FINAL REPORT OVER THE ROPER IRON ORE AND URANIUM PROJECT

McARTHUR MINERAL FIELD,
NORTHERN TERRITORY

Roper Project
Exploration Licence: 26114

BY
P. Kastellorizos
13th April 2015

DISTRIBUTION
1. Northern Territory Department of Minerals & Energy
2. Diamantina Uranium Pty Limited
PROJECT NAME: ROPER

TENEMENTS: Exploration Licences 26114

MINERAL FIELD: McArthur Mineral Field

LOCATION: URAPUNGA SD5310 1:250 000

Moroak 5668 1:100 000

COMMODITIES: Iron Ore – Uranium
1.0 ROPER IRON-URANIUM PROJECT

1.1 Copyright Statement:

The owned information acquired by Diamantina Uranium includes all information under the previous work by Diamantina Uranium and work during reporting year sections. The rest of the information has been sourced from open reports and data through the Department of Mines and Energy. The Minister has authority to publish the copyrighted information accordingly.

2.0 INTRODUCTION

The Roper project is located approximately 720km north-west of Darwin in Northern Territory. The project comprises one Exploration Licence (EL 26114) which covers a total area of 790 km². The area can be reached via the Stuart Highway from Darwin and east from the Carpentaria Highway.

This report describes the results of literature research and target generation based on re-interpretation of magnetic/radiometric data carried out during the third year of the Licence.

During January 2014 consulting geologists Kastellco Geological Consultancy ("KGC") conducted a review of existing historical exploration data within the Northern Territory Geological Survey Database. This was conducted for all the Project area to identify any high potential iron ore and uranium exploration targets and resulted in the identification of several targets that warrant further work.

Historical prospects were reviewed to determine the effectiveness of the previous exploration and evaluate remaining potential within the Exploration Licence area.

- Project is located within the McArthur Basin (Sedimentary and minor volcanic rocks) which hosts the McArthur River Zn-Pb-Ag mine. Several minor occurrences of base metals, iron ore and uranium.
- Numerous iron ore prospects are proximal to the Project area (Oolitic ironstones).
- EL 26114 represents a greenfields exploration play for principally for iron mineralisation. Companies such as WDR and SHR have targeted the Sherwin Formation with great success with mining operation currently underway. Western Desert Resources has delineated a Total inferred, Indicated and Measured Resource of 611Mt @ 40% Fe including DSO grade of 47.4Mt @ 57.3% Fe,
- Within EL26114, there is approximately 3.32 km of outcropping Sherwin Formation - Oolitic ironstones which are considered as walk up iron ore targets.

Based on the review, it was recommended the exploration licence area was to be relinquished upon the collapse of the iron prices around the world and the location of the Project. The board of Directors have concluded if any mineral resources would be delineated within the National Park, it would be deemed too difficult to access mineral leases and permitting required for extraction.

The company will focus on more prospective areas within their other Northern Territory Exploration Licence areas.

3.0 LOCATION AND ACCESS

The Roper project is located approximately 500km south-east of Darwin in Northern Territory. The project comprises one Exploration Licence (EL 26114) which covers a total area of 88.63 km². The area can be reached via the Stuart Highway from Darwin and east along the Roper Highway.
The area is largely inhibited with the exception of small communities of Aboriginal and European staff at Roper Valley Station and a community of Aboriginal people who periodically reside at Bringung Community located about 9 km to the north of Roper Valley Station.

Rainfall is seasonal, associated mostly with the summer monsoon. Temperatures range from the summer average of 35 degrees celsius to a winter average minimum of 12 degrees Celsius.

Vegetation varies from grass covered alluvial plains to open and medium dense eucalypt with sparse grass cover. Pandanus and paperbarks typically line major water courses. The area occupied by EL26114 in the south is drained by the easterly flowing Roper River. The southern part is drained by the northerly flowing Packsaddle Creek and its tributaries. The Roper River drains into the Gulf of Carpentaria.

4.0 TENEMENTS

The project is comprised of one granted exploration licence (EL) with the tenement details summarised in Table 1 and their locations are shown in Figures 1 and 2.

Table 1: Roper Project - Tenement Summary

<table>
<thead>
<tr>
<th>Project</th>
<th>Tenement Number</th>
<th>Status</th>
<th>Current Area</th>
<th>Current Holder</th>
<th>Granted Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roper</td>
<td>EL26114</td>
<td>Granted</td>
<td>27 Blocks</td>
<td>88.63 km$^2$</td>
<td>Diamantina Uranium Pty Ltd 02/04/2008</td>
</tr>
</tbody>
</table>

Figure 1: Roper Project – Topographic Map
5.0 REGIONAL GEOLOGY MINERALISATION

The Project covers parts of the western boundary of the McArthur Basin, in north part of the Northern Territory. The Palaeo to Mesoproterozoic McArthur Basin (1800-1500 Ma) is exposed over an area of about 180,000 km² in the northeastern Northern Territory. It unconformably overlies Palaeoproterozoic metamorphosed and deformed rocks of the Pine Creek Orogen to the west, Murphy Inlier to the south and Arnhem Inlier to the northeast. The Murphy Inlier was probably a palaeogeographical high separating the McArthur Basin from the South Nicholson Basin and Lawn Hill Platform. Phanerozoic strata of the Georgina Basins unconformably overlie the McArthur Basin succession.

Within the McArthur Basin, two north-trending fault zones, the Walker Fault Zone (WFZ) and Batten Fault Zone (BFZ), are separated by the east-trending Urapunga Fault Zone. Tectonically 'stable' shelves to the east and west flank these relatively deformed fault zones. The Caledon Shelf to the east and the Arnhem Shelf to the west flank the WFZ while the BFZ is flanked by the Wearyan Shelf to the east and Bauhinia Shelf to the west. The 'Fault Zones' are 50-80 km wide and hundreds of kilometres long.

The McArthur Basin succession comprises sandstone, shale, carbonate, and interbedded volcanic and intrusive igneous rocks. The Tawallah Group and equivalents maintain a thickness of 3-4.5 km in both the fault zones and shelves, while the McArthur Group and equivalents thicken to 5 km in the fault zones. A deep seismic reflection survey undertaken in collaboration with Geoscience Australia showed that the entire succession is essentially horizontal and about 8 km thick. There was no evidence in the seismic data for the Batten Fault Zone (previously described as the Batten Trough) to be a separate depocentre, with the sedimentary succession appearing to continue in both directions away from the implied boundaries of the 'trough'.

The McArthur Basin is amongst the most prospective regions of the North Australian Craton. It hosts the world-class HYC lead-zinc-silver deposit (sediment-hosted) and several smaller uranium iron ore and base metal deposits, as well as diamond-bearing kimberlite pipes at Merlin. Large areas in the north of the basin are effectively unexplored.

All the economic diamond deposits and other significantly diamondiferous occurrences in Australia are located in the North Australian Craton (NAC). The NAC underlies the Kimberley region in northern Western Australia, the northern two thirds of the Northern Territory and the north-western part of Queensland. It is also host to many significant base metal, gold and uranium deposits. The NAC was formed at about 1,850 millions years (Ma) during the Barramundi Orogeny by the amalgamation of the Archaean and early Proterozoic rocks that now form the basement rocks of the NAC. Proterozoic (1820-1600 Ma) platform cover sediments, Palaeozoic volcanics and sediments, and Mesozoic sediments cover these basement rocks. The Palaeozoic volcanics comprise the Lower Cambrian Antrim Plateau Volcanics (about 500 Ma in age) and its equivalents. The only volcanic activity that has occurred on the NAC for the past 500 Ma has been intrusion of diamondiferous kimberlite at 367 Ma (Devonian, Merlin Kimberlite field, 179 Ma (Jurassic, Timber Creek Kimberlite field) and the 25 Ma (Tertiary) lamproite field in the Ellendale (West Kimberley) area.

The large time span of intrusive diamondiferous activity makes the NAC very prospective for diamond exploration and indicates diamonds have been preserved in the lithosphere below the NAC and that eruptions of the diamond-bearing volcanic rocks can occur at any time during the last 500 Ma. It is expected that kimberlites would occur in the central parts of the NAC and lamproites would be favoured in the marginal areas and in cross-cutting Proterozoic mobile zones.

The kimberlites and lamproites of the NAC tend to occur along major north-west and north-east trending structures. These structures can be seen in the gravity data crossing the NAC and have strike lengths of
many hundreds of kilometres. These structures are interpreted to be fundamental fractures in the NAC and are potential channel ways for diamondiferous intrusives.

5.1 REGIONAL IRON AND GEOLOGY MINERALISATION

The first significant iron ore find in the NT was made in 1911 at Murphy’s prospect near Roper Bar (Murphy 1912). This small discovery drew BHP Ltd to the area in 1955 and led to an investigation of the Roper River oolitic iron ore deposits. Diamond drilling, bulk sampling and some metallurgical testing of deposits near Hodgson Downs (Deposits T, U, V and W) Mount Fisher (Deposit M) and Sherwin Creek (Deposits A, B, C and E) was carried out between 1956 and 1961. Canavan (1965) estimated iron ore resources of 200 Mt grading 27-33% Fe and 40-45% SiO₂ at Sherwin Creek, and 200 Mt grading 37-52% Fe and 7-16% SiO₂ at Hodgson Downs.

BHP investigated at least 26 iron ore prospects in the district between 1955 and 1961. The Deposits identified include the Hodgson Downs area (Deposits T, U, V, W, X and Y), the Sherwin Creek – Mount Scott area (Deposits A, B, C, D, E and G, H, I, J, K, L), the Mount Fisher area (Deposit M) and the eastern tenement area adjacent to WDR’s Roper Bar and Mountain Creek Projects

Oolitic sedimentary deposits

These are massive stratiform oolitic ironstones within marine terrigenous clastic sediments. Kimberley (1978) has called them sandy, clayey, and oolitic, shallow-inland-sea iron formations or SCOS-IFs, but they are also known as Clinton-type oolitic ironstones. The ironstones are interbedded with shale and quartz sandstone, which were deposited in an agitated, shallow marine depositional environment. The main iron minerals present are goethite, hematite, limonite, siderite, chamsoite, greenalite and traces of magnetite. Gangue minerals include detrital quartz and authigenic chert.

Mesoproterozoic iron ore deposits in the Roper River district are examples of this style of iron mineralisation in the NT. Oolitic ironstones form beds 0.5-4 m thick that are commonly continuous over tens of kilometres. Ore quality is generally low, typically 30-50% Fe (average 40%), 0.2 to 0.05% P (av 0.1%) and 15-45% SiO₂ (av 30%) although better quality ore (>50% Fe, <30% SiO₂ and 0.1% P) exists in some areas (eg Deposit W). Some 27 oolitic ironstone occurrences have been recorded in the Northern Territory. Most of these are within the Sherwin Formation in the Roper River iron field. The Roper River and greenalite1 ooids within a hematitic cement (Cochrane and Edwards 1960). Silica grains commonly form the nuclei of the hematite ooids.

The ‘upper’ ironstone beds have been well documented in the Sherwin Creek area where a number of drillholes have intersected three ‘upper’ ironstone horizons. These ironstones are lower in iron than the ‘Main Ironstone’ interval as they contain more siderite and quartz and less hematite in the primary ore. The ‘upper’ ironstones are interbedded with coarse siderite-chamosite-bearing sandstone and sandy mudstone. Sedimentary features within the Sherwin Formation (Ferenczi 1997a) suggest that it was deposited as an offshore bar in an active shoal environment that transgressed over lagoonal mud and beach sand (Moroak Sandstone). Inner shelf, organic-rich mud (Kyalla Formation) subsequently transgressed over the ferruginous oolite beds. Please refer to the below image.
The Sherwin Formation contains massive oolitic to pisolithic ironstone within interbedded medium to very coarse ferruginous (chamosite-siderite at depth) ripple-marked sandstone, sandy mudstone and shale. Massive ironstone beds are typically 1-4 m thick and are often exposed near the tops of cliff faces at the front of long cuesta-form ranges). Within the Sherwin Formation, a soft, ochreous oolitic ironstone bed near the base has better economic potential than the harder upper ironstone beds as it is higher in iron and contains less silica. This bed is best exposed along a ridge about 12 km to the west-northwest of Hodgson Downs homestead (Deposits W, V, Y, U and T) and at Mount Fisher. The ore typically consists of closely packed ooids (0.5-5 mm in diameter) of soft red hematite and goethite, and varying amounts of well rounded quartz grains).

The Hodgson Downs deposits (T, U, V, W, and Y) lie within mining reserves RO 1377 and 1378 on land belonging to the Alawa Aboriginal Land Trust. In this area, the Sherwin Formation forms a distinctive mappable unit up to 8 m thick that can be discontinuously traced for some 25 km around the southern and eastern margin of a shallow northeast-plunging syncline. The unit appears to vary in both thickness and composition from north to south, and the dip progressively decreases from 22° in the north to near horizontal in the south. Most of the drilling and sampling has focused on the gently dipping and thicker ironstone sections exposed around the southern part of Deposit W. A schematic cross-section based on drillholes by BHP Ltd is given in above.

The sub-horizontal ironstone unit at Deposit W averages 40-50% Fe over 4-4.5 m, and includes an upper 2.5-3.5 m section of massive, soft oolitic ironstone, which grades 43-63% Fe. The best drillhole intersection (BHP DDH W26) was 4.5 m grading 42.9% Fe and 12.5% SiO2 from 18.7 m depth (Bennett and Heaton 1958). Surface sampling by Ferenczi (1997a) indicated the presence of moderate to high amounts of phosphorus (0.06–0.18% P, average 0.12%) and silica (7.4– 33.4% SiO2, average 22%).

Steeper dipping (10-22°) ironstones in the northern part of Hodgson Downs (Deposits T, U, V and Y) at Deposits D and E. It is much softer, higher in grade (45-52% Fe) and composed of predominately oolitic hematite. The upper bed is typically 1-3.5 m thick and is low in iron (only 30-35% Fe) compared to the lower units. The middle ironstone bed is separated from the top bed by about 4.5 m of interbedded shale and sideritic sandstone.
6.0 LOCAL GEOLOGY & MINERALISATION

EL 26114 includes part of the western area of the Proterozoic McArthur Basin. The area is dominated by Mesoproterozoic sediments (sandstones and shales) of the Roper Group. Lower Cambrian mafic volcanics

Stratigraphic section from Sherwin Creek area (based on drillholes BHP DDH7 and BMR URAPUNGA DDH4)
occur in the south-west of the EL and overlie Proterozoic Bukalara Sandstone. These are equivalent to the Antrim Plateau Volcanics and consist of tholeiitic basalt, agglomerate and tuffs. Cambrian flood basalts are considered prospective for Noril’sk-style Ni-Cu-PGE sulphide deposits and diamonds. The depleted base metal component of the basalts could have potentially trapped sulphide cumulates in flow-through style feeder systems, similar to proposed models for the rich Noril’sk Ni-Cu-PGE deposits in Siberia. To date no Ni-Cu-PGE mineralisation has been located. Minor Mesoproterozoic mafic intrusives are present in the Roper Group sediments.

The Moroak Sandstone Member comprises resistant blocky medium sandstone interbedded with fine pebbly conglomerate; siltstone and shale are prodingly located in the north-western portion of EL26114. The Moroak Sandstone Member is overlain by the Kyalla Member which consists of finer-grained flaggy, fine micaceous sandstone, siltstone and greywacke, interbedded with shale.

Figure 2: Roper Project – Geology Map

Oolitic and pisolitic (sederitic when fresh) and ferruginous sandstone of the Sherwin Ironstone Member have been observed in the central portion of the Exploration Licence Area. Regionally, the Sherwin Ironstone Member has been observed to be interbedded with the Moroak Sandstone and Kyalla Members.

Dolerite has been also mapped by the BMR in the western central portion of EL26114. These are remnant of a sill, and another dolerite sill is inferred to have been intruded the area. Extensive Quaternary alluvium occurs along the floodplain of the Roper River and Packsaddle Creek.
7.0 PREVIOUS EXPLORATION

In 1972, Kratos Exploration conducted exploration activities over AP 2583, which overlapped with EL 26114. Airborne and radiometric surveys were carried out over Authority to Prospect No. 2583. Although the results of the airborne surveys were not encouraging, four of nine radiometric anomalies recorded were examined on ground. Ground examination confirmed that none of the anomalies in the area were sufficiently encouraging to warrant further work. The increase in radioactivity for 8 of the 9 anomalies was related to sandstone (part of the Kyalla Member, Roper Group) that appeared more argillaceous than silty (less marked erosion).

In 1983, Australian Diamond Exploration conducted exploration within the eastern portion of EL26114. The northern portion of EL 2895, held by M. J. Hannon Pty. Ltd., overlapped with the southern-eastern portion of EL 26114. Ashton Mining Limited, on behalf Aberfoyle Exploration Pty. Ltd., undertook a regional gravel sampling program in EL 2895 at a density of one sample per 12.56 square kilometres. A total of 79 gravel samples were collected and the heavy mineral fractions examined for kimberlitic indicator minerals. 77 of the 79 samples collected contained no detectable kimberlitic indicator minerals. Chromite grains were identified in the remaining two samples but proved to be of non-kimberlitic origin.

The northern portion of EL 3359, held by Aberfoyle Exploration Pty. Ltd., overlapped with the southern portion of EL 26114. Ashton Mining Limited, on behalf Aberfoyle Exploration Pty. Ltd., undertook a regional gravel sampling program in EL 3359 at a density of one sample per 14.98 square kilometres. A total of 86 gravel samples were collected and the heavy mineral fractions examined for kimberlitic indicator minerals. No indicator minerals found and the sampling program was considered to have adequately tested the licence area.

The north-western portion of EL 3364, held by A.O.G. Minerals Limited, overlapped with the south-eastern portion of EL 26114. Ashton Mining Limited, on behalf A.O.G. Minerals Limited, undertook a regional gravel sampling program in EL 3364 at a density of one sample per 13.09 square kilometres. A total of 97 gravel samples were collected and the heavy mineral fractions examined for kimberlitic indicator minerals. Laboratory testing failed to locate kimberlite-derived minerals in the samples. The sampling program was considered to have adequately tested the licence area. It was concluded that the likelihood of finding kimberlites in EL 3364 was remote and that no further exploration for diamonds should be undertaken within the tenement.

The western portion of EL 3368, held by A.O.G. Minerals Limited, lay immediately north of the eastern portion of EL 26114. Ashton Mining Limited, on behalf A.O.G. Minerals Limited, undertook a regional gravel sampling program in EL 3368 at a density of one sample per 11.17 square kilometres. A total of 110 gravel samples were collected and the heavy mineral fractions examined for kimberlitic indicator minerals. Laboratory testing failed to locate kimberlite-derived minerals in the samples.

EL 4633, held by Stockdale Prospecting Limited, overlapped with the north-western portion of EL 26114. “No kimberlitic indicator minerals or diamond positive results were obtained from the eight samples collected in these licences.”

The western portion of EL 4483, held by Stockdale Prospecting Limited, overlapped with the eastern portion of EL 26114. ELs 4478 and 4479 both extend south from the southern boundary of EL 4483. 21 samples were taken from major drainages within the exploration licences to test the area for diamonds and kimberlitic indicator minerals. Sampling density was approximately 1:192km2. Approximately 50 litres of -1.7mm+0.5mm material was collected at each site. Two positive results were obtained. Sample: T 6160 1 x kimberlitic garnet Sample: T 7996 1 x diamond 0.0026 ct. (EL 4479)
In 1990, Stockdale Prospecting Limited, conducted extensive exploration within the eastern portion of EL 26114. Stream and loam sampling identified numerous kimberlitic garnets, chromite and ilmenite, culminating in the discovery of 2 kimberlitic dykes: Packsaddle 1 and Blackjack 1. A total of 46 RAB RC drill holes tested Packsaddle 1. Kimberlitic material was confirmed in 5 drill holes in two locations separated by 700m. The predominant indicator mineral is garnet.

Fine diamonds were recovered from intersections by DH's 32, 36 and 46. Intersections of phlogopite-bearing tan-olivine clay were observed in DH4, DH32 and DH46.

Twelve 1 metre RAB-RC drill hole samples were submitted to De Beers Kimberly Research Laboratories in South Africa for fine diamond, heavy mineral and microprobe investigations of indicators recovered. Packsaddle-01 is classified as a phlogopite-olivine para-kimberlite based on the presence of dog tooth olivines, virtual absence of groundmass opaques and rare poikilitic phlogopite. Stockdale states it should be noted that the kimberlite intersections are highly weathered and the analyses were based on three small equigranular, iron stained chips from DH32. Garnet was consistently more abundant than chromite in all samples.

Approximately 117 kg of drill material from the 1989 drill program yielded 46 diamonds weighing a total 0.00096 cts were recovered.
In 1991, Stockdale Prospecting Limited, follow-up ground magnetic anomalies within the eastern portion of EL 26114. Interpretation of aeromagnetic data outlined an anomaly on the most eastern boundary of EL26114 at AMG 388,600 E 8,354,850 N. A ground magnetic survey was undertaken over this anomaly. Modelling indicates a magnetic source at depth. Two auger and RAB-RC holes were drilled and no ultramafic bodies intersected. Results from kimberlitic indicator minerals were negative. TM imagery, airborne radiometric data, and aerial photographs were examined. No pipe-like intrusions were evident.

Detailed geochemical stream sediment and rock chip sampling for Cu, Pb and Zn were carried out by Poseidon Exploration limited, under a joint venture agreement. Weak Pb, Bi, Cu and U anomalies were obtained from streams possibly draining the Velkerri Formation sediments. The weak U responses are thought to be due to accumulations in black soil alluvium.

8.0 RECENT EXPLORATION WITHIN ROPER IRON FIELD

Western Desert Resources and Sherwin Iron have conducted extensive exploration activities such as surface geochemistry, airborne magnetics/gravity surveys, RC and diamond drilling, bulk sampling, grade control, resource estimates and metallurgical studies which have proven very successful to the point of current mining operations.
Western Desert Resources commence exploration in 2008 with mining operation starting in the last quarter of 2013. Currently the project will initially involve the construction an open pit operation with a production output of 1.5Mtpa of ore in its first year and increasing to 3Mtpa by year three.

There is an estimated 100 km² of outcrop of the target Sherwin Formation which hosts extensive hematite iron ore horizons.

Beneficiation Testwork

Based on preliminary metallurgical testing of bulk samples collected from trenching, Sherwin Iron estimates that W Deposit has the potential to produce 81 million tonnes of marketable product grading 57% Fe. Preliminary metallurgical testing on bulk samples was arranged and supervised by Engenium Pty Ltd. This demonstrates that a 45% head sample with 27% silica was enhanced to 53% Fe and 16% silica through density separation without any grinding. Further testing utilising grinding and gravity separation produced 57% Fe and a silica level below 10%.
During January 2014 consulting geologists Kastellco Geological Consultancy (“KGC”) conducted a review of existing historical exploration data within the Northern Territory Geological Survey Database. This was conducted for all the Project areas to identify any high potential base metal and uranium exploration targets and resulted in the identification of several targets that warrant further work.

Work during this term included literature searches and data base compilation. Open file company reports were obtained from the Northern Territory Geological Survey and a review of past exploration data and geological concepts undertaken. Airphoto interpretation has identified geological and structural features for ground reconnaissance. The project areas has been shown to contain a number of clusters and linear first and second order magnetic anomalies which have never been investigated in great detail (Figure 3).
The targeting was undertaken at a high level to identify areas of interest that stand out in the regional re-interpreted geophysical data. Historical prospects were reviewed to determine the effectiveness of the previous exploration and evaluate remaining potential within the Exploration Licence area.

On a regional basis the tenement is located in the highly prospective McArthur Mineral Field. Through detail interpretation of airborne magnetic from the Northern Territory Geological Survey, the following magnetic anomalies were identified as shown in Table 2. The location of the magnetic target anomalies targets is represented in Figure 3.

<table>
<thead>
<tr>
<th>Tenure Number</th>
<th>Magnetic Anomalies</th>
<th>Strike Length of Anomaly</th>
<th>Width of Anomaly</th>
<th>Geological Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL26114</td>
<td>1</td>
<td>3.36 km Max</td>
<td>0.88 km Max</td>
<td>Derim Derim Dolerite</td>
</tr>
<tr>
<td>EL26114</td>
<td>2</td>
<td>3.45 km Max</td>
<td>0.82 km Max</td>
<td>Derim Derim Dolerite</td>
</tr>
<tr>
<td>EL26114</td>
<td>3</td>
<td>3.35 km Max</td>
<td>0.99 km Max</td>
<td>Quaternary Sediments</td>
</tr>
<tr>
<td>EL26114</td>
<td>4</td>
<td>6.58 km Max</td>
<td>0.99 km Max</td>
<td>Derim Derim Dolerite</td>
</tr>
</tbody>
</table>

Figure 3: Roper Project Areas showing Magnetic Target Anomalies
Figure 4: Regional Projects hosting the Sherwin Formation within the Roper Iron Field

Sherwin Iron Global Mineral Resource

<table>
<thead>
<tr>
<th>Deposit Area</th>
<th>Classification</th>
<th>Ni</th>
<th>Fe</th>
<th>NiO</th>
<th>FeO</th>
<th>Al2O3</th>
<th>LOI</th>
<th>Published</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area D</td>
<td>Infilled</td>
<td>15.7</td>
<td>37.9</td>
<td>31.5</td>
<td>0.004</td>
<td>3.2</td>
<td>2.4</td>
<td>Oct-02</td>
</tr>
<tr>
<td>Area E (north)</td>
<td>Infilled</td>
<td>15.5</td>
<td>35.6</td>
<td>33.8</td>
<td>0.003</td>
<td>3.6</td>
<td>2.4</td>
<td>Jun-12</td>
</tr>
<tr>
<td>Area F (south)</td>
<td>Infilled</td>
<td>21.9</td>
<td>39.7</td>
<td>28.9</td>
<td>0.005</td>
<td>4.9</td>
<td>2.4</td>
<td>Feb-12</td>
</tr>
<tr>
<td>Area F (east)</td>
<td>Infilled</td>
<td>27.5</td>
<td>41.0</td>
<td>35.5</td>
<td>0.004</td>
<td>1.6</td>
<td>2.4</td>
<td>Jun-17</td>
</tr>
<tr>
<td>Area G (north)</td>
<td>Infilled</td>
<td>11.8</td>
<td>39.3</td>
<td>33.8</td>
<td>0.002</td>
<td>2.2</td>
<td>11.0</td>
<td>Feb-12</td>
</tr>
<tr>
<td>Area H (north)</td>
<td>Infilled</td>
<td>15.5</td>
<td>41.3</td>
<td>33.8</td>
<td>0.004</td>
<td>3.6</td>
<td>2.4</td>
<td>Jun-17</td>
</tr>
<tr>
<td>Area F**</td>
<td>Measured</td>
<td>18.2</td>
<td>43.2</td>
<td>35.8</td>
<td>0.004</td>
<td>3.6</td>
<td>2.4</td>
<td>Jun-17</td>
</tr>
<tr>
<td>Area F**</td>
<td>Measured</td>
<td>15.7</td>
<td>47.3</td>
<td>33.8</td>
<td>0.002</td>
<td>3.6</td>
<td>2.4</td>
<td>Jun-17</td>
</tr>
<tr>
<td>Area F**</td>
<td>Measured</td>
<td>7.7</td>
<td>35.0</td>
<td>37.8</td>
<td>0.004</td>
<td>3.6</td>
<td>2.4</td>
<td>Jun-17</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>261.1</td>
<td>43.3</td>
<td>33.8</td>
<td>0.004</td>
<td>3.6</td>
<td>2.4</td>
<td></td>
</tr>
</tbody>
</table>

* Includes DSO grade of 30.8% Ni @ 55.0% Fe, 9.9% NiO, 2.0% Al2O3, 0.89% P and 2.0% LOI
** Includes DSO grade of 16.6% Ni @ 54.3% Fe, 15.9% NiO, 1.2% Al2O3, 0.01% P and 4.9% LOI

The Mineral Resource estimates were carried out in accordance with the guidelines of the JORC Code (2012) by SRK Consulting.
10.0 EXPLORATION POTENTIAL

EL 26114 represents a greenfields exploration play for principally for iron mineralisation. Companies such as WDR and SHR have targeted the Sherwin Formation with great success with mining operation currently underway. Western Desert Resources has delineated a Total inferred, Indicated and Measured Resource of 611Mt @ 40% Fe including DSO grade of 47.4Mt @ 57.3% Fe,

Excellent potential exists over the Roper area to delineate further substantial iron ore resources with most of areas never explored. Potential for discovering new iron ore deposits north of the pre-existing prospective area is closely associated with numerous magnetic anomalies identified by the regional wide spaced aeromagnetic-radiometric survey flown by the Northern Territory Geological Survey.

The historic wide spaced drilling and the lack of any systematic exploration did not fully test the mineralization potential over the area. Numerous percussion drill holes drilled to a shallow depth have intersected iron ore mineralization with no follow up work completed. No geological mapping or any surface geochemical sampling has been conducted.

Based on the review, it was recommended the exploration licence area was to be relinquished upon the collapse of the iron prices around the world and the location of the Project. The company will focus on more prospective areas within their other Northern Territory Exploration Licence areas.

Overall Summary

1. Carry out detail and extensive soil/rock chip surface geochemical sampling programs over the Sherwin Formation (hosting the iron mineralisation).
2. Detail geophysical gravity survey should also be completed to measure the ironstone as this will outline the high density of any potential ore zones. This method was used by Western Desert Resource in 2013 over the Area F (west prospect) which has a current Inferred Resource of 216Mt @ 41.3% Fe, Indicated Resource of 15.7Mt @ 47.3% Fe and Measured Resource of 7.7Mt @ 50% Fe.
3. Airborne magnetic/radiometric surveys are another method of mapping the Sherwin Ironstone Member as this produces a weak response in the magnetics which can be used to map the unit from surface but also has the potential to delineate the ironstone undercover.
4. Detailed regional structural interpretation with strong emphasis on the identification of untested mineralised structural trends

11.0 REFERENCE


