EL CARO RESOURCES

Final Surrender Report
Exploration Licence EL31760

FOR THE PERIOD 31/08/18 – 21/05/19

Northern Territory, Australia

Holder: El Caro Resources

Operator: El Caro Resources

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Date: 21/05/2019

Target Commodity: Vanadium

Sheet Reference: Calvert Hills 1: 250 000(SE53-08)

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Abstract

EL31760 was granted on 31 August 2018 to El Caro Resources who is the 100% owner of the tenement and manager. No historical prospects or deposits exist on the tenement. Vanadium was the commodity sorted as the nearby Vanadis prospect was discovered some 5 years ago by Southern Uranium. Detailed magnetic interpretation was done which formed the basis of a helicopter geological reconnaissance survey flown along major lineaments identified from the magnetic images and 4 rockchip samples were taken.

1.0 Location, title history, physiography and access

EL31760 is located the eastern part of the Calvert Hills (SE53-08) 1:250,000 geological map sheet in the Northern Territory (Figures 1 and 2).

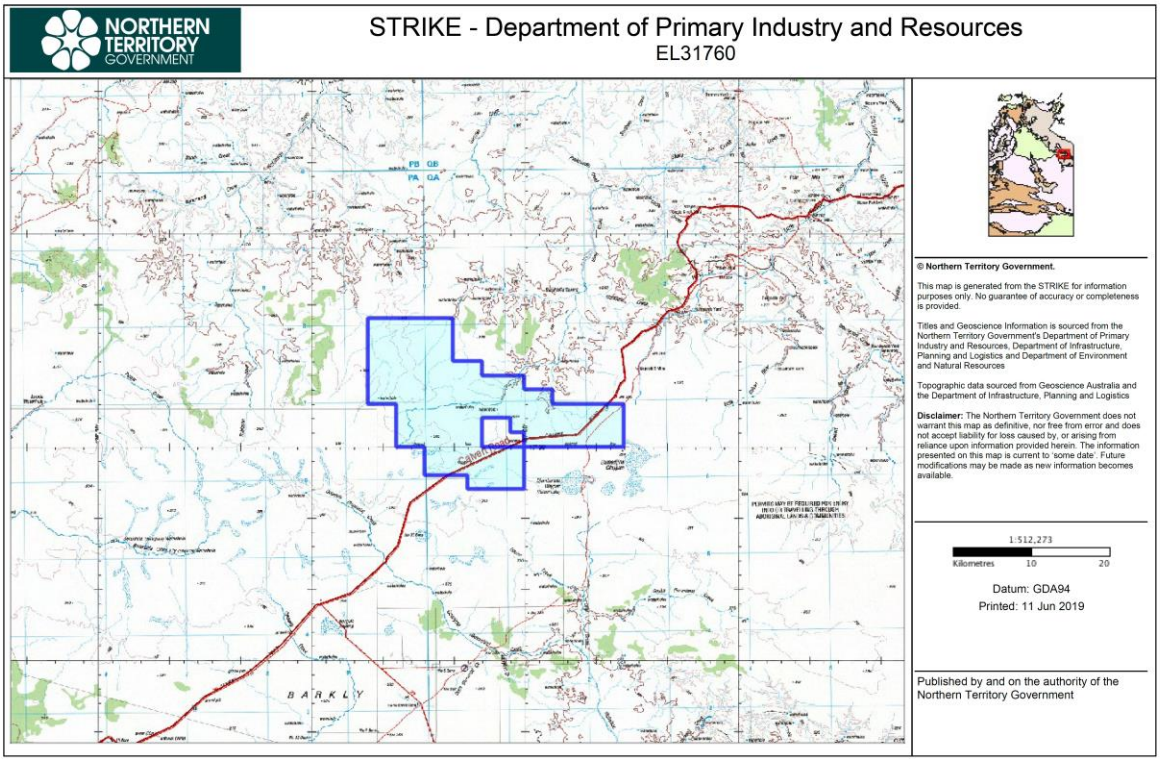

Figure 1: EL31760 location.

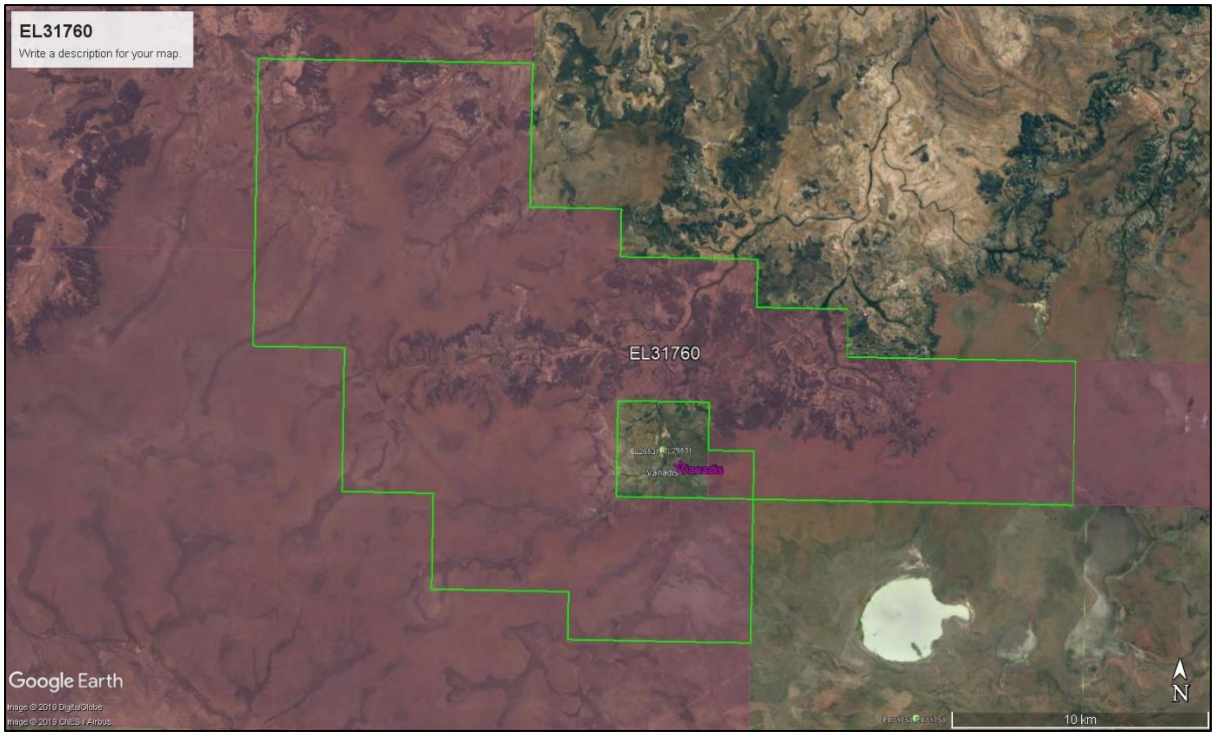

Figure 2: EL31760 and Vanadis prospect location.

Licence details of EL31760 consists of 111 blocks, and was granted to El Caro Resources on the 31 August 2018 for a period of 6 years.

Geomorphology

EL31760 straddles a physiographic divide that separates the Bukalara Plateau in the north from the Barkly-Birdum Tableland to the south. The Barkly-Birdum Tableland is a relatively flat-lying plain that closely represents the Tertiary land surface. Most of the tableland is covered by soils developed on laterised Mesozoic rocks. Erosion from the north has developed the lower-lying dissected Bukalara Plateau that contains a well-developed northward flowing drainage system. Drainage on the tableland is less developed and flows to the south. The elevation descends from approximately 300m absl in the south to approximately 250m absl in the drainages in the north of the licence.

Geology

In the Calvert Hills area basement sequence of the Early Proterozoic Murphy Inlier is flanked to the northwest by the Middle Proterozoic McArthur Basin sequence and to the southwest by the Middle Proterozoic Lawn Hill Platform and the overlying South Nicholson Basin successions.

Murphy Metamorphics, Cliffdale Volcanics and Nicholson Granite Complex constitute the Murphy Inlier sequence. The Tawallah Group, oldest group of the McArthur Basin, unconformably overlies the Murphy Inlier sequence and consists essentially of a succession of sediments and volcanics. The overlying sequences are the Masterdon Sandstone and the Karns Dolomite. The Lawn Hill Platform sequence starts with the Wire Creek Sandstone then Peters Creek Volcanics. The later are followed by shallow marine sequences of the Ficking Group and the overlying South Nicholson Group.

The oldest rock unit that crops out within the licence is the Palaeoproterozoic Sly Creek Sandstone of the Tawallah Group. The sandstone occurs as inliers in the northern parts of the licence and is mapped as questionable on the 250,000 geology map. Neoproterozoic Bukalara Sandstone unconformably overlies the Sly Creek Sandstone although the contact is not exposed within the licence. Mesozoic Sandstones containing a basal conglomerate and quartzite and an upper sandstone and siltstone uncomfortably overly both the Bukalara Sandstone and the Sly Creek Sandstone. Ferruginous soils and black soil have developed on the Mesozoic sediments and are mostly restricted to the tableland areas in the southern parts of the licence. More recent sediments include alluvial sands and gravels and are confined to the active drainages.

Access

The location of the tenement is in remote and is mostly inaccessible by road. Given the budget and time restraints using a helicopter was seen as the most efficient vehicle for access.

2.0 Geological setting, exploration/mining history and exploration rationale

The Calvert Hills 53-8 metallogenic map sheet series describes the geological setting in detail and see above.

The exploration and mining history has been very limited in the past. Mainly uranium and diamond exploration.

The relatively recent discovery of vanadium at the Vanadis prospect on EL29831 towards the south eastern corner of the tenement was the initial reason for applying for the exploration license. More vanadium could be found throughout the area as the company who held Vanadis was focussed on uranium exploration.

3.0 Geological activities

Processing of government aeromagnetic data was undertaken over the area producing a number of images used for targeting of faults and magnetically susceptible rocks.

A helicopter reconnaissance geological survey was completed to look at the magnetic targets. Four rockchips were collected and sampled. The samples were sent to Perth Nagrom Laboratory for analysis. The analytical method used was the ICP003 method, a total digest method.

The results from the rock chips were not found to contain economic quantities of vanadium.

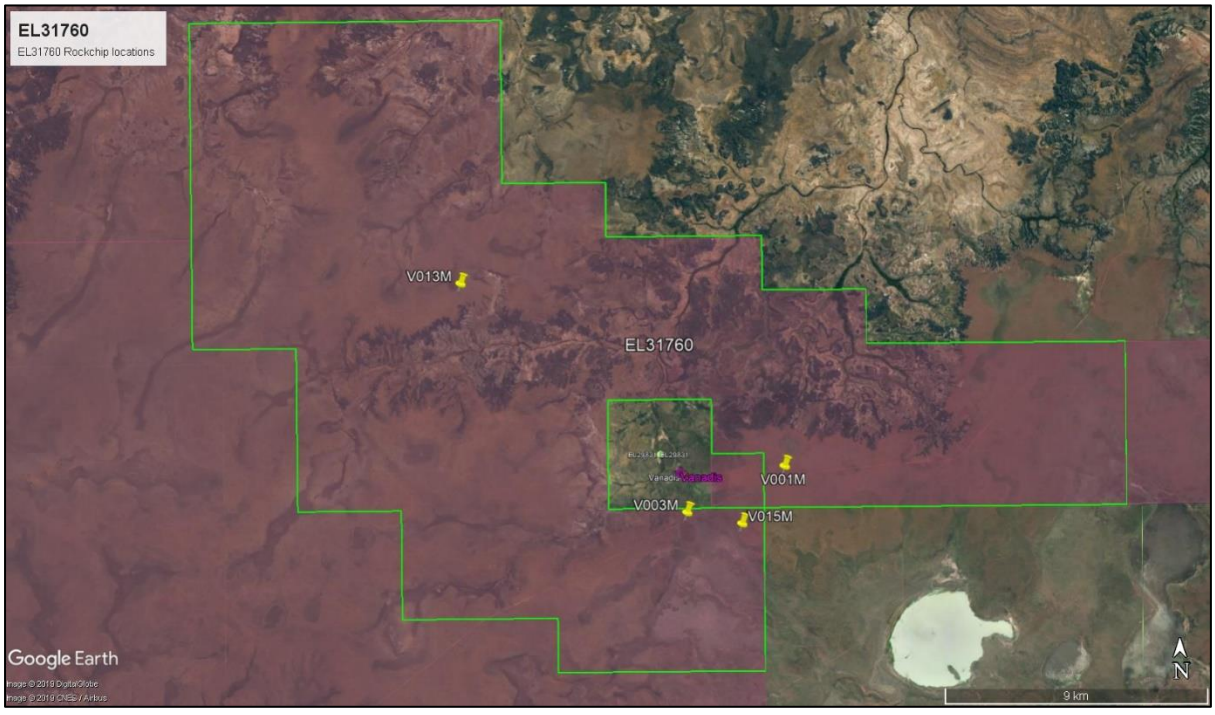

Figure 3: EL31760 rock chip locations.

4.0 Conclusions and Recommendations

Based on the results from the reconnaissance and rock chip results the tenement was decided to be relinquished in full.

5.0 Expenditure Statement (attached)

See attached

6.0 References

None