

# Exploration Licence EL26699 – Tanami NT

Holder and Operator  
Palace Resources Limited; ACN 106240 475

Annual Report for year ending 20 November 2009

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1:250,000 Sheet; Tanami SE52-15

1:100,000 Sheet; Breaden 4859

Datum: GDA94 Zone 52

## Executive Summary

EL 26699 ("the Tenement") was granted to Palace Resources Ltd on 21 November 2008. Palace had acquired a significant tenement holding in the Marla area to the south which was prospective for gold but was attracted to the Tanami area because of its geological affinities to the East Alligator River area and therefore its potential for uranium.

Palace was granted a large EL, 25207, on 12/2/07 and a detailed airborne magnetics/radiometrics survey over this area indicated the presence of a Lower/ Mid Proterozoic unconformity and a number of significant radiometric anomalies, in an area of pastoral leasehold, conducive to uranium exploration. Accordingly it applied for a further 3 ELs including 26699 to the west.

The airmagnetics suggests that the Tenement could either host the unconformity between the Mid Proterozoic Birrindudu-Victoria Basin clastics and the Archaean/Lower Proterozoic Tanami Complex, or lie just to the north of it within the Tanami Complex. This would make the Tenement highly prospective for uranium, base metal and gold.

Before Palace could mount a significant field follow up of the airborne anomalies, etc the economic downturn curtailed its activities and eventually it was forced to joint-venture most of the Tanami Project to Excalibur Mining Corporation Ltd, which is active in the NT. Excalibur did not include EL26699 in the joint venture and therefore no field work was carried out on the Tenement in the first year of tenure.

With a somewhat improved financial climate, Palace itself intends to prospect the Tenement in 2010, employing geological mapping, ground radiometrics and partial digest soil geochemistry. Palace would anticipate a budget of \$25,000 to complete this work.