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EL 4120

MOUNT VIVIAN

**COMBINED FIRST ANNUAL / FINAL REPORT AT
LICENCE EXPIRY/CANCELLATION FOR THE PERIOD
31/3/2008 TO 30/3/2009**

Submitted by
Salisbury Resources Ltd
2009

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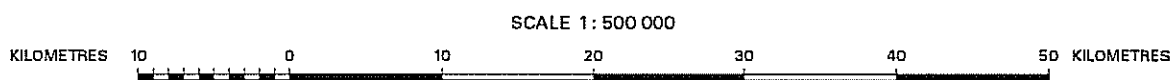
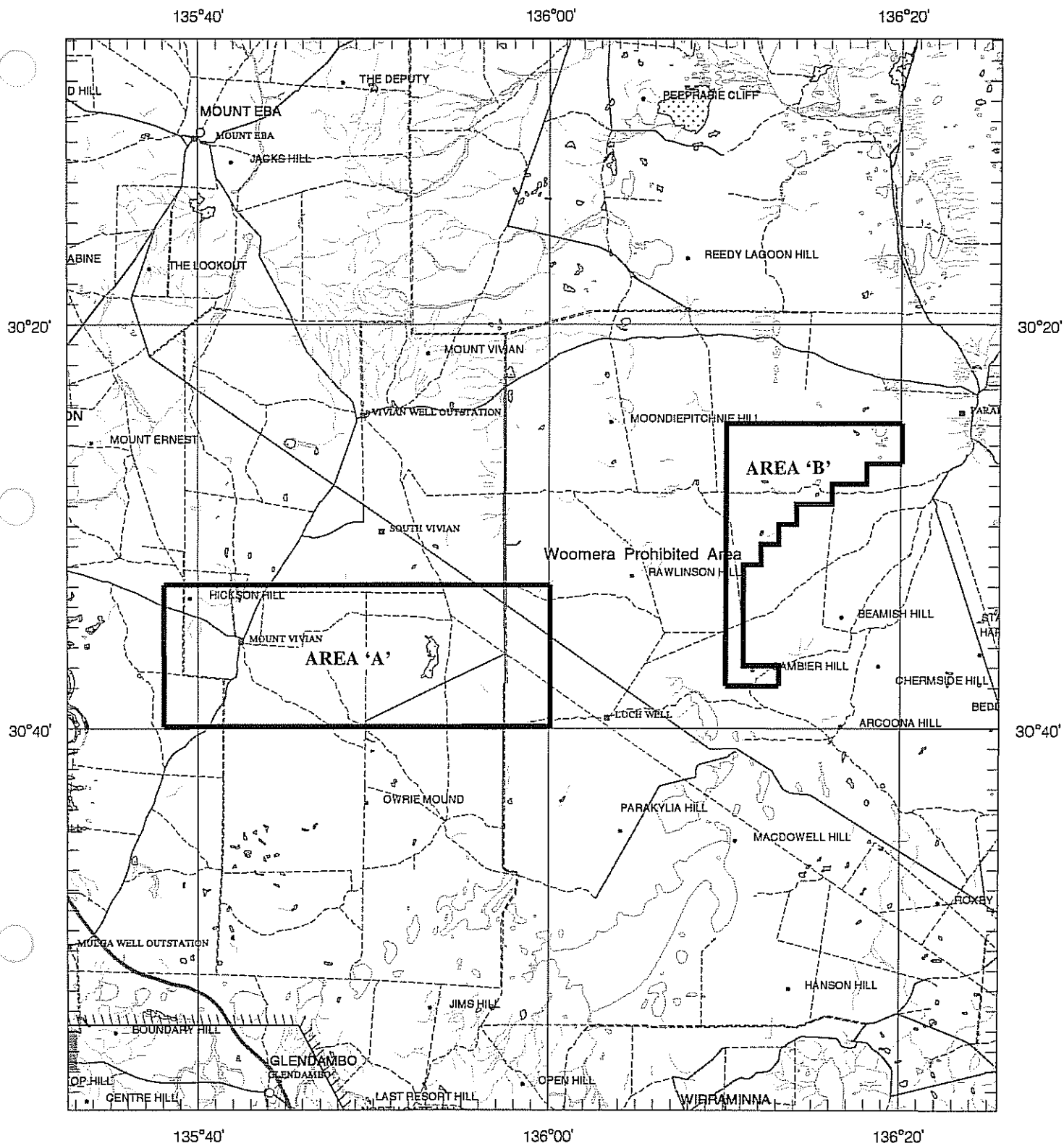
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Government of South Australia
Primary Industries and Resources SA

SCHEDULE A



LICENCE GRANTED IN : DATUM AGD66



APPLICANT : SALISBURY EXPLORATION PTY LTD
FILE REF : 227/07 **TYPE : MINERAL ONLY** **AREA : 605 km² (approx.)**
1:250000 MAPSHEETS : KINGOONYA
LOCALITY : MOUNT VIVIAN AREA - Approximately 100 km northwest of Woomera
DATE GRANTED : 31-Mar-2008 **DATE EXPIRED : 30-Mar-2009** **EL NO : 4120**

Salisbury Resources



ACN: 127 977 468

FINAL ANNUAL TECHNICAL REPORT

EL 4120

MOUNT VIVIAN

Period 31 MARCH 2008 – 30 MARCH 2009

Author: C M Horn

Date: 12 November 2009

Distribution: PIRSA Electronic Copy (1)

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Summary

Salisbury Exploration Pty Ltd, a wholly owned subsidiary of Salisbury Resources Limited, was granted EL 4120 located 60 kms west of the Olympic Dam mine and 300 kms north-west of Port Augusta in order to explore for an IOCGU alteration system analogous to Olympic Dam.

Aeromagnetic imagery displays weak magnetic anomalies associated with linear north-west trending Gairdner Dyke swarm.

Gravity data show weak associated anomalies which could represent hematite-rich IOCGU mineralisation.

Work proposed by Salisbury following its listing on the ASX involved ground gravity and magnetic surveys with proposed follow-up calcrete geochemical sampling.

Due to the Global Financial Crisis (GFC) the listing of Salisbury Resources Limited on the ASX did not eventuate and the licence lapsed when Salisbury failed to reapply within the time specified by Section 30A of the Mining Act 1971.

This report briefly summarises work undertaken by Salisbury during the term of the tenement. No field activities were undertaken due to the lack of funds and the failure to attract a joint venture partner.

1. Introduction

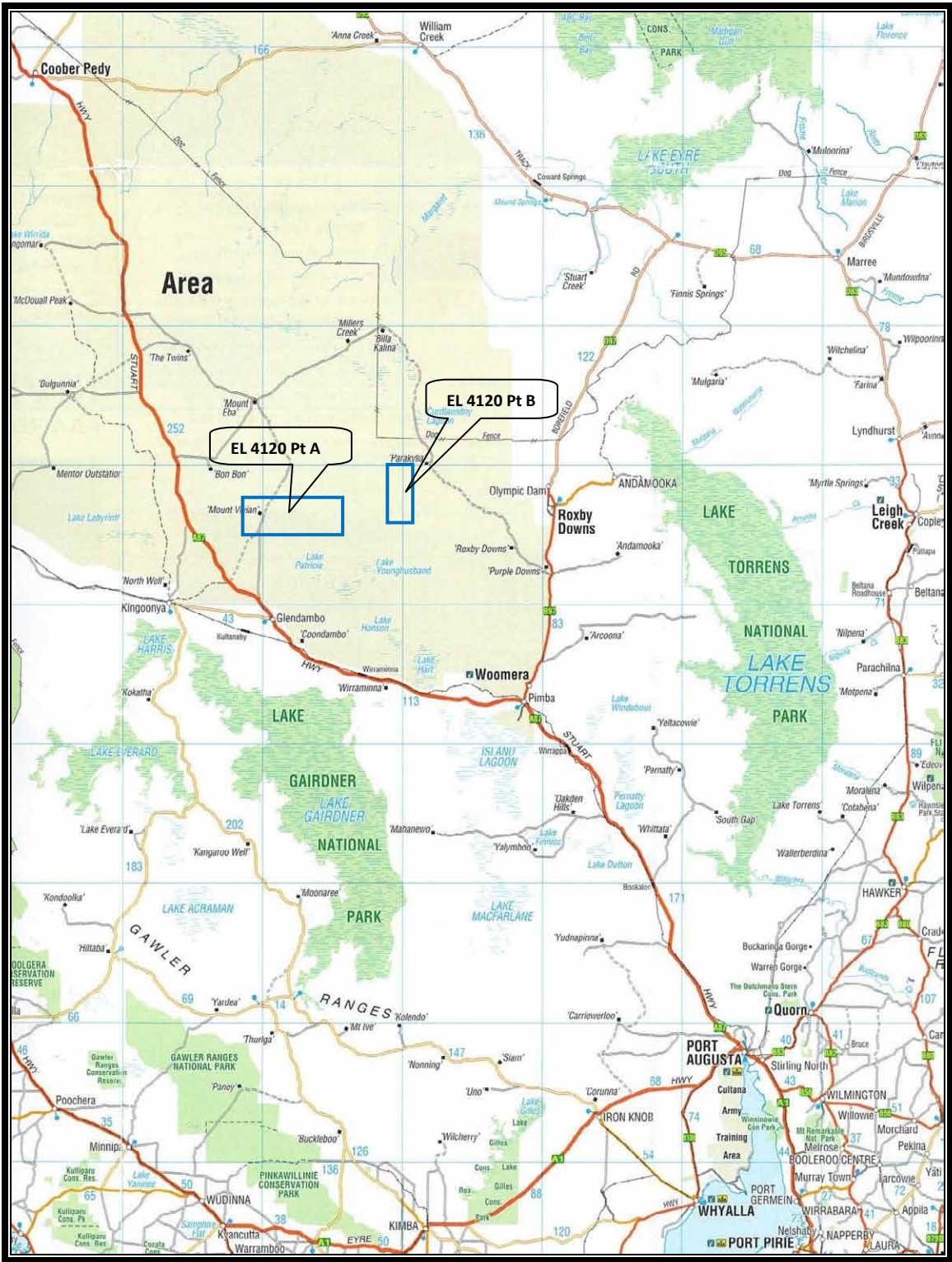
This document has been prepared by Salisbury Resources Limited (SBY) for and on behalf of the tenement holder, Salisbury Exploration Pty Ltd (100%), to report on exploration activities and results undertaken during the period 31 March 2008 – 30 March 2009.

Exploration activities during 2008 comprised a review of available geological and geophysical Data and planning for detailed gravity and magnetic surveys.

2. Location & Topography

The project lies about 60 kms west of the Olympic Dam mine and 300 kms north-west of Port Augusta (Figure 1). The tenement is accessed from the Stuart Highway approximately 23 kms northwest from Glendambo then by station track a distance of 30 kms to the abandoned Mount Vivian station and well. Glendambo is a small service town with a population of approximately 20 persons.

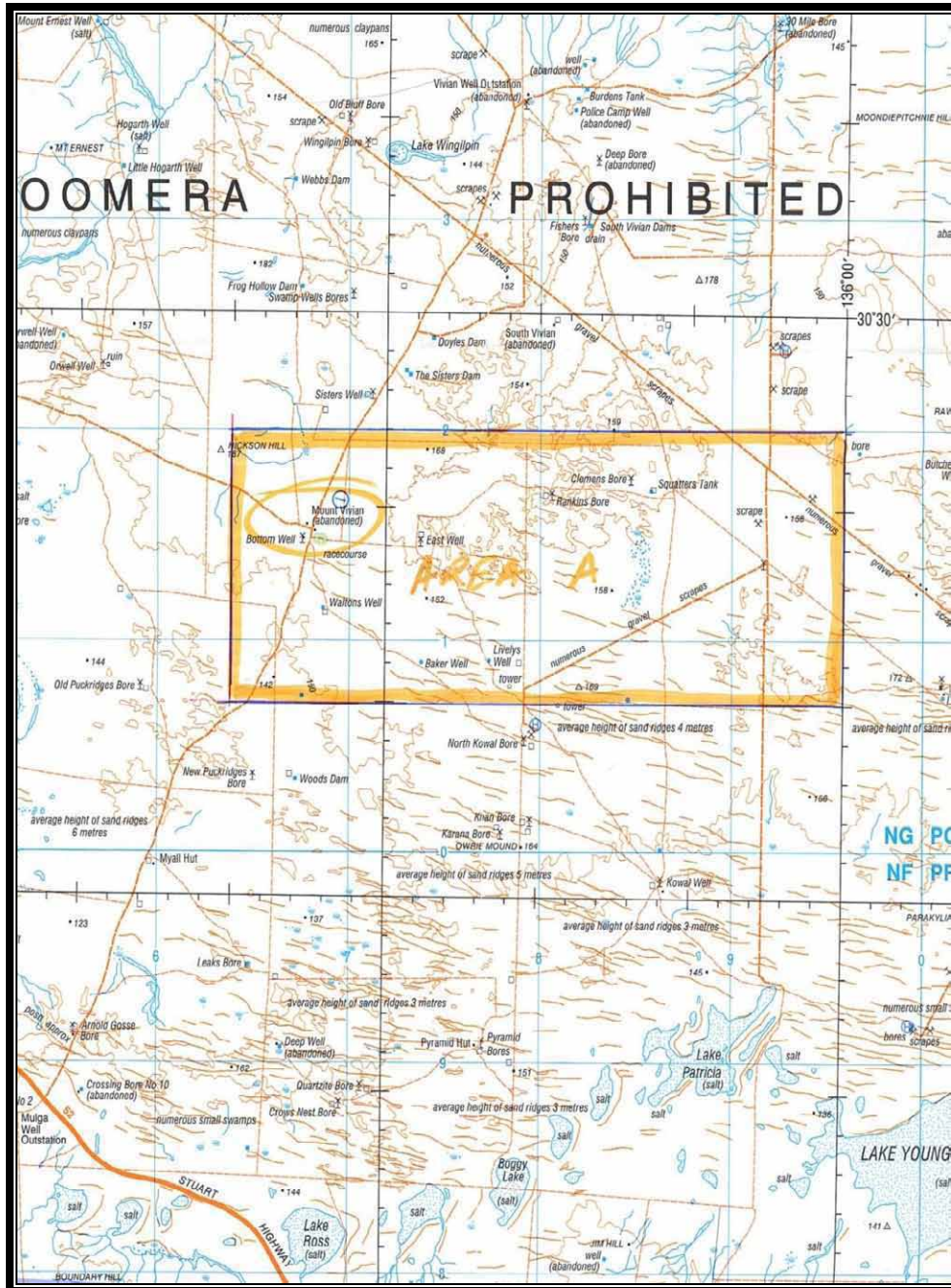
The tenement is in two parts. The western part comprises desert plains dominated by gently undulating sandy and gibber covered plains with numerous low sandy dunes. The eastern part is generally flat lying with some salt pans in the western half and sand dunes in the eastern half. To the south of Area A is the Kingoonya Palaeodrainage channel which is manifested by numerous salt pans including Lake Younghusband, Lake Parakylia and Lake Patricia. There are no former drainage channels within the tenement.



EL 4120 Mount Vivian Location Plan Fig 1

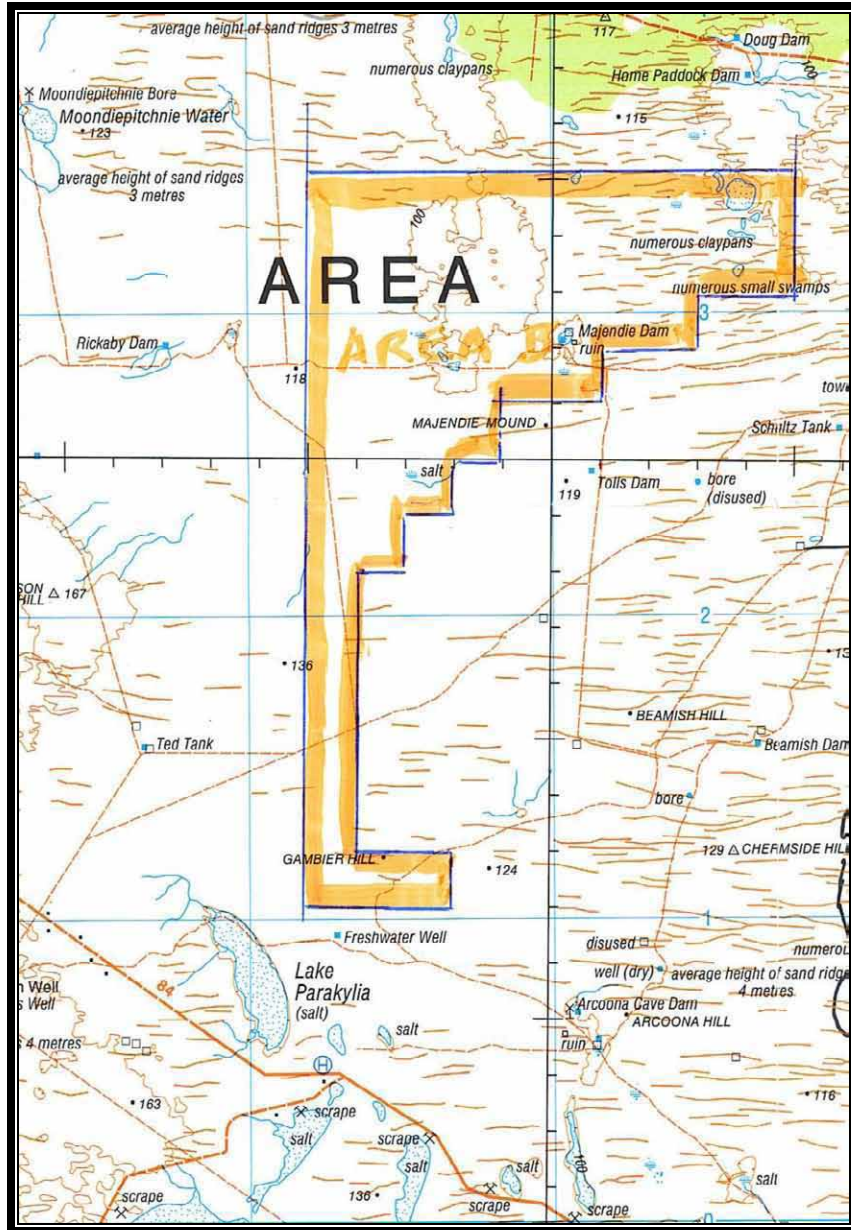
3. Tenure

The tenement comprises two parts Area A located over the abandoned Mount Vivian Station approximately 35 kms north of the Stuart Highway and Area B located 40 kms north of Glendambo (Figure 2a and 2b).



EL 4120 Part A Mount Vivian Tenement Location

Fig 2a

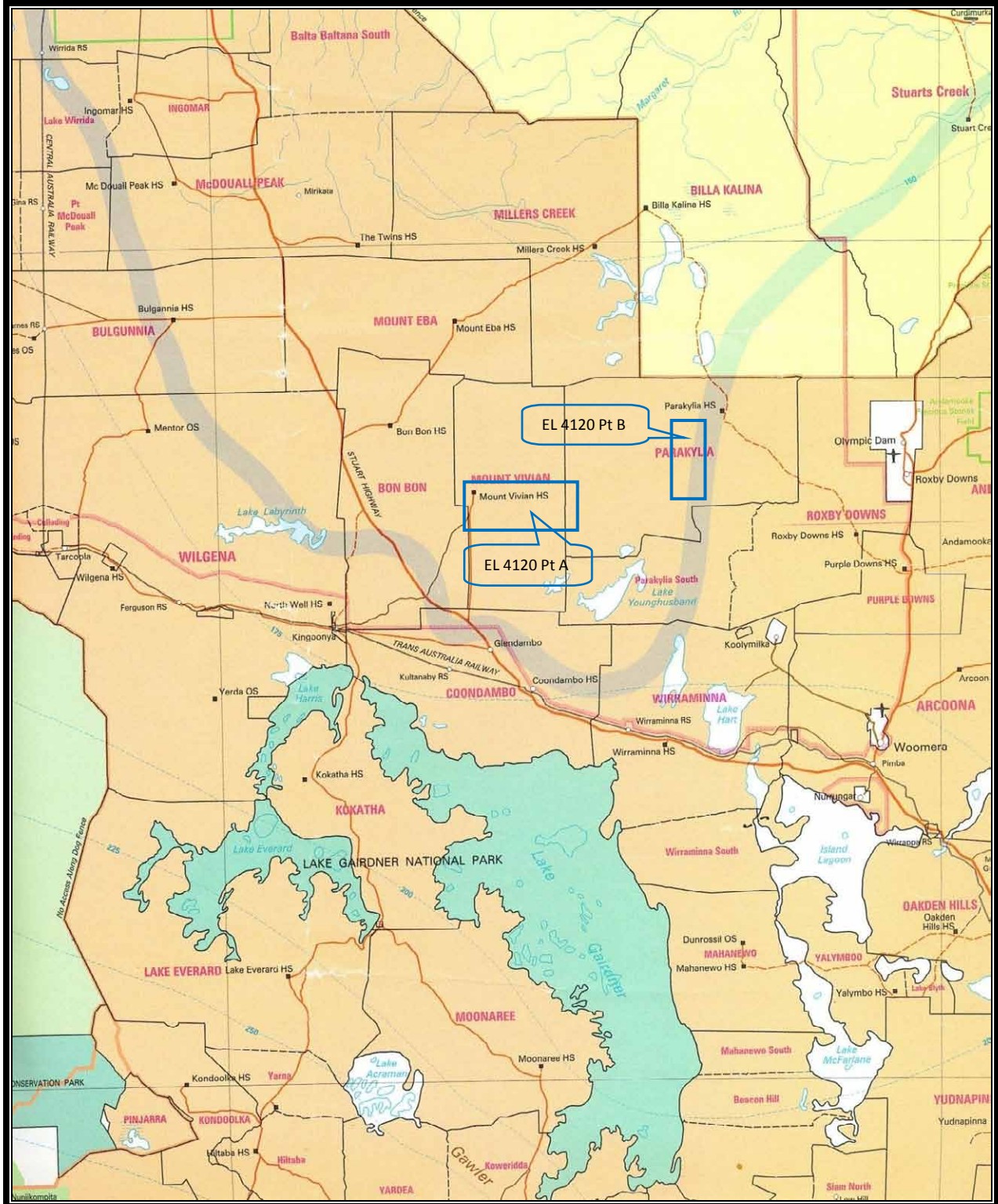


EL 4120 Part B Mount Vivian Tenement Location Fig 2b

The tenement covers 605 km² of the Olympic Domain on the Gawler Craton and is registered to Salisbury Exploration Pty Ltd, a wholly owned subsidiary of Salisbury Resources Limited.

4. Land Access

EL 4120 is located on the Mount Vivian and Parakylia pastoral leases. Details of the leases are tabled below and the location of the tenement within the leases is shown of Figure 3. A small portion of southwest corner of Part A lies within the Bon Bon pastoral lease.



EL 4120 Mount Vivian Location of tenement and pastoral leases

Fig 3

Area	Pastoral lease	Lease No.	Contact Details
Part A	Mount Vivian	2288	R A, K V & W J Carey – Mt Vivian Station Kingoonya
	Bon Bon	2239	P D Blight Pty Ltd – Private Bag 44 Port Augusta
Part B	Parakylia	2197	W S Gibson – Parakylia Station Woomera

Table 1: Pastoral Lease Details

EL 4120 is also located within the Woomera Prohibited Area and requires the signing of a Deed of Access with the Commonwealth Department of Defence.

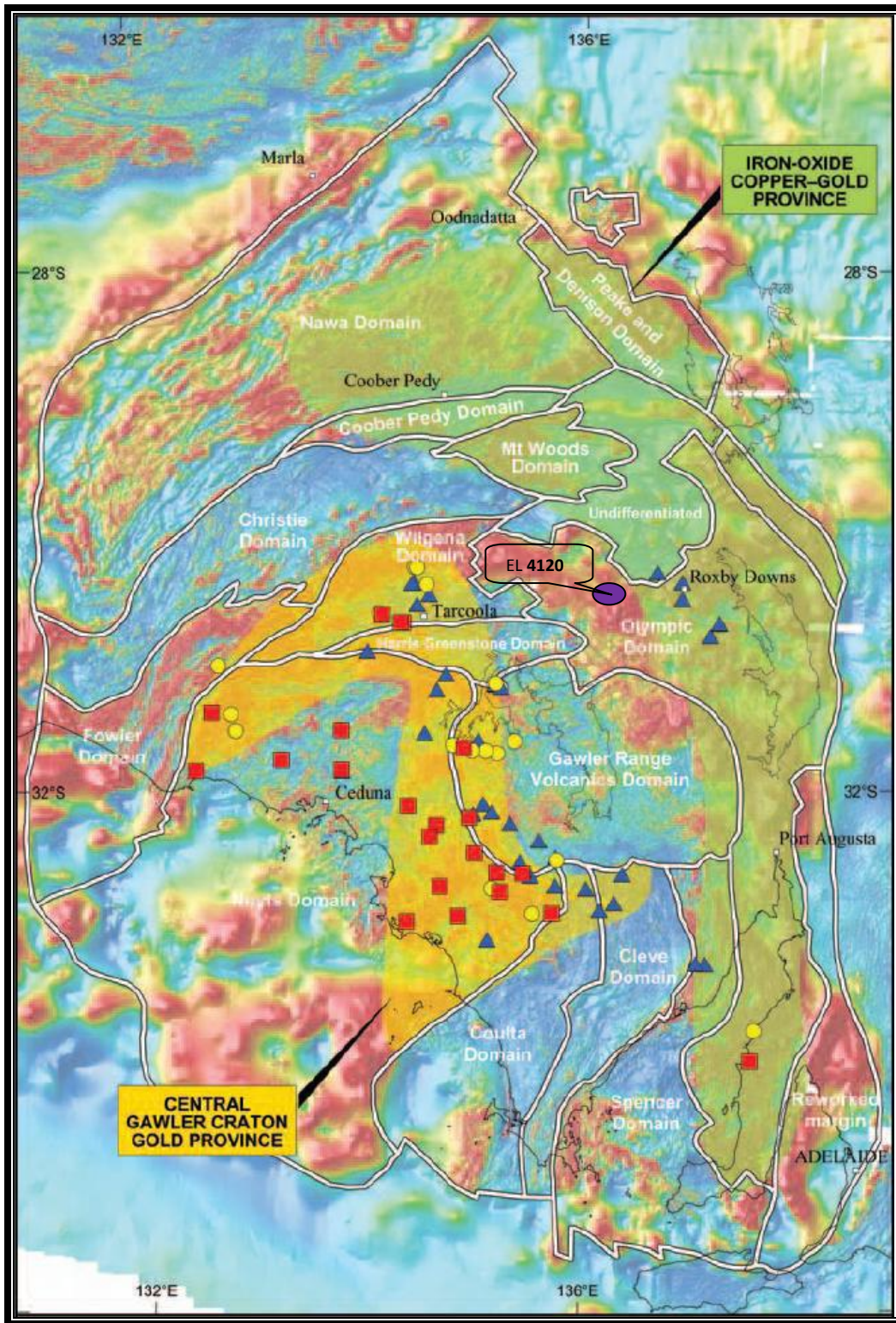
The licence is within the native title claim SC95/7 registered to the Antakirinja Native Title claimants. A search of the Aboriginal Heritage register did not reveal any registered sites within the tenement areas.

5. Geology

The project area is located in the Olympic Domain of the Gawler Craton approximately 60 kms west of the Olympic Dam mine (Figure 4). The Gawler Craton is described as a stable crystalline basement block comprising Archaean to Mesoproterozoic rocks mantled in part by thin platformal sediments and Regoliths of Neoproterozoic to Cainozoic (Parker 1993).

Crystalline basement within the tenement is interpreted as the northeast margin of the Gawler Range Volcanics Province and lies within the Olympic Dam sub-domain. Basement rocks are interpreted to comprise gneisses which have been intruded by granitoids of the Hiltaba suite and numerous dykes of Gawler Range volcanics.

Sediments of the Cariewerloo Basin (Pandurra Formation) and Stuart Shelf cover the basement to depths that range from <100m in the west to 300m in the east of the project area.



The Gawler Craton Superimposed on a TMI Image Showing the Location of IOCGU Domains of the Eastern Craton versus Gold Only Domains in the Western Craton (after PIRSA MESA Journal No. 30, July 2003). Fig 4

6. Previous Exploration

There are no drill holes to basement depth in the region of the exploration licence. Interpretation of the geological setting suggests the area is a preserved sub-volcanic igneous environment considered prospective for an Olympic Dam style IOCGU deposits.

In 1993 PIRSA completed detailed aeromagnetic surveys over the Kingoonya and Tarcoola map sheets. Only broad spaced gravity data is available over the area.

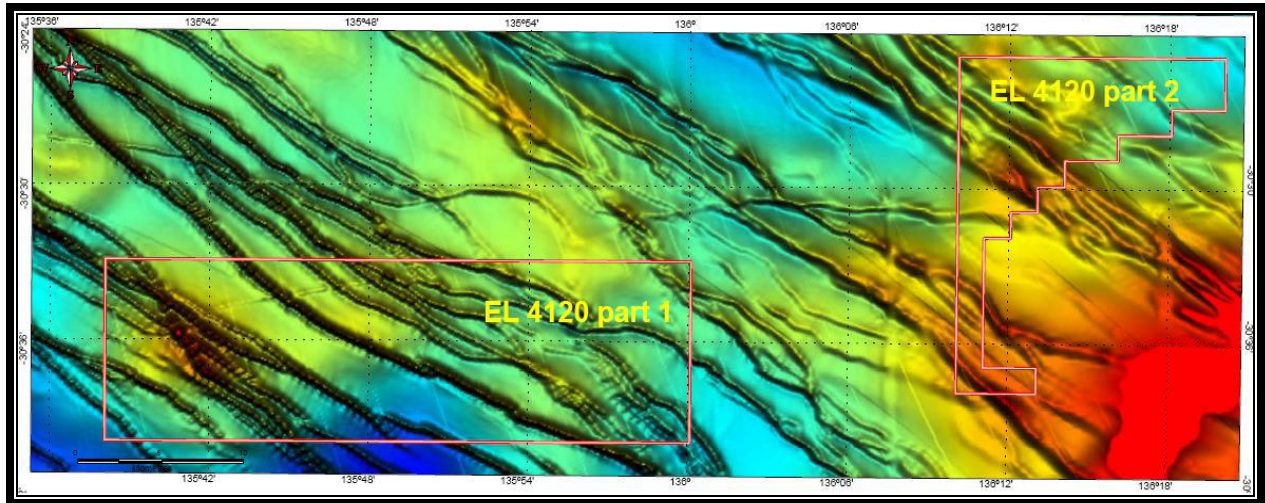
The basal unconformity between the Mesoproterozoic red beds of the Pandurra Formation and the underlying crystalline basement is believed to be analogous to that in the Athabasca Basin in Canada, where large high-grade uranium deposits are found associated with redox interfaces.

7. Exploration Activities

No field work was undertaken during the term of the licence. Exploration activities comprised office studies, Aboriginal Heritage register search and geophysical data processing and interpretation.

Access to the area was restricted due to the Woomera Prohibited Area and Native Title access requirements.

The licence lapsed due to an inadvertent oversight in lodging the renewal application within the time specified in Section 30A of the Mining Act 1971.



EL 4120 TMI Image

Fig 5

8. Expenditure

Expenditure Item	\$
Salaries & Wages	5000
Consultants Fees	16500
Legal Fees	3000
Management Fees	2000
Office overheads	2000
Total	<u>28500</u>

9. References

Ferris, G., Schwarz, M., 2003. Proterozoic Gold Province of the Central Gawler Craton. MESA Journal No. 30, July 2003.

Parker, A.J., 1993. The Geology of South Australia Vol. 1. The Precambrian, Chapter 2, The Geological Framework. South Australian Geological Survey, Bulletin 54