PARTIAL RELINQUISHMENT REPORT
03/05/2011 to 02/05/2013
BING BONG (EL 28319)

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Titles / Tenements: EL(s): 28319
Project Names: Bing Bong
Report Title: Partial Relinquishment Report – Bing Bong (EL28319)
Type of Report: Partial Relinquishment Report
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Company Ref: NRE_NT2013: BING BONG – Partial Relinquishment Report
Target Commodity / Commodities: Diamonds, Uranium, Base metals and Manganese
Date of Report: 27 August 2013
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Any information included in the report that has been originated or sourced from historical open file reports or other sources is listed in the “Exploration Studies - Historic” section within the document.

The Minister has authority to publish the copyrighted information accordingly.
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Summary

Section 94 of the *Mineral Titles Act* requires the submission of a Relinquishment Report prepared by the titleholder for each current Exploration Licence. This Partial Relinquishment Report for EL28319 offers a summary of the activities undertaken on the relinquished area for the life of the permit, including any results produced by those activities.

Natural Resources Exploration (‘NRE’) is the sole titleholder and operator of EL28319. NRE was granted EL28319 on 3 May 2011 for a term of six (6) years. The tenure is more commonly known to NRE as its ‘Bing Bong’ Prospect.

NRE’s exploration rationale and objectives for its Bing Bong prospect considered the evaluation of potential base metal, diamond and uranium mineralisation. Initial investigations were intended to locate any outcropping of mineralisation and any indicators of any sub-surface mineralisation within the tenement based on desktop reviews. NRE has carried out extensive office-based studies of EL28319 and also conducted a site visit to the Darwin Core Library for the purposes of testing available water bore cuttings within Bing Bong Prospect area.

Office-based studies have included desktop reviews of all previous exploration across the tenement, assessment of the geology, radiometrics, aeromagnetics, gravity and ASTER imagery within the Bing Bong Prospect.

NRE’s attendance at the Darwin Core library was conducted with a view to analysing water bore cuttings held at the library. NRE carried out both XRF and ALS Analysis of water bores located in the region of its Bing Bong Prospect.

The detailed geological assessment of EL28319 has led NRE to the conclusion that the potential for mineralisation within the relinquished area is much lower than the remaining tenement area. NRE has delineated this area and nominated same after its extensive review of all previous exploration data and its newly acquired data in relation to this ground.
1. Introduction

EL28319 was granted to NRE on 3 May 2011, consisting of a total of 343 sub-blocks. EL28319 is situated in the Carpentaria zinc belt within the McArthur Basin. The region is strongly mineralised with a number of prominent commodities including Copper, Lead-Zinc Silver, Uranium, Gold, Iron, Phosphate and Diamonds.

EL28319 is located approximately 670 kilometres south east of Darwin, near the coast. The tenure is accessible via the sealed Stuart Highway, along the sealed Carpentaria Highway and finally via Robinson road and unsealed station tracks. An alternative way of reaching the project area would be to access any focus areas via helicopter.

Figure 1 identifies the location and access of the relinquished area subject of this report.

Figure 1. Location and Access Map of Relinquished Area

The topography of the Bing Bong Prospect is low lying coastal wetlands, with coastal flats a few kilometres inland. There are several estuaries of the McArthur River and the several unnamed creeks. These creeks and the McArthur River generally flow north east through EL28319.
The south east section of the area is nearly entirely coastal flats. There is minor outcrop within EL28319 as well as occasional low lying dunes and mesas. Figure 2 shows the topography within the relinquished area.

Figure 2. Topographic Map of Relinquished Area

NRE’s exploration rationale and objectives for its Bing Bong Prospect considered the evaluation of potential diamond, base metal and uranium mineralisation within the tenement. Investigations were intended to locate any outcropping of mineralisation and any indicators of any sub-surface mineralisation within the tenement based on desktop reviews.

Exploration activities have included desktop reviews of all previous exploration across the tenement, assessment of the geology, radiometrics, aeromagnetics, gravity and ASTER imagery within the Bing Bong Prospect. They also included XRF and ALS analysis of waterbore cuttings from bore cuttings available within the tenement which were held at the Darwin Core Library.
2. History

EL28319, more commonly known by NRE as its ‘Bing Bong Prospect’ was granted to NRE on 3 May 2011 as the sole titleholder and operator. NRE has recently nominated to relinquish 172 sub-blocks with the remainder of the permit comprising of 171 sub-blocks. Figure 3 below identifies both the retained permit area and the relinquished permit area.

Figure 3. Relinquished Area & Permit Area Map

The relinquished Sub-blocks subject to this report are listed in Table 1 below.

Table 1. Relinquishment Area Sub-block Identification

<table>
<thead>
<tr>
<th>Blocks</th>
<th>Sub Blocks</th>
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<tbody>
<tr>
<td>3150</td>
<td>I,Q,R,V,W,X,Y</td>
</tr>
<tr>
<td>3221</td>
<td>B,C,D,E,G,H,J,K</td>
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<tr>
<td>3297</td>
<td>Q,V,W</td>
</tr>
<tr>
<td>3367</td>
<td>C,D,E,H,J,K,N,O,T,Z</td>
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Native Title

There is currently one (1) Native Title Claim over the area, namely the Boorooloolaa Region #2 (Coastal) Claim (Tribunal Number DC09/1). The Native Title Claim is identified in Figure 4 below.

Figure 4. Native Title Claim Map

Recorded Sacred Sites

There are a number of Recorded and Registered Sacred Sites within this relinquished area. There are also several Restricted Work Areas.
Pastoral Leases

NRE’s Bing Bong Prospect overlies one (1) Pastoral Leases, namely ‘McArthur River’ NT Portion 4319, PPL 1051. Figure 5 shows this lease in relation to the Bing Bong Prospect area.

Figure 5. Cadastral Map
3. Geology

3.1 Regional Geology

The Bing Bong Prospect lies within the Carpentaria zinc belt consisting of Proterozoic sediments and volcanics. It is located within the unmetamorphosed, relatively undeformed Palaeoproterozoic to Mesoproterozoic succession of carbonate, siliciclastic and volcanic rocks of the McArthur Basin.

The Region is strongly mineralised with a number of prominent commodities including lead-zinc-silver, copper, uranium, gold, iron, phosphate and diamonds. The Regional Geology is depicted in Figure 6 below.

Figure 6. Regional Geology Map of Relinquished Area

The McArthur Basin lies within the north-eastern portion of the Northern Territory which extends into Queensland. Its sedimentary sequence is interpreted to be up to approximately 12,000 metres in thickness.

The McArthur Basin hosts the major stratiform McArthur River lead-zinc-silver deposit. The Basin also contains marine and non-marine sedimentary rocks. Volcanic and associated intrusive rocks are present in some parts of the Basin.
3.2 Permit Geology

NRE’s Bing Bong Prospect area is situated in the Carpentaria zinc belt within the McArthur Basin. Quaternary sand, silt and clay as part of alluvium or dunes cover a large portion of EL28319 along with Cainozoic soil, sand, ferruginous cemented detritus and residual black soil. Around 5% of the tenure is outcrop or Subcrop, are Early Cretaceous or Mesoproterozoic mainly sedimentary rocks.

There are Early Cretaceous mesas of sandy claystone, quartz sandstone, clayey sandstone occurring as small exposures only they are largely masked by Cainozoic deposits. Mesoproterozoic outcrops are as follows: Roper Group sandstones and shales occur in the central and southern parts of the tenure, in the south is the Karns Dolomite (dolostone and sandstone), in the west the Mc Arthur Group - dolostone, shale, sandstone and in the east the Tawallah Group – sandstone, conglomerate and some mafic volcanics.

The permit geology is illustrated in Figure 7 and the changes in the interpreted stratigraphic succession over time are shown in Table 2.

Figure 7. Permit Geology Map of Relinquished Area
4. NRE’s Exploration Activities during the Reporting Period

Natural Resources Exploration’s exploration activities focused on delineating surface targets within the relinquished area with the aim of identifying any diamond, uranium or base metal mineralisation within the tenement.

NRE carried out a detailed geological assessment of the relinquished area in order to evaluate the prospectivity of the area prior to concluding that no further exploration is required on the subject area of this report.

Studies included review and compilation of the data from the Northern Territory Geological Services’ (NTGS) open file reports, air photo imagery and examination and interpretation of the latest geological maps. NRE also carried out XRF analysis of water bore cuttings across the broader area known as NRE’s EL28319, held at the Darwin Core Library.

4.1 Exploration Studies

NRE has conducted an extensive review of historic exploration over its Bing Bong Prospect. A review of all previous exploration within the project area has been completed including:

Table 2. Stratigraphy (adapted from Northern Territory Geological Survey, 1989)
• Review of previous exploration data from NTGS open file company reports; and
• Review of aeromagnetics, of radiometrics and gravity survey provided by NTGS; and
• Review of satellite imagery, of ASTER imagery, Google Earth Imagery.

Although no mineral occurrences have yet been documented in the region now held by NRE, the Bing Bong Prospect is considered to be situated in a prospective locality between a number of mineralized zones.

Historic

Previous exploration has been summarised in Table 3 and location of historic tenements is shown in Figure 8.

Table 3. Historic Tenures and Previous Companies’ Exploration Reports

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Period</th>
<th>Company Reports</th>
<th>Company</th>
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<tbody>
<tr>
<td>EL 8021</td>
<td>1993-1994</td>
<td>CR1994-0802</td>
<td>North Mining</td>
</tr>
<tr>
<td>EL 9545</td>
<td>1996-1997</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AP 1973</td>
<td></td>
<td>CR1969-0039</td>
<td>Placer Prospecting</td>
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</tbody>
</table>
4.2 Water Bore Cuttings Analysis

NRE engaged Terra Search Pty. Ltd. to attend the Northern Territory’s Darwin Core Facility to analyse a number of cuttings available from historically drilled water bores within EL28319.

NRE delineated all water bores that had been drilled within EL28319. It also received all relevant information recorded at the time of drilling, including geology intersected and water chemistry. The Department kindly allowed NRE to set-up in the Darwin Core Facility where NRE’s geologists undertook analysis of the water bore cuttings using a hand-held XRF device.

Not all water bores had cuttings available for testing however, NRE was able to test five (5) water bore cuttings within EL28319. For full assay results of those water bore chips, please see NRE’s Exploration Report lodged with the Northern Territory Department of Resources’ Geoscience Division on 7 June, 2011. This report was required in respect of the XRF and ALS Assaying of Water Bore Chips at the Darwin Core Facility. The Exploration Report was titled ‘XRF & ALS Assaying of Water Bore Chips – Core Facility: Darwin’.
5. Reports lodged during the reporting period

NRE lodged an Exploration Report with the Northern Territory Department of Resources’ Geoscience Division on 7 June, 2011. This report was required in respect of the XRF and ALS Assaying of Water Bore Chips at the Darwin Core Facility. The Exploration Report was titled ‘XRF & ALS Assaying of Water Bore Chips – Core Facility: Darwin’.

NRE believes that no other reports were required to be lodged during this reporting period.

6. Conclusions

Natural Resources Exploration’s activities focused on delineating surface targets within the relinquished area with the aim of identifying any diamond, uranium or base metal mineralisation.

NRE carried out a detailed geological assessment of the relinquished area in order to evaluate the prospectivity of the area. Research included review and compilation of the data in the Northern Territory Geological Services’ (NTGS) open file reports, air photo imagery and examination of the latest geological maps. NRE also carried out XRF analysis of water bore cuttings across the broader area known as EL28319, held at the Darwin Core Library.

The detailed geological assessment of EL28319 has led NRE to the conclusion that the potential for mineralisation within the relinquished area is much lower than the remaining tenement area. NRE has delineated this area and nominated same after its extensive review of all previous exploration data and its newly acquired data in relation to this ground.
7. Bibliography


