. CONCLUSION	3

1. INTRODUCTION & SUMMARY

Exploration licence 27962 *Hale River* is part of the Hale River Project amalgamated with EL 28065, *Martingale*. Both areas are located 170 km east- southeast of Alice Springs along the north western margin of the Simpson Desert. Crowl Creek Exploration Limited is a wholly owned subsidiary of the public company Kidman Resources Limited and is the registered title holder of the tenement.

This report is in respect of the twenty five (25) blocks relinquished from Exploration Licence 27962 as part of the mandatory 50% reduction requirement at the conclusion of Year 2. EL 27962 was acquired to investigate rare earth elements, with secondary targets as copper and gold.

This report records the exploration work completed on the portion of no continuing interest of the relinquished area of EL 27962 during the second year of tenure from 30th September 2010 to the 29th September 2012.

The application was granted covering approximately 156.74 square kilometres at 52.2 blocks for six years. The ground has been reduced to 78.39 sqkm and 25 blocks. 24 blocks were relinquished from the southern section of the licence area and one block in the at the most north east.

The relinquishment area of EL 27962 was considered by Kidman Resources as unlikely to host any major rare earth / base metal deposits.

2. LOCATION AND TITLE

Hale River EL27962 is located in south-eastern Northern Territory, near the northern side of the Hale River (SG53-3) 1:250,000 sheet and straddling the boundary between the Todd (5949) and Hale (6049) 1:100,000 standard map sheets. It is centred 169 km east-southeast of Alice Springs, 12 km south-southeast of Numery Station and 138 km southwest of Plenty Downs Station (Figure 1). All activities have been completed using GDA94 Zone 53 datum. The Hale River flows to the southeast into the Simpson Desert. Access from Alice Springs is via the Ross Highway for 33km and then 158km along the Ringwood-Numery road.

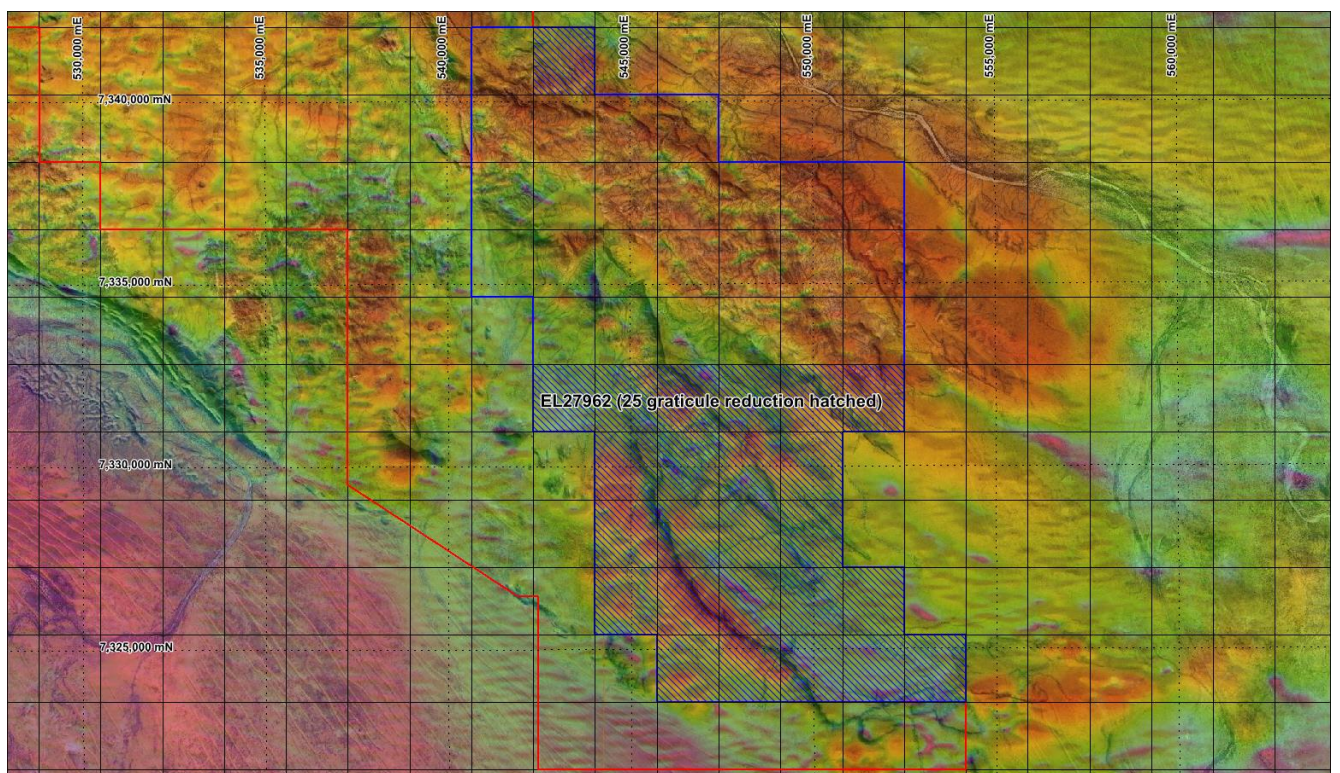


Figure 1. Location of EL 27962 and area of ground relinquished.

Tenure Type	Exploration Licence		
Number	27962		
Date Effective	15/10/2012		
Status	reduction retained		
Area	25 SBKS (78.39 sqkm)		
Grant Date	30/09/2010		
Expiry Date	29/09/2016		
Renewal Application Date			
Renewal Grant Date			

Holders Information		
Name	Percent	Type
KIDMAN BARROW CREEK PTY LTD		Contact
CROWL CREEK EXPLORATION LIMITED*	100.00%	Current Holder

Transactional History Information				
Transaction Type	Effective Date	Expiry Date	Period	Area (km2)
Application	24/02/2010		6	156.74
Landholder Notification	11/03/2010			
Native Title	17/03/2010	20/09/2010		
Advertisements	21/04/2010			
Advertisements	21/04/2010			
Advertisements	23/04/2010			
Offer Of Grant	28/09/2010	28/10/2010	6	156.74
Grant	30/09/2010	29/09/2016	6	156.74
Gazettals	13/10/2010		1	
Reduction Details	15/10/2012	15/10/2012	3	78.39
Reduction Application	15/10/2012	11/10/2012	3	
Gazettals	15/10/2012		2	

Figure 2. Current TIS website Summary of EL 27962 details.

3. GEOLOGY

The licence area is underlain by mid Proterozoic basement inliers of high grade mafic and felsic gneiss of the Arunta and Warumpi Province. These inliers are known together as the Casey Inlier. The basement contains deformed ultramafic and mafic boudins.

Unconformably overlying the basement is the Neoproterozoic Heavytree quartzite which forms flat topped plateaus (Frew, 1968). A number dark coloured dykes are visible around the plateau, that strike to the east-northeast. No reference to these dykes has been previously published.

4. SUMMARY OF PREVIOUS WORK BY OPERATOR

Year 1

Rock Chip sampling and analysis, obtaining clearances from the local Native Title holders to conduct field activities and analysis of historical exploration.

Two helicopter rock chip sampling programs were completed. This has resulted in 98 samples for multi-element analyses, and two samples for detailed petrology. This sampling confirmed the REO content of the dykes with the sample by the Geological Survey showed the dykes to contain up to 1.66% REO (including yttrium oxide). These dykes are potentially a source of REO which based on surface sampling appears not to be contaminated with radioactive thorium and uranium. This represents a new REO province in the Northern Territory.

No further mineralogical studies were completed as the siliceous surface samples are not considered representative of the likely fresher material below. Based on the study of a kimberlite with a siliceous cap probably similar to the Hale River dykes, the REE content of the dykes is likely to increase with depth below the silicified cap.

Year 2

No on-ground exploration was conducted over the Licence during the year.

5. EXPLORATION CONDUCTED OVER RELINQUISHED AREA & RELINQUISHMENT RATIONALE

No on-ground work was performed within this relinquished area as no mineralisation or outcrops were identified from the helicopter reconnaissance. Whilst the area proposed for the compulsory reduction is largely under explored it was considered to be a lower priority target area as from review of magnetic anomalies, it was the area least like to contain outcropping mafic bodies hosting base metals and / or thick carbonite rich veins hosting rare earths.

6. CONCLUSIONS

Due to compulsory requirements of the NT Mining Act 1992, the end of the second year of tenure of EL 29762 was reduced from 52.2 graticular blocks to 25. The relinquishment area was considered by Kidman Resources to be the least likely ground to host a major rare earth / base metals or base metals/precious metals deposits.