EL28212
FINAL SURRENDER REPORT

17 MARCH 2011 – 25 JUNE 2013

LICENSEE: AREVA RESOURCES AUSTRALIA PTY LTD
OPERATOR: AREVA RESOURCES AUSTRALIA PTY LTD

R. WILSON
AUGUST 2013
SUMMARY

Title Holder: AREVA Resources Australia Pty Ltd

Operator: AREVA Resources Australia Pty Ltd

Titles/Tenements: EL28212

Report Title: EL28212 Final Surrender Report for the period 17th March 2011 to 25th June 2013

Target Commodity: Uranium

Personal Author: Rachael WILSON

Date of Report: 21st August 2013

Datum/Zone: GDA94 Zone 53

Sheet Name (250k): Barrow Creek (SF53-6)

Sheet Name (100k): Taylor (5755), Murray Downs (5855)

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ABSTRACT

EL28212 (Dulcie) was granted to AREVA Resources Australia’s (AREVA) on 17th March 2011 for a period of six years. EL28212 was part of the Davenport Project which includes EL28211, 28213 and 28214. Amalgamated Reporting was granted to AREVA for all four tenements in April 2012 (GR 249/12). On the 25th June 2013, EL28212 was surrendered.

The Davenport Project targets palaeochannel hosted uranium mineralisation in Tertiary sediments within the Wiso and Georgina Basins. The conceptual target models uranium leaching from uraniferous rich basement of the Davenport and Aileron Provinces (source) into a palaeodrainage system (transport) with the reduced Tertiary units potentially trapping uranium. Historically, the Wiso and Georgina Basins have primarily been targeted for petroleum, phosphates and base metals, with very minimal uranium focused exploration.

Work undertaken for the life of EL28212 has consisted of reconnaissance to ground-truth conceptual exploration models and to assess logistical requirements and landholder liaison. For the year ending 2013, additional technical reviews were conducted for the entire Project as the initial exploration strategy was altered with the focus shifting from Palaeozoic sandstones to Tertiary units. Upon this review it was evident that EL28212 did not geologically support the new exploration model as Tertiary sediments are absent. Consequently EL28212 was surrendered.

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Figure 1: Location of the Davenport Project tenements, Northern Territory.
1. INTRODUCTION

1.1. LOCATION AND ACCESS

EL28212 is located approximately 50 km northeast of Barrow Creek, approximately 350km north of Alice Springs between the Davenport Ranges in the north and the Osborne/Crawford Ranges to the south (Figure 1). The Project area is located entirely on Aboriginal Freehold Land. Access to the tenement is via the Stuart Highway. Access is limited within EL28212 with minimal minor and poorly maintained pastoralist tracks.

1.2. TITLE HISTORY

EL28212 was 100% owned by AREVA Resources Australia Pty Ltd and granted in March, 2011. Amalgamated reporting was granted on the 26th April 2012 (GR 249/12). Table 1 details the Project tenements.

EL28212 was surrendered on the 25th June 2013.

Table 1: Davenport Project – Tenement Summary

<table>
<thead>
<tr>
<th>TENEMENT</th>
<th>DATE GRANTED</th>
<th>AREA (KM²)</th>
<th>EXPENDITURE COMMITMENT (YEAR ENDING 20140)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL28212</td>
<td>17/03/2011</td>
<td>330</td>
<td>$64,500</td>
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</table>
2. GEOLOGY

2.1. REGIONAL GEOLOGY

The Davenport Project lies on the south-eastern edge of the Wiso Basin where it meets the northern edge of the Arunta Region (specifically the Aileron Province), the south-western edge of the Davenport Inlier, and the north-western margin of the Proterozoic Georgina Basin (the Dulcie Syncline; Figure 2).

The Wiso Basin is a Neoproterozoic to Palaeozoic intracratonic sag basin which comprises an east south-east trending, structurally-controlled trough (Lander Trough) containing up to 3km of sediments. Elsewhere, sediment thickness does not generally exceed 300m. The Davenport Province is a mildly deformed and metamorphosed, Palaeo- to Mesoproterozoic succession of siliciclastic metasedimentary and volcanic rocks. These, in turn, unconformably overlie the Tennant Creek Inlier, a volcaniclastic and flysch sedimentary rock sequence which was intruded by granites and deformed by the Tennant Event at ~1850 Ma.

Sedimentation commenced in the early Middle Cambrian with deposition of marine carbonates and overlying shallow marine to intertidal siliciclastics. During the Late Cambrian uplift, erosion occurred, possibly as part of the Delamerian Orogeny. This was followed by deposition of shallow marine to fluvial siliciclastics during the Late Cambrian to Early Ordovician with shallow marine carbonates and siliciclastics following later in the Ordovician after which deposition ceased. In the Devonian, the Arunta Block to the south was uplifted during a phase of the Alice Springs Orogeny leading to deposition of Devonian to Early Carboniferous fluvial siliciclastics along the southern margin of the basin. The most significant faulting is along the southern margin of the Lander Trough. A series of parallel, east-south-east trending faults with an overall displacement of over 2,000m places sediments of the Wiso Basin against the crystalline rocks of the Arunta Block.
Figure 2: Surficial geology of the Davenport Project 1:1M scale. Note the radiogenic hot zones associated with the Proterozoic granites and Volcanics of the Davenport and Aileron Provinces.
2.2. LOCAL GEOLOGY

EL28212 (Dulcie) lies in the northern arm of the Georgina Basin that borders the Wiso Basin. The area consists of outcropping Devonian Dulcie Sandstone, Ordovician Kelly Creek Formation and minor Cambrian Chabalowe Formation; part of the Dulcie Syncline sequence of the Georgina Basin. The basin sequence is overlain by Quaternary sediments consisting of sand rich alluvium, dunes and clay pans. As Palaeozoic units outcrop extensively in this tenement, the potential for Tertiary palaeochannels is unlikely.

3. HISTORIC EXPLORATION

Previous exploration within the Southern Wiso Basin primarily focused on petroleum exploration with very limited uranium exploration. However, uranium mineralisation is known in the region and is restricted (thus far) to the Proterozoic Aileron Province and the Devonian to Carboniferous parts of the Ngalia and Amadeus Basins (Figure 3). Uranium at Nolan’s Bore (Arafura Resources), to the south, occurs in phosphatic and REE-enriched metasomatic pods and veins within the high-metamorphic-grade Lander Rock beds. Sporadic precious and base metal exploration was undertaken by several major mineral resource companies between the early 1970s - current. As part of these on-ground investigations, limited drilling was carried out, with most drilling targeting the Proterozoic basement underlying the Wiso and Georgina Basin successions to the southwest of AREVA’s current tenements. With the exception of Toro Energy’s neighbouring tenements (uranium), current exploration is focused on Phosphates, gold and base metals.
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<th>COMPANY</th>
<th>YEAR</th>
<th>COMMODITY</th>
<th>ACTIVITY</th>
<th>COMMENT</th>
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<tr>
<td>Kewanee Australia Pty Ltd</td>
<td>1970-1974</td>
<td>Base Metals</td>
<td>• RAB, RC and Diamond drilling on geophysical defined targets.</td>
<td>• SW of Davenport Project in the Crawford-Osborne Ranges&lt;br&gt;• Defined a sub-economical Cu-Ni resource (Prospect D)&lt;br&gt;• Relinquished ground</td>
</tr>
<tr>
<td>Australian Development Ltd</td>
<td>1972-1976</td>
<td>Iron</td>
<td>• Drilled geophysical targets</td>
<td>• Desktop study targeted iron formations&lt;br&gt;• Tenement area (EL40, 41) west of AREVA project&lt;br&gt;• Shallow drilling resulted in no viable results&lt;br&gt;• Tenements were relinquished</td>
</tr>
<tr>
<td>Peko Mines Ltd</td>
<td>1974-1976</td>
<td>Base Metals</td>
<td>• Geophysical survey&lt;br&gt;• Diamond drilling on possible target</td>
<td>• Detailed Magnetic survey over EL1041, NW of AREVA project area&lt;br&gt;• Identified several anomalies&lt;br&gt;• Target Ex182 followed up with diamond drilling (390m) with no success</td>
</tr>
<tr>
<td>Shell Company of Australia</td>
<td>1981-1983</td>
<td>Base Metals</td>
<td>• Geophysical surveys&lt;br&gt;• RAB drilling</td>
<td>• Tenements NW of AREVA project area&lt;br&gt;• Completed airborne and ground magnetic surveys over EL2720&lt;br&gt;• Followed up with 5 shallow RAB drillholes targeting Au and base metal anomalies&lt;br&gt;• No mineralisation intercepted and no further work was recommended</td>
</tr>
<tr>
<td>CRA Exploration</td>
<td>1988-1990</td>
<td>Diamond</td>
<td>• Grab sampling</td>
<td>• Tenement EL6324, SW of AREVA project&lt;br&gt;• Grid sampling over the Tomahawk Beds and Dulcie sandstone for Kimberlite indicator minerals&lt;br&gt;• Samples results recovered chromites, though considered not to be derived from a Kimberlite source&lt;br&gt;• The tenement were relinquished</td>
</tr>
<tr>
<td>Exploration Company</td>
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<td>Notes</td>
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<tr>
<td>Newmont Exploration</td>
<td>1989-1990</td>
<td>Gold</td>
<td>RAB drilling</td>
<td>Tenement EL6324, north of AREVA project. Sampled drill chips from concurrent water bore drilling to depth of 120m. Samples failed to yield significant Au mineralisation. Tenements were relinquished.</td>
</tr>
<tr>
<td>Poseidon Gold Ltd</td>
<td>1988-1992</td>
<td>Gold</td>
<td>Geological mapping and soil sampling, Aircore drilling</td>
<td>Tenement EL6306, south of AREVA project. Work included reconnaissance, soil sampling, and geological mapping. Aircore drilling of 40 holes for 150m to test altered dolerite sill. Results ranged from 1ppb to 33ppb Au. Tenement was relinquished.</td>
</tr>
<tr>
<td>Northern Uranium</td>
<td>2007-2008</td>
<td>Uranium</td>
<td>Mapping and rock chip sampling, RC drilling, Diamond drilling, Geophysical survey</td>
<td>Tenements EL24995 and EL23937 to the north of AREVA project. Focused on exploration around historic Munadgee uranium prospect and prospective structural corridor. RC drilling program defined small mineralised shoots of uranium in the basement rocks. Follow up diamond drilling targeted Munadgee working at depth with weak results. Further detailed geological mapping and rock chip sampling followed by a ground based magnetic survey.</td>
</tr>
<tr>
<td>Rum Jungle Resources</td>
<td>2008-current</td>
<td>Phosphate</td>
<td>RC drilling</td>
<td>Tenements EL25183-186 and EL28116-17, east of AREVA project. Targeting Cambrian Phosphate beds in the Wiso and Georgina Basins. RC drill program delineated the Barrow Creek 1 resource (97.3mt @ 18.1% P2O5) and the Ammaroo 1 prospect.</td>
</tr>
<tr>
<td></td>
<td>Time Period</td>
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<td>Activities</td>
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| **ABM Resources**    | 2011-       | Base Metals        | • Geophysics  
• Drilling                                                                  |
|                      | current     |                    | • Tenement EL28748, west of AREVA Davenport Project  
• Flew airborne EM survey over Kroda and Tulsa prospects, part of the Arunta Block  
• Gold mineralisation intercepted on Kroda 3 Au Prospect defined over 400m strike with 40m width, open below 150m  
• Kroda 1 prospect also returned low-grade Au mineralisation |
| **Toro Energy Ltd**   | 2009-       | Uranium            | • Geophysical Survey  
• Co-funded with NT Dept. of Mines                                           |
|                      | current     |                    | • Tenement EL27138, west of AREVA Davenport Project  
• SkyTEM geophysical survey over tenement to define possible paleochannels.  
• Conductive featured (channels and deltaic fans) mapped in the tertiary and follow up with possible future drilling program |
| **NT Department of Natural Resources** | 1970-       | Stratigraphy       | • Stratigraphic drill holes  
• Detailed logging                                                           |
|                      | current     |                    | • Multiple drill holes  
• Detailed stratigraphic logs with associated water table data             |
| **NT Department of Natural Resources** | 1970-       | Water              | • Water bore drill holes                                                   |
|                      | current     |                    | • Multiple water bore drill holes                                         
• Drill holes vary from 30 to 105m depth                                      |

Since the Davenport Project was granted in 2011, AREVA has conducted desktop studies and reconnaissance. An initial desktop study and reconnaissance to the Project area was conducted to:

- Ground-truth the conceptual exploration model in terms of suitable uranium sources, adequate transport and efficient traps;
- Consider the veracity of the original targeting model;
- Gain a better understanding of on-site conditions;
- Assess logistical requirements and consider access tracks; and
- Initiate dialog with relevant landholders.
4. EXPLORATION RATIONALE

The Davenport Project was acquired due to its potential to host a variety of differing styles of uranium deposits (unconformity-related, IOCG-U and vein style). Initially the focus was towards sandstone hosted mineralisation near the margins of overlying sedimentary basins (Wiso and Georgina) and a mineralised style analogous to the Bigrlyi (southwest of AREVA tenements) or Pamela-Angela (south of AREVAs tenements) uranium deposits. After geological review and field inspections, the possibility for uranium mineralisation within Tertiary sediments was recognised as the Devonian Sandstone were considered unfavourable due to a lack of sandstone coverage and depth of stratigraphy, drainage patterns, and no radiometric anomalies.

AREVA’s current exploration focuses on the Tertiary sediments that overlie the Palaeozoic and Proterozoic basement and the possible existence of drainage channels with potential reducing traps that might concentrate uranium mineralisation. Tertiary sediments can occur up to ~100m thick over the Palaeozoic to Proterozoic basement and has been described (multiple stratigraphic and bore drillholes) as sand dominated with interbedded clays, silts and gravels. Redox conditions are mixed, with predominately oxidised sediments and interlayered reduced grey-greenish sands, which shows a potential for redox fronts/fluid movement within the Tertiary unit. The source of the sediment and possible uranium mineralisation is derived from the Davenport and Aileron Provinces which provide both coarse detritus material but also leachable uranium from their radiogenic units (granites of the Tennant Creek Inlier and volcanic units of the Hatches Creek Group).
5. WORK COMPLETED

5.1. YEAR ENDING 2012

For the year ending 2012, exploration activities included a reconnaissance mission to the Davenport Project area. The primary aims of the mission were to;

- Ground-truth the conceptual exploration model in terms of suitable uranium sources, adequate transport and efficient traps;
- Consider the veracity of the original targeting model;
- Gain a better understanding of on-site conditions;
- Assess logistical requirements and consider access tracks; and
- Initiate dialog with relevant landholders.

Drainage and catchment potential were investigated within the Davenport Ranges and tenement boundaries. Drainage from the radiometric high and northwards in the Ranges appears to be toward the north-east and away from EL28212. Based on existing data, at least 40% of EL28212 is situated in and underlain by Cambrian conglomeratic sandstone with a relatively thin layer of Dulcie Sandstone and/or Ordovician Chabalowe Formation exposed over the remainder of the tenement. There is no apparent drainage system traversing the tenement. Therefore, the drainage and catchment configuration is considered unfavourable for the formation of sandstone-hosted uranium deposits within the tenement boundaries of EL28212.

5.2. YEAR ENDING 2013

Work conducted on the Davenport Project during the year ending 2013 consisted of continued technical studies. Due to the unfavourable geological conditions highlighted from the 2011 reconnaissance, AREVA’s exploration concept was modified from focusing on the Palaeozoic Sandstones (Lake Surprise and Dulcie Sandstone) to a Tertiary palaeochannel deposition model over the Wiso Basin. The change of exploration approach to the Davenport Project resulted in the need to review the available data and the planning of future exploration activities.

This review further highlighted the lack of mineralising potential within EL28212.

Since the submission of the annual report for the year ending 2013, no further work has been conducted on EL28212.
6. CONCLUSION AND RECOMMENDATIONS

During this reporting period, the Davenport Projects exploration rationale has been regenerated from a sandstone-hosted model in the Palaeozoic aged units, to the overlying Tertiary palaeochannel sediments. This refocus was based on findings of historical data and field inspection which determined that the Palaeozoic units (Lake Surprise and Dulcie Sandstones) have low potential to host significant uranium mineralisation due to unfavourable drainage and catchment systems.

Due to the likely absence of significant Tertiary sediments within EL28212 consequently led to the full surrender of the licence.
REFERENCES


Afmeco Project Generation Progress Report 2012 (Internal Report)