PARTIAL RELINQUISHMENT REPORT FOR EXPLORATION LICENCE 26194 UMBEARA

28 February 2008 – 27 February 2014

HELD BY:
QUASAR RESOURCES PTY LTD
100%

Author: J.Simper
Date: 10 April 2014
Distribution: Quasar Resources (1)
DRDPIFR (1)

Submitted by:

CR00622

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Summary

Quasar Resources Pty Ltd relinquished 44 blocks of EL 26194 on 27 February 2014.

During 2008 the primary ‘on ground’ activity was the collection of 149 gravity stations over the relinquished area using helicopter support. This was followed up in 2009 with the collection of 198 surface samples for multi-element geochemical analysis. There has been no exploration activity since 2009.

Quasar picked up the licence to explore for IOCGU and palaeochannel hosted uranium deposits.

Proponent Details

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

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Contact Person

Joy Barnes – Executive Assistant/Tenement Manager

1. Location and Access

EL 26194 Umbeara is situated on the Kulgera SG5305, 1:250,000 map sheet of Northern Territory. The tenement covered approximately 116 blocks prior to relinquishment; following relinquishment, 72 blocks remain. The tenement is located northeast of Kulgera Roadhouse; both the Stuart Highway and the Adelaide to Darwin Railway intersect the tenement.

Access within the tenement is on gravel roads and pastoral station tracks.

2. Tenement Details

QSR holds 100% interest in EL 26194, which was granted on the 28 February 2008. In 2012, the 4th year anniversary of the licence, Quasar completed a 50% reduction as per statutory requirements. The EL was reduced further in 2014 (6th year anniversary), by approximately 38% (Figure 1). The land tenure of the licence is Perpetual Pastoral Lease (Table 1).

NT Portion	Type No	Owner's Name	Owner's Address
03351	PPL 1031	Ailbern Pty Ltd	Erldunda Station via Alice Springs NT 0870
04020, 04018, 04017, 04007, 02869	PPL 999	Umbeara Holdings Pty Ltd	Umbeara Station PMB 66 Alice Springs NT 0872
02958	PPL 1090	Shoujaa Pty Ltd	310 Ferry Road Southport QLD 4215

Table 1: Land holders over EL 26194 Umbeara

3. Geology

Quasar is primarily targeting the uranium potential of the Mesozoic and Cainozoic sedimentary cover sequence where Eromanga Basin sediments onlap the southeastern margin of the Amadeus Basin and the Musgrave Block. It is also prospective for IOCG mineralisation in Mesoproterozoic basement rocks.

The focus of uranium interests are the Mesozoic and Cainozoic sedimentary succession which are bounded by the Musgrave Block, with potential metamorphic and igneous uranium enriched source rocks. These basement rocks are dominated by felsic gneisses with protolith ages of 1590-1540Ma, which are intruded by a suite of granites (Pitjantjatjara Supersuite/formerly Kulgera Suite) dated 1190-1120 Ma (Edgoose et al., 2004).

There is also additional potential for calcrete-hosted uranium mineralisation within surficial Cenozoic sediments which are characterised by ephemeral valleys and small playa lakes.

4. Exploration Work Completed

4.1 Gravity Survey

A precision GPS-Gravity survey was conducted by Daishsat Geodetic Surveyors between 18 November and 1 December 2008. A total of 149 stations were collected over the relinquished area at a nominal station spacing of 1km.

This survey was conducted as part of a larger survey covering three explorations licences operated by Quasar Resources. The gravity data covering the relinquished area is presented in Appendix A. Figure 2 shows the Bouguer gravity image covering the relinquished area.

Stations were accessed using a Robinson R-44 Helicopter and Yamaha Rhino ATV's. 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.

4.2 Surface Sampling

Surface samples were collected on an 800 x 800 m grid over approximately half of EL 26194 Umbeara (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. The north eastern corner was not sampled due to denied access by landholder (Barnes & Caon, 2009).

Preferentially, calcrete samples were collected, followed by ferricrete. If neither were intersected to a depth of 1 m a soil sample was taken. 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.

Details of the samples which fall within the relinquished area are shown in Appendix B.

A total of 198 surface samples submitted for geochemical analysis fall within the relinquished area (Figure 3). 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.

Method ME-MS62			**Method ME-ICP61**			**Method ST44**		
Element	**Unit**	**LLD**	**Element**	**Unit**	**LLD**	**Element**	**Unit**	**LLD**
U	ppm	0.1	Zn	ppm	2	Au	ppm	0.001
Th	ppm	0.2	Mn	ppm	5			
Cu	ppm	0.2	Co	ppm	1			
Pb	ppm	0.5	Ce	ppm	50			
Ag	ppm	0.02	Al	%	0.01			
As	ppm	0.2	K	%	0.01			
Bi	ppm	0.01	Ca	%	0.01			
Ga	ppm	0.05	Fe	%	0.01			
La	ppm	0.5	Mg	%	0.01			

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

Due to the three different sample media collected, analysis of each medium was undertaken separately.

Uranium

The highest uranium result for EL 26194 Umbeara was 4.6 ppm in a ferricrete sample. The highest results for calcrete and soil samples were 3.2 ppm and 3.1 ppm respectively.

Results from this programme show several zones of elevated uranium. Overall there is a general increase in uranium from the northwest to the southeast, culminating in the largest elevated zone in the centre of the tenement, roughly orientated NE-SW. This zone corresponds with underlying Jurassic De Souza Sandstone. Other zones to the southeast and east of this zone of elevated uranium overlie Devonian Idracowra Sandstone. Both these formations unconformably overlie the Musgrave Block.

Gold

The highest gold result for EL 26194 Umbeara was for ferricrete and soil samples were 5.4 ppb (UM1719).

5. Conclusions

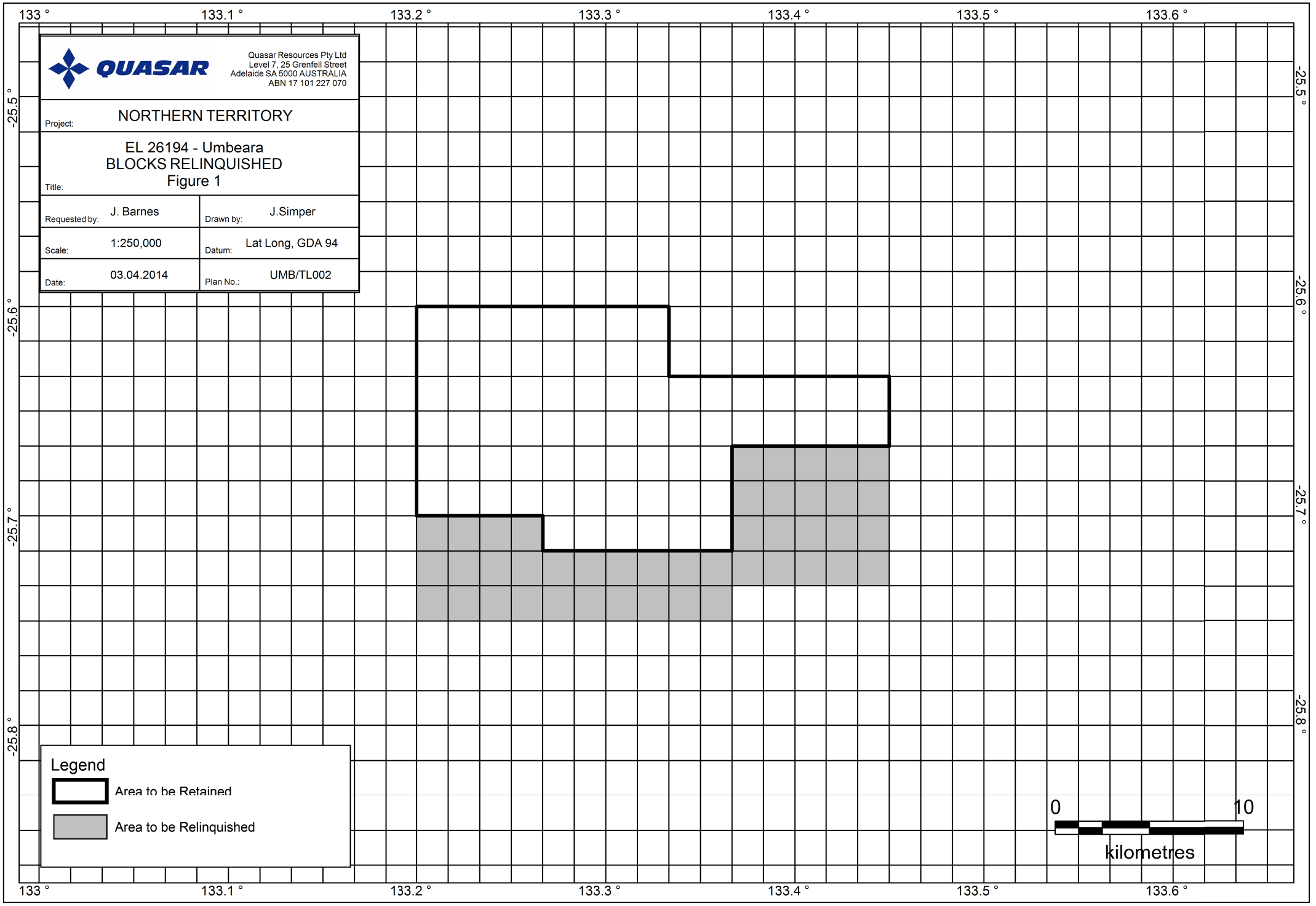
The areas being relinquished is considered to either have lower prospectivity for sediment-hosted uranium or are relatively inaccessible due to sand dunes. Results show a zone of elevated results for several elements which roughly corresponds with exposures and sub-cropping occurrences of sandstone formations. The proximity of potential source rocks from the adjacent Musgrave Block points to a possibility of sandstone hosted uranium mineralisation.

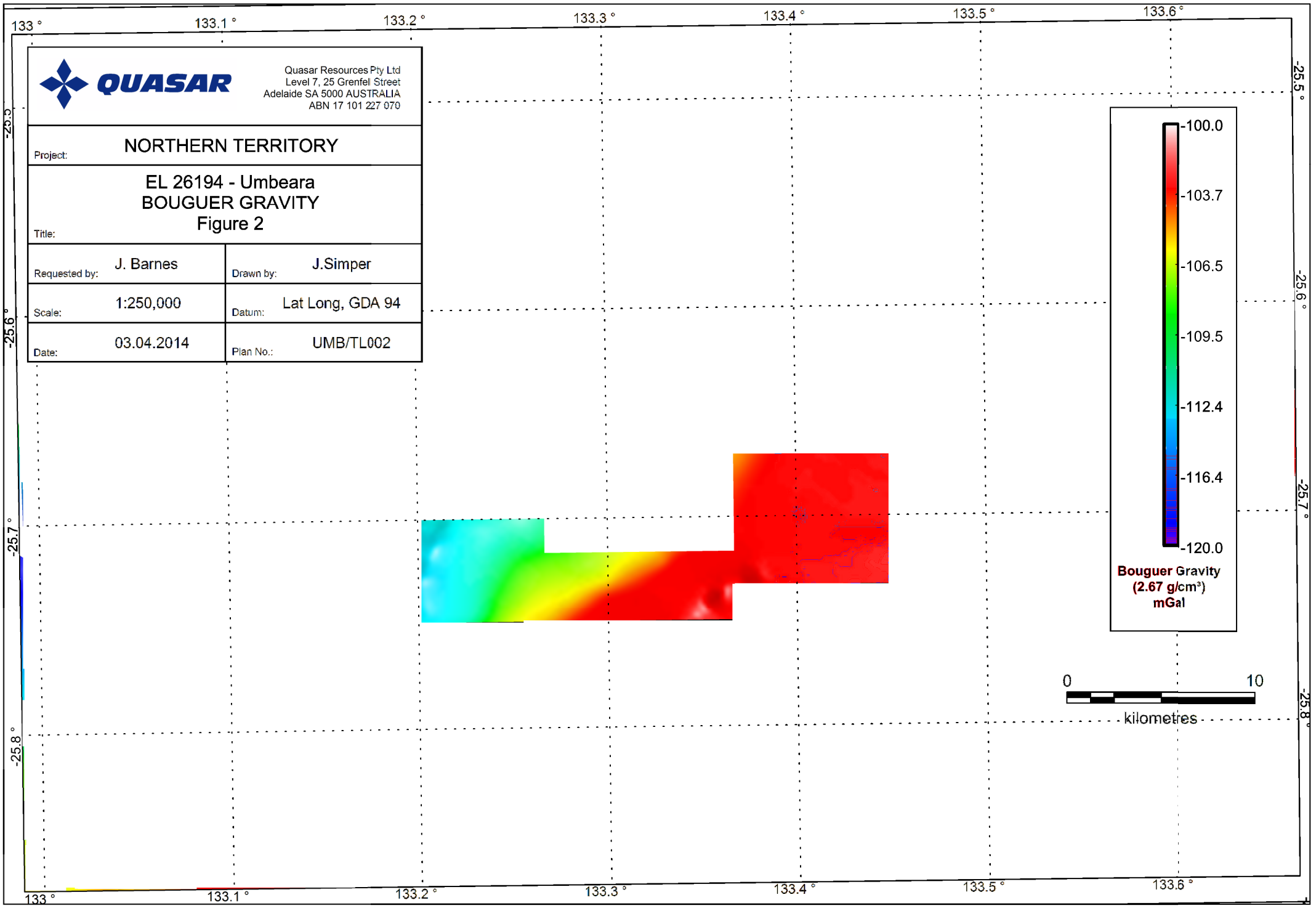
6. References

Barnes, J. & Caon, J., 2009, *Annual Technical Report for EL 26194 Umbeara, 1st Annual Report, Reporting Period 26 February 2008 to 27 February 2009*, Quasar Resources

Edgoose, C.J., Scrimgeour, I.R., & Close, D.F., 2004, *Geology of the Musgrave Block*, Northern Territory. NTGS Report 15

McAvaney, D.J., 2010, *Annual Technical Report for EL 26194 Umbeara, 2nd Annual Report, Reporting Period 28 February 2009 to 27 February 2010*, Quasar Resources


133 °
133.1 °
133.2 °
133.3 °
133.4 °
133.5 °
133.6 °
-25.5 °
-25.6 °
-25.7 °
-25.8 °
QUASAR
Quasar Resources Pty Ltd
Level 7, 25 Grenfell Street
Adelaide SA 5000 AUSTRALIA
ABN 17 101 227 070
Project: NORTHERN TERRITORY
Title: EL 26194 - Umbeara
BLOCKS RELINQUISHED
Figure 1
Requested by: J. Barnes
Drawn by: J.Simper
Scale: 1:250,000
Datum: Lat Long, GDA 94
Date: 03.04.2014
Plan No.: UMB/TL002
Legend
Area to be Retained
Area to be Relinquished
0
10
kilometres


QUASAR
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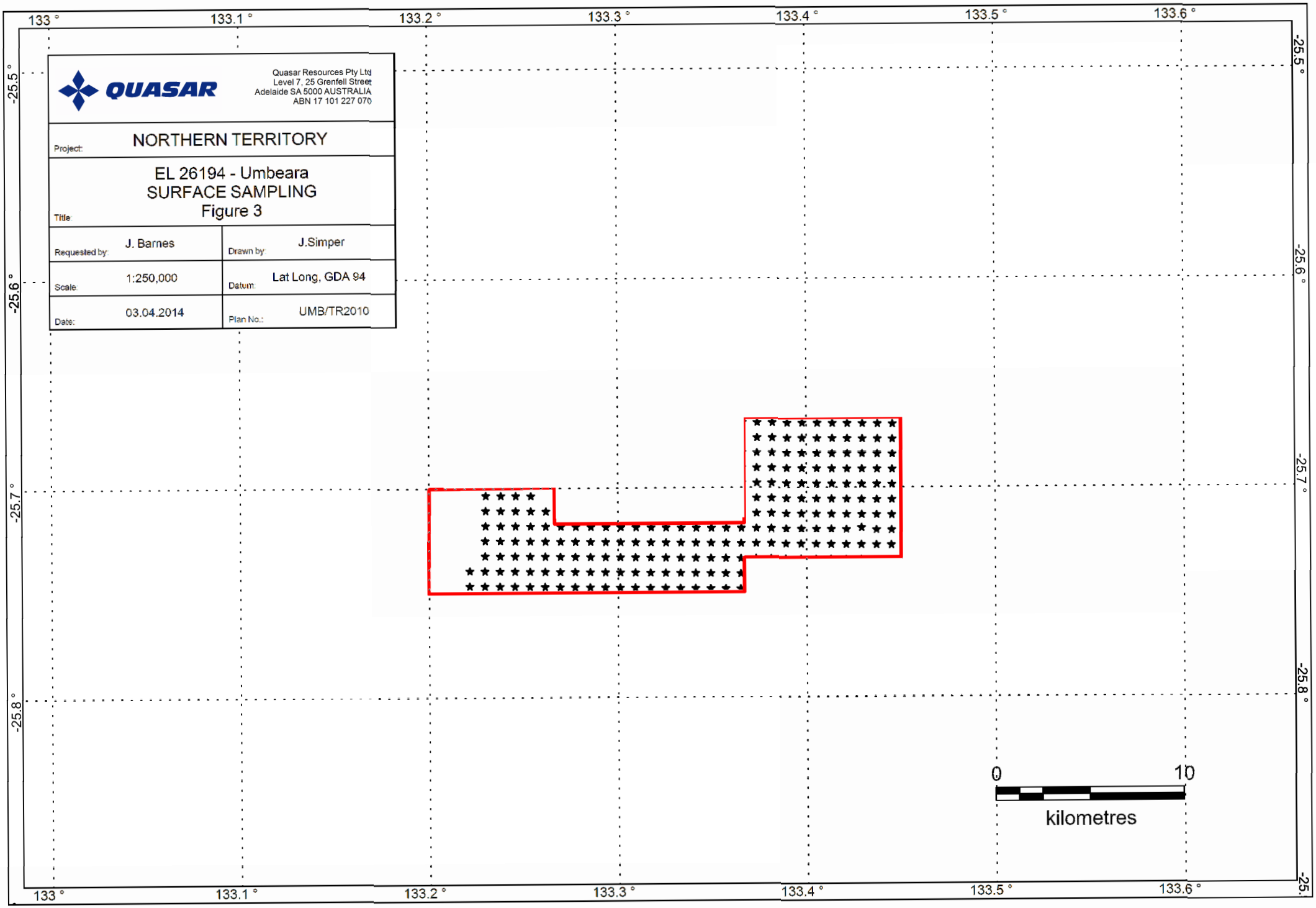
Project: NORTHERN TERRITORY
Title: EL 26194 - Umbeara
BOUGUER GRAVITY
Figure 2
Requested by: J. Barnes
Drawn by: J.Simper
Scale: 1:250,000
Datum: Lat Long, GDA 94
Date: 03.04.2014
Plan No.: UMB/TL002
133 °
133.1 °
133.2 °
133.3 °
133.4 °
133.5 °
133.6 °
-25.5 °
-25.6 °
-25.7 °
-25.8 °
-100.0
-103.7
-106.5
-109.5
-112.4
-116.4
-120.0
Bouguer Gravity
(2.67 g/cm³)
mGal
0
10
kilometres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Project: NORTHERN TERRITORY
Title: EL 26194 - Umbeara
SURFACE SAMPLING
Figure 3
Requested by: J. Barnes
Drawn by: J.Simper
Scale: 1:250,000
Datum: Lat Long, GDA 94
Date: 03.04.2014
Plan No.: UMB/TR2010
133 °
133.1 °
133.2 °
133.3 °
133.4 °
133.5 °
133.6 °
-25.5 °
-25.6 °
-25.7 °
-25.8 °
0
10
kilometres