RELINQUISHMENT AND FINAL REPORT FOR
EXPLORATION LICENCE 26197
VICTORY DOWNS

28 February 2008 – 14 May 2014

HELD BY:
QUASAR RESOURCES PTY LTD
100%

Author: Julie-Ann Simper
Date: 10 June 2014
Distribution: Quasar Resources (1)
DRDPIFR (1)

Submitted by:

CR00625

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Summary

Quasar Resources Pty Ltd relinquished EL26197, in its entirety on 14 May 2014.

During 2008 the primary ‘on ground’ activity was the collection of 1791 gravity stations over the relinquished area using helicopter support. This was followed up in 2009 with the collection of 998 surface samples for multi-element geochemical analysis over the relinquished area. There has been no exploration activity since 2009.
**Proponent Details**

The operator for the exploration licence is Quasar Resources Pty Ltd.

**Address**

Level 7  
25 Grenfell Street  
ADELAIDE SA 5000  
Phone: 08 8110 0531  
Fax: 08 8212 5559  
Email: joy.barnes@quasarresources.com.au

**Contact Person**

Joy Barnes – Executive Assistant/Tenement Manager
1. Location and Access

EL 26197 Victory Downs is located on the NT/SA border approximately 80km west of the Stuart Highway. The tenement is situated on the Kulgera SG5305, 1:250,000 map sheet of Northern Territory. The licence covered 498 blocks approximately 1,534 km² and is located southwest of Kulgera Roadhouse.

2. Tenement Details

QSR holds 100% interest in EL 26197 which was granted on the 28 February 2008. In its 3rd year Quasar completed a 50% reduction as per the statutory requirement. In 2012, the EL was in its 4th year, and consequently Quasar completed a 50% reduction as per the statutory requirement. The EL was reduced further in 2014, by approximately 40% of the 2012 tenement size. The land tenure of the licence is Perpetual Pastoral Lease (Table 1).

3. Geology

Quasar is primarily targeting uranium in Mesozoic and younger sedimentary cover sequences where the Eromanga Basin sediments on-lap the south-eastern margin of the Amadeus Basin and Musgrave Block. There is also potential for IOCGU mineralisation in Mesoproterozoic basement rocks.

The Mesozoic and Cainozoic sedimentary successions are bounded by metamorphic and igneous rocks of the Musgrave Block which are potential source rocks for uranium. These basement rocks are dominated by felsic gneisses, protolith age 1590-1540 Ma. Intruding these are a suite of 1190-1120 Ma granites (Pitjantatjara Supersuite/formerly Kulgera Suite) dated 1190-1120 Ma (Edgoose et al., 2004).

4. Exploration Work Completed

4.1 Gravity Survey

A precision GPS-Gravity survey was conducted by Daishsat Geodetic Surveyors between 18 November and the 4 December 2008. A total of 1791 stations were collected over the area at a nominal station spacing of 1km.

This survey was conducted as part of a larger survey covering three exploration licenses operated by Quasar Resources. Figure 2 shows the location of the survey stations within the exploration licence.

Table 1 Land holders over EL 26197 Victory Downs.

<table>
<thead>
<tr>
<th>NT Portion</th>
<th>Type No</th>
<th>Owner's Name</th>
<th>Owner's Address</th>
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<tr>
<td>03350</td>
<td>PPL 1088</td>
<td>John Garnaut Stanes</td>
<td>Lyndavale Station, PMB, Alice Springs NT 0872</td>
</tr>
<tr>
<td>00324, 00898</td>
<td>PPL 1055</td>
<td>Colin Bruce Morton</td>
<td>Victory Downs Station via Alice Springs NT 0870</td>
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<tr>
<td>04471</td>
<td>PPL 1146</td>
<td>Colin Bruce Morton as Trustee of the Morton Family Trust</td>
<td>Victory Downs Station via Alice Springs NT 0870</td>
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<td>02869, 04007, 04017, 04018, 04020</td>
<td>PPL 999</td>
<td>Umbeara Holdings Pty Ltd</td>
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</table>
Gravity measurements were made using Scintrex CG-3, Scintrex CG5 and LaCoste & Romberg Type-G gravity meters. Position and level data was obtained using Leica 1230GG geodetic grade GPS receivers collecting GPS and GLONASS positional information operating in post-kinematic mode. Data was processed by Daishsat using standard reductions to the ISOGAL84 gravity network using Geosoft GRAVRED software.

The 1km x 1km survey was the result of the NTGS’s “Bringing Forward Discovery” initiative for collaboration in geophysics surveys. The infill survey work was not part of the collaboration.

4.2 Surface Sampling

Surface samples were collected on an 800 x 800 m grid over approximately half of EL 26197 Victory Downs (Figure 3). Sample locations were moved off the square of the grid where they were outside any traditionally significant areas (such as salt lakes) and sand dunes. Areas of extensive sand dunes outside this programme were not sampled.

Preferentially, calcrete samples were collected, followed by ferricrete. If neither were available for sampling, a soil sample was collected from the base of a 1m hole. The presence of calcrete was tested using 10% HCl. Where nodular or sheet calcrete was intercepted the samples were sieved to collect the nodules, otherwise whole soil samples were taken. Samples were approximately 1.0 kg.

A total of 998 surface samples submitted for geochemical analysis fall within the relinquished area. Three different preparation/analytical techniques, each with a specific suite of elements, were used (Table 2). ME-MS62 is a whole rock near-total four acid digest with ICP-AES finish. ME-ICP61 is a four acid digest with ICP-MS finish. ST44 is a gold analysis by aqua regia extraction with ICP-MS finish.

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Table 2: Analytical method and element suite. LLD is the lower level of detection.

Uranium

The highest uranium result for EL 26197 Victory Downs was 4.4 ppm in a ferricrete sample (V325). The highest results for calcrete and soil samples were 3.2 ppm (V1774) and 2.6 ppm (V561) respectively.

Two zones of elevated uranium are seen from this programme, one in the north and one in the south. The northern zone coincides with outcropping Jurassic De Souza Sandstone, the southern zone overlies Kulgera Granite of the Musgrave Block.
Gold

The highest gold result for EL 26197 Victory Downs was 6.4 ppb in a calcrete sample (V993). The highest results for ferricrete and soil samples were 5.3 ppb (V319) and 3.2 ppb (V561) respectively. Neither of the > 5 ppb results are related spatially.

5. Conclusions

No on ground exploration has been undertaken across EL 26197 Victory Downs, since 2009.

Quasar Resources Pty Ltd have relinquished EL 26197 in its entirety, as the result of a shift in exploration focus.

6. References

Figure 2

Lat Long, NAD83

Scale: 1:300,000

STUART HIGHWAY

STAINES HILLS

ERLDUNDA

ULBULLA

WELMALA

KULGERA ROADHOUSE

KULGERA

MOUNT REYNOLDS

MOUNT BARROW

AYERS RANGE

MOUNT SIR HENRY

MOUNT CAVENAGH

KALAMUTA HILL

LYNDAVALE

EL 26197 VICTORY DOWNS

PROSPECT LOCALITY PLAN

Figure 2

NORTHERN TERRITORY

Victor Hugo Pty Ltd

Level 4, 25 Grenfell Street

Adelaide 5000, AUSTRALIA

ABN 17 101 227 070