ANNUAL TECHNICAL REPORT FOR
EXPLORATION LICENCE 26197
VICTORY DOWNS

3rd Annual Report
Reporting period 28 February 2010 to 27 February 2011

HELD BY:
QUASAR RESOURCES PTY LTD
100%

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Executive Summary

During the reporting period 28 February 2010 until 27 February 2011 there were no exploration activities undertaken by Quasar Resources Pty Ltd (QSR) within EL 26197.
**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 26197 is situated on the Kulgera SG5305, 1:250,000 map sheet of Northern Territory. The tenement covers 498 blocks approximately 1,534 km² and is located southwest of Kulgera Roadhouse (Figure 1).

Access from Alice Springs is via the sealed Stuart Highway, the gravel Gunbarrel Highway and pastoral station tracks (Figures 1 and 2).

2. Tenement Details

QSR holds 100% interest in EL 26197, which was granted on the 28 February 2008. The land tenure of the licence is Perpetual Pastoral leases (Table 1, Figure 2).

<table>
<thead>
<tr>
<th>NT Portion</th>
<th>Type No</th>
<th>Owner’s Name</th>
<th>Owner’s Address</th>
</tr>
</thead>
<tbody>
<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>
</tr>
<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>
</tr>
<tr>
<td>02869, 04007, 04017, 04018, 04020</td>
<td>PPL 999</td>
<td>Umbeara Holdings Pty Ltd</td>
<td>Umbeara Station, PMB 66 Alice Springs NT 0872</td>
</tr>
</tbody>
</table>

Table 1 Landholders over EL 26197 Victory Downs.

3. Geology

Quasar is primarily targeting uranium potential of the Mesozoic and younger sedimentary cover sequence where Eromanga Basin sediments onlap the southeastern margin of the Amadeus Basin and Musgrave Block. There is also prospectivity for IOCG mineralisation in Mesoproterozoic basement rocks as well as diamonds.

The focus of uranium exploration is the Mesozoic and Cainozoic sedimentary succession, bounded by potentially metamorphic and igneous uranium enriched source rocks of the Musgrave Block. These basement rocks are dominated by felsic gneisses, protolith age 1590-1540 Ma. Intruding these are a suite of 1190-1120 Ma granites (Pitjantjatjara Supersuite/formerly Kulgera Suite) (Edgoose et al., 2004).
4. Expenditure

Expenditure for EL 26197 Victory Downs
1 March 2010 - 28 February 2011

\[
\begin{array}{lc}
\text{Expenditure} & \$ \\
\text{Exploration HO - Cost Alloc} & 678.15 \\
\text{Management Fee} & 2,622.21 \\
\text{Manpower} & 4,360.92 \\
\text{Rents} & 9,360.00 \\
\text{Total} & \textbf{17,021.28} \\
\end{array}
\]

Table 2 Expenditure for the period 1 March 2010 – 28 February 2011

5. References

