ANNUAL TECHNICAL REPORT FOR
EXPLORATION LICENCE 26197
VICTORY DOWNS

6th Annual Report
Reporting period 28 February 2013 to 27 February 2014

HELD BY:
QUASAR RESOURCES PTY LTD
100%

Author: Barnes, J
Date: 28 March 2014
Distribution: Quasar Resources (1)
DRDPIFR (1)

Submitted by:

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Executive Summary

During the reporting period 28 February 2013 until 27 February 2014 there were no exploration activities undertaken by Quasar Resources Pty Ltd (QSR) within EL 26197. Quasar completed desktop geophysical studies.
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 117 blocks approximately 362 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 (Figure 1).

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).

<table>
<thead>
<tr>
<th>NT Portion</th>
<th>Type No</th>
<th>Owner’s Name</th>
<th>Owner’s Address</th>
</tr>
</thead>
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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>
</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. Work Program 2013

No field work was conducted during 2013. Discussions with a Joint Venture partner was the main focus in 2013. A confidentiality agreement was signed on the 5 February 2013, however these discussions failed to finalise a joint venture agreement.

5. Expenditure

Exploration Licence 26197 Victory Downs expenditure for the period 1 March 2013 - 28 February 2014

\[
\begin{array}{ll}
\text{Management Fee} & 2,438.25 \\
\text{Manpower} & 1,018.50 \\
\text{Native Title - Agreement Exps} & 5,210.43 \\
\text{Rents} & 13,462.00 \\
\hline
\text{Total} & 22,129.18
\end{array}
\]

Table 2 Expenditure for the period 1 March 2013 – 29 February 2014

6. References

