KULGERA HM PROJECT

El27419

2nd Partial Relinquishment

14/01/2010 to 13/01/2016

For:
Globe Mineral Resources Investment
18/82 Nightcliff Rd
Rapid Creek,
NT

Commodities: Magnetite, Ilmenite, Zircon, Rutile
250K: Map-sheets: Ayers, Rock, Kulgera
100K: Map-sheets: Mulga Park, Sentinel Bore
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1 Introduction

The Kulgera HM Project is situated in the southern part of the Northern Territory along the South Australian border. It is a project comprised of four Exploration Licences all owned 100% by Globe Mineral Resource Investments Pty Ltd (“GMRI”). Figure 1 below shows the location of the project.

![Figure 1 Kulgera Project Location](image)

1.1 Location and Access
The Kulgera Heavy Minerals Project is located to the west of the Stuart Highway on the Northern Territory, South Australian border. Access to the project area from Alice Springs is south for approximately 300km to the Mulga Park Road turnoff; 1km north of the border. Following the Mulga Park Road for 120km to the west will place you in the vicinity of the “Arrakis” prospect area.

1.2 Tenure
The Kulgera Heavy Mineral Project is comprised of four granted exploration licenses. All of the tenements are owned 100% by GMRI. Originally the granted EL’s 27417,27418,27419 were owned by...
Imperial Granite and Minerals (IGM) and were sold to Universal Splendid Investments. Universal returned the tenements to Imperial when their corporate focus changed. In 2011 GMRI purchased the licenses. EL29274 was applied for and granted in 2012 to GMRI.

EL’s 27417, 27418, and 27419 have been reduced in 2014 to the current area. The details of the licenses are shown in Table 2. With the tenements expiring in Jan 2016, an application for renewal was lodged for these three tenements which included a reduced number of blocks. Details are tabulated below.

<table>
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<tr>
<th>Ten no.</th>
<th>Blocks Granted</th>
<th>Blocks Retained 2014</th>
<th>Blocks Renewed 2016</th>
<th>Grant Date</th>
<th>Expiry Date</th>
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<td>240</td>
<td>48</td>
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<td>13/01/2016</td>
</tr>
<tr>
<td>27418</td>
<td>480</td>
<td>399</td>
<td>184</td>
<td>14/01/2010</td>
<td>13/01/2016</td>
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<tr>
<td>27419</td>
<td>208</td>
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<td>14/01/2010</td>
<td>13/01/2016</td>
</tr>
<tr>
<td>29274</td>
<td>182</td>
<td>182</td>
<td>182</td>
<td>7/08/2012</td>
<td>6/08/2018</td>
</tr>
<tr>
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<td>1350</td>
<td>913</td>
<td>454</td>
<td></td>
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</tr>
</tbody>
</table>

Table 1: Tenement Details

1.3 Landform and Usage

The landform in the area is predominantly flat with sand dunes to 12 metres. The biggest dunes are found in the north of the licenses. Large areas are open grassland with zones of thick Acacia / mulga stands in between.

All of the exploration licenses are located on pastoral leases. The stations concerned are Victory Downs, Mulga Park, Lyndavale and Curtin Springs. To date all of the work done has been on Victory Downs and Mulga Park. All four Stations are involved in the cattle industry.

1.4 Geology

The area covered by the four exploration licences lies on the Northern Territory, South Australian border and contains rocks belonging to the Musgrave Block and the Amadeus Basin. Drainage flows from the outcropping Musgrave Block north and northeast into the Amadeus Basin which is typically covered by a thin layer of Aeolian sand, figure 2.

The Musgrave Block comprises numerous Mesoproterozoic geological units, including mafic-ultramafic dykes, plugs and layered intrusions of the 1080 Ma Giles Complex. The Musgrave Block also has extensive felsic intrusives such as the 1190 Ma Pitjantjatjara Suite. It is considered that the mafic-ultramafic units are a source for magnetite and ilmenite whilst the felsic intrusive may source zircon and
rutile. The Musgrave Block has been extensively metamorphosed to gneissic-grade and mylonite zones are common. Large pegmatites occur within the gneissic, granite terrains.

The Amadeus Basin, in the area of interest consists of Neoproterozoic sandstone belonging to the Inindia and Winnall Beds. Both units consist of sandstone with lesser pebbly sandstone and conglomerate. They are massive too well bedded and sometimes ferruginised.

Overlying the Musgrave and Amadeus sequences is a variably thin layer of Quaternary sediments. These consist of Aeolian sands, Colluvium, sheet flood plains and Calcrete.

2 Work Completed in the Relinquished Area of EL27419

Work on the tenement included no material results from the relinquished parts of EL27419. Geological reconnaissance and mapping concluded that the areas relinquished were less enriched in accumulation of HM than other parts of the tenement area.
In 2014 EL27419 was reduced in area by relinquishment of 116 of the original 208 blocks granted. In January 2016 a further reduction consisted of the relinquishment of 52 blocks with the Application for Renewal including 40 blocks retained within the original tenement area. This is a relinquishment of 57% of the post 2014 area.

The area relinquished was made on the basis of field observations and limited data collected from surface surveys. The focus of exploration efforts by GMRI was predominantly on the retained portions of the lease.

3 Conclusion
The aircore drilling has demonstrated that HM sands persist within aolean dunes within the relinquished portion of EL27419. The results were subdues however and GMRI has intended on focusing on the significant mineral Resource on other parts of the project. Further the area relinquished was to mitigate spending exploration dollars unnecessarily on tenement rents on relatively unprospective ground.