# PARTIAL RELINQUISHMENT REPORT
**EXPLORATION LICENCE – EL 28169**

**Period Ending 26 April 2015**

<table>
<thead>
<tr>
<th><strong>Titleholder</strong></th>
<th>Kronos Gold LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Titles/Tenements</strong></td>
<td>EL 28169</td>
</tr>
<tr>
<td><strong>Report Title</strong></td>
<td>Exploration Licence 28169 Partial Relinquishment Report for Period Ending 26 April 2015</td>
</tr>
</tbody>
</table>
| **Author(s)**         | Daniel Young, Land and Tenures Administrator  
                        Jennifer Entjes, Land and Tenures Coordinator  
                        James Butler, Geologist |
| **Target Commodity**  | Gold                     |
| **Contact Details**   | Kronos Gold LLC  
                        PO Box 7128 Riverside Centre  
                        Brisbane QLD 4001  
                        Ph: 07 3236 9800  
                        Fx: 07 3221 2146  
                        Email: kronosgold@kronosworld.net |
INTRODUCTION

Kronos Gold LLC ARBN 139 504 411 (“Kronos”) is the sole titleholder and operator of EL 28169 which was granted on 27 April 2011 for a term of six (6) years. A submission for partial relinquishment was submitted to the Department of Mines and Energy (“DME”) on 26 April 2013 and accepted by DME on 1 May 2013.

The partial relinquishment reduced the area of tenure by 223 sub-blocks, as required by the Mineral Titles Act 2010. This report for EL 28169 offers a summary of activities undertaken on the relinquished area in the past 12 months, including any results produced by these activities.

This report relating to the reduced area is produced pursuant to section 94(2)(e)(i) of the Mineral Titles Act and Regulation 86(4) and (5).

TENURE INFORMATION

EL 28169 was granted to Kronos Gold LLC for an initial period of 6 years commencing on 27 April 2011. Kronos is the sole titleholder and operator of this tenure. The permit initially comprised of 446 sub-blocks.

The following list details how many sub-blocks have been relinquished since EL 28169 was granted to Kronos Gold LLC.

- On the 01 of May 2013, Kronos Gold LLC relinquished 223 sub-blocks, as required by the Mineral Titles Act 2010.
- On the 29 August 2014, Kronos nominated 28 sub-blocks for surrender. These were accepted by the department on 9 October 2014.

At the beginning of the reporting period Kronos Gold LLC retained 195 sub-blocks as listed in the table below.

<table>
<thead>
<tr>
<th>Block</th>
<th>Sub-Blocks</th>
<th>Block</th>
<th>Sub-Blocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1529</td>
<td>A-Z</td>
<td>1670</td>
<td>A-Z</td>
</tr>
<tr>
<td>1599</td>
<td>A-Z</td>
<td>1673</td>
<td>E, K, P, U, Z</td>
</tr>
<tr>
<td>1600</td>
<td>A-Z</td>
<td>1674</td>
<td>A-Z</td>
</tr>
<tr>
<td>1601</td>
<td>A-Z</td>
<td>1675</td>
<td>A, F, L, Q, V</td>
</tr>
</tbody>
</table>

In accordance with the reduction requirements set out in the Mineral Titles Act, Kronos relinquished 98 sub-blocks by way of application to the Department of Mines and Energy (‘DME’) submitted on the 17 April 2015. This application was accepted by DME on 21 May 2015.
The 98 sub-blocks relinquished were comprised of the following:

**Table 2: Sub-Block Identification – Relinquished Area Table**

<table>
<thead>
<tr>
<th>Block</th>
<th>Sub-Blocks</th>
<th>Block</th>
<th>Sub-Blocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1528</td>
<td>D, E, T</td>
<td>1602</td>
<td>B, L, Q, R, V, Z</td>
</tr>
<tr>
<td>1529</td>
<td>A, D, E, J, K, N</td>
<td>1670</td>
<td>A-C, F, G</td>
</tr>
<tr>
<td>1530</td>
<td>A, R, W</td>
<td>1671</td>
<td>D, E, J, K, O, P, U</td>
</tr>
<tr>
<td>1599</td>
<td>S-U, W-Z</td>
<td>1673</td>
<td>E, U, Z</td>
</tr>
</tbody>
</table>

In accordance with the geological assessment carried out by Kronos during the 2014 / 2015 reporting period, Kronos has relinquished the least prospective areas of the tenure.

**PERMIT AND RELINQUISHMENT AREA GEOLOGY**

The Amadeus Basin is an intracratonic basin located mostly in the southern section of the Northern Territory and extends slightly over the border of Western Australia. As is similar with intracratonic basins, the Amadeus Basin contains a complex Late Proterozoic to mid-Palaeozoic depositional succession.

EL 28169 is located approximately 60 kilometres south of Erldunda and sits on the border between Northern Territory and South Australia, as shown in Figure 2. The tenure is geologically located west of the Pedirka Basin and is situated over the Amadeus and Eromanga Basins, within the Musgrave province, the area relinquished is located over the Amadeus Basin, as shown in Figure 5.

Kronos has relinquished 98 sub-blocks, from the outer edges and across the centre of the tenure. The area relinquished has been determined to be furthest from any potential economic zone in the permit area.

**EXPLORATION OBJECTIVES AND RATIONALE**

The product target of the exploration program is gold. Kronos currently holds 1 granted Exploration Licence for mineral exploration in the Northern Territory. The objective of Kronos’ exploration program is to identify the extent of mineralisation from the Amadeus Basin that can be economically extracted and sold at a profit. Office-based studies and the geochemical survey have revealed that it is unlikely the quality and quantity of any mineral deposits in the outer and centre area covered by the tenure would be economically viable and Kronos has therefore relinquished 98 sub-blocks from EL 28169.

**EXPLORATION ACTIVITIES CARRIED OUT ON THE RELINQUISHED AREA**

Kronos has undertaken an intensive literature search to find all available information on the Amadeus Basin and its unit of interest. Kronos’ exploration rationale included a literature search where access to all available literature from previous private and governmental basin studies and mineral and petroleum explorations in attempt to further understand what was currently known about potential mineral deposits in existing reports.
During the reporting period Kronos conducted geological assessment to determine areas of geological interest.

The information Kronos has obtained to date indicates the potential mineral deposits within the tenure. However further research has indicated that the extent of the resource and the feasibility in pursuing the exploration of same would not be as viable in the relinquished area.

While Kronos’ fundamental objectives and rationale have not changed, the exploration results from the second year have expanded the scope and potential for this region. The discovery of surface minerals found within the tenure, are encouraging indicators to justify further fieldwork activities. Kronos has retained the most prospective 97 sub-blocks, as these remaining sub-blocks are closer to the potential economic zone.

REPORTS LODGED DURING THE REPORTING PERIOD

Kronos lodged an expenditure report for EL 28169 on 24 May 2015 as required under the Mineral Titles Act 2010. This report has been accepted as satisfactory by the Department.

Kronos has lodged an annual report for EL 28169 on 25 June 2015 as required under the Mineral Titles Act 2010. At the time of this report, Kronos awaits confirmation of its acceptance by the Department.

Kronos believes that there were no other reports that were required to be lodged during this period.

CONCLUSIONS

Kronos has made progress towards identifying target areas within the edge of the intrusions within the tenure and determining the potential of mineral deposits within those zones.

Office-based studies in relation to this tenure have indicated that the quantity and quality of mineral deposits likely are not economically viable and do not extend to the outer parts of EL 28169. Kronos has therefore relinquished 98 sub-blocks from the tenure area, and has retained the most prospective 97 sub-blocks.
BIBLIOGRAPHY


ANNEXURE A: FIGURES

Figure 1: EL28169 BLOCK ID MAP 2015
Figure 2: EL28169 LOCATION MAP 2015