ANNUAL TECHNICAL REPORT FOR EXPLORATION LICENCE 26194 UMBEARA

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

HELD BY: QUASAR RESOURCES PTY LTD 100%

Author: Barnes, J
Date: 15 March 2011
Distribution: Quasar Resources (1)
DRDPIFR (1)
Submitted by: Barnes

Accepted by: [Signature]

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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 26194.
**Proponent Details**

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

**Address**

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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 26194 Umbeara is situated on the Kulgera SG5305 and Finke SG5306, 1:250,000 map sheets of Northern Territory. (Figure 1) The tenement covers approximately 483 blocks totalling 1,534 km² and is located northeast of Kulgera Roadhouse. Both the Stuart Highway and the Adelaide to Darwin Railway intersect the tenement (Figures 1 and 2).

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. The land tenure of the licence is Perpetual Pastoral Lease (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>
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<td>03351</td>
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<td>Ailbern Pty Ltd</td>
<td>Erldunda Station via Alice Springs NT 0870</td>
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<tr>
<td>04020, 04018, 04017, 04007, 02869</td>
<td>PPL 999</td>
<td>Umbeara Holdings Pty Ltd</td>
<td>Umbeara Station PMB 66 Alice Springs NT 0872</td>
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<tr>
<td>02958</td>
<td>PPL 1090</td>
<td>Shoujaa Pty Ltd</td>
<td>310 Ferry Road Southport QLD 4215</td>
</tr>
</tbody>
</table>

Table 1 Landholders 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. Expenditure

Expenditure for EL 26194 Umbeara
1 March 2010 - 28 February 2011

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Exploration HO - Cost Alloc</td>
<td>654.66</td>
</tr>
<tr>
<td>Management Fee</td>
<td>2,688.60</td>
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<tr>
<td>Manpower</td>
<td>4,304.44</td>
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<tr>
<td>Rents</td>
<td>9,480.00</td>
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<td><strong>Total</strong></td>
<td><strong>$17,127.70</strong></td>
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Table 2 Expenditure for the period 1 March 2010 – 28 February 2011

5. References


