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<td>AUTHORS</td>
<td>MATTHEW FINN</td>
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<td>TARGET COMMODITY</td>
<td>MANGANESE</td>
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<td>DATE OF REPORT</td>
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<td>DATUM</td>
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On behalf of
UNIVERSAL SPLENDOUR INVESTMENTS PTY LTD
FINAL ANNUAL GROUP REPORT: GR232

13 December 2012

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EXECUTIVE SUMMARY

Universal Splendour Investments (USI) was originally granted EL 27310, 27311 and 27312 in October 2009. They are located in the Borroloola region in the Northern Territory. These three tenements are part of a group of six tenements collectively referred to as the Carpentaria project.

All six tenements were accepted for group reporting status (GR232), therefore the reporting period was reset to begin on the 15th February. USI voluntarily relinquished selected tenements of their Carpentaria Project area and this report contains all of the work completed on these relinquished tenements.

GR232 is located within the McArthur Basin. Tenements are dominated by paleoproterozoic sandstones and mezoproterozoic dolomites overlain by cainozoic sands, soils, ferricrete and silcrete. The Karns Dolomite is known to host several manganese occurrences.

In 2010, International Geoscience completed a full background review for the Carpentaria project, including an assessment of previous exploration, manganese mineralisation models, data compilation and a preliminary interpretation of the tenements.

Accompanying the background review was a 10 day field visit which; assessed the tenement access, mapped geology and rock-chip sampled (This was reported in the “Tenement Summary Report for the period November 13th 2009 to November 13th 2010”).

The results with respect to manganese mineralisation were disappointing and the tenements were selected for relinquishment.

EL 27311 lies within the Gold Creek Volcanics and may be prospective for copper mineralisation similar to Red Bank Mine. Due to poor access and a significant amount of transported cover material the tenement is recommended to be followed-up using a detailed AEM survey.

Unfortunately USI have other significant funding and personnel commitments and therefore cannot continue with exploration on EL 27310, 27311 and 27312.
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1 OVERVIEW

EL 27310, 27311 and 27312 are located southeast of Borroloola, southwest of the Gulf of Carpentaria (Figure 1).

The tenements reported here are three of six EL’s in the Borroloola region held by USI collectively referred to as the Carpentaria Project (GR232), and are considered prospective for manganese mineralisation. These tenements were accepted for group reporting in late 2011, with the new reporting period beginning 15th February.

This Final report covers the period from the grant date to the date of relinquishment (13th Oct 2009 to 24th Oct 2012).

Figure 1: Location of tenements relinquished from GR232 within the Borroloola region. The tenements are overlaid on an orthorectified image from BingTM, 2010.

1.1 Geology

International Geoscience completed a surficial interpretation for all GR232 tenements in 2010; integrating NTGS geological mapping and all available remotely sensed data and geophysical data.

GR232/11 is located within the Robinson River 1:250,000 NTGS map sheet and the Robinson Calvert River, Selby and Pungalina 1:100,000 NTGS map sheets. The geology of the group is dominated by Cenozoic Material and outcropping Palaeoproterozoic sandstones of the Tawallah Group. Overlying the Tawallah Group are a series of Neoproterozoic carbonates (Karns Dolomite and the Lower Karns Dolomite), which are uncomfortably overlain by Bukalara Sandstone.

The Karns Dolomite consists of shallow marine lithologies including interbedded stromatolitic and evaporitic carbonates, sandstone, mudstone and conglomerate. The group is known to host
several manganese occurrences within the region; the closest being the Masterton occurrence; located to the south of the project area. In the most recent field campaign it was regions of outcropping dolomite that were therefore focused on.

Proterozoic formations within the McArthur Basin are thought to be the manganese source for Groote Eylandt style mineralisation, and therefore areas of outcropping dolomite are of particular interest.
2 TENEMENT SUMMARY
This section provides a summary of each of the EL’s included within this final group report.

2.1 EL 27310
This tenement consists of 161 km² and is the third largest of the Carpentaria tenements. Although several tracks appear to lead to the tenement, the distance required to travel on the track from the main road is significant (>75 km). Helicopter support was utilised to visit this tenement during the previous season.

The only prospective site within the tenement was the location of a diamond drill hole drilled in 1995 by CRA Exploration (DD95GC007). The drill hole returned anomalous potassium values (Table 1). The core is stored in the Darwin core library and is available for inspection and re-assay.

After a thorough inspection the location of the drill collar could not be confirmed.

Table 1: Original potassium results for diamond drill hole DD95GC007

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2.1.1 Geology
The geology of EL 27310 is dominated by Proterozoic Echo Sandstone, covering approximately 80% of the tenement area. Units indicative of a high energy depositional environment are present, including sandstone, siltstones, dolomites and conglomerates.

A minor amount of Cainozoic materials including undifferentiated alluvial colluvial, elluvial and alluvium sediments are also located within the central and southern regions of the tenement (Figure 2).
2.2 EL 27311

This tenement consists of 120 km² and is the fourth largest of the Carpentaria tenements. Although several tracks appear to lead to the tenement, the distance required to travel on the track from the main road is significant (>60 km) and the condition of the tracks are unknown at this stage. Helicopter support was utilised to visit this tenement.

During the field visit a total of 15 rock samples were collected within the tenement. The Gold Creek Volcanics was the target lithology for this tenement as it hosts the Red Bank Copper mine to the south of the tenement.

Several samples of volcanic rock with a light green mineral within the vesicles were collected (Figure 3). The green mineral was suspected to be malachite, as the region is host to copper mineralisation (Red Bank Mine). The Portable Niton XRF disproved this theory and the mineral is now suspected to be chlorite. One sample returned elevated manganese (sample 637634, 11.27% Mn).
Although no copper was discovered within the tenement, only the upper portion of the volcanics was sampled.

Figure 3: Vesicular volcanic rocks from EL 27311. Possible chlorite within vesicles (left) and possible manganese within sample 637634 (right).

2.2.2 Geology

The geology of EL 27311 is dominated by Cenozoic Material (undifferentiated alluvium and colluvium), covering approximately 85% of the tenement area. Proterozoic Gold Creek Volcanics outcrop in the north-western corner of the tenement, forming low hills (Figure 4). These volcanics consist of basaltic units, sandstone, mudstone and peperite. Minor alluvial deposits are also located throughout the lease.
2.3 EL 27312

During the field campaign this tenement was only visited once briefly, due to its location and lack of outcrop. No rock samples were collected.
2.3.3 Geology

The geology of EL 27312 is dominated by Cenozoic Material, including alluvial and colluvial deposits. No other lithologies are thought to be outcropping within the tenement (Figure 5).

Figure 5: NTGS Surficial Geology map of EL 27312 with Landsat imagery.
3 CONCLUSIONS AND RECOMMENDATIONS

Manganese is main focus for exploration in the Carpentaria project area, specifically Proterozoic manganese. Secondary attention was given to copper mineralisation similar to Red Bank Mine.

In 2010, International Geoscience completed a full background review for the Carpentaria project, including an assessment of previous exploration, manganese mineralisation models, data compilation and a preliminary interpretation of the tenements.

Accompanying the background review was a 10 day field visit which; assessed the tenement access, mapped geology and rock-chip sampled. No encouraging results were obtained from 3 of the 6 tenements included in the project area. Subsequently USI has relinquished their least prospective tenements (EL27310, 27311, 27312).

EL 27310 was joint ventured to Strata Minerals for Phosphate but no work was undertaken and the joint venture was mutually terminated. The tenement contains very little potential for manganese mineralisation and therefore no further work is recommended.

Although EL 27311 lies within the Gold Creek Volcanics, and may be prospective for copper mineralisation similar to Red Bank Mine, the area is not easily accessible and contains a significant amount of cover material. Further exploration for copper is recommended. A detailed AEM survey would be the most effective exploration method.

EL 27312 is not accessible by road and is completely covered in transported material. No further work is recommended.