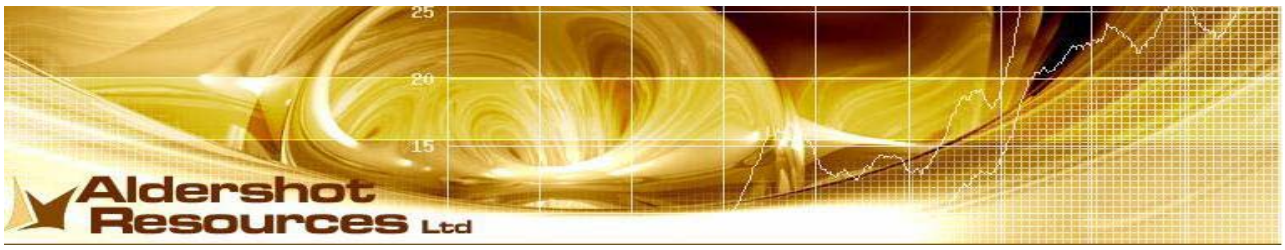

ANNUAL REPORT

FOR

EL 24/557
MT THOMAS PROJECT
NORTHERN TERRITORY

for the period

7 December 2006 to 6 December 2007

Compiled by: Alan Watchman and Glennis Hall

Date: December 2007

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SUMMARY

The Mt Thomas project is located 20 km north-northeast of the Daly River settlement and 125 km south-southwest of Darwin in the Northern Territory. The project area covers 20 blocks and 66.76 km² and was explored since the 1970s for uranium.

This report details exploration activities undertaken by Aldershot Resources Ltd during the tenement's second year of tenure: 7 December 2006 to 6 December 2007.

Activities completed during the reporting period consisted of reconnaissance field inspections, historic drill hole location surveying, limited ground radiometric surveys, and rock chip sampling.

1 INTRODUCTION

EL24/557 was granted on 7 December 2005 and covers 66.76 km² (20 blocks). It is 100% owned and operated by Aldershot Resources Ltd.

Aldershot Resources Ltd is primarily targeting unconformity-type uranium deposits proximal to the unconformity between rocks of the Lower and Middle Proterozoic. This area has similarities to the East Alligator uranium field and the Athabasca Basin uranium deposits in Canada. The company is also exploring for vein-type uranium deposits associated with major structural deformations, such as shear zones and tight folding of carbonaceous siltstones.

This report summarises the work carried out by Aldershot Resources Ltd during the second year of tenure from 7 December 2006 and 6 December 2007.

2 LOCATION

Exploration licence 24/557 is located between the Daly and Reynolds Rivers, centred approximately 20 km north-northeast of the Daly River settlement and 125 km south-southwest of Darwin in the Northern Territory (Figure 1). The tenement is located on the Pine Creek 1:250 000 Sheet SD52-08 and the Daly River 1:100 000 sheet 5070 between 13º35'–13º39'S and 130 º46'–130 º51'E.

3 TENURE

The tenement details for the Mt Thomas project are shown in Table 1.

Table 1 Tenement Details — Mt Thomas Project

Tenement	EL24/557
Location	Mt Thomas
Ownership	100% Aldershot Resources Ltd
Grant date	7 December 2005
Expiry date	6 December 2007
Area	20 Blocks (66.76 km²)
Expenditure commitment	$68,000

All of the land covered by the Mt Thomas tenement is under the control of the Tipperary Pastoral Company.

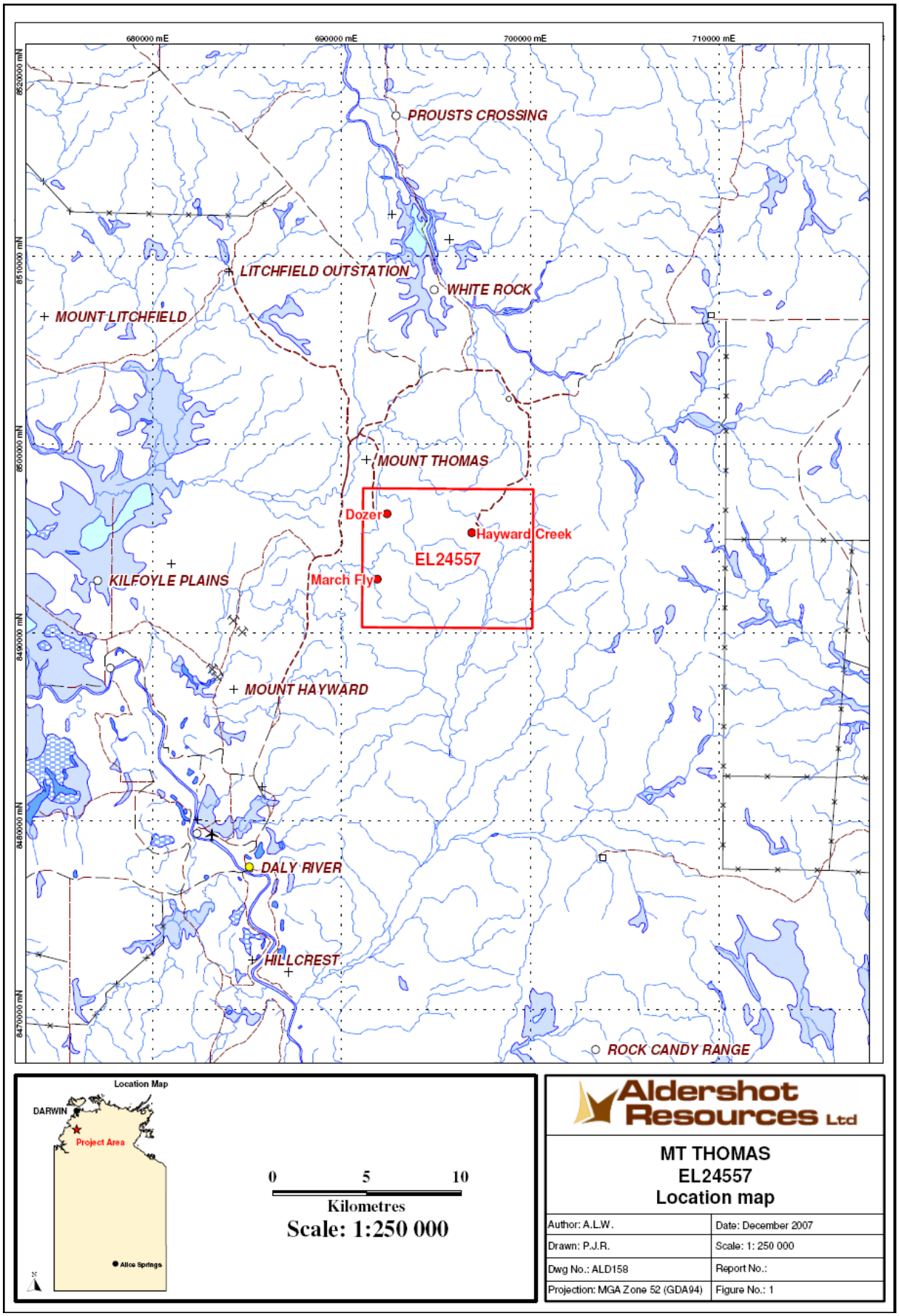
4 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Access to the tenement area is by the Adelaide River – Daly River road, then by bush tracks through the flat open country underlined by the Burrell Creek Formation. In the Tolmer Sandstone country 4WD access is fairly easy once access to the plateau is gained.

Cocquio (1992) describes the vegetation of the area as comprising savannah woodland with localised patches of tropical forest lining creeks along the sandstone escarpments, as well as areas of open black soil plains.

Climatically the project area experiences a wet season from November to April and a dry season from May to October. The average rainfall is 677 mm with a mean temperature of approximately 34º C.

Figure 1 Location map



5 GEOLOGICAL SETTING

Aldershot Resources Ltd is targeting unconformity-type uranium deposits proximal to the unconformity between rocks of the Lower and Middle Proterozoic. This area has similarities to the East Alligator uranium field and the Athabasca Basin uranium deposits in Canada. Previous exploration has defined primary uranium mineralisation associated with chlorite–white mica–hematite alteration. Quartz–tourmaline veining is considered significant. Two uranium prospects, March Fly and Hayward Creek, exist within the tenement. A small occurrence of uranium was also found by previous explorers at the Dozer location.

The March Fly prospect is located within a highly prospective 30km-long north-northeast-trending corridor that represents a splay off the Giants Reef Fault. However, only 5 km of this corridor is within EL24/557. Across the region the corridor contains numerous radiometric anomalies, two gravity highs, and a number of vertical and horizontal airborne EM conductors. Uranium mineralisation is known to exist on the western flanks of gravity highs. Crossland Mines Pty Ltd owns tenements north, east, and south of EL24/557 that lie on more prospective land within this corridor.

The local geology comprises sediments including sandstone, siltstone and graphitic schist of the Lower Proterozoic Burrell Creek Formation that have undergone isoclinal folding and strong tectonism. These rocks are overlain by fine- to medium-grained quartz arenite with interbedded pebble and conglomeratic bands of the Middle Proterozoic Depot Creek Sandstone. The Lower Proterozoic Litchfield Granite lies to the northwest. The Giants Reef Fault is a large regional structure having its origins in the Halls Creek Mobile Zone to the southwest and is buried under cover in the northeast.

The geology of the Mt Thomas tenement is shown in Figure 2.

6 PREVIOUS EXPLORATION

Previous uranium exploration has targeted the unconformity between the Middle and Lower Proterozoic at the western end of the Pine Creek Geosyncline. This work, principally by Mobil Energy and Total Mining, successfully discovered primary uranium mineralisation similar to the Alligator River Uranium Field but generally exhibiting modest grades (<1000 ppm) and narrow, discontinuous thicknesses. Two uranium prospects have been identified on Aldershot's tenement, the March Fly and Hayward Creek prospects.

6.1 Mobil Energy Minerals

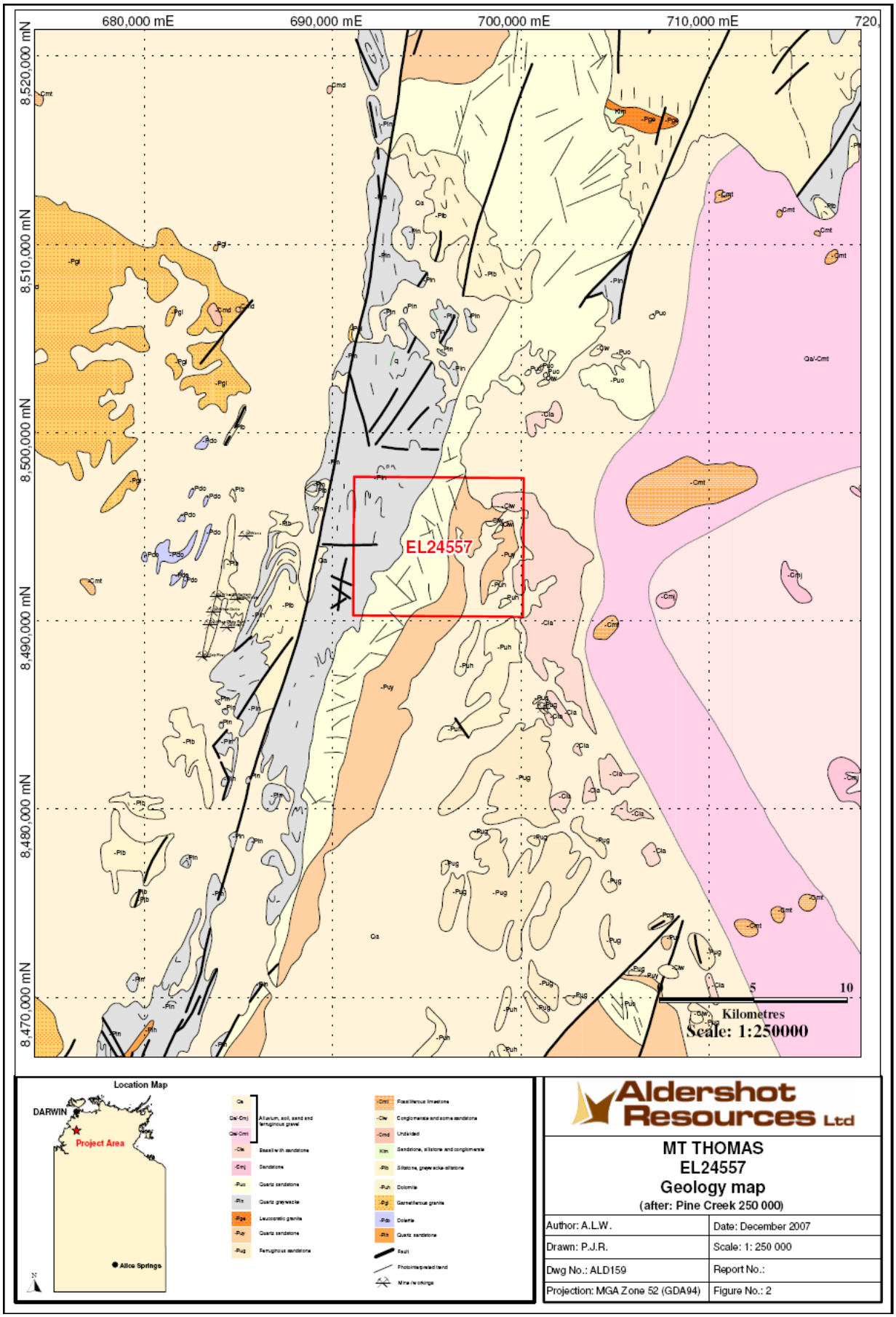
Mobil was the operator for exploration in the Mt Thomas project area on EL1359 from 1978–1983. During that time they carried out airborne radiometric surveys which highlighted 14 radiometric features of which 4 were selected for further work: gridding, geological mapping, percussion drilling, and soil geochemistry. Follow-up exploration of the tenement involved ground and airborne magnetic surveys and a further radiometric survey, a regional Track Etch survey, some diamond drilling, some hydrogeochemical sampling, and seismic and GEM–8EM surveys.

Three areas of particular interest were identified: the Hayward Creek, Kilfoyle Creek, and Mount Thomas Prospects as discussed by Manning (1981) and summarized below.

Hayward Creek prospect: (anomaly 49/36) work involved geological mapping, ground radiometrics, geochemical sampling, percussion drilling with 8 holes drilled for total depth of 192 m and 1 diamond drill hole. However, no mineralisation was intersected in any of the drill holes. A semi-regional trend of 240–250 was inferred for the area and appeared to be reflected in a zone of elevated radon response detected in the 1980 Track Etch survey south and southwest of the prospect. Uranium mineralisation was found to be subject to strong structural control. Within the Tolmer Group, the importance of structural relationships in providing fracture zones and breccias to enable subsurface fluids to move vertically was clearly illustrated.

Kilfoyle Creek Prospect: (anomaly 45/34A) work involved surface magnetometry and spectrometry, geological mapping, drilling with 3 percussion and 1 diamond drill holes to determine northward extension of known mineralisation. All failed to indicate significant mineralisation. The detailed surface geophysics and geology did re-emphasise the anomalous surface radiometrics of narrow N–NNW trending band on the east of the gridded area. Features were localized and small, and as such their individual importance was reduced.

Figure 2 Regional geology



Mount Thomas Prospect: (anomaly 46/37a and referred to as March Fly Prospect) was also explored with drilling, geological and radiometric mapping. Uranium mineralisation was found to be subject to strong structural control, specifically being confined to fracturing and faulting along approximately N–S fold axes. Mobil concluded that the prospect still warranted prospect status and should be extended northward.

6.2 Total Mining Australia Pty Ltd and PNC Exploration (Australia) Pty Ltd JV

Total Mining and PNC were involved in a joint venture in the Mt Thomas area on EL4857 from 1986–1991. Exploration consisted of rapid helicopter reconnaissance, radiometric traversing, gridding, geological mapping and an INPUT survey flown over the project area. A large number of anomalies were followed up on the ground with further geophysical, geological, geochemical investigation, and drilling. The major prospects identified include March Fly, Prospects T10 and T11, Prospect 2851 "Radio Tower" and Hayward Creek (Cocquio, 1992).

A high-grade intersection exists in hole TOL-P-6: 52.6–53.8, 1.2 m grading 2.49% eU with a maximum grade of 11.6% over 0.3 m which was drilled at the March Fly prospect. This mineralisation is hosted in interbedded chloritic sandstone and hematitic–carbonaceous metasiltstone with vein quartz present at the base of a quartz-veined carbonaceous shale. Carbonaceous and graphitic units tend to be quite narrow and not laterally extensive. TOL-P-6 is located within Aldershot's EL24/557.

The Hayward Creek prospect was found by an airborne radiometric survey and ground investigations showed high radioactivity associated with water seepages and swampy conditions. Drilling returned negative results. This is clearly a case of uranium daughter products transported in groundwater from a subterranean source and precipitated at the surface.

Regional prospectivity, based on previous exploration results and gravity data, occupies a north-northeast-trending corridor that is interpreted to be a splay off the Giants Reef Fault. This splay is prospective for some 30 km within EL24/557 and into EL25/078 and EL25/077. This has been referred to as the "uranium prospective corridor".

7 PREVIOUS ALDERSHOT EXPLORATION

In the first year of tenure the following exploration activities were undertaken: heritage surveys, data compilation, field reconnaissance and surveying.

7.1 Heritage surveys

A search for sacred aboriginal sites within the tenement area was completed with the Aboriginal Areas Protection Authority. One sacred site exists in the north-eastern quadrant of the tenement area.

7.2 Data compilation

Forty one open-file reports were identified in and around the Mt Thomas tenement. A selection of these (30) was ordered from the NT Mines Department in digital format.

Historical drilling covering the Mt Thomas Project area was digitally captured and incorporated into the Aldershot database: 329 records in total were incorporated including 301 percussion holes, 27 diamond holes and 1 drill hole of un-known drill type.

7.3 Field reconnaissance and surveying

Personnel from Aldershot undertook 2 reconnaissance trips to the Mt Thomas tenement with the intention of determining access to the area and locating historic drill hole collars. Staff did not locate any collar points during the first trip but during the second trip the March Fly prospect holes and road works were located.

8 EXPLORATION ACTIVITIES FOR 2006–2007

In the second year of tenure the following exploration activities were undertaken: field reconnaissance and surveying. This included the locating of historic drill holes, 2 ground radiometric surveys and collection/geochemical analysis of a rock chip sample.

8.1 Field reconnaissance and surveying

Personnel from Aldershot undertook reconnaissance trips to the Mt Thomas tenement and re-discovered the previous access tracks to both prospects.

Historic drill hole collars were located and entered into the database. These drill hole locations are shown on Figure 3 and data are presented in the file MT_WASG3_RADIOM_2007A.txt.

8.2 Ground radiometric surveys and a rock chip sample

Two ground radiometric surveys were conducted across the March Fly prospect adjacent to areas showing elevated radioactivity (Figure 4). While a narrow anomalous zone was identified near the collar of an historic drill hole the northern extension of mineralisation along strike was not detected. Analysis of a brown micaceous rock chip sample from the zone of highest surface radioactivity revealed only 565 ppm uranium.

The radiometric surveys are presented in the file MT_WASG_RADIOM_2007A.txt and the rock chip sample location and assay is presented in the file MT_WASG3_SURF_2007A.txt.

The Dozer and Hayward Creek anomalies were also visited and while the previously discovered elevated radioactivity levels were confirmed the uranium mineralisation was not found to extend widely. At Dozer the radiometric anomaly is confined to a few tens of centimetres within ferruginised siltstone and minor mica schist adjacent to a narrow, discontinuous quartz vein.

The Hayward Creek anomaly is thought to exist because of the relative differences between the radioactivity in black soil (75100c/s) and in the adjacent Depot Creek Sandstone (10c/s).

9 CONCLUSIONS AND WORK PLANNED

9.1 Conclusions

The geological province, tectonic setting, geology, alteration, and presence of primary uranium mineralisation provide encouragement for the project. The areal dimensions of the Aldershot tenement afford only 5 km of strike along a prospective corridor which currently contains only two uranium prospects. March Fly is the more significant of the two prospects. Dozer is regarded as a minor occurrence of uranium with little potential for significant uranium deposition. Prospectivity increases to the north-northeast in a 30-km-long corridor containing the Mt Thomas prospect, because of radiometric anomalies, two gravity highs and a number of vertical and horizontal airborne EM conductors. These features could signify an important structural and lithological splay off the Giants Reef Fault which may contain uranium. This corridor is considered prospective for uranium mineralisation.

9.2 Work planned

- Regional mapping will focus on identifying carbonaceous units that are prospective for uranium mineralisation.
- Drilling of at least one diamond drill hole that targets carbonaceous units potentially hosting any March Fly-type mineralisation.
- The hole will be logged using a downhole spectrometer.

10 TECHNICAL DETAILS

Personnel

Director	Brian Richardson
VP Exploration	Ian Faris
Senior Geologist	Alan Watchman

Figure 3. Historic drill hole locations

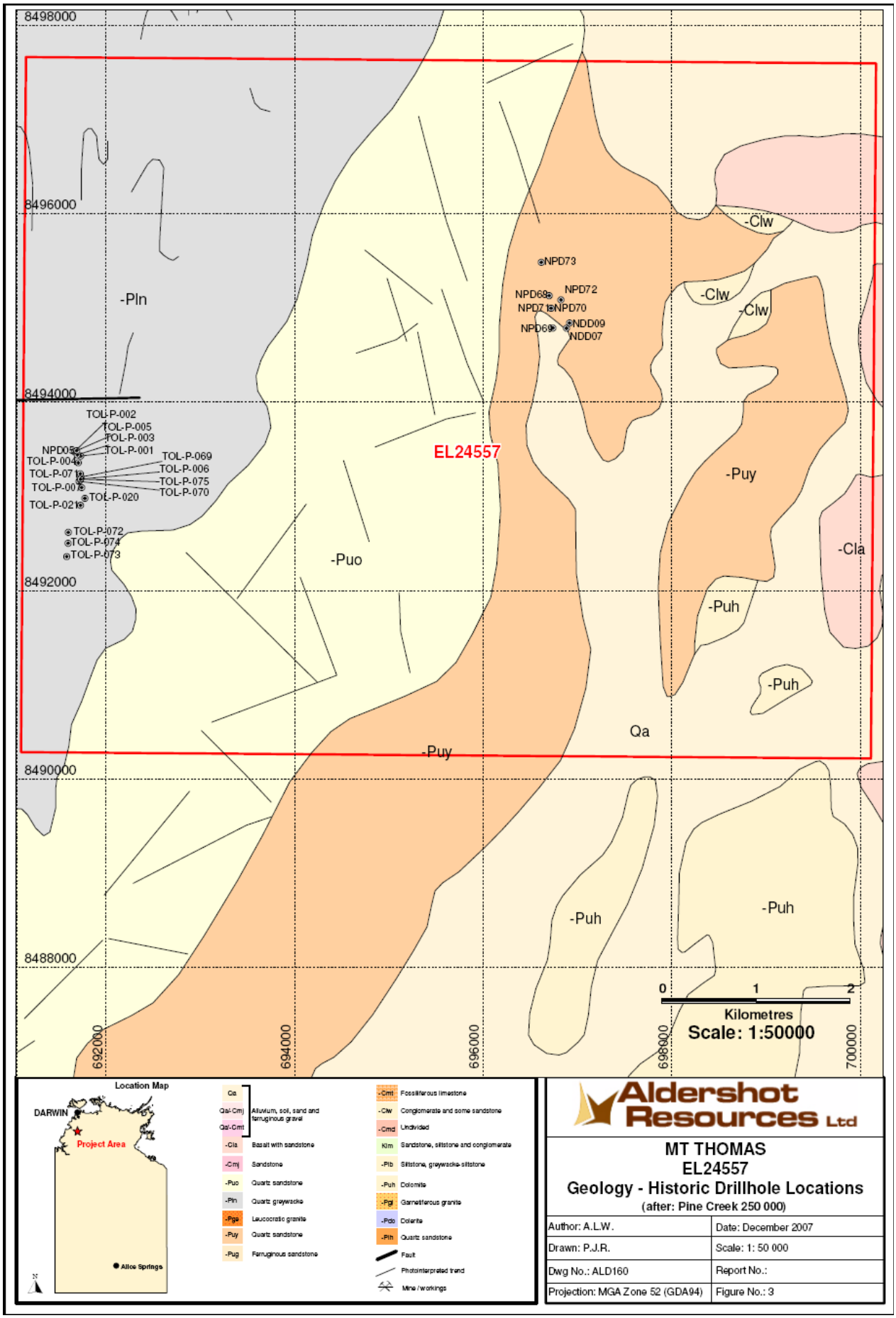
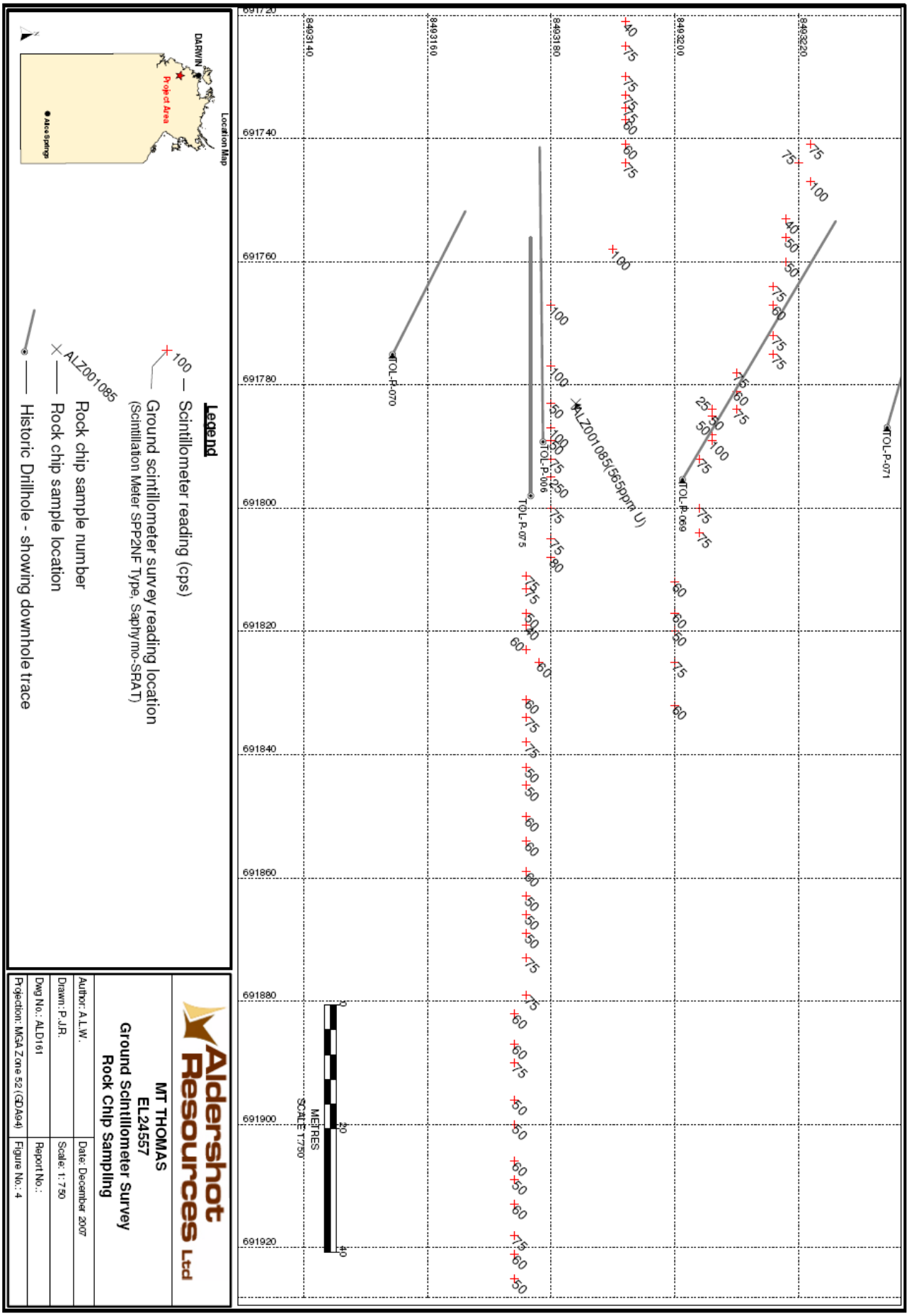


Figure 4. Ground radiometric surveys and rock chip location



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