ANNUAL REPORT

UMBERA PROSPECT

EL27071

12 October 2010 to 11 October 2011

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SUMMARY

This report describes the work undertaken by Elsinore Nominees Pty Ltd (EN) in assessing the granted exploration licence EL27071.

EN has completed a literature search and compiled all available open file data on the tenement and purchased GPX data for the tenement. This has been reinterpreted and reviewed by an independent geologist and will be used to guide further exploration on the tenement.

1 LOCATION AND ACCESS

The tenement has an area of 346.39 km² and is located adjacent to the Northern Territory/South Australian border some 250 km by road south of Alice Springs. EL27071 is within the Kulgera 1:250,000 Map Sheet, Northern Territory of Australia.

Access from Alice Springs is via the sealed Stuart Highway, and the unsealed Umbera road. Within the tenement access is by way of pastoral station tracks.

2 TENEMENT DETAILS

Elsinore Nominees Pty Ltd is the registered holder of the tenement which was granted on 12 October 2009 for a period of six years and is comprised of 112 sub blocks.

3 GEOLOGICAL SETTING

Regionally, the Kulgera prospect covers the eastern portion of the Musgrave Block. In this area it comprises Proterozoic-aged Fregon Terrane granulites and transitional granulite grade gneisses, Kulgera Adamellite granite, Ayers Ranges Adamellite granite and Mulga Park Terrane granite, which along the northern boundary are overlain by Devonian Carboniferous sandy-silt sediments of the Amadeus Basin and Mesozoic sandstones.

Locally, the geology comprises an extensive cover of sandy colluvium and indurated calcrete, with alluvial sandy deposits along the major drainages. Fregon Terrane adamellite, granite and monzonite outcrops occur in the southwestern corner of the tenement, flanked by quartz-feldspar-biotite and garnet gneisses of the Outounya Gneissic Unit to the east and northeast.

Intrusive dolerite dykes of the Alcurra Dyke Swarm intrude the Outounya Gneisses east of the Stuart Highway. Both east-west and northeast-southwest trending shear fabrics are present within the tenement area.

EL27071 contains a number of diamond drill holes completed by the Northern Territory Geological Survey (NTGS); namely, K9, K11, K12, K13 and K15-17. It is believed that examination of these drill logs, together with NTGS geophysical airborne surveys, will provide valuable information on the geological structure and mineralisation potential of the underlying rock types.
4 PREVIOUS EXPLORATION

Washington Resources previously explored the tenement and flew GPX magnetics across the tenement. In both Western Australia and South Australia, similar Proterozoic sequences of the Musgrave Block are proven hosts to base-metal and PGE mineralisation.

5 CURRENT EXPLORATION

EN has completed a literature search, compiled all available open file data on the tenement and purchased GPX data for the tenement. An interpretation of the data and review by an independent geologist has revealed several targets which it is intended to drill in the coming field season.

6 REFERENCES

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