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CONTENTS

FIGURES............................................................................................................... 2

SUMMARY............................................................................................................. 4

1. INTRODUCTION .......................................................................................... 5

2. LOCATION AND ACCESS .......................................................................... 7

3. PREVIOUS EXPLORATION ........................................................................ 9
   3.1 Uranium Exploration ............................................................................. 9
   3.2 Other Commodities ............................................................................. 11
   3.3 Summary of Exploration Results ......................................................... 13

4. GEOLOGY ..................................................................................................... 15
   4.1 Regional Geology ................................................................................ 15
   4.2 Local (EL 29221) Geology .................................................................. 16

5. URANIUM MINERALISATION ..................................................................... 18
   5.1 Source Rocks of Uranium ................................................................... 18
   5.2 Potential Types of Uranium Mineralisation ......................................... 18

6. INTERPRETATION AND URANIUM PROSPECTIVITY ....................... 21
   6.1 Methodology ....................................................................................... 21
   6.2 Uranium Prospectivity ....................................................................... 29

7. PROPOSED EXPLORATION ....................................................................... 30

KEY REFERENCES .............................................................................................. 31
FIGURES AND TABLES

Figure 1.1 Regional Location Map showing “Wuhua” uranium project ELs. EL 29221 is located in the southeastern corner of the map.

Figure 2.1 NAPPERBY 1:250,000 geological mapsheet showing relationships of Reynolds Range, Ngalia Basin and “Wuhua” uranium project ELs. EL 29221 is located in the central part of the map.

Figure 2.2 2.2 Landsat ETM7 realistic_123 over DTM imagery showing relationships of landscapes, roads, locality and and EL 29221.

Figure 3.1 Summary of historical sampling and collar locations in the Wuhua Mining Corporation Pty Ltd tenement area.

Figure 3.2 Summary of historical sampling and collar locations over EL 29221.

Figure 4.1 Regional Fact Geology Map (Regional solid geology showing tenements in relation to the Ngalia Basin (P10, O, D and C). Arunta Block comprises units A5 and A6 comprising deformed and metamorphosed supracrustal sequences and a variety of granitoid gneiss and intrusive granites (g5, g6, g7, g8). Also shown are sites of significant U-mineralisation [Napperby (New Well), Walbiri and Bigrlty].

Figure 4.2 Tenement EL 29221 surface geology and U²/Th radiometrics.

Figure 5.1 Uranium potential in the Ngalia Basin and Amadeus Basin.

Figure 5.2 Uranium occurrences in and adjacent to the Ngalia Basin [uranium occurrences shown in blue. Yellow: most recent exploration activity. Advanced or significant underdeveloped occurrences shown with pickaxe. (Northern Territory Government Report, March 2013)].

Figure 6.1 Digital Elevation Model (DEM) over surface geology.

Figure 6.2 Landsat TM imagery over DEM.

Figure 6.3-1 U radiometrics, U²/Th Ratio and uranium occurrences in relation to ‘Pacific’ tenements.

Figure 6.3-2 KThU radiometrics imagery and mineral occurrences in relation to tenement.

Figure 6.3-3 Radiometrics TC imagery and mineral occurrences in relation to tenement.

Figure 6.3-4 U radiometrics imagery and mineral occurrences in relation to tenement.

Figure 6.3-5 Th Radiometrics imagery and mineral occurrences in relation to tenement.

Figure 6.4-1 Total Magnetic Intensity (TMI) of the ‘Wuhua’ project area.

Figure 6.4-2 Total Magnetic Intensity (TMI) of EL 29221 area showing Ngalia Basin and mineral occurrences.
Figure 6.5 Gravity of the ‘Pacific’ project area showing Ngalia Basin and mineral occurrences.

Table 1 Wuhua Mining Corporation Pty Ltd Tenement EL 29221 Schedule.

Table 2 Summary of Historical Tenements in the EL 29221 Area.
SUMMARY

Pacific Exploration Pty Ltd ("Pacific") acquired a uranium tenement (EL 29221) in southwestern Northern Territory for exploring uranium resources. The transfer (D93491) to Wuhua Mining Corporation Pty Ltd ("Wuhua") (100%) from Pacific Exploration Pty Ltd has been approved in June 2013. The historical exploration tenements in this area were granted to explore for not only uranium but gold, base metals, tungsten and diamonds. Historically, EL 29221 has had limited stream sediment sampling.

The regional geology comprises the polymetamorphic Palaeoproterozoic Arunta Block and the Neoproterozoic to Carboniferous Ngalia Basin. EL 29221 is located within the foothills of the Reynolds Range, north of a uranium field - Ngalia Basin. This area has the potential to host not only surficial and/or sandstone style uranium mineralisation probably accumulated in palaeovalleys, but also metasomatite/ vein style uranium mineralisation developed in the granitic rocks.

Historical uranium exploration activity in the southwestern area identified uranium anomalies in stream sediment samples, indicating significant uranium potentials of the licences. These uranium potentials are probably hosted in the palaeovalleys drained the U-sourced Reynolds Range and discharged into Ngalia Basin. Tenement EL 29221 comprises rocks of the Lander Rock beds and Wangala Granite. The Wangala Granite has an elevated U³/Th radiometric response and elsewhere vein-style uranium mineralisation and Sn-W-Ta pegmatites have been reported. The Lander Rock beds are known to host metasomatite type fluor-apatite mineralisation as found at Nolans Bore.

The desktop study of EL 29221 for the uranium exploration has been completed. An interpreted overview and technical proposal of the geological, geophysical and tectonic setting for exploration of the Napperby (Reynolds Range and Ngalia Basin, Northern Territory) uranium has been reported. This preliminary geoscientific study aims to investigate the geophysical and geological expression of structures related uranium mineralisation and its relationship with possible palaeodraining landforms by interpreting available remote sensing and geophysical data. These studies will assist exploration in the Napperby area (particularly Reynolds Range and Ngalia Basin) and provide fundamental data for increasing knowledge of geological processes and landscape evolution within this region. Currently, however, the limited geoscientific data could provide preliminary information for applying some more techniques for exploring potential uranium anomaly sites in the area.

Delineation of these subsurface signatures is proposed for further investigation by applying effective methods, such as remote sensed night-time thermal imagery and airborne electromagnetic survey.
1. INTRODUCTION

PACIFIC EXPLORATION PTY LTD ("Pacific") acquired three uranium tenements in southwestern Northern Territory (EL 29202, EL 29205, and EL 29221) and is developing the Napperby Uranium Exploration Project. The transfer (D93491) to Wuhua Mining Corporation Pty Ltd ("Wuhua") (100%) from Pacific Exploration Pty Ltd has been approved in June 2013. The schedule of rent and expenditure for the tenement EL 29221 is summarised in Table 1. The tenement is located in the Reynolds Range - Ngalia Basin region (Figures 1.1 and 2.1).

Table 1 Wuhua Mining Corporation Pty Ltd Tenement EL 29221 Schedule

<table>
<thead>
<tr>
<th>Tenement ID</th>
<th>Tenement ID</th>
<th>Expires</th>
<th>Area km²</th>
<th>1st Year Rent</th>
<th>1st Year Expenditure</th>
<th>2nd Year Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 29221</td>
<td>14/08/2012</td>
<td>13/08/2018</td>
<td>114.28</td>
<td>$1,152</td>
<td>$19,000</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Figure 1.1 Regional Location Map showing “Wuhua” uranium project ELs. EL 29221 is located in the southeastern corner of the map.

The Ngalia Basin contains many uranium occurrences, but the onshore basin in comparison to other geological provinces in the Northern Territory largely remains under
explored. The previous investigation shows that the radiometric anomalies and particularly their relationship with potential palaeovalleys present within the Project areas still remain uninvestigated. The radiometric anomalies are associated with the favourable lithologies which have the potential to hosted uranium deposits found in this area of Northern Territory, namely the rocks of the Lander Rock beds, Wangala Granite, Napperby Gneiss and sedimentary sequences of Ngalia Basin and associated palaeovalleys.

In terms of both regional and project scales structure and palaeolandform the Project areas are ideally situated for sandstone and surfacial, as well as vein/ metasomatite style uranium deposits. The uranium potentials in the Project areas could form in a number of ways:

1) Vein/ metasomatite style uranium deposits formed from re-mobilisation of uranium (a highly mobile element) from older sources such as the Lander Rock beds, Wangala Granite, Napperby Gneiss.

2) If any structures occur (possibly given the basement rocks), then reactivation of these structures over a long period of time could result in forming the vein/ metasomatite style uranium mineralisation.

3) If any paleodrainage systems occur (possibly limited given the young age of the basin), then reactivation of these palaeorivers over a long period of time could result in the re-deposition of the basement derived uranium into the palaeovalleys/lakes, forming sandston and/or surfacial uranium deposits. Suitable aquifers may be present, allowing for the long term movement of possible uranium bearing groundwater to depositional sites.

A technical study was completed by Pacific Exploration Pty Ltd to investigate uranium potentials based on a desktop study completed by Coffey Mining Pty Ltd (2013), and interpretation of geological and geophysical data as well as historical exploration reports. Recommendations for the comprehensive prospectivity and exploration techniques (e.g., night-time therm imagery of ASTER and Airborne Electromagnetic) have been provided. The interpretation of the magnetic, radiometric and morphology, based on the current data, thus formed a basis for uranium exploration in the project area, and further investigation into the geomorphology, sedimentology and landscape evolution of the project area and associated uranium mineralization is necessary.
2. LOCATION AND ACCESS

EL 29221 is located approximately 10km northeast of NAPPERBY (Figure 2.2). The licences occur in the Reynolds Range - Ngalia Basin region, within the foothills of the Reynolds Range (Figure 2.1). The geology is illustrated by the NAPPERBY 1:250,000 geological mapsheet. Access within the three tenement areas is convenient to station tracks extending from a number places (Figure 2.2). The majority of the tenement is covered by various thicknesses of regolith cover and acacia trees and bush / grass undergrowth.

Figure 2.1 NAPPERBY 1:250,000 geological mapsheet showing relationships of Reynolds Range, Ngalia Basin and “Wuhua” uranium project ELs. EL 29221 is located in the central part of the map.
Figure 2.2 Landsat ETM7 realistic_123 over DTM imagery showing relationships of landscapes, roads, locality and EL 29221.
3. PREVIOUS EXPLORATION

A review of the historical exploration conducted over EL 29221 was completed by identifying the historical tenement that overlapped with the current tenement (Table 2).

Table 2 Summary of Historical Tenements in the EL 29221 Area

<table>
<thead>
<tr>
<th>Historical Tenement</th>
<th>Company</th>
<th>Granted</th>
<th>Ceased</th>
<th>Area km²</th>
<th>Overlaps</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP 2617</td>
<td>CRA Exploration</td>
<td>22/04/1970</td>
<td>1/11/1971</td>
<td>1627.57</td>
<td>EL 29221</td>
<td>Base metals</td>
</tr>
<tr>
<td>EL 23</td>
<td>Central Pacific Minerals</td>
<td>1/06/1972</td>
<td>30/11/1972</td>
<td>867.98</td>
<td>EL 29221</td>
<td>Uranium</td>
</tr>
<tr>
<td>EL 2942</td>
<td>BHP Minerals</td>
<td>8/12/1981</td>
<td>7/12/1987</td>
<td>1256.11</td>
<td>EL 29221</td>
<td>Diamonds</td>
</tr>
<tr>
<td>EL 5511</td>
<td>Colchis Mining</td>
<td>19/11/1987</td>
<td>19/02/1990</td>
<td>1602.90</td>
<td>EL 29221</td>
<td>Gold</td>
</tr>
<tr>
<td>EL 7344</td>
<td>Poseidon Gold</td>
<td>5/04/1991</td>
<td>15/03/1993</td>
<td>444.46</td>
<td>EL 29221</td>
<td>Base metals</td>
</tr>
<tr>
<td>EL 8411</td>
<td>PNC Exploration</td>
<td>15/03/1994</td>
<td>20/02/1996</td>
<td>1482.04</td>
<td>EL 29221</td>
<td>Uranium</td>
</tr>
<tr>
<td>EL 9672</td>
<td>Mr Norm Cleary</td>
<td>25/11/1996</td>
<td>8/12/2003</td>
<td>1551.78</td>
<td>EL 29221</td>
<td>Gold</td>
</tr>
<tr>
<td>EL 10248</td>
<td>Gutnick Resources</td>
<td>1/02/2002</td>
<td>23/07/2003</td>
<td>1461.14</td>
<td>EL 29221</td>
<td>Gold</td>
</tr>
<tr>
<td>EL 23923</td>
<td>Tanami Exploration</td>
<td>1/06/2004</td>
<td>4/07/2011</td>
<td>1177.11</td>
<td>EL 29221</td>
<td>Uranium</td>
</tr>
<tr>
<td>EL 23991</td>
<td>Deep Yellow</td>
<td>1/06/2004</td>
<td>4/07/2011</td>
<td>110.81</td>
<td>EL 29221</td>
<td>Uranium</td>
</tr>
</tbody>
</table>

3.1 Uranium Exploration

**EL 23 (1 June 1972 to 10 July 1972 - Central Pacific Minerals NL):**

EL 23 was granted to Central Pacific Minerals (CPM) for a period of 6 months, from 1 June 1972 and was surrendered 10 July 1972. The tenement overlaps the south western portion of EL 29221. CPM was exploring for uranium and found numerous small, low order anomalies, up to 100ppm U, that are not within EL 29221. Exploration activities included; sampling water bores and wells for uranium and conducting a low level airborne radiometric survey using a Britten-Norman Islander survey plane with a 4-channel spectrometer along NS, 3km to 6km spaced flight lines at 80m to 100m elevation. A airborne radiometric survey was conducted along roads and tracks in the area using a Scintrex BGS 1S scintillometer at 0.8km spacings. Strong increases, up to double the regional background were recorded near creeks draining granitic or gneissic terrain. The airborne anomalies were not supported by ground anomalies.

No potential outcropping host rocks for economic uranium mineralisation were identified and the tenement was recommended for surrender.

**EL 1294 (7 September 1977 to 6 September 1980 - CSR Ltd):**

EL 1294 was granted to CSR on 7 September 1977 and covered 1,270km². The tenement completely covers current tenement EL 29221, which is located to the south of EL 1294. The main exploration target was vein or disseminated uranium with other possible targets being base metals and tungsten. Exploration on the tenement was conducted by Pacminex Ptd Ltd and included; stream sediment geochemical sampling and
stream sediment heavy mineral concentrate sampling (for tungsten), selective rockchip sampling, interpretation of radiometrics and traverses using a hand held scintillometer. The stream sediment geochemical samples were sieved to -120# and analysed for uranium using fluorimetry; and Cu, Pb, Zn were analysed using AAS.

None of the sampling was conducted in the area of the current EL 29221. The stream sediment sampling was focussed on the Reynolds Range to the north east of EL 29221 and rockchip sampling was conducted in the south west corner of EL 1294.

Pacminex had identified 49 radiometric anomalies across EL 1294 and after field checking 14 anomalies to the west of EL 29221 with no success, concluded that the criteria for the remaining anomalies would need to be reassessed. There is no map showing the location of the radiometric anomalies but a further 23 were downgraded with field checking as no surface radioactivity or uranium geochemistry of significance was identified. Anomalous rockchip values of 190 to 1,620 ppm U₃O₈ were recorded from areas of secondary uranium mineralisation in the south west corner of EL 1294 (outside of EL 292221). This was the only area of EL 1294 that was retained for further follow up. The ground coincident with EL 29221 formed part of a partial relinquishment in November 1979.

EL 8411 (15 March 1994 to 20 February 1996 - PNC Exploration (Australia) Pty Ltd):

EL 8411 was granted to PNC on 15 March 1994 and covered 1,482 km². PNC applied for the ground to cover all known outcrops of Wickstead Creek Beds (WCb) metasomatised calc-silicate gneiss after discovering the Napperby Creek U-prospect during regional reconnaissance exploration. The Napperby Creek U-prospect is located along the south west boundary of EL 29221, just outside the current tenement. Exploration included detailed mapping of the WCb, collecting rock samples to define petrogenesis of U±Th mineralisation, detailed magnetics and spectrometrics at 20m and 10m station spacings along traverse respectively. Small intense radiometric anomalies were not resolved by the 50x10m station spacing and detailed infill radiometric was recommended. Field follow-up showed the source of the surface radiometrics was associated with intensely fractured feldspar-rich metasomatite, which had a background radiometric reading of 150-200cps compared with 75-100cps over the adjacent WCb.

Field follow-up of radiometric anomalies across EL 8411 indicated that many anomalies could be attributed to; Napperby Gneiss, some of which contained visible secondary uranium minerals; soils; metapelites; U-rich gravel banks in minor drainages; quartz veins; or calc-silicate gneiss. PNC concluded the most significant mineralisation potential within EL 8411 was located at Nolans Bore P-REE prospect in the south east of the tenement and recommended surrendering EL 8411 and just retaining the ground pertaining to the Nolans Bore.

EL 23923 (1 June 2004 to 31 May 2010 - Tanami Exploration):

EL 23923 was a very large tenement covering 1,177 km². It overlapped all three tenements of interest and was granted to Tanami Exploration NL (a wholly owned subsidiary of Tanami Gold NL) on 1 June 2004 to target palaeochannel hosted uranium mineralisation. Exploration related to the current tenement areas comprised reprocessing
geophysical data and regional regolith mapping. Results from the geophysical survey were used to determine which blocks were to be dropped. On 31 May 2007 the area coincident with EL 29202 was part of a compulsory relinquishment. The retained areas were then 100% transferred to Deep Yellow Ltd in August 2007 and correspond to the current EL 29205 and the northern portion of EL 29221.

Exploration over the relinquished blocks included; review of open file exploration data, reconnaissance field trips, Night Time Thermal Infrared (NTI) data interpretation and Airborne Electromagnetic survey. A number of palaeochannels were identified from the NTI interpretation coinciding with the current tenements of interest. No further information was available.

**EL 23991 (1 June 2004 to 4 July 2011 - Deep Yellow Limited):**

Only a relinquishment report covering the southern portion of EL 29221 up to 1 June 2009 was available for review. EL 23991 was originally granted to Tanami Exploration NL on 1 June 2004 and was 100% transferred to Deep Yellow on 5 December 2006. The exploration target was palaeo-channel hosted uranium mineralisation.

Deep Yellow conducted a review of open file exploration data, reconnaissance field trips, Night Time Thermal Infrared data interpretation and an Airborne Electromagnetic survey. No details of the results or data were included in the relinquishment report.

### Other Commodities

**EL 2942 (8 December 1981 to 29 June 1983 - BHP Minerals Ltd):**

EL 2942 was granted to BHP on 8 December 1981 and covered 1,256km². Exploration was primarily for diamonds and also to assess the potential for base metals. The northwest portion of EL 2942 covers the north and east of EL 29221. BHP conducted reconnaissance heavy mineral stream sediment sampling and geochemical stream silt sampling. A total of 10 geochemical samples are within EL 29221. They were assayed for As, Ce, La, Ba, Nb, Zr, Cu, Pb, Zn, Co, Ni and Cr. The highest assay values for samples within EL 29221 were 22ppm Cu, 20ppm Pb, 50ppm Zn and 20ppm Ni. BHP did not find any kimberlitic indicators and relinquished the tenement on 29 June 1983.

**EL 5511 (19 November 1987 to 19 February 1990 - Colchis Mining Corp Pty Ltd):**

EL 5511 was granted to Colchis Mining (a wholly owned subsidiary of Aquarius Exploration NL) on 19 November 1987 and operated by Aquarius Exploration NL. The tenement covered 1,603km² and overlaps with the Eastern portion of EL 29221. Aquarius was targeting Au (±Cu) and base metals based on similarities made with The Granites-Tanami and Tennant Creek blocks to the north. Exploration included; a literature review, geological mapping and stream sediment and rockchip sampling. None of the sampling was within EL 29221.

The first year of exploration concentrated on orientation and reconnaissance sampling, which did not identify any significant anomalies. More sampling was completed
in the second year of exploration but the results were also disappointing. The tenement was considered a low priority exploration target.

**EL 7344 (5 April 1991 to 15 March 1993 - Poseidon Gold Ltd):**

EL 7344 was granted to Poseidon Gold Ltd on 5 April 1991 and covered 444km². The western boundary of EL 7344 overlapped the majority of EL 29221. Poseidon’s exploration focus for was structurally controlled, lead, zinc, copper, silver and gold within the Lower to Mid Proterozoic metamorphosed units of the Arunta Orogenic Domain. Exploration included regional reconnaissance stream sampling and rock chip sampling. No samples were taken within EL 29205. Poseidon considered the initial sampling did not highlight any targets and the tenements were relinquished 15 March 1993.

**EL 9672 (25 November 1996 to 24 November 2002 - Mr Norm McCleary):**

EL 9672 was granted to Mr Norm McCleary on 25 November 1996 and was subject to a joint venture agreement between Mr Cleary and Homestake Gold of Australia (Homestake), where Homestake was entitled to earn 80% interest. EL 9672 covered an area of 1548km² and overlaps with the southernmost portion of EL 29205 and northern portion of EL29221. The exploration focus was for gold. The blocks coincident with the current tenements were dropped as part of a partial relinquishment on 24 November 1998.

**EL 10248 (1 February 2002 to 23 July 2003 - Gutnick Resources NL):**

EL 10248 formed part of a Joint Venture (Rand Project) between Gutnick Resources NL and Johnsons Well Mining NL. The exploration target was based on a new genetic interpretation for Witwatersrand style of gold mineralisation. EL 10248 overlaps a significant portion of EL 29221. Exploration included in-house reprocessing of open file geophysical surveys and Landsat TM to aid targeting and identify regolith regimes. No sampling was conducted within EL 10248 and the tenement was surrendered on 23 July 2003 as part of a larger tenement package.

**AP 2617 (22 April 1970 to 1 November 1971 - CRA Exploration):**

AP 2617 was granted to CRA on 22 April 1970 and covered 1,628km². It overlaps with the northeast to southeast portion of EL 29221. Exploration included drainage geochemistry for base metal mineralisation and a bore water investigation for uranium. Geochemical stream sediment samples were assayed for Cu, Pb, Zn, Ni, Co, Cr and U. A total of 13 stream sediment samples were collected within EL 29221 and the highest assay values were 3ppm Cu, 20ppm Pb and 23ppm Zn (these sample locations are not included in the NT GIS soils database). This area was not considered anomalous and no further work was conducted with EL 29221. No bore water samples were taken from within EL 29221.

CRA recommended no further work be conducted on the tenement for base metals as no economic mineralisation had been identified. CRA commented that anomalous uranium in the bore water samples highlighted possibilities for uranium deposits in the nearby sedimentary basins.
3.3 Summary of Exploration Results

A total of 11 historical tenements were reviewed with an emphasis on uranium exploration. Historical tenements were also granted to explore for; gold, base metals, tungsten and diamonds. Figure 3.1 shows the focus of sampling and drilling was predominantly in the Reynolds Ranges to the north and northeast of EL 29221 of interest. EL 29221 has had limited stream sediment sampling (Figure 3.2).

![Figure 3.1 Summary of historical sampling and collar locations in the Wuhua Mining Corporation Pty Ltd tenement area.](image)

Many companies identified uranium anomalies in stream sediment samples and radiometric surveys but generally the samples collected showed the source rocks had high background values and no economic mineralisation was identified.
Figure 3.2 Summary of historical sampling and collar locations over EL 29221.
4. GEOLOGY

4.1 Regional Geology

The crustal architecture of the region can be broadly subdivided into the Palaeo- to Mesoproterozoic Arunta Block and the Neoproterozoic to Carboniferous Ngalia Basin (Figure 4.1). The Arunta Block represents a complex amalgamated orogenic terrane that is represented by three shear bounded tectonic provinces, the Northern, Central and Southern Provinces (Stewart et al., 1984; Shaw et al., 1984). The Southern Province is an amphibolite facies terrane comprising granitic gneiss. The Central Province is a granulite facies terrane dominated by felsic granulite. The Northern Province comprises low grade supracrustal metasediments of amphibolite and greenschist facies. Both the Northern and Southern Province are intruded by voluminous granite whereas the Central Province is relatively granite free.

Figure 4.1 Regional Fact Geology Map (Regional solid geology showing tenements in relation to the Ngalia Basin (P10, O, D and C). Arunta Block comprises units A5 and A6 comprising deformed and metamorphosed supracrustal sequences and a variety of granitoid gneiss and intrusive granites (g5, g6, g7, g8). Also shown are sites of significant U-mineralisation [Napperby (New Well), Walbiri and Bigrlyi].
The Ngalia Basin, lying south and southwest of the tenement EL 29221 area, forms an elongate structural basin within the Palaeo- to Mesoproterozoic Arunta Block, preserving a Neoproterozoic to Carboniferous sedimentary sequence with a cumulative thickness of about 5000m (Figure 4.1). The northern margin of the basin is bounded north-dipping thrust faults whereas the southern margin is formed by a gently north-dipping unconformity.

Although there are no gazetted uranium occurrences proximal to the tenement areas, the sedimentary (sandstone style) uranium fields of the Ngalia Basin are located ~50km to the southwest of the tenements whilst the sandstone and/or surfacial style uranium resources may occur in the potential palaeovalleys of the project area (Figure 4.1).

4.2 Local (EL 29221) Geology

The EL 29221 is covered extensively by regolith and surficial material. The surrounding regional structure and geology however, indicate that the south western portion of the tenement is most likely underlain by the Napperby Gneiss, comprising medium, even layered granitic gneiss with microgranite dykes and calc-silicate rafts and xenoliths. The calc-silicate is correlated with the Wickstead Creek beds.

The northeastern portion of the tenement is underlain by the Reynolds Range Group. The most likely succession represented includes the Mount Thomas Quartzite, and the overlying Pine Hill Formation comprising muscovite schist and quartzite.

A fanglomerate extends downslope across the northeastern portion of the tenement overlying deeply weathered regolith. Fanglomerate deposits are overlain by alluvium and lag gravels and red earth covers the northwestern portion of the tenement. No calcrete has been mapped in the tenement area although the $U^2/Th$ radiometric response indicates a number of small anomalies within surficial material in the tenement (Figure 4.2). These appear to be confined to areas underlain by lag gravels and colluvium.

Scattered anomalous radiometric $U^2/Th$ values are also located within the Napperby Gneiss exposed along the southwestern margin of the tenement. These relate to the uranium anomalies investigated by PNC Exploration Pty Ltd in 1994 in the gneiss and Wickstead Creek beds.
Figure 4.2 Tenement EL 29221 surface geology and U²/Th radiometrics.
5. URANIUM MINERALISATION

5.1 Source Rocks of Uranium

The distribution of known uranium resources exhibits a clear spatial relationship with uranium-enriched bedrock in this region. The location of deposits is strongly influenced by the presence of Proterozoic age leachable uranium-rich source rocks in the headwaters of paleodrainages draining into the Ngalia Basin developed in Proterozoic Orogenic Domains (Figure 5.1). Significant uraniferous igneous rocks (containing >10 ppm uranium) formed during the Proterozoic are widespread throughout this region. The felsic granite gneiss and schist of the Arunta Block are significantly enriched in uranium. The Yulyupunya Granite Gneiss (1780Ma) and the Southwark Granite Suite, for example, contain up to 22.5ppm uranium (Young et al. 1995).

Figure 5.1 Uranium potential in the Ngalia Basin and Amadeus Basin.

5.2 Potential Types of Uranium Mineralisation

Relevance to the “Wuhua” tenement EL 29221 and surrounding area the uranium potentials are the sandstone-hosted, surficial, metasomatite and vein type mineralisation styles. These occurrences fall within the zone of regional uranium potential in the Northern Territory (Lally and Bajwah, 2006) (Figure 5.1). Of which, the sandstone and surficial types of uranium mineralisation can be deposited in paleovalley/lake and defined as any
diagenetic/ epigenetic concentration of uranium minerals occurring in fluvial, alluvial, lacustrine, and estuarine sediments. Recent discoveries of paleovalley-related uranium mineralisation (e.g., Afghan Swan deposit in Ngalia Basin of NT) highlight the potential prospectivity of the project area. In the project area examples, uranium mineralisation occurs mainly in and nearby the sedimentary (e.g., Ngalia Basin) basins flanking or overlying Proterozoic rocks known to be enriched in uranium (Figure 5.1).

The uranium fields of the **Amadeus Basin and Ngalia Basin** are associated with the project area, where the sandstone-hosted uranium mineralisation is reported from the Carboniferous Mount Eclipse Sandstone and Kerridy Sandstone Formations of the Ngalia and Amadeus Basins (Figure 5.1).

Some 20 sandstone-hosted uranium occurrences are known from within the Ngalia Basin (Figure 5.2) with significant uranium mineralisation reported at Bigryli (7.5Mt at 0.13% U₃O₈, 0.12% V₂O₅) and Walbiri (0.423Mt at 0.16% U₃O₈, and at Angela in the adjacent Amadeus Basin (10.7Mt at 0.13% U₃O₈) (Northern Territory Government Report, March 2013). Recent exploration activity in the Ngalia Basin intersected 5m at 1.33% U₃O₈ at Camel Flat (Energy Metals Ltd), and 7m at 0.14% U₃O₈ at Afghan Swan (Thundelarra Exploration Ltd) (Northern Territory Government Report, March 2013).

Sedimentary rocks of the Ngalia Basin were derived from, and deposited on felsic granite gneiss and schist of the Arunta Block which are significantly enriched in uranium. The Yulyupunya Granite Gneiss (1780Ma) and the Southwark Granite Suite, for example, contain up to 22.5ppm uranium (Young et al. 1995). Early shallow marine conditions were followed by continental conditions culminating in the Mount Eclipse Sandstone which was deposited in response to tectonic uplift and erosion of the Arunta Block at 350Ma to 370Ma. Importantly as uranium reductant, carbonaceous material is also common with a 7m thick unit of lignite reported (Spark, 1975).

Figure 5.2 Uranium occurrences in and adjacent to the Ngalia Basin [uranium occurrences shown in blue. Yellow: most recent exploration activity. Advanced or significant underdeveloped occurrences shown with pickaxe. (Northern Territory Government Report, March 2013)].
Several occurrences of calcrete-hosted uranium within and to the south of the Ngalia Basin have been identified. The most significant deposit, Napperby (New Well) (Figure 4.1 and Figure 5.2) contain an inferred resource of 9.34Mt U₃O₈ ore at a grade of 0.036% U₃O₈ (Northern Territory Government report, March 2013). Napperby (New Well) is situated in the drainage system of Napperby River and Lake Lewis, a playa lake system (Figure 4.1).

Minor uranium prospects and occurrences categorised as metasomatite and intrusive-type uranium are located within the Aileron and Irindina provinces of the Arunta Region, particularly in the Harts Range, Entia Dome and Reynolds Range areas. The region is under-explored and the possibility exists for further discoveries of these styles of uranium deposits (Lally and Bujwah, 2006). The Nolans Bore mineralisation of fluorapatite occurs in the southeastern part of the Reynolds Range, 13km northwest of Aileron.
6. **INTERPRETATION AND URANIUM PROSPECTIVITY**

An assessment of the Napperby uranium project for sandstone-hosted, surfacial and metasomatite uranium deposits has been carried out by Coffey Mining Pty Ltd. The assignment was to undertake a compilation of geological, geophysical, topographical and historical open file data over the tenement areas and provide initial recommendations for ongoing exploration.

The current interpretation and discussion are mainly based on the associated public domain geophysical and geological data including radiometrics, aeromagnetics, gravity, and DEM, surface and solid geologies for the project area was acquired from the NTGS, and information reported by Coffey Mining Pty Ltd (2013). Reprocessing of the digital data has enhanced all of the geophysical and geological signatures and has also outlined a number of other subtle features.

6.1 **Methodology**

Topography (digital elevation models) and Landsat images, magnetic, gravity, and radiometric methods are integrated into this phase on the basis of GIS for an attempt to correlate the features observed from geological maps. This interpreted result derived from the integrated datasets will be tested and improved by application of new drillholes.

All coordinates listed in this report are in map projection MGA94, Zone 53 (GDA94). The targeting process was undertaken as follows:

- Import of the above into ArcGis and sub-setting into different sample types and grade ranges for presentation and analysis.
- Examination of fact geology and surface geochemical results and to provide geological information for targeting.
- Identification of available airborne geophysical and remote sensing data.
- Review of all data mentioned above to identify uranium targets.
- Identification and listing of drilling targets with the potential to contain significant mineralisation.
- Recommendation of effective methods for exploring uranium mineralisation in the project area [Some useful methods (e.g., for mapping palaeovalleys) will be recommended in the following chapter].

*Topography – Digital Elevation Model (DEM)*

Topography over the northern third of the tenement EL 29221 is relatively lower and flat, comparing with some highs in the southeastern and southern areas of high-order drainage systems (blue -creeks and watercourses) (Figure 6.1). Some drainage systems seem drain into creek systems to the southwest towards to the Ngalia Basin. The southeastern third of the tenement EL 29221 consists of undulating hills with sloping to the northwest. Drainage areas consist of sand and clayey soil.
Figure 6.1 Digital Elevation Model (DEM) over surface geology.

Generally, DEM is very effective in the recognition of young (e.g., Cenozoic and/or Mesozoic) potential palaeochannel areas, as the lower topographic zones can reflect areas where some of the softer sediments have been eroded away. Therefore, DEMs can be used as surrogates for mapping the palaeochannels and related features when the modern and palaeo-geomorphologies are related spatially and genetically. This scenario should be confirmed by combining other methods, such as night-time thermal imagery, AEM/TEM and drilling. If the presence of potential palaeochannels can be determined, some segments of the palaeochannels here should be favourable for exploring sandstone-hosted and/or calcrete style uranium deposits.

**Landsat TM**

Landsat TM image is useful in defining spectrally anomalous zones or regions when appropriately draped over DEM to enhance terrain visualisations (Figure 6.2). This can be used to figure out the relationship between the U-source rocks and in-situ uranium or U/Th anomalies, which is helpful in exploring for metasomatite uranium mineralisation.
Radiometric

The radiometric results, which show the distribution of gamma-ray spectrometry data, have been interpreted and compared with other data in GIS (Figures 6.3-1, 2, 3, 4, 5). These radiometric results do not appear to lead to better identification of the palaeochannels; numerous factors, such as effective depth (usually < 30 cm) of operation of the method and variable behaviour of the radioactive materials could interfere. However, the relative distribution of these radioelements in the regolith overlain bedrock as estimated from the intensity of their emitted peaks seem to directly encourage the analysis of bedrock and regolith distribution, which is useful in exploring for metasomatite and surfacial uranium deposits.

U radiometric image (Figures 6.3-1, 2, 3, 4, 5) show an elevated uranium response for the Arunta Block along the northeastern margin of the Ngalia Basin. The uranium-enriched nature of the felsic basement gneisses and granites are considered a fertile source for subsequent uranium enrichment processes. The U^2/Th ratio anomalies coincide with a number of reported uranium occurrences in the Arunta Block.

Significant areas with an anomalous radiometric response are notably rich in and around the tenements (Figures 6.1-1, 6.1-2, 6.1-3, 6.1-4), with notable anomalies in tenement EL 29221 (Figure 4.5).
These radiometrics features suggest that the airborne radiometric anomalies are the products of the in-situ regolith developed in Arunta Block and the transported regolith deposited along the drainage creeks, which can be used for exploring metasomatite uranium deposits in the high radiometric anomalies occurring in Arunta Block and surfacial uranium deposits in the drainage creeks. Thus, it was thought that the airborne radiometric anomalies may be associated with favourable lithologies which have potential to host uranium deposits.

The areas correspond topographically with broad diffuse drainage areas, where U, being a mobile element, is stripped from the regolith easier than in areas of less drainage (Figure 6.3-4). The broad NW-SE trending uranium anomaly covered the majority of the southern 2/3rds of the tenement EL 29221 (Figure 6.3-4). The relationship between regolith and drainage system shows significance in defining areas anomalous in uranium (Figure 6.3-4).
Figure 6.3-2 KThU radiometrics imagery and mineral occurrences in relation to tenement.

Figure 6.3-3 Radiometrics TC imagery and mineral occurrences in relation to tenement.
Figure 6.3-4 U radiometrics imagery and mineral occurrences in relation to tenement.

Figure 6.3-5 Th Radiometrics imagery and mineral occurrences in relation to tenement.
Thorium correlates moderately well with the radiometric anomaly (Figures 6.3-1, 2, 3 and 5) and topographic highs (Figure 6.1); U and Th weakly correlate with each other (Figures 6.3-4 and 5).

**Total Magnetic Intensity (TMI)**

Magnetic high features are interpreted as Fe-bearing metamorphic basement and fault-like images, with some features apparent showing relatively shallow basement to the Ngalia Basin (Figures 6.4-1 and 6.4-2). The Ngalia Basin margin is clearly defined by the total magnetic intensity data (Figures 6.4-2 and 6.5) and the regional basement geology map (Figure 4.1).

![Figure 6.4-1 Total Magnetic Intensity (TMI) of the ‘Wuhua’ project area.](image)

Mesozoic and/or Cainozoic paleovalleys are not usually visible on regional magnetic data (Figure 6.4), as they are relatively shallow features, but careful use of detailed surveys may assist in locating channel deposits (e.g., basalt buried within the paleovalley generally showing positive magnetic anomaly).
Figure 6.4-2 Total Magnetic Intensity (TMI) of EL 29221 area showing Ngalia Basin and mineral occurrences.

Gravity

Because of normally small scales of palaeovalleys, gravity method should use high resolution survey, especially when it used with DEM, Landsat, NOAA, or AEM images. The Ngalia Basin margin is also clearly defined by the gravity data (Figure 6.5) and the regional basement geology map (Figure 4.1).
Figure 6.5 Gravity of the ‘Wuhua’ project area showing Ngalia Basin and mineral occurrences.

### 6.2 Uranium Prospectivity

The tenements are located within the general region of uranium prospectivity (Lally and Bajwah, 2006) and of relevance are occurrences in the area of sandstone-hosted, surficial and the metasomatite and vein uranium mineralisation styles. EL 29221 is located in the uranium potential zones of the Ngalia Basin and Amadeus Basin areas shown in Figure 5.1.

The style of mineralisation within the Arunta Block gneisses and metamorphic sequences is represented by pegmatite/vein style mineralisation (Sn-Ta-W) and the Nolans Bore metasomatite flour-apatite style mineralisation (REE-P-U).

EL 29221 is located to the northeast of the Ngalia Basin. They are therefore considered prospective for palaeovalley sandstone-hosted and calcrete style uranium mineralisation, similar to those found within the Palaeozoic continental clastic successions of the Kerridy Sandstone Formation and Mount Eclipse Formation. Surficial style mineralisation related to, palaeovalley, playa, or terrace deposits may be developed in areas where significant calcrete and terrace deposits are preserved, associated with the drainage system and possible palaeo-playa lakes.
7. PROPOSED EXPLORATION

The combination of DEM, AEM, and night-time thermal remotely-sensed imagery in GIS mode represent by far the best method for palaeovalley-related uranium exploration in the region. Ground magnetic and gravity, shallow seismic, TEM, and test drilling, where necessary, are also important media that can be used in subsurface structure delineation. The detector and orbital configuration of NOAA-AVHRR (1.1 km pixel) and ASTER (90 m pixel) night time data could make it a very useful remote-sensing method in that it detects temperature variations in palaeochannel sediments related to the elevated moisture content of the channel. Microgravity surveying techniques can also be applied to look for uranium-bearing palaeochannels in the project areas; gravitational techniques should work quite well, given the density contrast of the basement/bedrock and the channel sand. The AEM has proven to be a good guide to conductive variations in the subsurface and is one of the best techniques for detecting buried conductive anomalies.

It is recommended that the exploration program in the next step should be designed to test the tenements for the uranium targets described above. In summary, the following conclusions can be made regarding the geophysical and geological methods for locating potential mineralisation sites:

- Acquires and interprets detailed night-time thermal image image (first), AEM/TEM or shallow seismic data over the project area.
- An airborne electromagnetic survey (AEM) is recommended second as results may define smaller target areas and aid in orientating traverse lines correctly.
- If necessary, carries out ground gravity traverses over the magnetic anomalies with the generation of geology maps.
- Compiles a detailed structural map and analysis of all priority magnetic and radiometric anomalies to determine the controls and disposition of any uranium mineralisation potential.
- Look for signs of channels and intrusives at depth or zones of high physical contrasts along shear zones and or contacts that might mark high redox potential.
- To determine survey line orientation, lithology strike and dip needs to be determined for the palaeovalley and underlying basement.
- Test drilling should traverse across or along the interpreted signatures, and particularly high priority zones selected. When these predictions prove wrong, the information should be used to revise and update the 3D models.
- Conduct a small RAB/RC/diamond drill program targeted at down dip and down plunge extensions to the any mineralisation intersected and to test the source of the uranium conductors located by geophysical survey.
- RC drilling. The cost of drilling possibly 10-100m deep holes to reach the basement means a palaeovalley-related (sandstone and surficial-style) uranium deposit would need to be found.
- Sample water from aquifers intercepted by station bores to map U distribution.
- Any trace of valuable minerals within the basinal sediments or bedrocks (e.g., gold, uranium) is of interest as a guide to the location of basement mineralisation.
KEY REFERENCES


