KULGERA HEAVY MINERAL PROJECT

Report of Partial Relinquishment as Penalty of EL27417

14/01/2010 to 13/01/2016

By

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

Commodities: Magnetite, Ilmenite, Zircon, Rutile
250K Mapsheets: Ayers Rock, Kulgera
100K Mapsheets: Curtin, Mulga Park, Angas, Sentinel Bore, Victory
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ABSTRACT

This part of EL27417 was required to be relinquished as penalty due to not meeting expenditure condition for two consecutive years, under section 105(3) of the *Mineral Titles Act*. There is little work done there.
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1 Introduction

The Kulgera Heavy Mineral Project (“KHMP”) is situated in the southern part of the Northern Territory along the South Australian border. It is a project comprised of a group 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 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, See Figure 1.

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 Globe Mineral resources Investments P/L (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 granted in August 2012 to GMRI.

The EL’s 27417,27418,27419 have been reduced twice in 2014 and 2016 to the current area and granted with a renewal of two years .The details of the licenses are shown in Table 1.

In 2016, an area of 13 blocks of EL27417 was required to be relinquished as penalty due to not meeting expenditure condition for two consecutive years, under section 105(3) of the Mineral Titles Act. The blocks nominated for cancellation are listed in Table 2 and shown in the Figure 2.

Table 1. Tenement details

<table>
<thead>
<tr>
<th>Ten no.</th>
<th>Blocks Granted</th>
<th>Blocks Retained 2016</th>
<th>Blocks Retained 2016</th>
<th>Grant Date</th>
<th>Expiry Date/Renewed Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>27417</td>
<td>480</td>
<td>240</td>
<td>48</td>
<td>14/1/2010</td>
<td>13/1/2016/13/1/2018</td>
</tr>
</tbody>
</table>

Table 2 Blocks for Cancellation as Penalty

<table>
<thead>
<tr>
<th>Tenement</th>
<th>5 minute graticule</th>
<th>1 minute graticules</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL27417</td>
<td>SG531441</td>
<td>A, B, C, D, E</td>
<td></td>
</tr>
<tr>
<td>EL27417</td>
<td>SG531442</td>
<td>A, B, C, D, E</td>
<td></td>
</tr>
<tr>
<td>EL27417</td>
<td>SG531443</td>
<td>A, B, G</td>
<td>13</td>
</tr>
</tbody>
</table>
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 3.
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 EL27417

In 2014 EL27417 was reduced in area by a 50% relinquishment of 240 of the original 480 blocks granted. In January 2016 a further reduction consisted of the relinquishment of 192 blocks with the Application for Renewal including 48 blocks within the original tenement area. Then an area of 13 of the 48 blocks was required to be relinquished as penalty due to not meeting expenditure condition for two consecutive years.

The area previously relinquished was made on the basis of field observations and limited data collected from surface soil sampling for HM mineralisation and a few drill holes. The results were listed in the report of the 2nd relinquish report. And for these 13 blocks, there is little field work done. The focus of exploration efforts by GMRI was predominantly on the retained portions of the lease.

3 Conclusion

The area of 13 blocks was required to be relinquished as penalty due to not meeting expenditure condition for two consecutive years. There is little field work done. The focus of exploration efforts by GMRI was predominantly on the retained portions of the lease.