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</tr>
<tr>
<td>AUTHORS</td>
<td>MATTHEW FINN &amp; GREG STREET</td>
</tr>
<tr>
<td>TARGET COMMODITY</td>
<td>MANGANESE</td>
</tr>
<tr>
<td>DATE OF REPORT</td>
<td>23 NOVEMBER 2010</td>
</tr>
<tr>
<td>DATUM</td>
<td>GCS GDA94</td>
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<td>VICTORIA RIVER DOWNS</td>
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<tr>
<td>100 000 K MAPSHEET</td>
<td>VICTORIA RIVER DOWNS, KILLARNEY AND PIGEON</td>
</tr>
<tr>
<td>CONTACT (TECHNICAL DETAILS)</td>
<td>M FINN &amp; G STREET 8 MAY AVENUE SUBLACO, WA 6008 08 9388 2839 <a href="mailto:INFO@INTERGEO.COM.AU">INFO@INTERGEO.COM.AU</a></td>
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</tr>
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</table>

Report prepared by

International Geoscience

On behalf of

UNIVERSAL SPLENDOUR INVESTMENTS
Tenement Exploration Report for the period November 13 2009 to November 13 2010 for EL 27/307

23 November 2010

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EXECUTIVE SUMMARY

Universal Splendour Investments (USI) has taken up exploration license EL 27307 which is located southwest of Katherine in the Northern Territory.

This tenement is part of a group of three tenements collectively referred to as the Victoria River project area.

The Victoria River project has had a preliminary background review undertaken by a previous consulting company. Since this time International Geoscience has been contracted to manage the exploration work for all of Universal Splendour’s tenements. It is unclear at this stage what commodities are prospective in this area.
CONTENTS

1  PROJECT OVERVIEW..................................................................................................................... 7
1.1  VICTORIA RIVER PROJECT.......................................................................................... 7
APPENDIX A – VICTORIA RIVER PROJECT REVIEW ................................................................. 8
FIGURES

Figure 1: Location of Universal Splendour’s EL within the Victoria River project with EL 27307 in red. The tenements are overlaid on an orthorectified image from BingTM, 2010........7
1 PROJECT OVERVIEW

Universal Splendour Investments (USI) have taken up exploration license EL 27307 which is one of three tenements collectively referred to as the Victoria River project area and is located southwest of Katherine in the Northern Territory (Figure 1).

1.1 VICTORIA RIVER PROJECT

CSA Global provided a background desktop study for the Victoria River project area, in February of 2010. The report has been included as APPENDIX A in this report.

Figure 1: Location of Universal Splendour’s EL within the Victoria River project with EL 27307 in red. The tenements are overlaid on an orthorectified image from BingTM, 2010.
Review of Previous Exploration and Work Proposal
Universal Splendour Investments
Victoria River Project
Northern Territory, Australia

By

Karl Lindsay-Park

15/2/10
**Introduction**

Universal Splendour Investments (USI) Victoria River Project consists of three exploration licences, 27306, 27307 and 27437 located in the central northwest of the Northern Territory, see figure 1. The details of the licences are displayed below:

<table>
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<tr>
<th>Licence Number</th>
<th>Application Date</th>
<th>Grant Date</th>
<th>Size blocks/sqkm</th>
<th>Land Status PPL / NT Por</th>
<th>Owner</th>
<th>Covenant</th>
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<td>13/10/09</td>
<td>309/1020</td>
<td>USI 50000</td>
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<td>27307</td>
<td>20/4/09</td>
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<tr>
<td>27437</td>
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<td>Pending</td>
<td>187/616.5</td>
<td>USI 33000</td>
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An inspection of the register by the Aboriginal Areas Protection Authority has been done. Several registered sites have been identified in the licences. Three sites have been located in close proximity to the known manganese occurrences. The northern most site and mineral occurrence are shown to be in the same position and no work in that area is permitted. The southern manganese occurrence appears to be free.

The close proximity of the registered site and the manganese mineralisation has reduced the prospectivity of the area.

**Location, Landform and Climate**

The three exploration licences are located approximately 230km to the southwest of Katherine. Access to the area is via the Victoria Highway and the Delemere road. The Top Springs roadhouse is located at the junction of the Delemere road and the Buchanan Highway. The roadhouse is located about 40km east of the licence area and provides meals and accommodation to field parties working in the area. There is a well developed series of station tracks in the licence area which provide access to most parts, figure 2.

The Google imagery and topographic map show the area to consist of numerous hill and ridges. There is a well established drainage system which will limit the movement of vehicles away from the tracks.

The Victoria River District is subject to two seasons per year. The tropical monsoon affects the area between October and April each year. During the wet time field work is difficult and the station owners limit the amount of traffic on their tracks to stop them being severely damaged.

**Accommodation**

Given the proximity of the Top Springs Roadhouse (40km east) it is proposed to base the initial fieldwork there. The roadhouse offers accommodation, meals, communication and fuel.

**Geology**

The oldest rocks exposed in the licence area are the Weaner Sandstone and the Battle Creek Formation which belong to the Mesoproterozoic Bullita Group. The Weaner Sandstone is described as quartz sandstone, gritty to pebbly at the base, The Battle Creek Formation consists of finer-grained Dolostone, shale, siltstone and dolomitic sandstone. Unconformably overlying the Bullita Group is the Wondoan Hill Formation. The Wondoan Hill Formation is described as glauconitic quartz sandstone, claystone and siltstone.
Covering most of the southern licence and along the eastern edge of the northern licences is the Antrim Plateau Volcanics. The Antrim Plateau Volcanics are Cambrian aged porphyritic tholeiitic basalt with lenses of agglomerate, sandstone and chert.

USI’s interest in the area stems from the geological similarities between the Victoria River District and the Arnhem Land area. Two manganese occurrences, hosted by the Battle Creek Formation have been located in the licence area and further work will be required to define the nature and setting of the mineralisation.

A detailed examination of the Google Imagery has identified two areas that require further assessment. The areas, shown on figure 4 and marked “iron rich zone” appear to be related to lithology contacts. In the northern area the contact between the Wandoan Hill Formation and the Stub Formation is recognisable as a distinct dark red zone. The fine-grained Stubb Formation would act as an aquaclude to any fluids moving through the coarser Wondoan Hill Formation.

The more southern “iron rich zone” occurs where a chert and limestone member of the Antrim Plateau Volcanics overlies the tholeiitic basalt of the same Group.

Geophysics

The available regional geophysical data for the area of interest does little to aid the exploration effort. The uranium squared divided by thorium (U^2/TH) image contains no anomalous responses. It should be note that for most of the tenement area there is no radiometric data available. This is probably due to the lack of interest in exploring in the Antrim Plateau Volcanics. The gravity data has been collected with a very wide spacing and is only useful in showing very broad features.

The airborne magnetic image does show several discrete magnetic expressions, Figure 3, that appear to be related to outcrops of the Antrim Plateau Volcanics. It is not known why some areas mapped as Volcanics cause a disruption in the magnetic data whilst the majority of the outcropping Volcanics is magnetically quiet. The areas of magnetic activity will have to be checked in the field. It was noted that some of the samples brought back from the first field trip contained a significant amount of haematite which may provide an explanation.

Previous Exploration

The review of the previously completed exploration in the licence area has shown that very little meaningful work has been done. In the entire licence area there has been only one hole drilled and that was by the government for stratigraphic purposes. Some stream sediment sampling has been done for base metal exploration but the results were poor.

In 1988 rock chip sampling along Battle Creek returned three samples with 30.5%, 9.08% and 13.3% manganese. The samples were described as “chips off reefs” but no accurate sample locations were provided. Two manganese occurrences appear on the regional geology map. Both are near Battle Creek. At the northern occurrence, a sample of nodules assayed 55% manganese while the second occurrence is described as “vein fillings in chert and siltstone”.

In late August 2009 a field trip was made to the area. The trip was made to try and identify the two manganese occurrences and generally prospect the area for other signs of mineralisation. No signs of the reported manganese mineralisation were found. On the trip 28 rock chip samples were collected from the tenements. None of the samples contain significant manganese but some of the samples appear to be rich in iron.

Conclusions

The field work completed to date has failed to enhance the prospectivity of the three licences. However, the work involved in compiling this report has demonstrated there are still unexplained
areas of interest. The main motivation for applying for the area was the presence of two manganese occurrences. Neither was located during the first field visit which suggests the initial reports may have exaggerated the size of the deposits. The close proximity of a registered site of significance to the northern most manganese occurrence also reduces the potential of the area.

There are several magnetic anomalies that appear to be related to outcrops of Antrim Plateau Basalt. At this stage no explanation for the anomalies is available.

The contact between the Wondoan Hill Formation and the Stubb Formation and the contact between members of the Antrim Plateau Volcanics Group require investigation. The presence of iron on the contacts and the lack of radiometric data opens the potential for uranium mineralisation. A spectrometer will be required during the field visit.

A field based inspection will be required to determine why some parts of the Basalts are magnetically active and the majority is not. Some of the rock chip samples, collected in August 2009, contain significant haematite and if this is the cause of the magnetic anomalies the iron potential of the area will need to be assessed.

The location of a registered site of significance near one of the recorded manganese occurrences has a negative impact on the overall prospectivity of the area.

**Proposed Exploration**

A second trip to the area is planned for the start of the dry season. The trip will focus more specifically on locating the mapped manganese occurrences, the magnetic anomalies, the iron rich contacts and the sample sites from which the high haematite content samples were collected. If these areas appear to be interesting rock chip samples will be collected and dispatched for assay.

If the proposed field trip fails to find anything of significance the area will need to be reassessed for other commodities. One possibility is copper mineralisation hosted by the basaltic units. Considerable encouragement will be needed before a commitment to geophysical techniques is made.

**Timing and Budget**

The Victoria River District experiences the tropical monsoon and as such it is unlikely that any field work can be done before April or May. To complete proposed program will require 3 days in the field and 2 days travel. Additional time in the field will be needed if areas of interest are located.

A tentative budget (below) has been prepared to cover the cost of the proposed exploration program.

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<th>Unit</th>
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<th>Description</th>
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<td>• Preparation</td>
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<td>• Assay</td>
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**Motor Vehicles**
- **Vehicle Hire**
  - Day: 160
  - Travel and on-site (5 Days) 800
- **Fuel**
  - Litre: 1.80
  - Estimate 500 litres 900

**Travel**
- **Geologist**
  - Day: 450
  - Drive to and from site (2 days) 3000
- **Fieldie**
  - Night: 120
  - Drive to and from site (2 days) 900
- **Accommodation**
  - Man day: 60
- **Meals**
  - Trip: 400

**Equipment**
- **Purchase**
  - Unit: 100
- **Repairs**
  - Unit: 100
- **Equipment Hire**
  - Sun Screen / Safety Glasses 100
- **Safety Equipment**
  - Unit 100

**Consumables**
- **Bags**
  - Each 1
  - Hold and protect samples (50) 50
- **Flagging**
  - Roll 7
  - Indicate sample sites (3) 21
- **Pegs**
  - Each 2
  - Indicate sample sites (50) 30
- **Textas**
  - Box 30
  - Mark sample site pegs, number sample bags (1)
- **Other**

**Overheads**
- **Reporting**
  - Days 1500
  - Geologist to compile data, report and planning (3) 4500
- **Plan Printing**
  - Each 25
  - Pre and Post field trip Large format A1 (8) 200
- **Office Consumables**
  - Each 50
  - Typing and formatting (3) 150

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