



Mega Georgetown Pty Ltd

EPM 14827 – ROCKYS PROJECT

REPORT FOR THE AREAS RELINQUISHED ON 13 SEPTEMBER 2012

Licensee: Mineral Development Australia Pty Ltd

Ian Mathison

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Mega Georgetown Pty Ltd

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SUMMARY

Exploration Permit for Minerals (EPM) 14827 is held in the name of Mineral Development Australia Pty Ltd (MDA). MDA is a fully owned subsidiary of Mega Georgetown Pty Ltd (Mega). Mega in turn is a fully owned Australian subsidiary of Mega Uranium Ltd, a company listed on the Toronto Stock Exchange. EPM 14827 was granted to MDA on 13 September 2005. In 2005, Mega Georgetown and GML entered into a joint venture agreement covering EPM 14827 and most of the remainder of Mega and GML's tenement holdings. Within the area covered by the joint venture, GML acquired or retained the right to develop any gold or base metal deposit discovered while Mega acquired or retained the right to develop any deposit of uranium discovered. Exploration within EPM 14827 is still covered by this joint venture agreement. The GML rights were transferred to Deutsche Rohstoff Australia Pty Ltd (DRA) in May 2009.

This report provides details of all exploration conducted by Mega and GML/Plentex/DRA within the area of the five sub-blocks of EPM 14827 relinquished at the end of the seventh year of tenure, 13/09/2012. (See Fig 1)

Exploration by Mega and DRA/GML failed to detect indications of economic gold, base metal or uranium mineralisation within the areas of EPM 14827 relinquished on 13 September 2012. Based on all available data no further exploration is warranted within these areas.

Exploration in the relinquished portion of EPM 14827 comprised:

- Compilation of previous exploration data
- Interpretation of structures and targets from the regional data
- Acquisition of SPOT satellite imagery.
- Acquisition of high resolution Airborne Radiometric and Magnetic data – UTS survey A775 flown in October-December 2006.
- Interpretation of linear features on satellite images, radiometric images, aeromagnetic images and regional geology
- Identification of target areas for uranium mineralisation using all available data.
- Classification of all targets and ground follow up of selected anomalies with reconnaissance geological mapping and ground radiometric surveys (W Herrmann)
- Further processing and interpretation of airborne radiometric data (Grant Donnes).
- Acquisition of ALOS imagery over the area.
- Ground radiometric surveys over selected anomalies.
- RC drilling of selected targets at Z165

Work undertaken by GML/DRA comprised:

- Compilation of the results of previous exploration of the area.
- Interpretation of radiometric and aeromagnetic images supplied by Mega

There was no ground exploration activity by DRA within the report area.

1.0 INTRODUCTION

This report provides details of all exploration conducted by Mega and DRA/GML within the report area, the five sub-blocks of EPM 14827 relinquished at the end of the seventh year of tenure, 13/09/2012. (See Fig 1).

EPM 14827 is located within the Georgetown Inlier, in central North Queensland. In summary, the Georgetown Inlier consists largely of variably metamorphosed and deformed sedimentary and volcanic rocks of Proterozoic age - the Etheridge and Langlovale Groups. These rocks are intruded by several Proterozoic, Silurian-Devonian and Carboniferous-Permian granitoids (Denaro et al 1997).

Results of all exploration conducted within EPM 14827 by Mega before 13 September 2011 have been reported in annual reports compiled by Mega. The full list of annual reports is included in the list of references.

Previous regional exploration within the EPM 14827 has covered 171 sub-blocks in total, 160 of which were relinquished by 13 September 2010. A further five sub-blocks were relinquished on 13 September 2012.

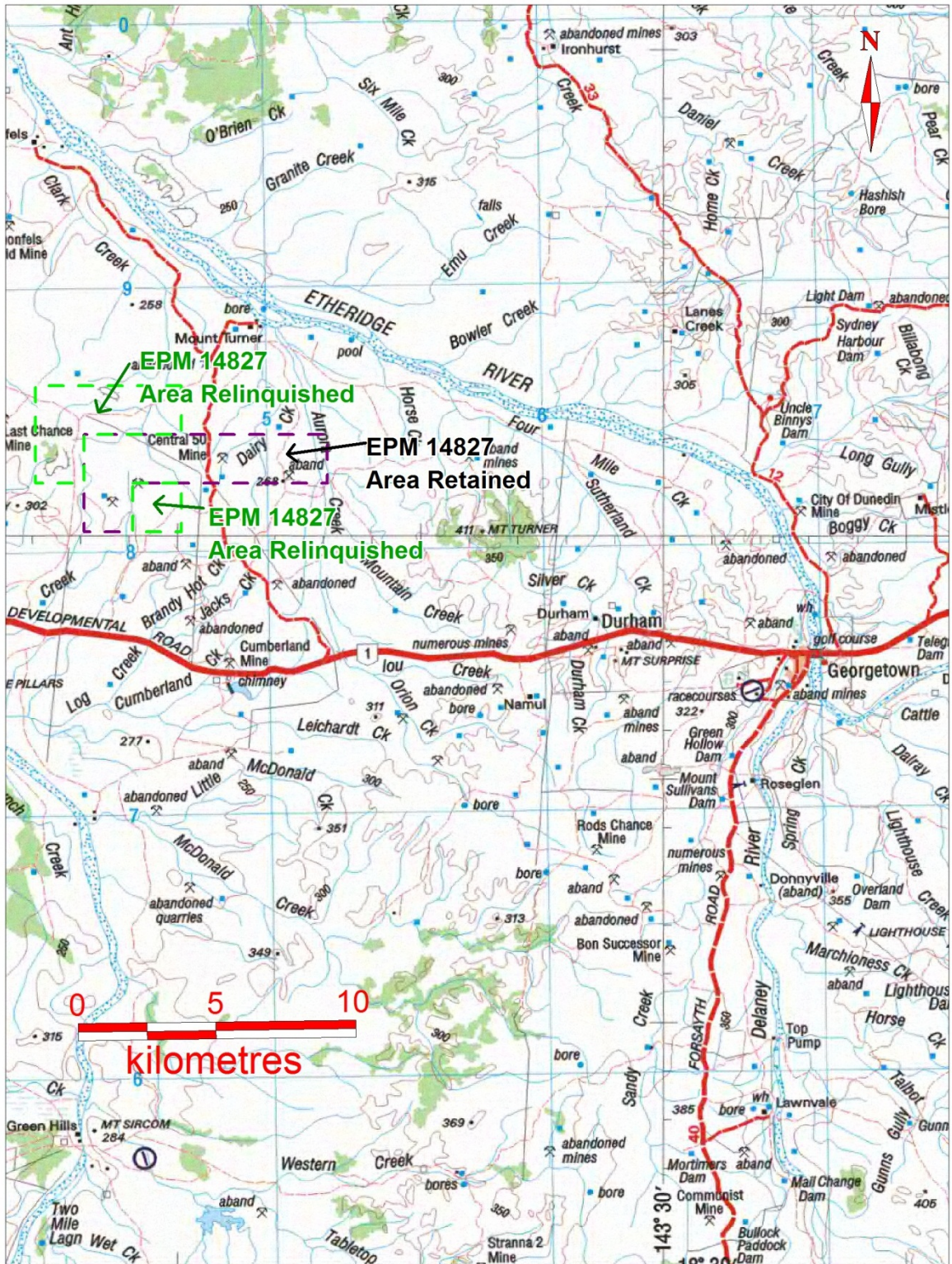
In mid 2006, Mega Georgetown set up a permanent exploration base at Georgetown from which to conduct exploration on tenements in that area. Exploration during the first year of tenure focussed on compilation and interpretation of previous exploration and geological reconnaissance of selected targets and areas. Mega flew a high resolution airborne radiometric and magnetic survey (UTS survey A775) over the Georgetown, Maureen and West Newcastle Range in late 2006. This survey covered all of EPM 14827.



During the second year, the exploration strategy changed significantly with an emphasis on a more detailed evaluation of the geological setting of known mineralisation and ground follow up of selected radiometric anomalies, with an aim to refine targeting. The results of the A775 survey were processed and imaged and the processed and imaged data were interpreted. Selected anomalies were followed up by ground geological reconnaissance and gamma ray scintillometer surveys. The V 12 anomaly was evaluated.

During 2008, exploration was focussed on the Lineament prospect (LC50) and the Drummer Fault Zone. RC and diamond drilling was completed at LC50 and Dose Rate and Assay Mode radiometric surveys were completed along the Drummer Fault Zone. A775 data was again processed and interpreted by Grant Donnes in August 2008 (Donnes 2008). Anomalies identified by Z followed by a number were recognized and prioritized.

In 2009, detailed assay mode ground radiometric surveys were completed over the Z165, Z145 and Z146 airborne radiometric anomalies identified by Donnes (2008). Additional radiometric data were collected from the Z165 area in 2010 and reconnaissance geological mapping was completed. In fill and grid extension of assay mode ground radiometric surveys over Z165 were completed in 2011.

Evaluation of radiometric and geological data from Z165 revealed low level uranium anomalism hosted by shallowly north dipping Devonian-Carboniferous sediments attributed to the Gilberton Formation and associated with an inferred north-west trending fault or fracture system. Two drill targets to test for uranium mineralization down dip of the surface anomalism either side of the inferred fracture were proposed. Drilling was completed in late 2011.



<p>Fig 1 EPM14827 Location</p>		Mineral Development Australia Pty Ltd	
		<p>Georgetown Project Area EPM 14827 Partial Relinquishment Report 2012</p> <p>Location EPM 14827</p>	
<p> EPM 14827 relinquished on 13/09/2012</p>	<p> EPM 14827 at 13/09/2012</p>	<p>Mapping from Auslig 250K topo mapping</p>	
		<p>Date: 8/10/2011</p>	
		<p>Author: Ian Mathison</p>	
		<p>Office: Georgetown</p>	
			<p>Projection: MGA Z54 GDA94</p>

2.0 TENURE

EPM 14827 is held by Mineral Development Australia Pty Ltd (MDA). MDA is a fully owned subsidiary of Mega Georgetown Pty Ltd (Mega). Mega itself is a fully owned Australian subsidiary of Mega Uranium Ltd, a company listed on the Toronto Stock Exchange. The tenure was granted to MDA on 14 September 2005 for a term of five years.

When granted, the EPM covered 171 sub-blocks. The tenement was reduced to 53 sub-blocks in 2007. This was further reduced to 27 sub-blocks in 2008, 20 sub-blocks in 2009, 11 sub-blocks in 2010 and six sub-blocks in 2012. The boundaries of the current extent and the relinquished portions of EPM 14827 are drawn on Fig 1, Location and Fig 2, Geology. The five sub-blocks relinquished are listed in Table 1 below. The six sub-blocks retained are listed in Table 2.

Table 1 Relinquished area of EPM 14827

Block Identification Map	Block	Sub-blocks	Number of sub-blocks
NORM	1936	N O P S Z	5
Total number of sub-blocks relinquished.			5

Table 2 Retained area of EPM 14827

Block Identification Map	Block	Sub-blocks	Number of sub-blocks
NORM	1936	T U Y	3
NORM	1937	Q R S	3
Total number of sub-blocks retained.			6

3.0 LOCATION AND ACCESS

EPM 14827 is located 20 km west of Georgetown in North Queensland. EPM 14827 covers unimproved pastoral land and is located on the 1:250 000 map sheet Georgetown (SE54-12); and on the 1:100 000 sheet Forest Home (7561)

Access to the EPM is via the sealed Gulf Development Road and the unsealed Mt Turner Road. Within the EPM, vehicular access is restricted to unsealed station tracks and drill access tracks which provide good dry weather 4WD access to all parts of the EPM. (See Fig 1)

4.0 TOPOGRAPHY AND CLIMATE

Topography over the Georgetown area is generally subdued with low mesas and wide floodplains being the principal geomorphological features.

Vegetation generally consists of open eucalyptus forest and medium scrub with moderate to heavy stands of lancewood, typically occurring in areas of lateritic soil and on remnant mesas and ridges of Mesozoic sediments. The land is used predominantly for cattle grazing.

Climate is tropical with monsoonal rains occurring from November through to March. Winter is usually dry. Temperatures can exceed 40° in summer, whereas winter temperatures are mild.

5.0 REGIONAL GEOLOGY

5.1 Georgetown Inlier

The region is dominated by rocks of the Precambrian Georgetown Inlier, which consists largely of variably metamorphosed and deformed sedimentary and volcanic rocks of Palaeoproterozoic age - the Etheridge and Langlovale Groups and the Cobbold Metadolerite. These are intruded by Mesoproterozoic, Silurian-Devonian and Carboniferous-Permian granitoids. Fluvial siliciclastic and variably feldspathic and lithic sediments of the Gilberton Formation were deposited in isolated basins on the older rocks during the Late Devonian to Early Carboniferous. Centrally and along the north-western and western margin extensive Carboniferous-Permian felsic volcanics and related sub-volcanic intrusives of the Kennedy Province occupy a broad north-south subsidence zone and associated cauldron structures. The western and central parts are variably overlain by scattered remnants of Mesozoic sedimentary rocks, and the eastern part, by Cainozoic basalt.

Within the Inlier, metasedimentary rocks belonging to the Palaeoproterozoic Etheridge group are exposed in a broad discontinuous northerly trending belt, younging westwards in the central-eastern part of the Forsyth Sub-province of the Etheridge Province. The Forsyth Sub-province includes the Etheridge and Langlovale Groups, various mafic intrusive rocks and Mesoproterozoic granitoids of the Forsyth, Lighthouse, Sawpit and Forest Home Supersuites. The metasedimentary sequence was deposited in a uniformly subsiding continental setting between about 1700Ma, and at least as young as 1650Ma. The Etheridge Group underwent a major metamorphism and deformational event at about 1550Ma, at which stage multiple deformed, amphibolite-grade metasediments were intruded by composite syntectonic granitoid batholiths (mainly Forsyth Batholith). Metamorphic grade within the group decreases south-westwards.

5.2 Gilberton Formation

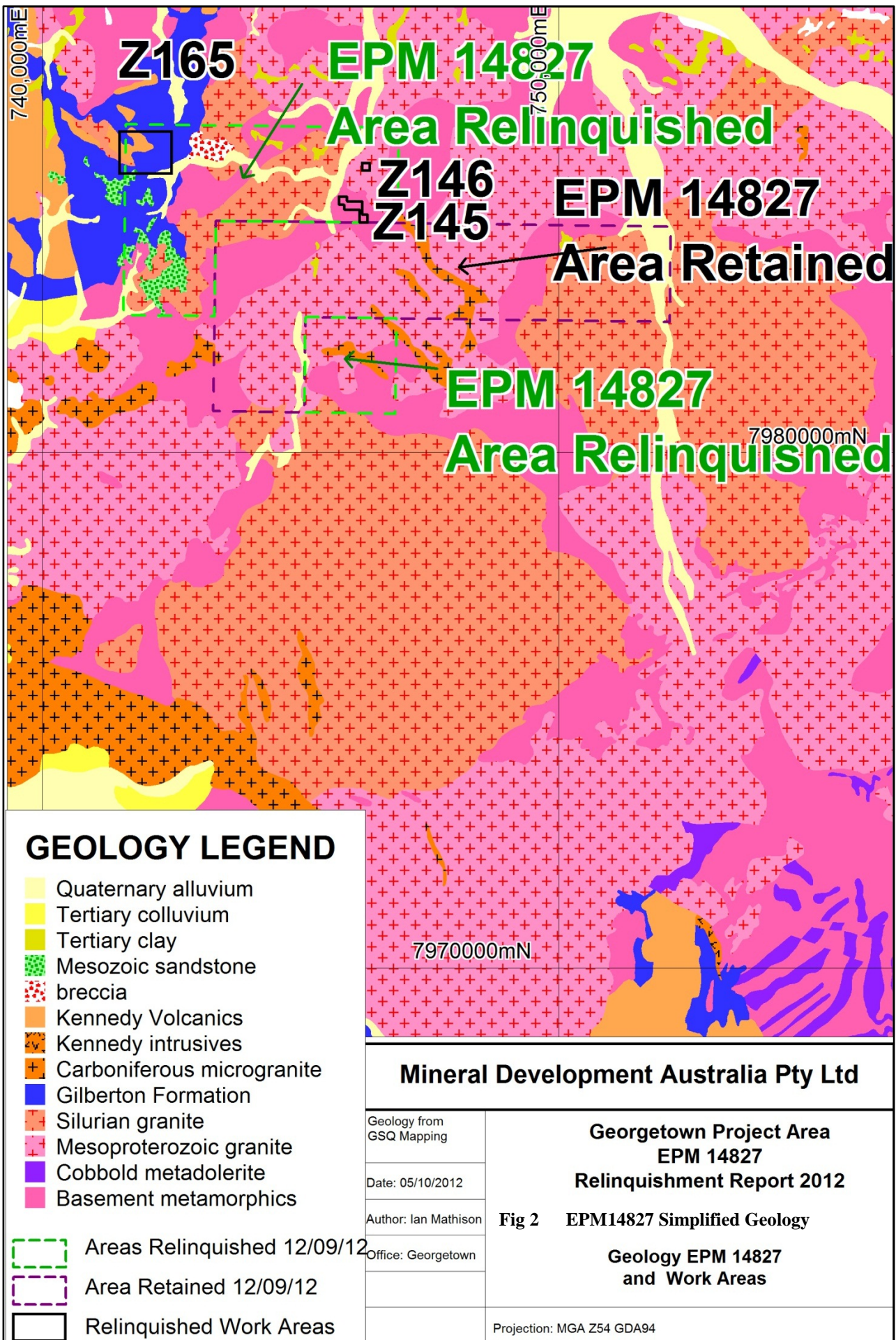
The Late Devonian to Early Carboniferous Gilberton Formation rests unconformably on Proterozoic metamorphic rocks and Proterozoic and Silurian to Early Devonian granitoids. It consists of a group of fluvial sedimentary rocks preserved as thin, discontinuous sheets or lenses beneath Carboniferous volcanic sequences and crops out sporadically around the margins of the Kennedy Province volcanic complexes.

The Formation is composed of immature and poorly sorted epiclastic sedimentary rocks, mainly quartzose to feldspathic sandstone and polymictic conglomerate; mudstone and siltstone are subordinate. The few known limestone lenses tend to be nodular. Most of the clastic material is of local derivation from subjacent or nearby basement rocks. Minor volcanoclastic material occurs locally.

Two extensively altered basaltic andesite-to-andesite lava units occur within the Formation, one at the south-eastern edge of the Newcastle Range and the second, in the Dismal Creek area.

5.3 Kennedy Province

The Kennedy Province is a major, late Palaeozoic, post orogenic igneous suite comprising a broad, diffuse zone of volcanic rocks and spatially associated granitoid and sub-volcanic intrusives. Several volcanic groups are recognised in the Province: Butlers, Cumberland Range, Maureen, Newcastle Range, Agate Creek and Mount Little Volcanic Groups.



6.0 PREVIOUS EXPLORATION

Numerous companies and individuals have explored the Georgetown Inlier over the past two decades. Commodities and target models sought have included:

- Gold in Proterozoic/Palaeozoic granitoids and metasediments,
- Base metals in Proterozoic metasediments
- Uranium in Palaeozoic siliciclastic sediments underlying the Permo-Carboniferous Kennedy Province volcanics
- Uranium in basal units of the Permo-Carboniferous Kennedy Province volcanics, and
- Uranium associated with mafic dykes intruding along fault zones

The most important geological units in the Georgetown Inlier, in terms of uranium prospectivity, belong to the Gilberton Formation and to the Kennedy Province with most significant uranium occurrences, anomalies and anomaly groups in the region occurring at or near the contact between the Proterozoic basement rocks and either the Gilberton Formation or Kennedy Province volcanic rocks and intrusive dykes related to the Kennedy Province volcanics.

Gold deposits of the Etheridge Goldfield occur typically as quartz veins or quartz-sulphide veins with associated carbonate and mica. Sulphide minerals include pyrite, arsenopyrite, galena, chalcopyrite and sphalerite. Gold mineralising events are related to periods of acid igneous intrusive activity ranging in age from Silurian to Permian.

Other exploration targets in the vicinity of EPM 14827 have included Kidston and Mt Leyshon style gold deposits, and porphyry copper-molybdenum deposits similar to Mount Turner.

7.0 Exploration Targets

Mega and DRA have very different target models for the Georgetown area. DRA is focussed on gold and associated base metal deposits while Mega is focussed on uranium with associated molybdenum.

7.1 Mega's Target Models

Mega's primary target models are Maureen style deposits hosted by sediments above the unconformity between the Gilberton Formation siliciclastic rocks or epiclastic rocks at the base of the Permo-Carboniferous volcanics and the crystalline basement rocks of the Georgetown Inlier. Secondary targets are structurally hosted uranium deposits similar to The Lineament Central 50 (LC50) deposit or the mineralisation hosted by the Apollo Structure at Twogee.

Mega's exploration techniques include processing of regional airborne geophysical data and geological mapping, acquisition of high resolution airborne radiometric and magnetic data, interpretation of radiometric anomalies, acquisition of SPOT and ALOS satellite imagery, interpretation of structural settings from airborne geophysical data and satellite imagery, ground geological and radiometric follow up of selected anomalies, detailed ground radiometric surveys with geological mapping, and RC and diamond drilling.

7.2 DRA's Target Models

DRA have concentrated on finding gold deposits similar to the Red Dam and Electric Light deposits where the gold is hosted by silicified rocks or quartz veins within fault or fracture systems close to Palaeozoic acidic intrusives. Other secondary targets are gold + base metal deposits in structural settings and porphyry hosted gold deposits ± copper.

DRA's exploration procedures included selective rock chip sampling of outcropping mineralisation, traditional soil sampling, recognition of positive and negative aeromagnetic anomalies possibly related to intrusive porphyries, reconnaissance geological follow up of aeromagnetic anomalies, MMi soil

sampling and RC and diamond drilling. No DRA ground exploration has been carried out within the report area.

8.0 WORK COMPLETED IN THE RELINQUISHED AREA OF EPM 14827

Exploration within the report area is summarized as:

- Compilation of previous exploration data relevant to uranium mineralisation
- Interpretation of structures and targets from the regional data
- Acquisition of SPOT satellite imagery.
- Acquisition of high resolution Airborne Radiometric and Magnetic data – UTS survey A775 flown in October-December 2006.
- Interpretation of linear features on satellite images, radiometric images, aeromagnetic images and regional geology
- Identification of target areas for uranium mineralisation using all available data.
- Classification of all targets and ground follow up of selected anomalies with reconnaissance geological mapping and ground radiometric surveys
- Ground reconnaissance follow up and literature review of selected anomalies. (W Herrmann)
- Further processing and interpretation of airborne radiometric data (Grant Donnes).
- Acquisition of ALOS imagery over the area.
- Ground radiometric surveys over selected anomalies.
- RC drilling of selected targets at Z165

Work undertaken by GML/DRA involved:

- Compilation of the results of previous exploration of the area.
- Interpretation of radiometric and aeromagnetic images supplied by Mega

There was no ground exploration activity by DRA within the report area.

8.1 Regional exploration

Regional data sets including government geological mapping, regional airborne geophysical data and the results of previous exploration were compiled and interpreted. A high resolution airborne radiometric and magnetic survey, UTS A775 was commissioned. Data were processed and imaged by Geoimage, and subsequently by Grant Donnes.

8.2 Anomaly Selection and Classification

Following the acquisition of the UTS A775 airborne radiometric and magnetic data, Wall and Herrmann recognised the V set of radiometric anomalies. Herrmann classified these according to their radiometric, geological and structural characteristics and gave them a numerical ranking.

In 2008, Donnes reinterpreted all available geophysical data and recognised a Z set of anomalies. These were ranked Priority 1, Priority 2 and Priority 3 based on their radiometric characteristics. All airborne radiometric anomalies recognised within the report area are tabulated in Section 9.1 below.

8.3 Preliminary Ground Reconnaissance

Mega field crews assessed selected V series anomalies using a combination of geological mapping, and GPS controlled reconnaissance ground radiometric (GRAD) surveys and literature reviews of previous exploration. GT Surveyor Gamma Ray Spectrometers were used in DoseRate mode for the

GRAD surveys with a continuous reading time of five seconds. Reading locations were recorded using a linked GarminGPSmap 60Cx unit. This allowed the field technician to walk at a moderate pace along north-south lines approximately 50m apart. Data were downloaded and processed in the field and readings in Assay Mode were taken at the peaks of the DoseRate results.

A comprehensive report was submitted for each area evaluated. The report for V12 (Herrmann 2007) is appended.

8.4 Ground Radiometric Surveys – Z145, Z146 and Z165

Survey grids were laid out over the Z series radiometric anomalies recognized by Donnes (2008). North-south survey lines at 50m spacing were read at paced intervals approximately 5m apart. Following Mega's normal procedures in the Georgetown area, GF Instruments Gamma Surveyor Gamma Ray Spectrometers were used in assay mode with a one minute read time. The instruments rested on a folding canvas camp stool 40cm above ground level while reading. Locational data was collected by a Garmin GPSmap 60Cx connected directly to the spectrometer. During the one minute reading interval, the field technicians compiled a soil log describing soil colour, soil type and commented on the outcrop, vegetation and float around the survey point.

In the office, survey data and soil logs were collated and eU values were thematically mapped using MapInfo. Maps of each grid area and preliminary interpretation of the survey results follow in Section 9.4.

Additional assay mode stations were read at Z165 during 2010 and reconnaissance geological mapping was completed. Additional infill and line extensions were surveyed in 2011.

The combined 2009, 2010 and 2011 data set for Z165 was processed using MapInfo 10.5.1 and Discover 2011 software. Data was imaged using Ordinary Kriging with a cell size of 10m and an elliptical search ellipse generally 70m east-west and 30m north-south. Images were modified using a lower level cut to maximize definition of anomalies. Results are presented and discussed in section 9.4. This processing delineated three broad eU anomalies.

Correlation between instruments was checked by surveying marked points along a pegged line near the FW5 prospect on EPM 8452.

8.5 Selection of Drilling Targets

Low level uranium channel responses to 15ppm eU were recorded over the Z165 grid in 2010. Grid extensions in 2011 failed to extend the anomalous zones. Geological mapping indicated that the Maureen-like sediments in the area dipped shallowly north and a north-west striking fault was interpreted from the radiometric data and satellite imagery. Drill holes were proposed to test the inferred Maureen sequence at depth on both sides of the interpreted fault

8.6 RC Drilling

Two vertical RC drill holes, Z165RC01 (99m) and Z165RC02 (100m), were drilled by Drill North using their Truktor drilling rig. Collar locations are tabulated below as recorded by hand held Garmin 60Cx GPS. Grid is MGA Zone 54 (GDA94).

Table 3 Z165 RC Drillhole Collars

HoleID	Easting	Northing	RL	Dip	Azimuth	Depth
Z165RC01	742,052	7,985,860	286	-90	0	99
Z165RC02	742,059	7,985,755	282	-90	0	100

Site Sampling

Material returned from the drill holes passed through a cyclone and a proportional splitter before sampling. Large bulk samples of approximately 25kg were collected in labelled plastic bags and smaller samples approximately 2.5kg were collected in labelled calico bags at one metre intervals. Samples for each interval were weighed on site. Both the plastic bag and the calico bags were weighed. (Appendix 5)

Gamma Ray Logging

Field technicians measured the radioactivity of all samples on site. They placed a GT Instruments Gamma Surveyor gamma ray spectrometer on top of the filled plastic sample bag. This instrument recorded radioactivity in assay mode for a one minute interval. Total count, eU ppm, eTh ppm, K % and DoseRate in nGy/h were recorded. (Appendix 2)

Geological Logging

The site geologist logged all sample intervals on site. A representative sample was collected from the bulk sample using a sampling spear and sieved to +1mm. This sieved sample was logged by the geologist and a selection of representative chips placed in a plastic chip tray for long term storage,

Assay Sampling

Sample intervals for assay were selected using the results of gamma ray spectroscopy and geological logging. Samples for assay were split from the sub-samples stored in calico bags using a riffle splitter. Samples for assay were placed in large kraft sample bags labelled with sample number. Sample residues were returned to the calico bags for storage. Duplicate samples, blanks and standards were inserted into the sample stream for quality control.

Assay samples were despatched to ALS Laboratory in Townsville for assay for Ca, Cu, Fe, K, Mg, Mn, Mo, Na, P, Pb, S, Th, U, V and Zn by ALS method ME-ICP61 which is described as four acid “near total” digestion followed by ICP-AES analysis. Compiled assay results are appended as text files. (Appendix 3)

9.0 RESULTS

Results from all Assay Mode geophysical surveys carried out during the reporting period are appended as text files. These include GRAD results for Z145, Z146 and Z165 grids and the reading on large bags of RC samples from drillholes.

9.1 Regional Exploration

Processed images from SPOT satellite data, ALOS satellite data and UTS-A775 airborne radiometric and magnetic data are presented at the end of this report. A regional geological map of the same area at the same scale is included for reference. Airborne radiometric anomalies recognized in and around the report area are plotted on a base map at the same scale. Anomalies lying within the report area are listed below.

9.2 Airborne Radiometric Interpretation

Herrmann 2007 and Donnes 2008 recognised the following airborne anomalies within EPM 14827.

Table 4 EPM 14827 Report Area - airborne radiometric anomalies.

Prospect ID	MGA East	MGA North	Location	ORIGINATOR	GD Priority	2009 Ground Radiometrics	Mega GRAD Grid
V012	742100	7985600	D3	VJW		Yes	Z165
Z145	746121	7984776		GD	1	Yes	Z145
Z154	745811	7984881		GD	2	Yes	Z145
Z155	746230	7984523		GD	2	Yes	Z145
Z156	746264	7985530		GD	2	Yes	Z146
Z164	742089	7985674		GD	3	Yes	Z165
Z165	741821	7985777		GD	3	Yes	Z165

9.3 Preliminary Reconnaissance

Wally Herrmann recognized the V12 anomaly within the report area and carried out a reconnaissance survey of this area in 2007. His report is appended (Herrmann 2007) and his summary is copied below.

“The V12 area encompasses several small low order radiometric anomalies of up to twice background radioactivity, apparently related to a variety of lithofacies in Proterozoic-Palaeozoic granitoid basement rocks, and the overlying Gilberton Formation sandstones. Although the Gilberton lithofacies, and possible basement linear ‘crack’ structures in this area are empirically similar to the Maureen setting, the apparent structural complexity imposed by more intense deformation, and lack of stand-out radiometric or geologic targets, combine to give it only moderate prospectivity diminished by moderate to low findability. It can’t be written off as non-prospective, but it’s difficult to confidently formulate a program for the next stage of exploration.”

This anomaly lies within the Z165 grid area covered by more detailed GRAD surveys in 2009 – 2011.

9.4 Ground Radiometric Surveys

Z145 Grid

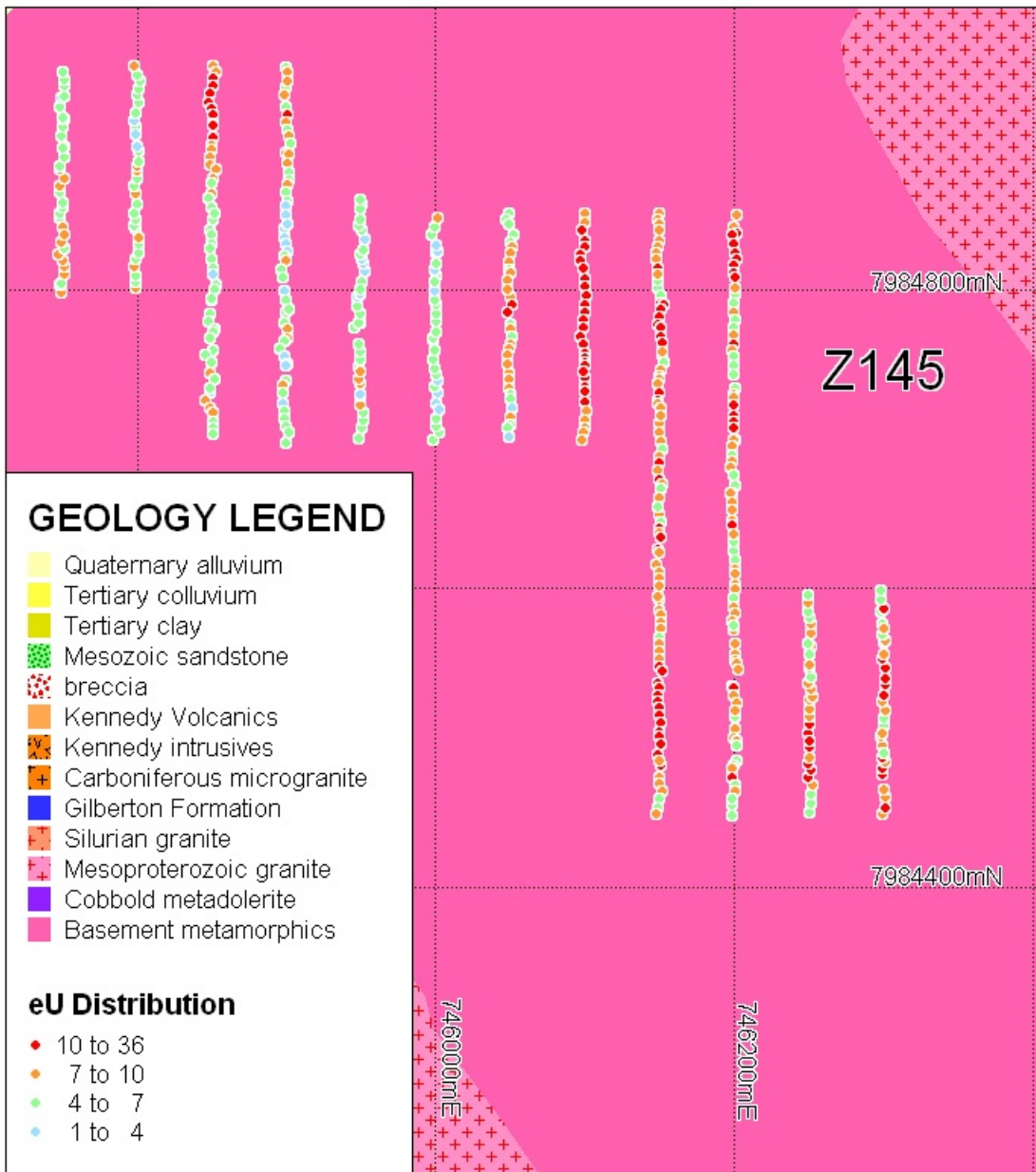


Fig 3 Z145 Ground Radiometric Grid – eU Ranges on 100K GSQ Geology.

This grid covers three of Donnes (2008) airborne radiometric anomalies within the Lane Creek metasediments, Z145 (P1), Z154 (P2) and Z155 (P2). Elevated eU values up to 26ppm eU cluster around the plotted position of Z145 anomaly. Weakly elevated eU values were recorded around the plotted positions of the weaker P2 anomalies. A broad zone of weakly elevated eU values is indicated.

Z146 Grid

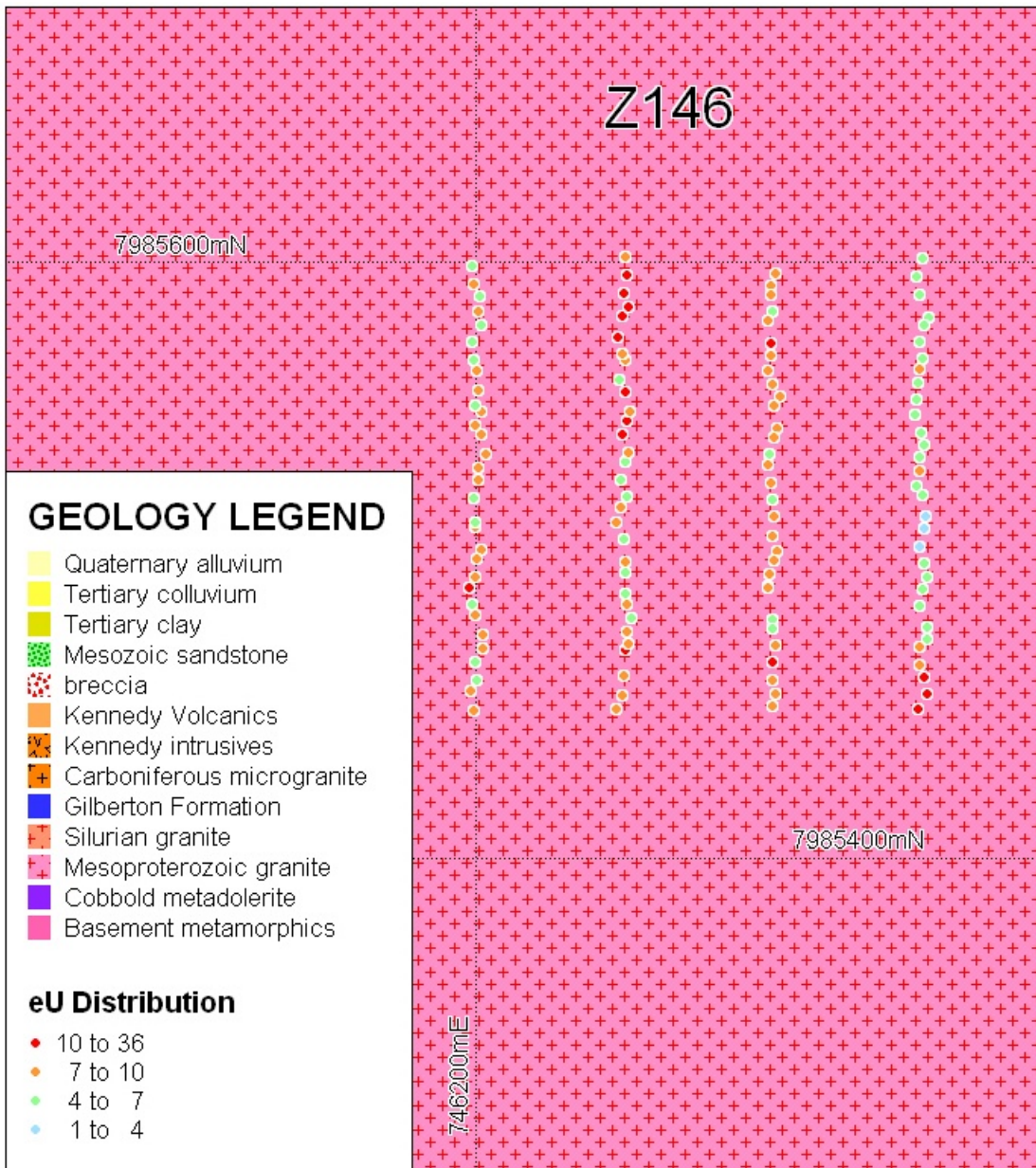


Fig 4 Z146 Ground Radiometric Grid – eU Ranges on 100K GSQ Geology.

This grid covers the P2 airborne radiometric anomaly Z156 within the Forsayth Granite. Ground eU radiometric values peak at 13ppm eU and outline a broad zone of very weakly elevated eU values.

Z165 Grid

The Z165 grid covers two of Donnes (2008) airborne radiometric anomalies, Z 164 and Z 165, and the Wall and Herrmann anomaly V012 which was followed up and reported by Herrmann (2007). On the GSQ geology mapping the airborne anomalies plot on Gilberton Formation sediments 600m west of the basal contact with the Lane Creek metasediments. Quaternary and Mesozoic cover rocks are also mapped nearby. In the context of Maureen style uranium mineralisation, these anomalies are significant. The historical D3 prospect in this vicinity has been tested by trenching by Esso or Dolphin. (Herrmann 2006)

The area is covered by a widespread layer of rounded siliceous pebbles and cobbles similar to the pebbles derived from weathering of the conglomerates of the basal Fiery Creek beds at Maureen. Mapping (Mathison 2010) indicates that the easternmost eU anomaly lies just west of granite subcrop; the middle anomaly is associated with “Gilberton Formation” rocks similar to the Fiery Creek beds at

Maureen; and the western anomaly is associated with a thin patchy layer of sediments over metasediments and granitic rocks.

Soil colour recorded by field technicians suggests the development of darker coloured soils in the vicinity of the three eU anomalies.

Mathison (2010) concluded, “The association of weak eU anomalism, possible equivalents of the Maureen sequence and cross cutting faults warrant drill testing of this area.”

The Z165 grid was extended in 2011 to locate additional eU anomalies adjacent to the three anomalies delineated in 2010 and in an attempt to delineate structural trends in the radiometric data.

No additional +10 ppm eU anomalies were delineated. Low level responses extend north-eastwards from the eastern anomaly and north-westwards from the western anomaly.

Weak indications of east-west structures are suggested by the eU, eTh and DoseRate images. A north-west trending contact between the stronger radioactivity of the central and western anomalies and a less radioactive zone is also suggested.

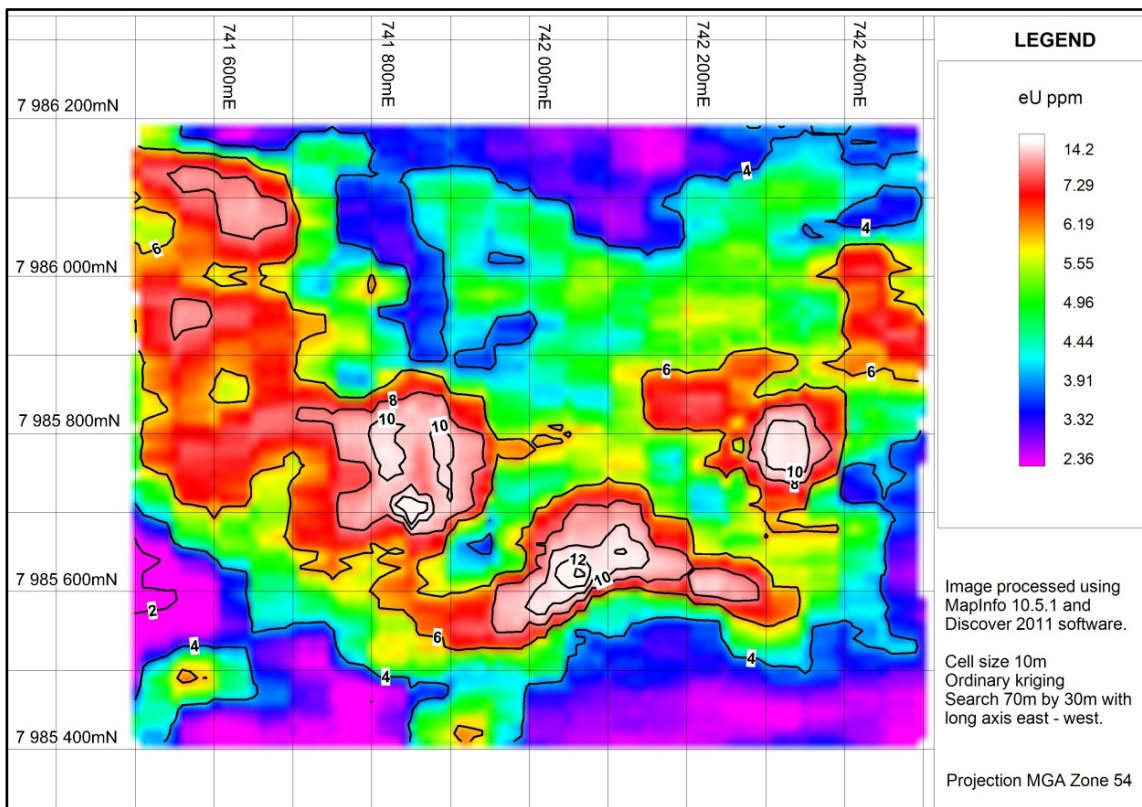


Fig 5 Z165 - Imaged eU values under eU contours

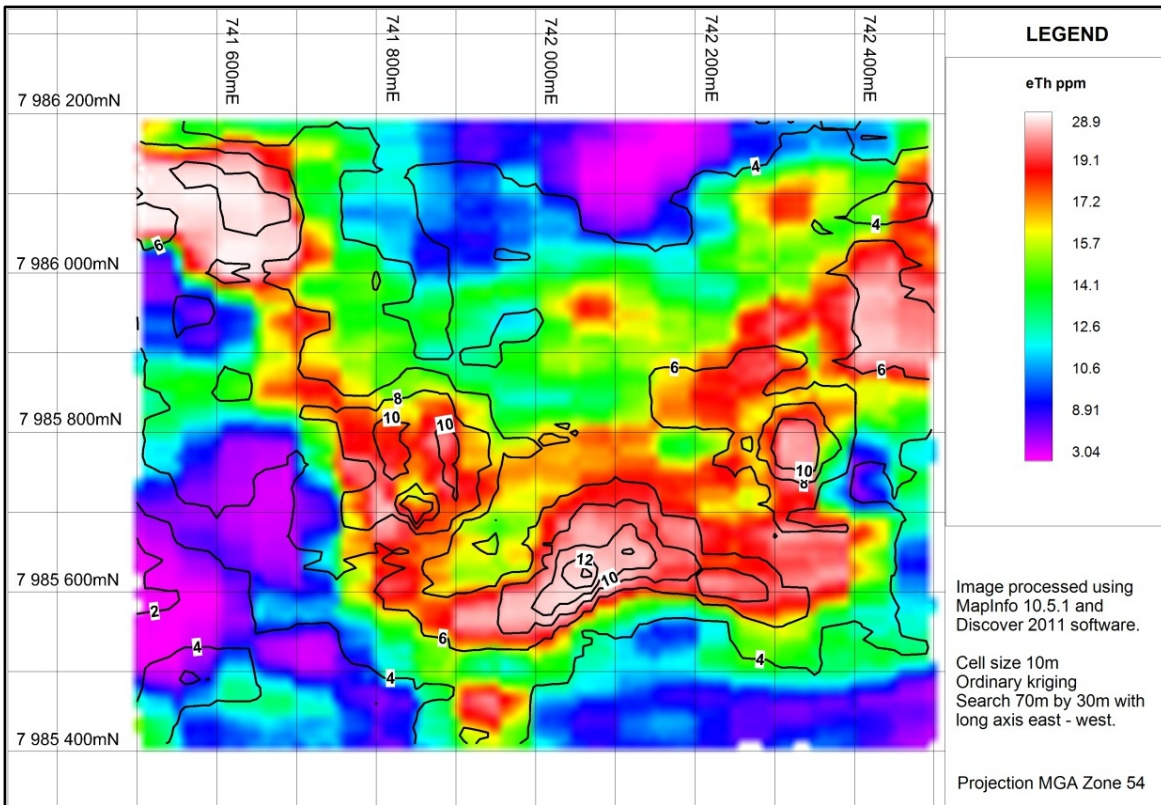


Fig 6 Z165 - Imaged eTh values under eU contours.

While eTh values are relatively low, there is good correlation between the higher eTh values and the eU anomalies. Zones of higher eTh are associated with the north-eastern and north-western extensions of weakly elevated eU.

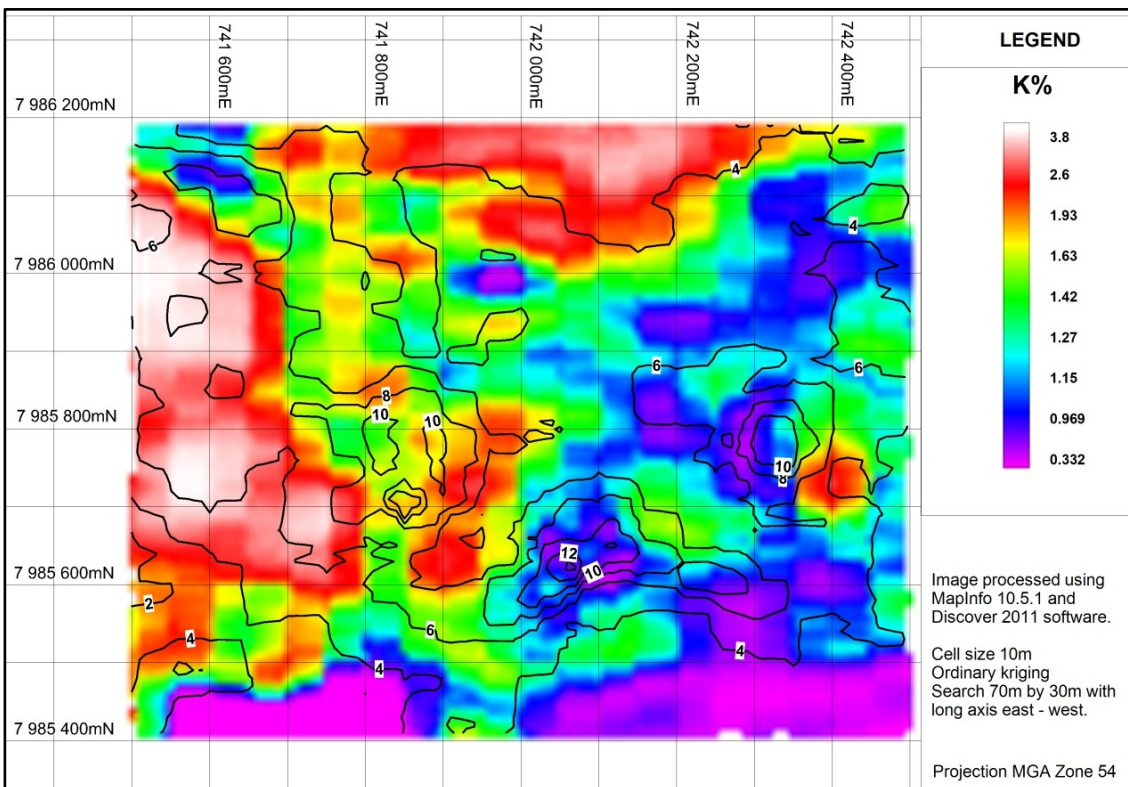


Fig 7 Z165 - Imaged K values under eU contours

The low K values associated with the eastern and central eU anomalies suggest rock alteration in these zones.

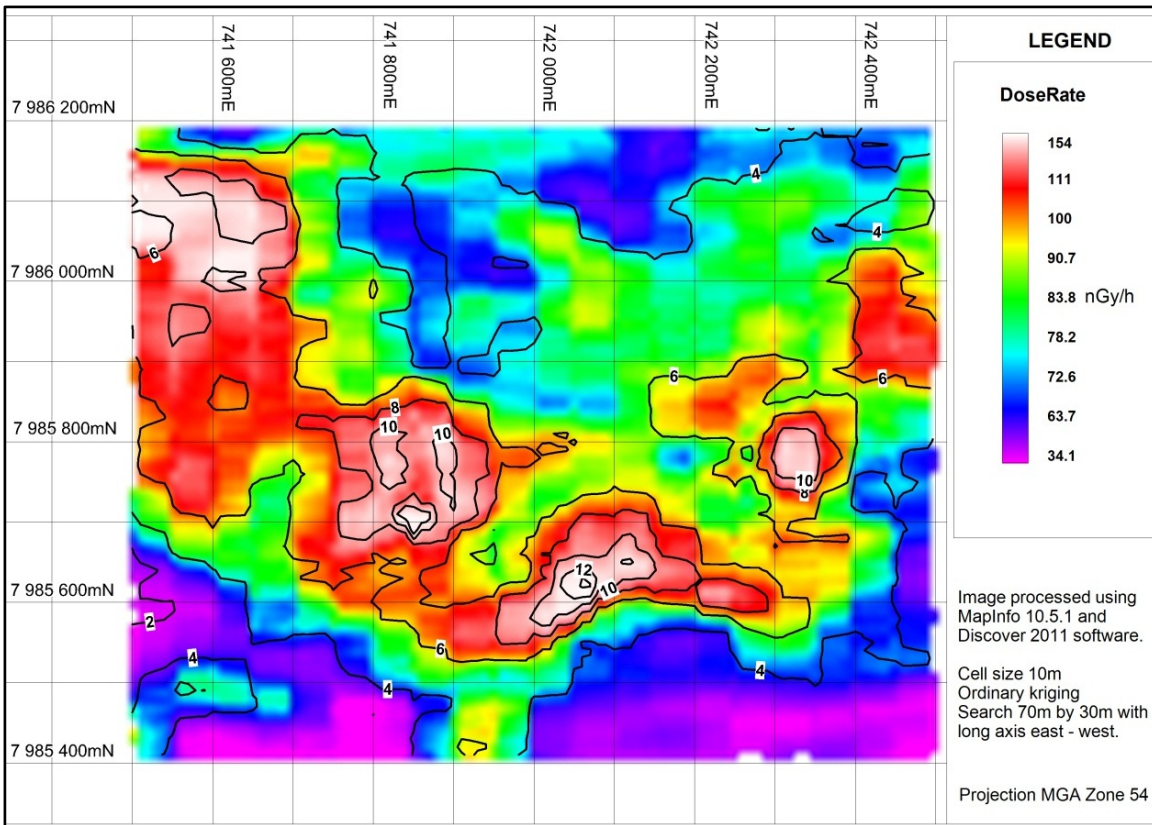


Fig 8 Z165 - Imaged DoseRate values under eU contours.

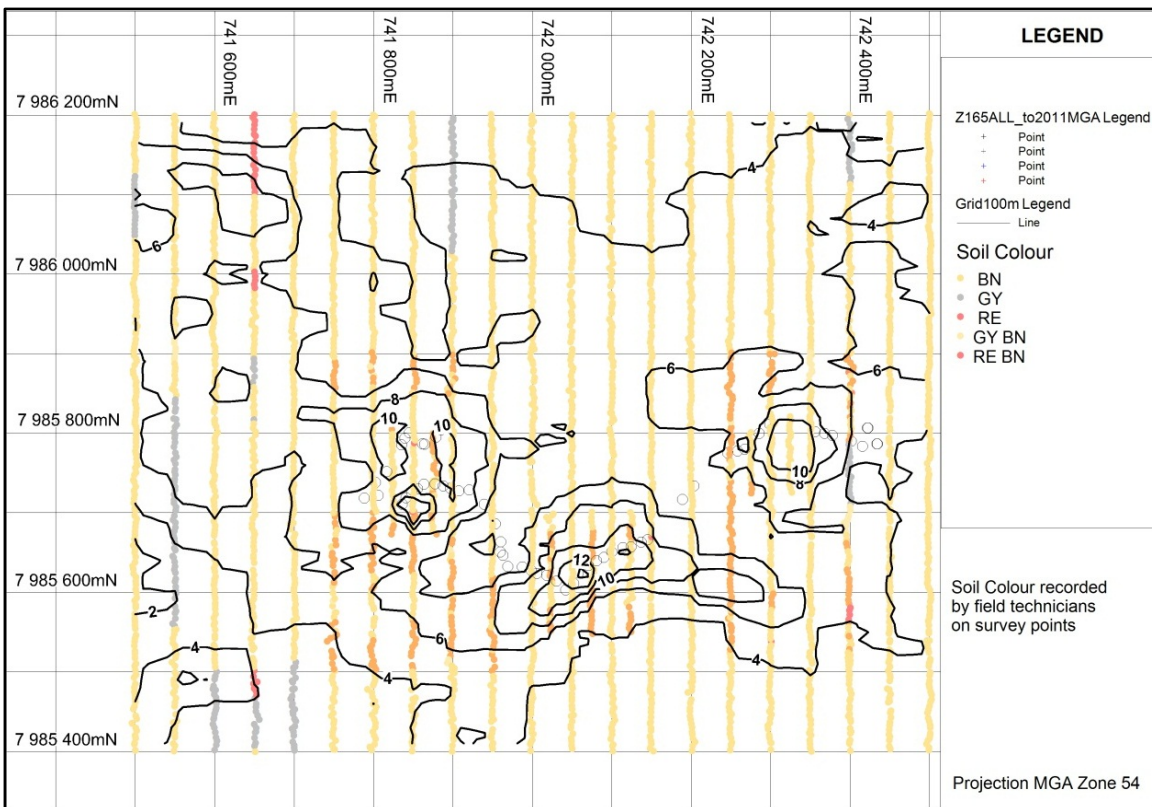


Fig 9 Z165 - Logged soil colour under eU contours.

The data above has been collected over three field seasons, While the skill levels and consistency of the field technicians in determining soil colour is improving, interpretation the data set is made difficult by the absence of strong colour differences and some poor descriptions collected in the earlier surveys.

9.5 RC Drilling

Hole Z165RC01 intersected 43 metres of Maureen type siliciclastic sandstone, pebbly sandstone and conglomerate above an unconformable contact with basement meta-siltstone and meta-sandstone of the Lane Creek Formation. This was the expected sequence based on available geological mapping.

Table 5 Summary Drill Log Z165RC01

mFrom	mTo	Lithology	Alteration and Mineralization	Comment
0	1	Soil		
1	5	Quartz feldspar sandstone	Oxidized	
5	10	Qz Fs conglomerate	Minor sericite and clay alteration	
10	15	Pebbly qz fs sandstone	Minor hematite and clay alteration	
15	20	Lithic qz fs sandstone	Minor fluorite veinlets along fractures. Sideritic carbonate	Indurated, fractures through grains - originally logged as grey, now brown.
20	31	Lithic and pebbly qz fs sandstone, some dark grey siltstone	Sideritic carbonate in matrix.	
31	35	Pebbly sandstone and conglomerate	Sideritic carbonate in matrix.	
35	43	Lithic and pebbly qz fs sandstone. Some carbonaceous siltstone.	Sideritic carbonate in matrix. Minor fluorite veinlets.	
43	46	Black carbonaceous muddy sandstone		Basement phyllites.
46	49	Black carbonaceous siltstone		
49	52	Muddy quartz sandstone		
52	64	Muddy quartz sandstone and carbonaceous siltstone.	Trace pyrite	
64	77	Black muddy quartz sandstone	Minor pyrite,	muscovite delineates slight foliation.
77	85	Black muddy quartz sandstone and carbonaceous siltstone.		muscovite delineates slight foliation.
85	94	Black and dark grey muddy quartz sandstone		muscovite delineates slight foliation.
94	99	Black muddy quartz sandstone		muscovite delineates slight foliation, some hornfels? EOH

The Maureen type sediments were not intersected in hole Z165RC02. The micaceous sandstone and siltstone intersected in the top 25 metres of the hole may be variants of the phyllitic sandstone and siltstone intersected further down hole. These meta-sandstones and meta-siltstones are interpreted as part of the Lane Creek Formation.

Table 6 Summary Drill Log Z165RC02

mFrom	mTo	Lithology	Alteration and Mineralization	Comment
0	1	Soil		
1	9	Red brown micaceous siltstone		
9	15	Brown micaceous sandstone		
15	25	Brown and grey micaceous siltstone		
25	36	Brown phyllitic sandstone, some pebbles		Fractures break across pebbles
36	56	Brown and green pebbly micaceous sandstone and conglomerate		Phyllitic fabric throughout
56	58	Black siltstone, mudstone and conglomerate		
58	64	Dark brown micaceous siltstone		Phyllitic fabric throughout
64	90	Black carbonaceous phyllitic mudstone	Common fine disseminated pyrite	
90	100	Dark grey fine grained sandstone	Minor fine disseminated pyrite.	EOH

Radiometric Logging of RC Chips

In hole Z165RC01, elevated eU values were recorded from 8 to 28m down hole. Lithologies logged for this interval include siliciclastic and feldspathic sandstone, pebbly sandstone and conglomerate similar to the hosts of the Maureen mineralization. Using extensive comparisons of GT Surveyor eU results with assay values as a basis, the maximum uranium values intersected in the drillhole is approximately 150ppm.

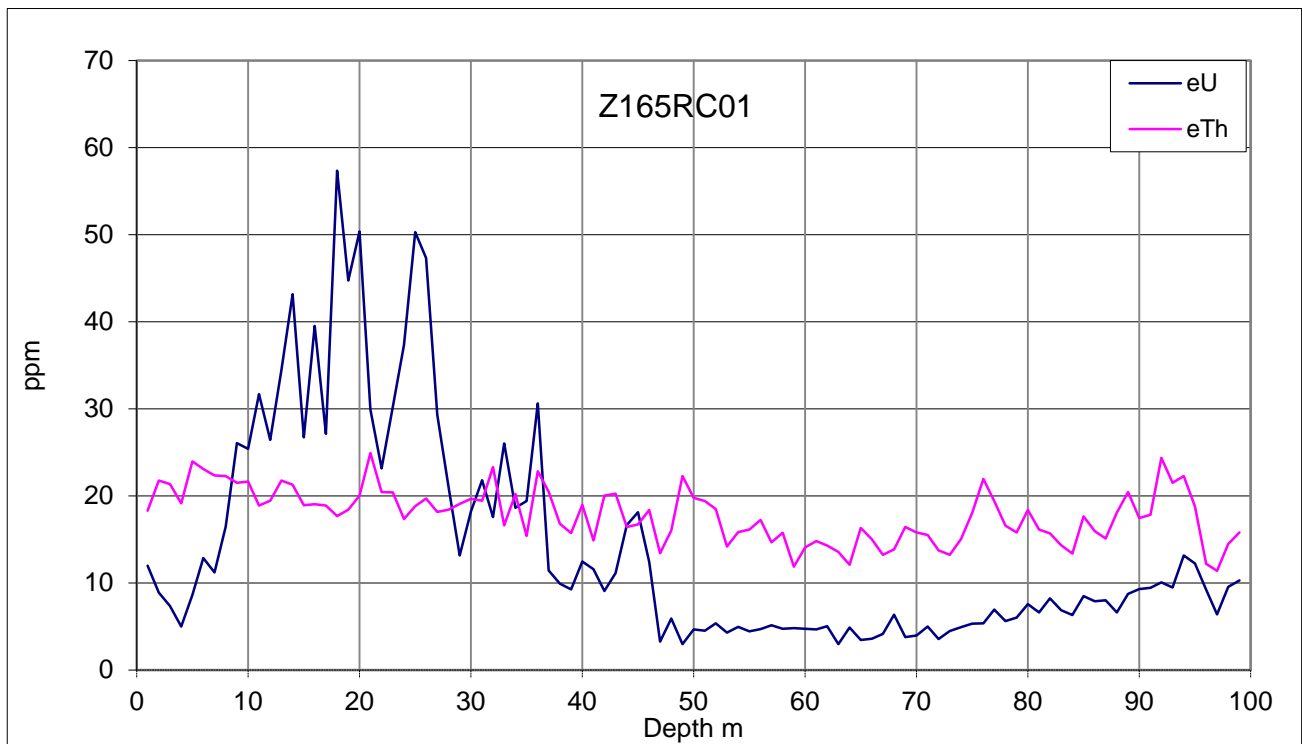


Fig 10 Z165RC01 - eU and eTh measured on large bags of RC chips.

In hole Z165RC02, weakly elevated eU values were recorded between 76 and 86m downhole in black carbonaceous phyllitic siltstone of the Lane Creek Formation. The maximum eU value of ~44ppm predicts to an approximate assay uranium value of ~120ppm U.

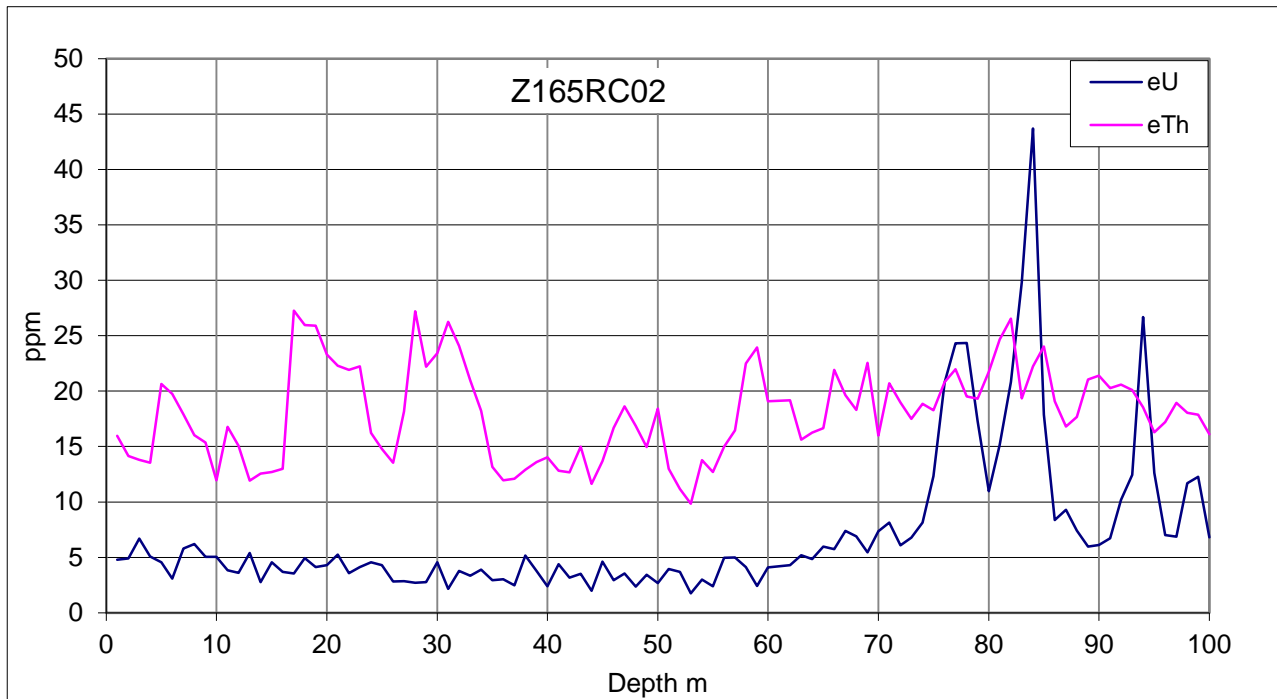


Fig 11 Z165RC02 - eU and eTh measured on large bags of RC chips.

Assay Results

Assay results for Z165RC01 and Z165RC02 were disappointing. All samples from hole Z16501 reported uranium at detection level (10ppm) or less than detection and thorium at detection or below detection (See Table 7 below). The GT Surveyor instrument reads gamma rays from daughter products of uranium decay and assumes equilibrium between uranium and daughter products. In this hole, transport of mobile daughter products is suspected producing a discrepancy between gamma ray “assays” and ICP AES assays.

An alternative possibility is that uranium is tied up in resistate minerals and not available to the four acid digewst used by ALS.

Table 7 Z165RC01 Assay Results

ALS method ME-ICP61

mFrom	mTo	Ca %	Cu	Fe %	K %	Mg %	Mn	Mo	Na %	P	Pb	S %	Th	U	V	Zn
10	11	0.05	31	2.51	3.04	0.32	517	<1	0.57	220	37	0.03	<20	10	26	78
11	12	0.06	17	4.66	2.65	0.31	4490	<1	0.9	300	29	0.02	<20	<10	27	77
12	13	0.05	20	3.92	3.33	0.38	3800	<1	0.37	270	34	0.02	<20	<10	26	76
13	14	0.07	13	4.53	3.32	0.34	2230	1	0.73	270	34	0.01	<20	10	22	87
14	15	0.05	8	1.63	2.45	0.26	649	<1	1.6	150	34	0.01	20	10	16	44
15	16	0.08	8	2.01	2.28	0.28	292	<1	1.76	190	35	0.01	<20	<10	14	80
16	17	0.05	3	0.91	2.02	0.16	87	<1	2.44	50	20	0.01	<20	<10	2	42
17	18	0.07	6	1.51	2.63	0.22	124	<1	1.76	150	30	<0.01	<20	10	16	62
18	19	0.11	13	1.98	2.37	0.28	124	<1	1.83	270	31	0.01	<20	<10	16	75
19	20	0.1	8	1.76	2.2	0.26	140	<1	1.88	210	28	0.01	<20	10	15	66
20	21	0.12	7	2.19	2.42	0.31	248	1	1.66	310	31	0.01	20	10	23	69

mFrom	mTo	Ca %	Cu	Fe %	K %	Mg %	Mn	Mo	Na %	P	Pb	S %	Th	U	V	Zn
21	22	0.1	7	1.88	2.37	0.29	161	<1	1.42	210	31	0.01	<20	10	14	66
22	23	0.12	9	2.17	2.69	0.41	162	1	1.5	310	31	<0.01	20	<10	30	70
23	24	0.16	10	2.56	2.33	0.43	229	1	1.48	460	28	0.01	20	10	34	63
24	25	0.09	8	2.27	2.66	0.29	251	<1	1.1	230	29	0.04	20	10	25	55
25	26	0.08	4	1.44	1.96	0.25	200	<1	1.94	120	26	0.01	<20	<10	8	69
26	27	0.06	1	1.3	2.27	0.28	1050	<1	1.44	40	26	<0.01	<20	<10	3	43
27	28	0.44	15	3.09	2.4	0.56	504	1	1.5	580	29	<0.01	<20	10	54	69
28	29	1.06	10	2.7	2.35	0.5	593	3	1.3	450	27	0.01	20	10	37	66
29	30	0.13	12	2.38	3.13	0.33	208	3	0.8	270	44	<0.01	30	10	38	60

In hole Z165RC02 maximum uranium value reported is 70ppm from 83 to 84m which correlates with a gamma ray eU of approximately 40ppm. These low values are not anomalous in carbonaceous sedimentary rocks.

Table 8 Z165RC02 Assay Results

ALS method ME-ICP61

mFrom	mTo	Ca %	Cu	Fe %	K %	Mg %	Mn	Mo	Na %	P	Pb	S %	Th	U	V	Zn
76	77	1.35	30	3.64	2.28	0.5	678	11	1.03	530	44	0.17	20	30	53	102
77	78	0.91	25	3.74	1.96	0.45	641	9	1.05	400	40	0.09	20	30	52	100
78	79	0.43	29	3.63	2.18	0.43	547	26	1.16	410	52	0.08	20	30	49	106
79	80	0.67	23	3.75	2.14	0.4	725	15	0.7	290	50	0.14	20	20	49	101
80	81	0.76	21	3.97	1.61	0.39	731	16	1.19	320	44	0.2	30	20	47	97
81	82	0.58	26	3.62	1.52	0.38	591	12	2.36	400	46	0.11	30	30	50	103
82	83	0.68	38	3.74	2.13	0.43	617	13	1.48	450	82	0.1	20	40	54	115
83	84	0.39	35	3.66	2.57	0.41	526	11	1.28	1220	60	0.07	<20	70	61	107
84	85	0.46	34	4.08	2.67	0.45	612	21	1.74	540	55	0.2	20	10	63	118
85	86	0.56	36	4.05	1.95	0.47	657	4	2.5	480	58	0.24	20	10	51	123

10.0 CONCLUSIONS AND RECOMMENDATIONS

Mega and DRA/GML exploration within the relinquished area of EPM 14827 detected no indications of potentially economic uranium, gold or base metal mineralization. No further exploration of these areas appears warranted. Active exploration in the retained portions of EPM 14827 is continuing.

11.0 REFERENCES

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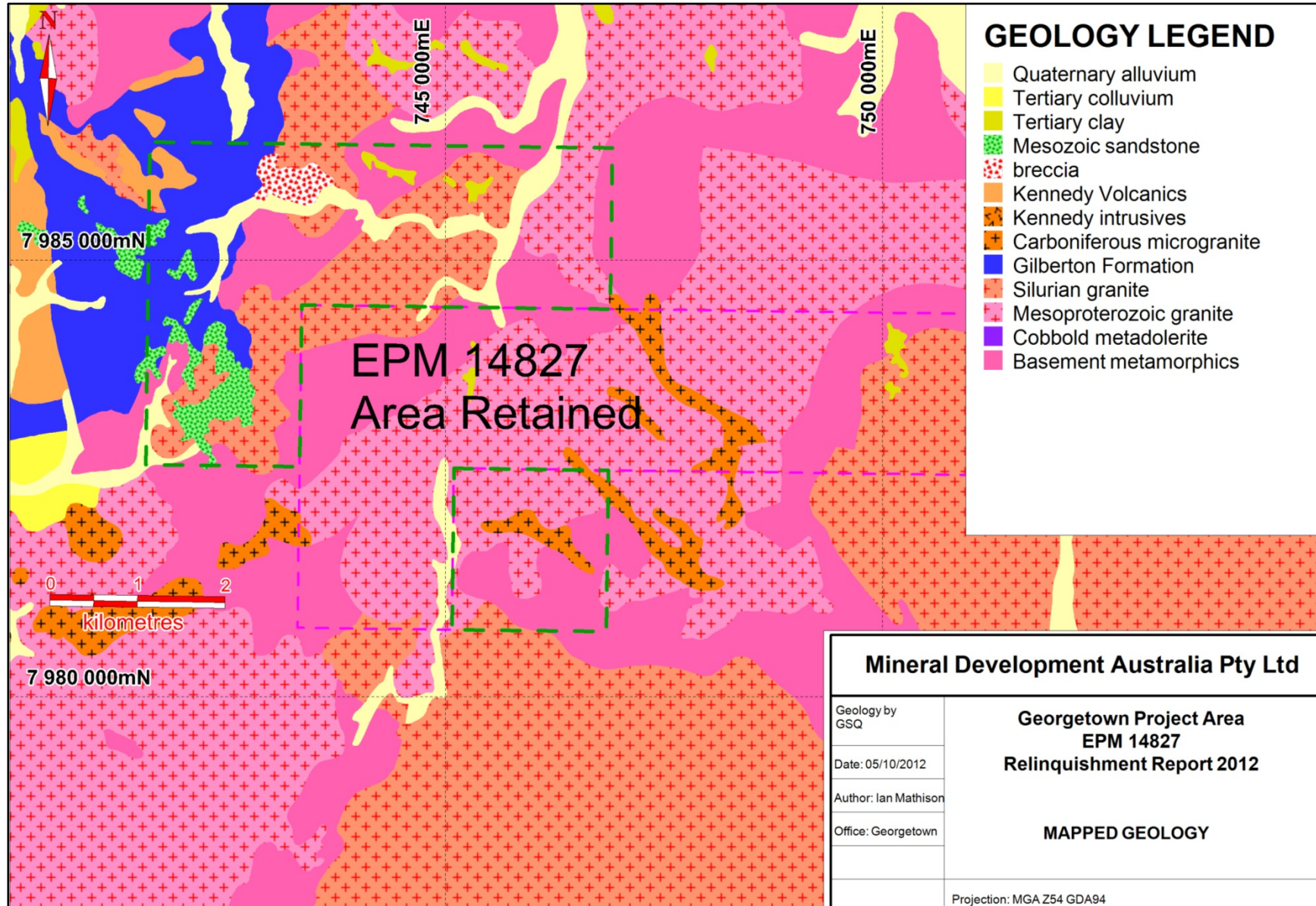


Fig 12 Mapped Geology for comparison with ARAD and AMAG.

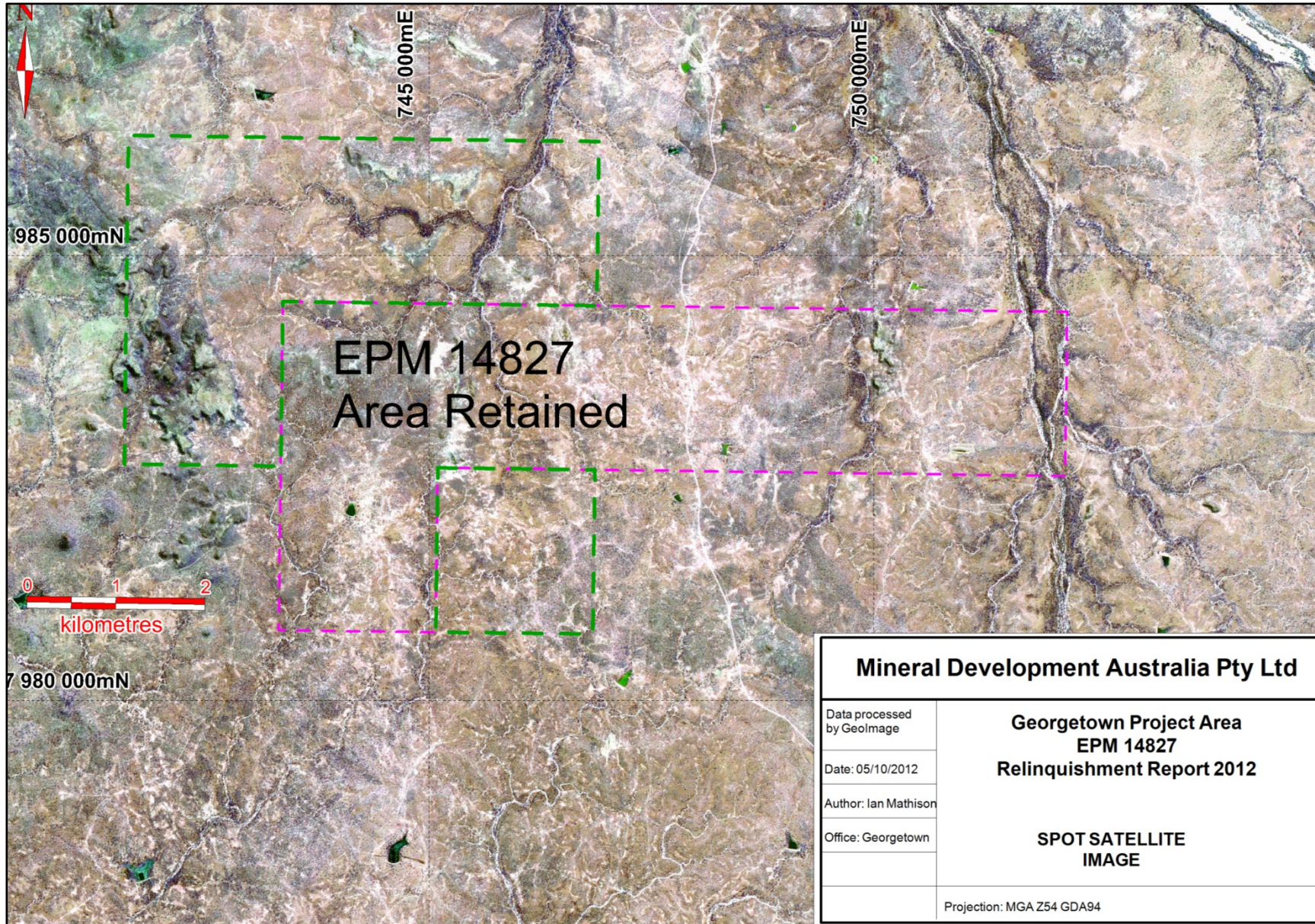


Fig 13 SPOT Image

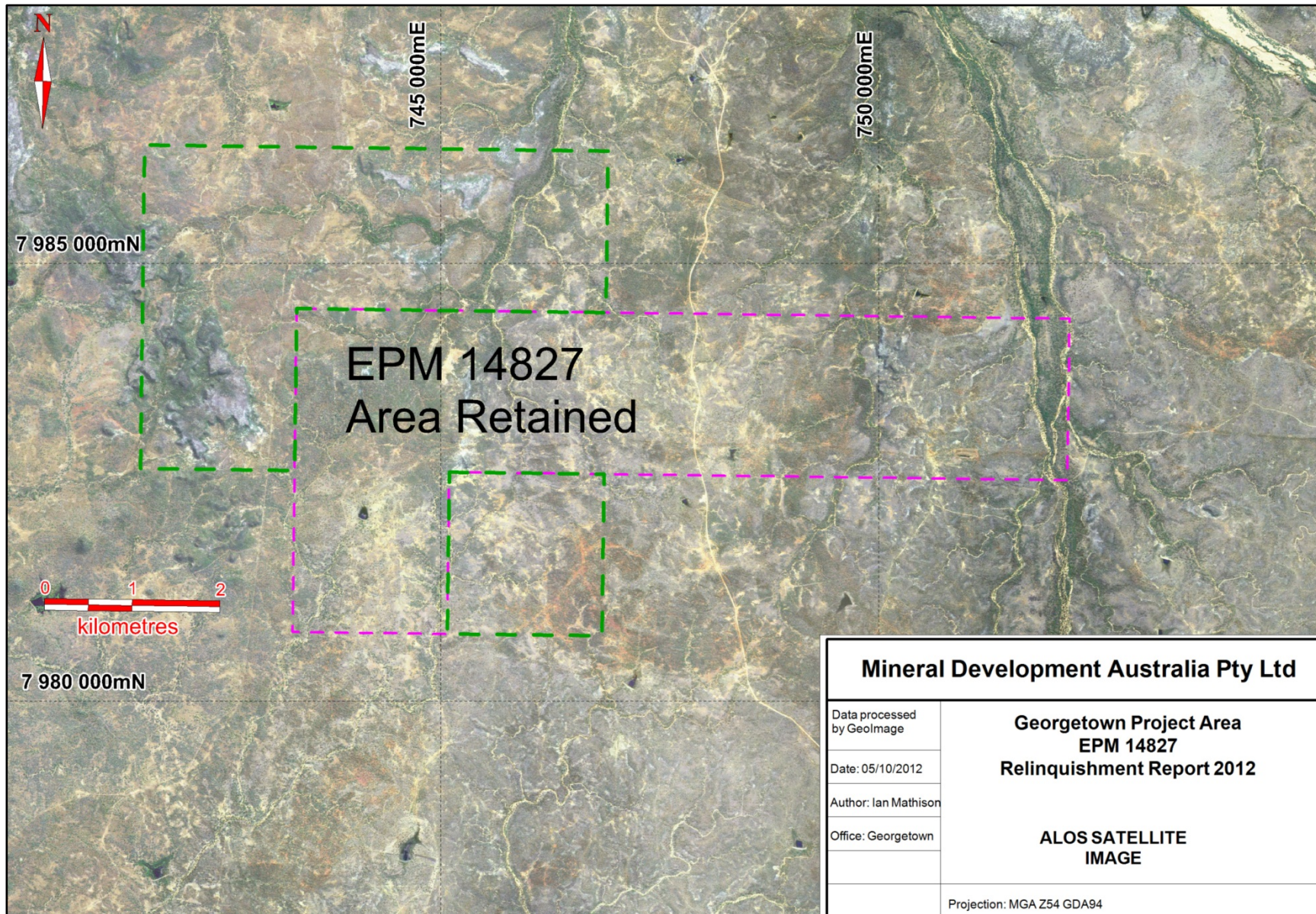


Fig 14 ALOS Image

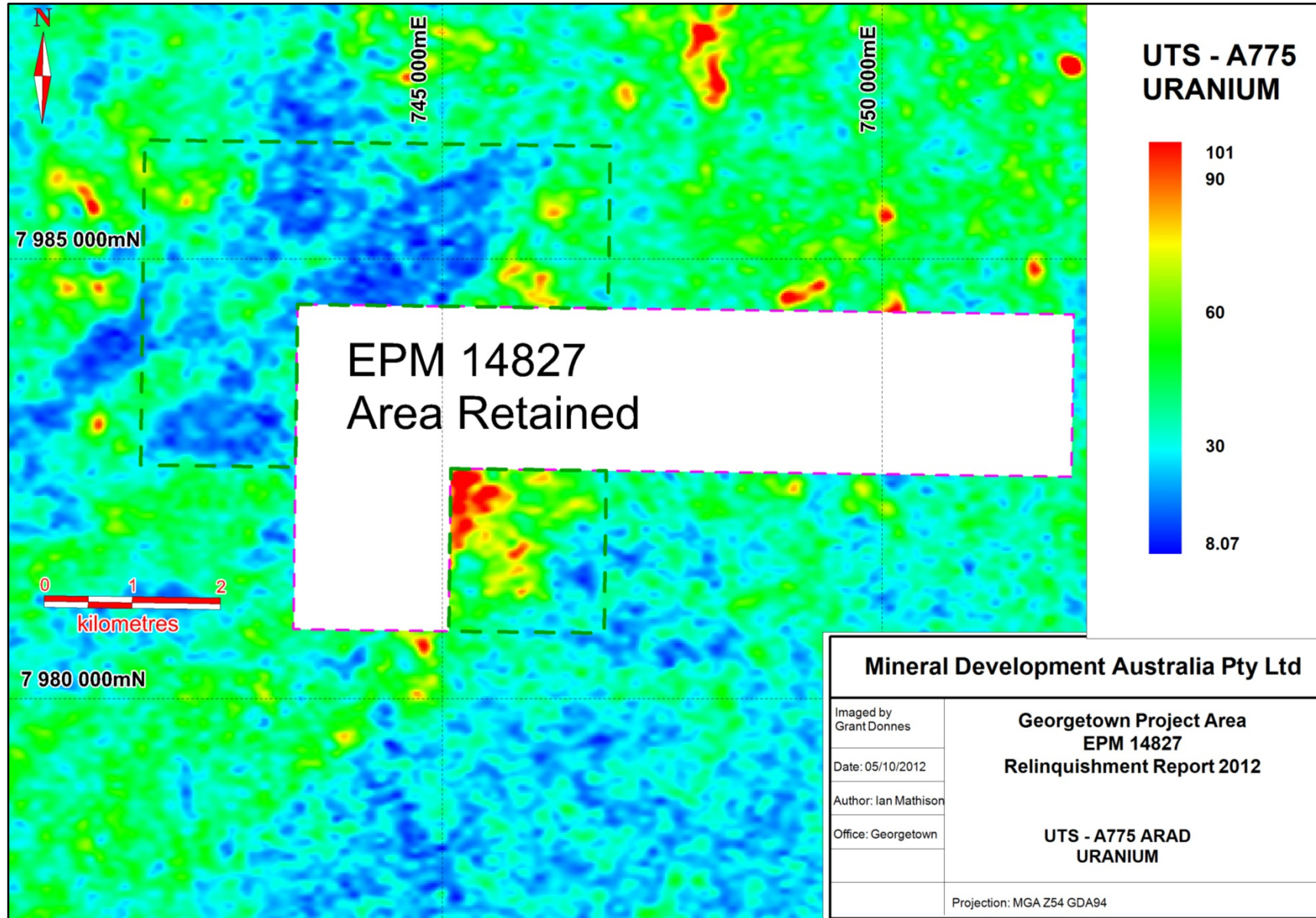


Fig 15 UTS-A775 ARAD Uranium Channel

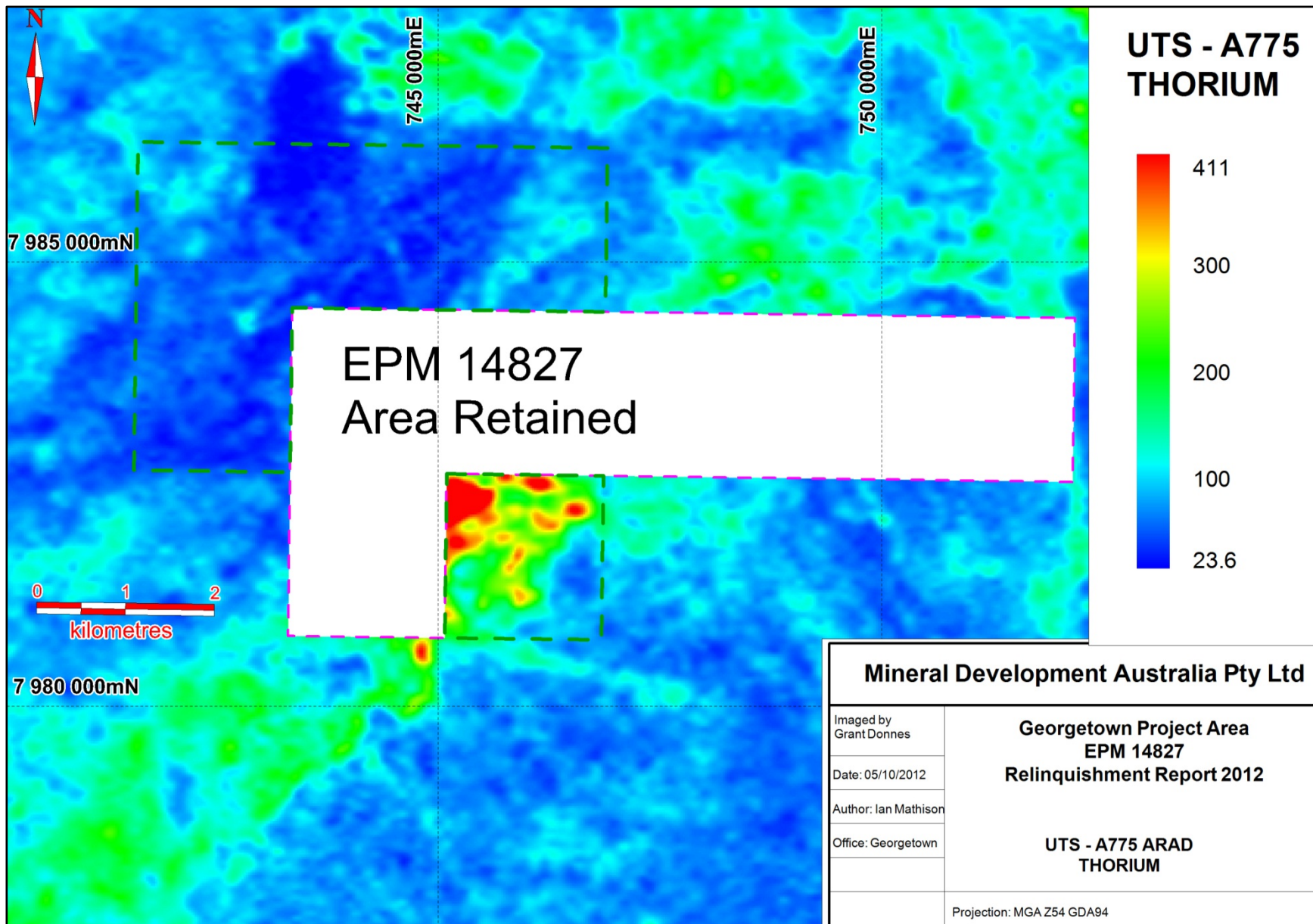


Fig 16 UTS-A775 ARAD Thorium Channel

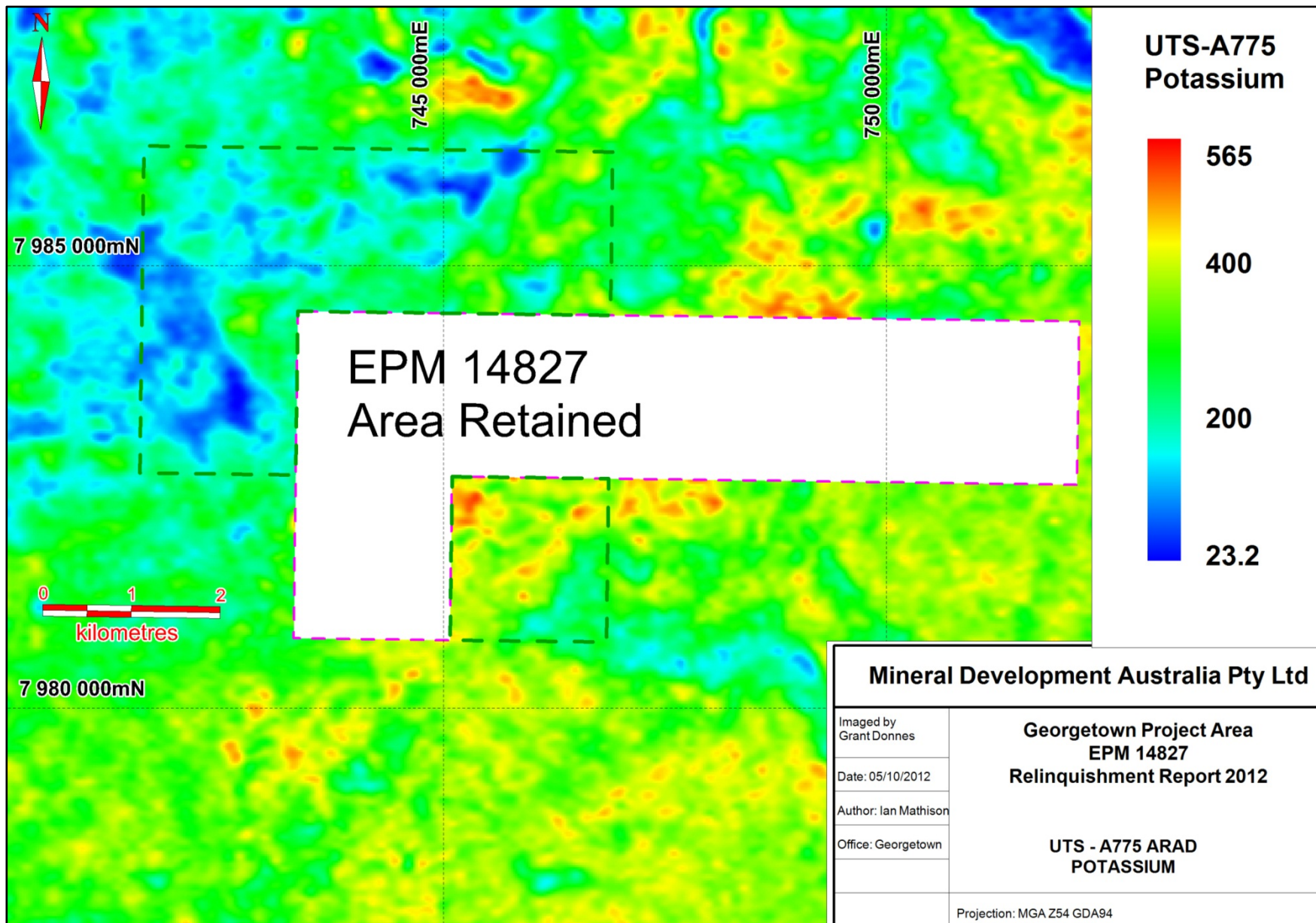


Fig 17 UTS-A775 ARAD Potassium Channel
EPM14827 Partial Relinquishment Report 2012

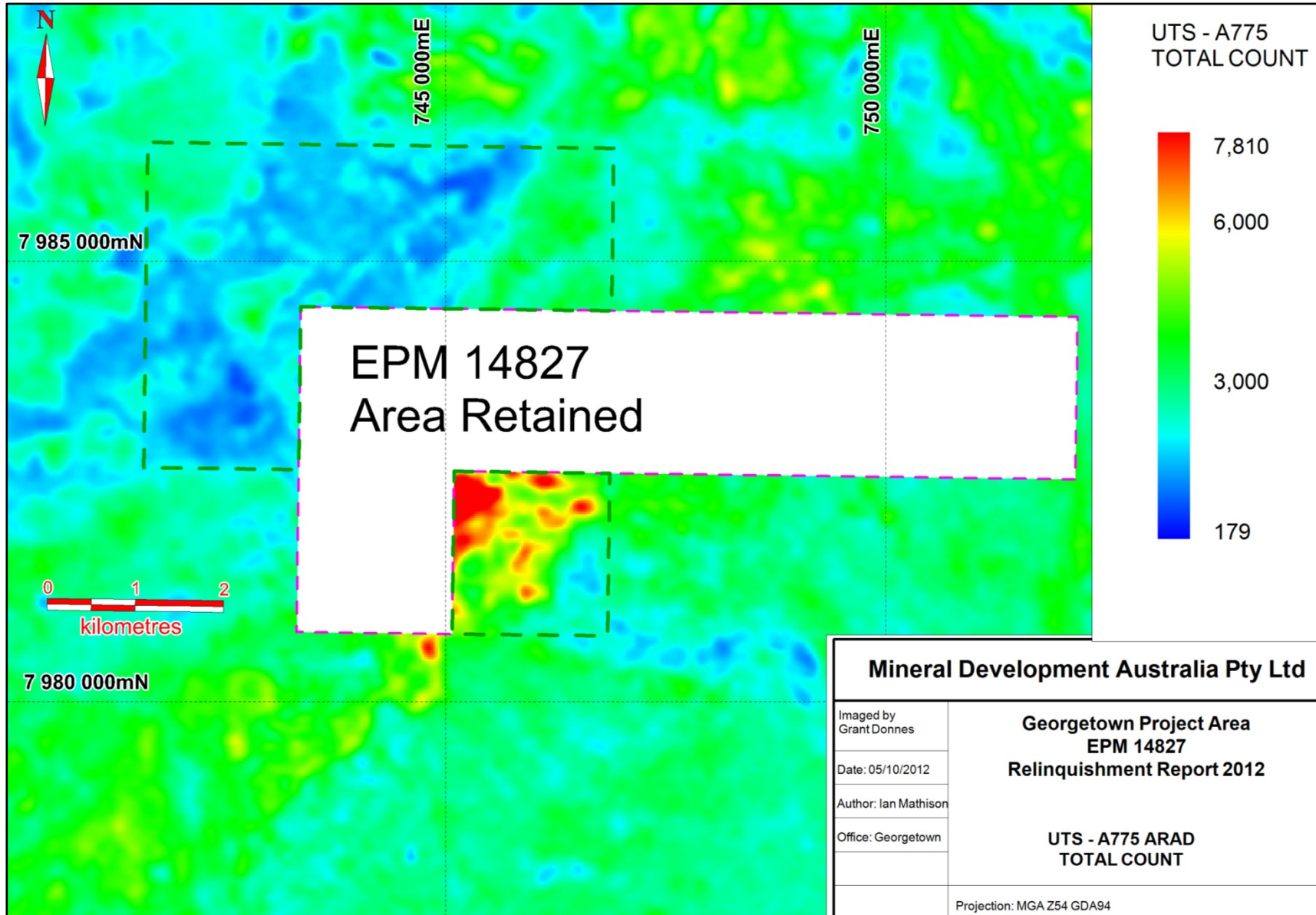


Fig 18 UTS-A775 ARAD Total Count

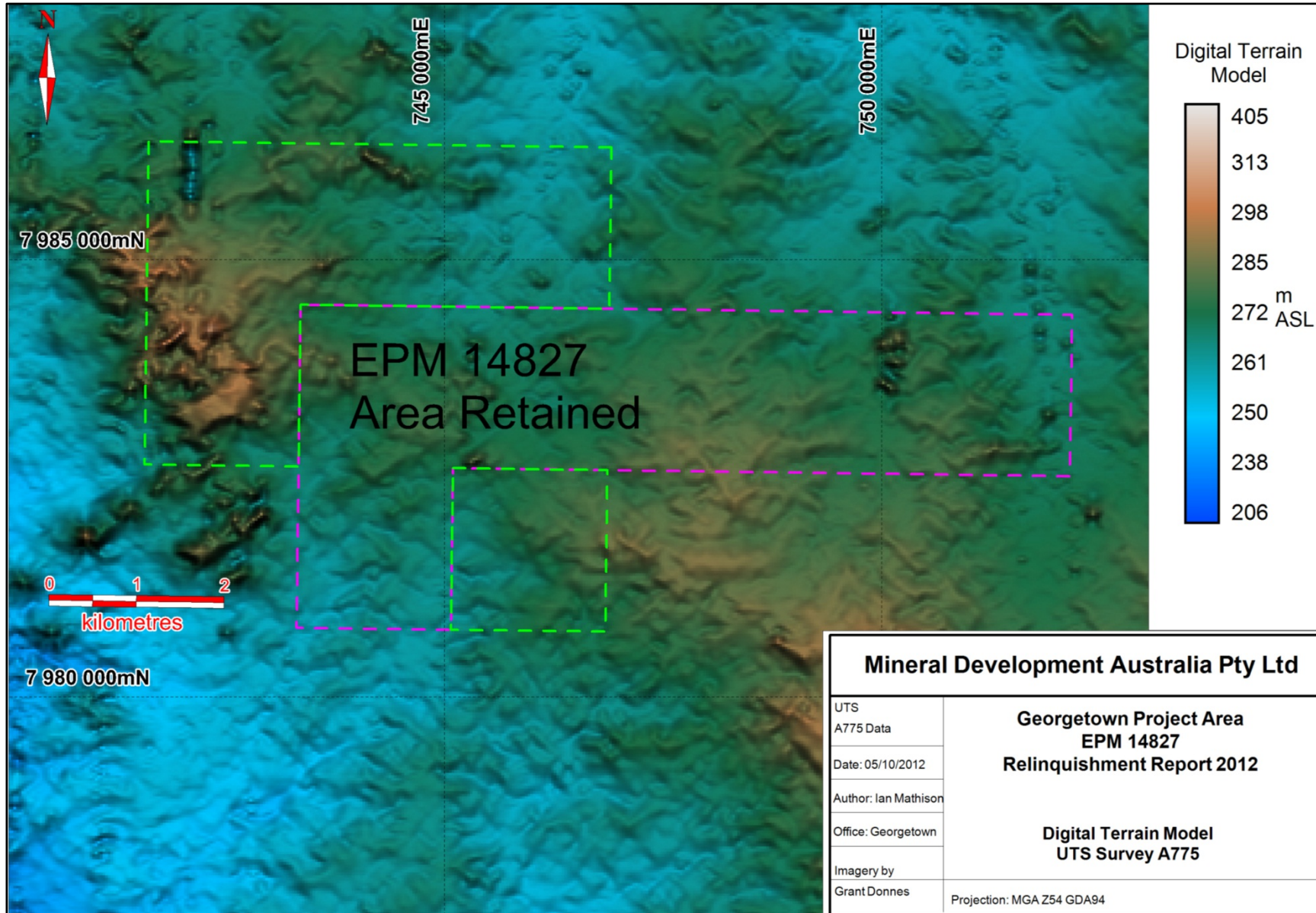


Fig 19 UTS-A775 Digital Terrain

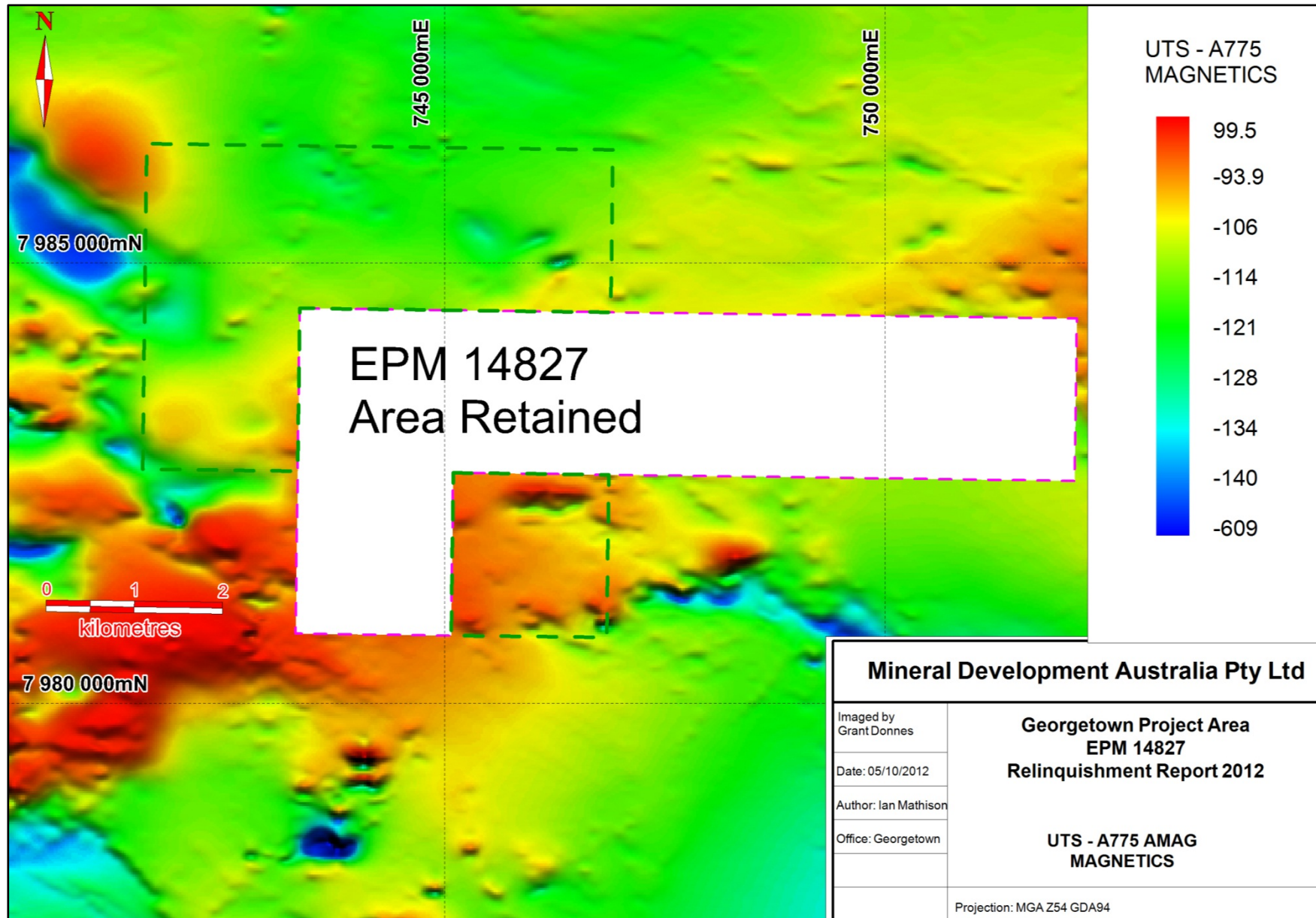


Fig 20 UTS-A775 AMAG Magnetics
EPM14827 Partial Relinquishment Report 2012

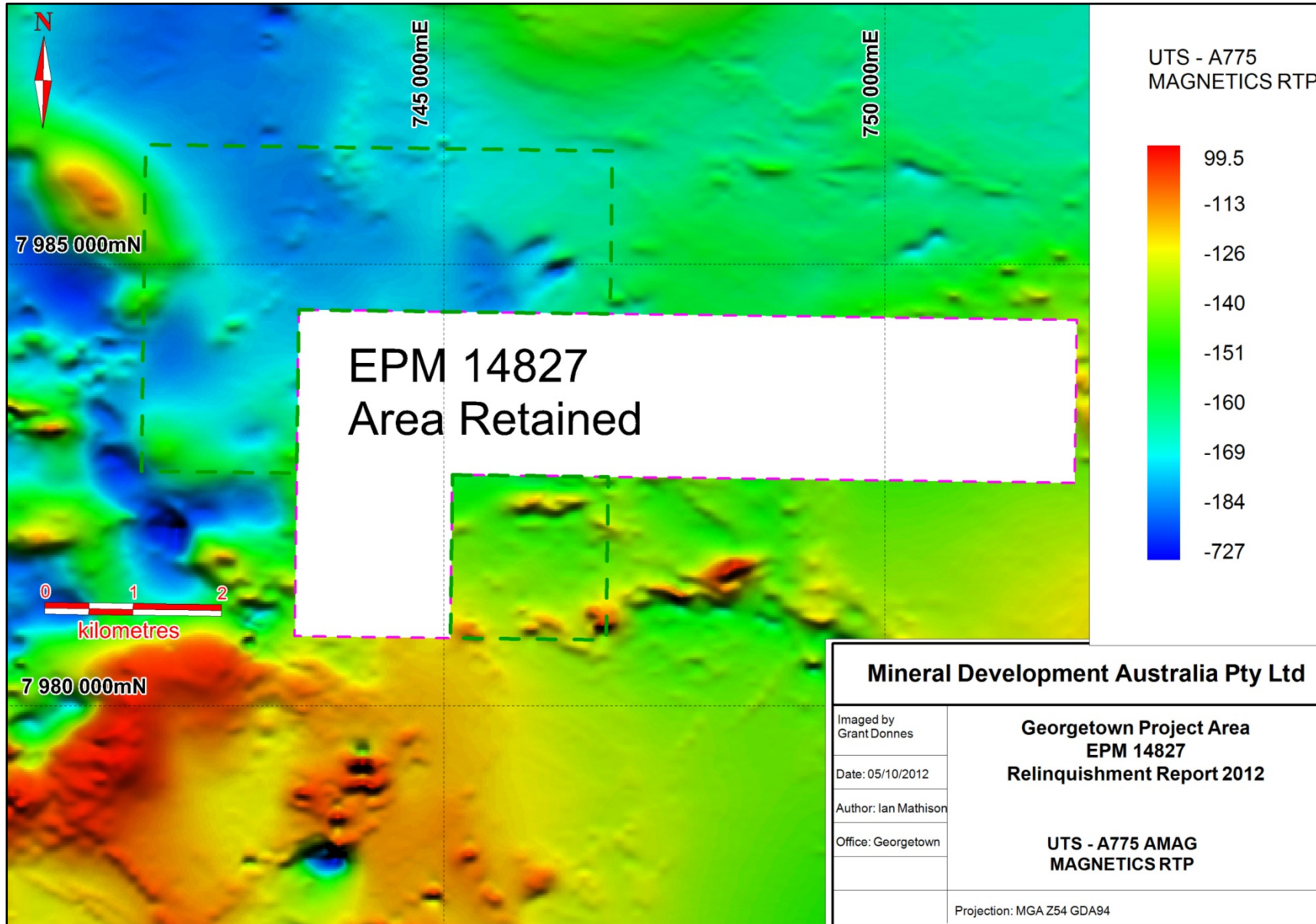


Fig 21 UTS-A775 AMAR Magnetism RTP

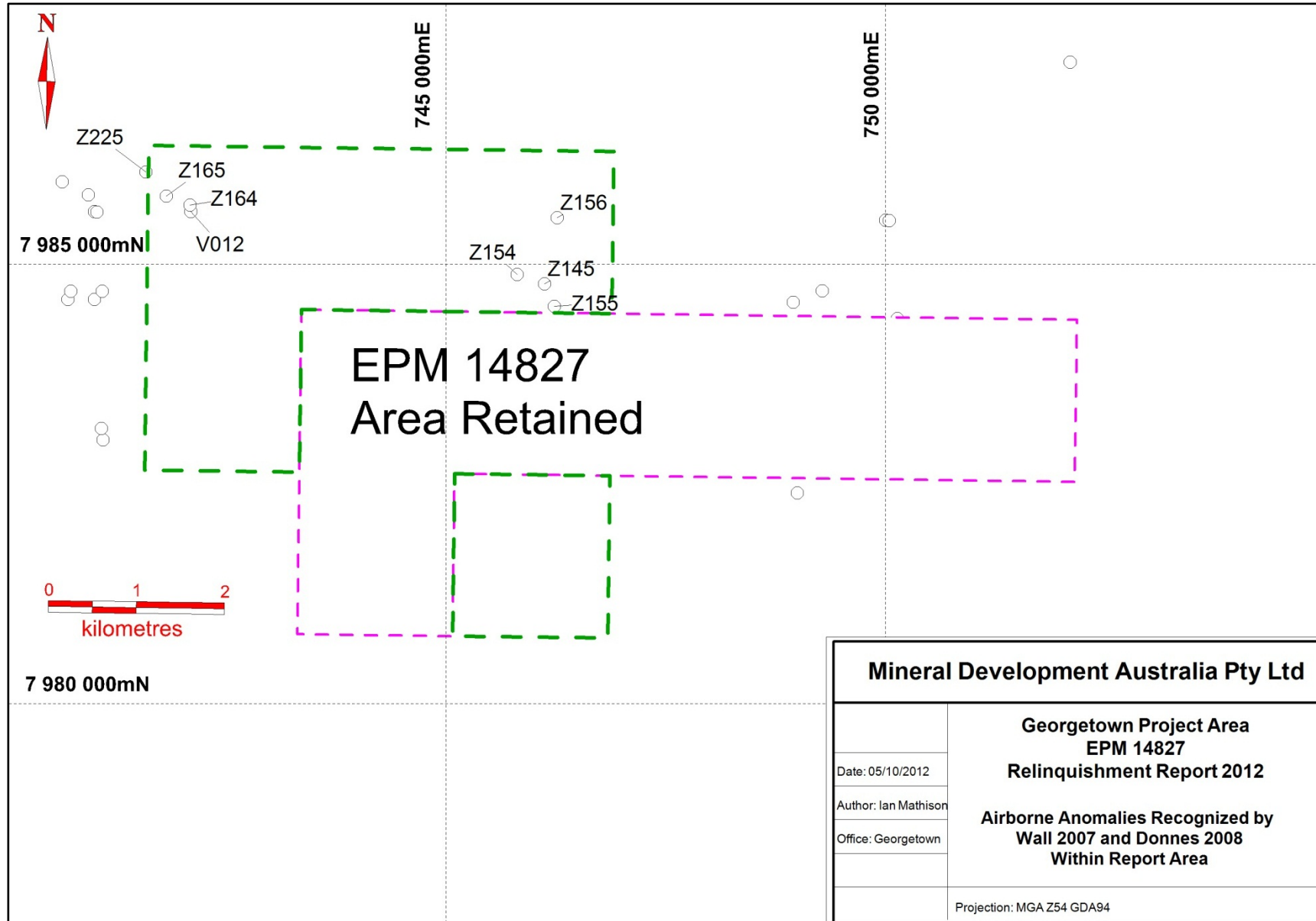


Fig 22 Airborne Anomalies Recognized in Report Area