<table>
<thead>
<tr>
<th><strong>TITLE HOLDER</strong></th>
<th>USI NT Pty Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TITLES/TENEMENTS</strong></td>
<td>EL 27542</td>
</tr>
<tr>
<td><strong>REPORT TITLE</strong></td>
<td>BRIDGING TENEMENT REPORT FOR THE PERIOD 24th MARCH 2011 TO 14th APRIL 2012 FOR EL 27542</td>
</tr>
<tr>
<td><strong>AUTHORS</strong></td>
<td>M Lovegrove &amp; M Finn</td>
</tr>
<tr>
<td><strong>TARGET COMMODITY</strong></td>
<td>Manganese</td>
</tr>
<tr>
<td><strong>DATE OF REPORT</strong></td>
<td>6th June 2012</td>
</tr>
<tr>
<td><strong>DATUM</strong></td>
<td>GCS GDA94</td>
</tr>
<tr>
<td><strong>250 000 K MAPSHEET</strong></td>
<td>Hermannsberg</td>
</tr>
<tr>
<td><strong>100 000 K MAPSHEET</strong></td>
<td>Glen Helen, Gosses Bluff</td>
</tr>
</tbody>
</table>
| **CONTACT (TECHNICAL DETAILS)** | M Finn  
8 May Avenue  
Subiaco, WA  
6008  
08 9388 2839  
USI@INTERGEO.COM.AU |
| **CONTACT (EXPENDITURE DETAILS)** | Wei.Li@USIMINING.COM |

Report prepared by
INTERNATIONAL GEOSCIENCE PTY LTD

On behalf of
USI NT PTY LTD
Bridging Tenement Report for the period of 24\textsuperscript{th} March 2011 to 14\textsuperscript{th} April 2012 for EL 27542

6\textsuperscript{th} June 2012

DISCLAIMER STATEMENT

This document and the geoscience data presented herein have been provided by qualified and competent geologists and geophysicists using industry accepted principles and scientifically accepted methods and techniques. International Geoscience Pty Ltd does not (and cannot) guarantee or warrant the accuracy of the results as interpretation products are always subject to limitations of the data and information used in creating them. The conclusions and recommendations presented in this document are the results of a comprehensive study and analysis of the available data and theory at the time of this documents creation.
EXECUTIVE SUMMARY

USI NT Ltd (USI) was originally granted EL 27542 in March 2010. It is located in the southern region of the Northern Territory, approximately 150km west of Alice Springs. The tenement is one of two EL’s collectively referred to as the Arunta project.

The two tenements have now been accepted for group reporting status (GR233/11), therefore the reporting period has been reset to begin on the 15th April. This bridging report contains information of any activity occurring between the end of the original reporting period and the beginning of the new group one for EL 27542.

EL 27542 was visited during early May 2011. This tenement is recommended for follow-up work in the 2012 field season to investigate the magnesium occurrence (Snow White), which was discovered in May 2011. The exploration strategy for 2012 includes sample collection and field mapping.
CONTENTS

1 Overview ........................................................................................................................................4
2 Exploration activity of bridging period.......................................................................................5
   2.1 Office Studies...................................................................................................................5
   2.2 Field work ......................................................................................................................5
3 Exploration strategy for 2012.................................................................................................6
FIGURES

Figure 1: Location of EL 27542 within the Amadeus Basin indicated in red. The tenements are overlaid on an orthorectified image from BingTM, 2010.......................................................... 4

Figure 2: Location of Magnesium occurrence (Snow White) within EL 27542. Rock samples collected are indicated in yellow. .................................................................................................. 5
1 OVERVIEW

EL 27542 is located approximately 150km west of Alice Springs in the southern region of the Northern Territory (Figure 1).

The tenement is one of two EL’s in the Amadeus Basin region held by USI collectively referred to as the Arunta project (GR233/11), and is considered prospective for manganese mineralisation. These tenements were accepted for group reporting, with the new reporting period beginning 15th April.

This bridging report covers the time from the end of the original reporting period to the beginning of the new group one.

Figure 1: Location of EL 27542 indicated in red within the Amadeus Basin. The tenements are overlaid on an orthorectified image from BingTM, 2010.
2 EXPLORATION ACTIVITY OF BRIDGING PERIOD

Due to the remoteness of the tenement and the prospectivity of USI’s other leases within the Amadeus region, limited work has been completed for EL 27542.

2.1 Office Studies

Due to the approval of group reporting status (and therefore a change in reporting period dates), time has been attributed to bridging tenement and expenditure reports.

An exploration strategy for EL 27542 for the 2012 field season has been developed and is included within section 3.

2.2 Field work

EL 27542 was visited during early May 2011. A total of 18 rock samples were collected within this tenement. One in-situ sample returned a Mn value of 3.8% from a creek to the southeast of the tenement. This on its own is not considered of significant interest; more important is the unknown source of the mineralisation. One in-situ Magnesium occurrence (with a value of 23.4% Mg) was discovered and is proposed to be considered a new mineral occurrence (Snow White). The mineralisation consists of magnesite (MgCO3) and appears to lie within the Heavitree Quartzite based on the NTGS 250K scale map. It is more likely that the mineralisation lies within the Bitter Springs Formation as this Formation contains common magnesite associated rocks (dolomites, evaporates, gypsum and halite clasts). Two samples were collected from the occurrence but only one was assayed at this stage. Although this occurrence is not of very high grade it is anomalous and is recommended to be followed-up at a later date. Several other areas within the tenement were visited and sampled with no other significant findings.

Figure 2: Location of Magnesium occurrence (Snow White) within EL 27542. Rock samples collected are indicated in yellow.
3 EXPLORATION STRATEGY FOR 2012

International Geoscience proposes rock chip sampling and field mapping as follow up work in the 2012 field season to investigate the magnesium mineralisation. Several samples should be collected and the area should be mapped to determine the extent of the mineralisation and relationship of the surrounding geology.

Due to the close proximity of the manganese sample to the magnesium mineralisation the source of the manganese mineralisation should be followed up as a low priority.