

Natural Resources Exploration Pty Ltd

Exploration Licence 28580 (Pedirka Basin Project)

Annual and Final Report

31 October 2012 to 1 September 2014

Author

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1.0 SUMMARY

Exploration Licence (EL) 28580 was granted to Natural Resources Exploration Pty (NRE) on the 31 October 2012 for a period of six years. The first relinquishment of 125 blocks (50% of total) is due after the second year of tenure, however NRE have elected to do a full relinquishment of all sub-blocks at this time. This decision is based on a desktop review completed in the first tenure year indicating the tenement to have limited potential.

2.0 INTRODUCTION

Natural Resources Exploration Pty Ltd was granted the Exploration Licence (EL) 28580 on the 31 October 2012 for a period of six years. The tenement has a total of 250 sub-blocks (Table 1) covering 775.80 km².

Table 1 – Blocks and sub-blocks of EL 28580

Map Sheet 1:1,000,000	Block ID	Sub-Blocks	Number
SG53	1036	Q, r, s, t, u, v, w, x, y, z	10 Sub-Blocks
SG53	1105	S, t, u, x, y, z	6 Sub-Blocks
SG53	1106	E, k, p, q, r, s, t, u, v, w, x, y, z	13 Sub-Blocks
SG53	1107	A, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y, z	25 Sub-Blocks
SG53	1108	A, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y, z	25 Sub-Blocks
SG53	1109	Q, r, s, t, v, w, x	7 Sub-Blocks
SG53	1177	C, d, e, h, j, k, n, o, p, s, t, u, x, y, z	15 Sub-Blocks
SG53	1178	A, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y, z	25 Sub-Blocks
SG53	1179	A, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y, z	25 Sub-Blocks
SG53	1180	A, b, c, d, e, f, g, h, j, k, l, m, n, o, p	15 Sub-Blocks
SG53	1249	C, d, e, h, j, k, n, o, p, s, t, u, x, y, z	15 Sub-Blocks
SG53	1250	A, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y, z	25 Sub-Blocks
SG53	1251	A, b, c, d, e, f, g, h, j, k, l, m, n, o, p, q, r, s, t, u, v, w, x, y, z	25 Sub-Blocks
SG53	1320	J, k, n, o, p	5 Sub-Blocks
SG53	1321	A, b, c, d, e, f, g, h, j, k, l, m, n, o	14 Sub-Blocks
TOTAL			250

2.1 Location and Access

EL 28580 is approximately 65 West of Finke (Figure 1).

The Pedirka Basin project is located in the southern part of the Northern Territory, south of Santa Teresa and West of Finke.

Pedirka Basin is located in central Australia, straddling the borders of the Northern Territory and South Australia.

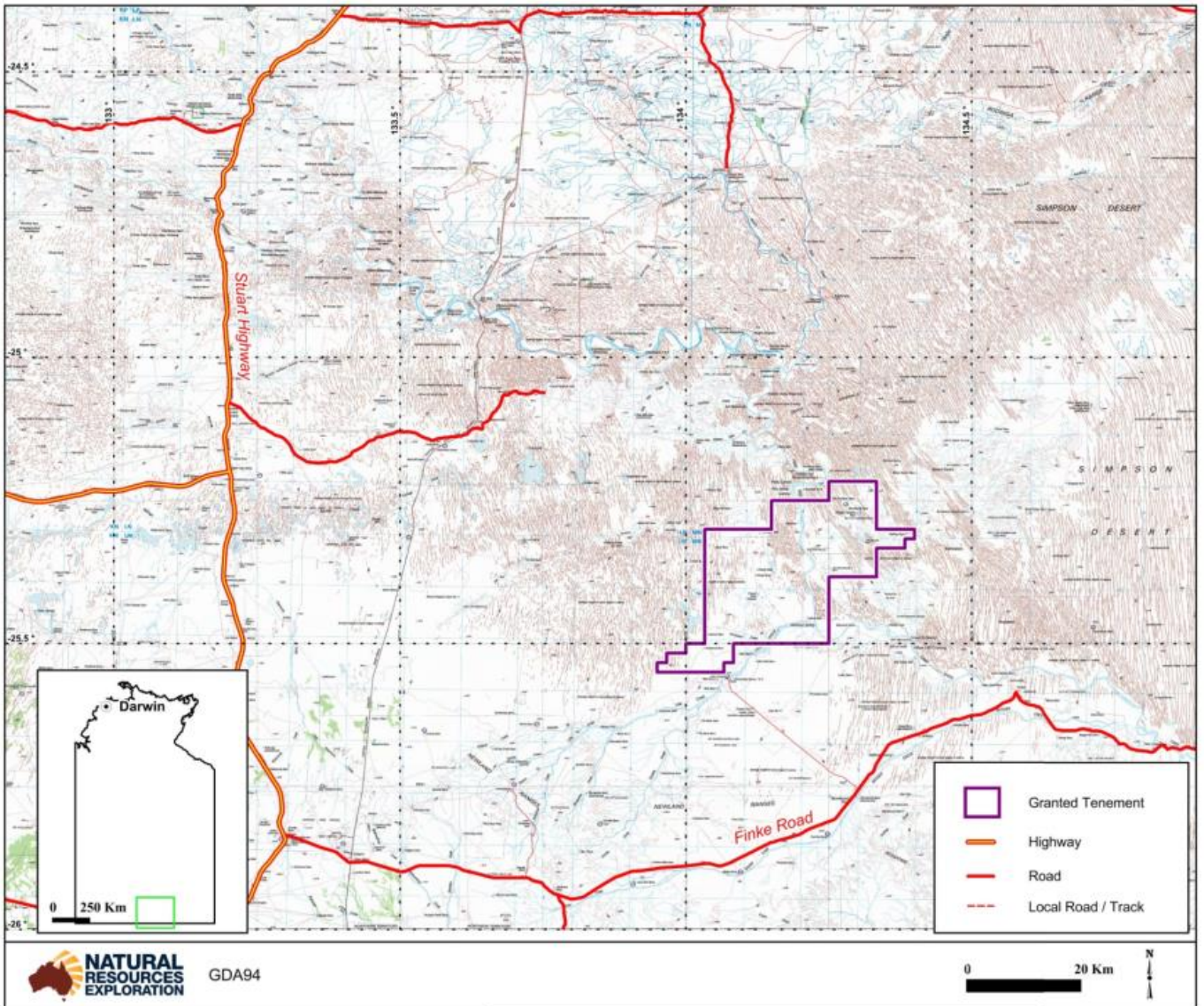


Figure 1 – Location of EL 28580

3.0 TARGET COMMODITY

The focus of Natural Resources Exploration's exploration activities is for a variety of minerals including base metals, gold, phosphate and diamonds.

4.0 BLOCKS RELINQUISHED

All sub-blocks from EL 28580 are to be relinquished.

5.0 WORK CONDUCTED ON RELINQUISHED GROUND

5.1 Previous Exploration

To delineate prospective areas for coal, base metal and uranium mineralisation and define the next phase of exploration, Natural Resources Exploration ('NRE') has carried out extensive office-based studies of EL28580 and a historic review of previous exploration over the tenure area. Prior to grant, NRE also attended the Alice Springs Core Library for the purpose of conducting XRF and ALS Analysis of cuttings from previously drilled water bores in the region.

Our office-based studies and analysis of cuttings at the Alice Springs Core Library have allowed us to delineate prospective areas for base metal and uranium mineralization and in particular, gold mineralisation.

5.2 Exploration Studies

NRE has conducted an extensive review of historic exploration over its Lilla Creek North Prospect. A review of all previous exploration within the EL has been completed including:

- Review of previous exploration data from NTGS open file company reports; and
- Review of aeromagnetics, of radiometrics and gravity survey provided by NTGS; and
- Review of satellite imagery, of ASTER imagery, Google Earth Imagery.

Exploration focus during the first term within EL28580 has primarily been for sedimentary U and gold mineralization deposits. Six (6) companies have explored the area from 1972 to present with aerial radiometrics being a common tool used to define exploration targets which were generally followed up with geological reconnaissance.

In the wider area, there has been exploration for sedimentary and primary U, Au, opal, diamonds, base metals, Sn, Ta, PGE, REE, massive Mn, Ni, Fe and coal. However, over this tenement majority of exploration efforts has been for uranium mineralization and in more

recent times, iron and coal which were the targets for the exploration company last holding a similar area covered by EL 28580.

5.3 Final Year

No exploration work was carried out within the reporting period. This was due to an internal change of management within NRE. The exploration activities are not recommencing and NRE have voluntarily surrendered EL 28580 in full.

6.0 CONCLUSIONS

The current owners of Natural Resource Exploration Pty Ltd have re-assessed the literature for EL 28580. Due to the limited availability of data and the change of structure within NRE has prompted the decision by NRE to relinquish all the sub-blocks in the tenement.