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EL 3762

ACROPOLIS SOUTH

**FOURTH PARTIAL SURRENDER REPORT AT
LICENCE EXPIRY/RENEWAL,
FOR THE PERIOD 4/5/2007 TO 3/5/2012**

Submitted by
Minotaur Exploration Ltd
2012

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PARTIAL RELINQUISHMENT REPORT

EL 3762 (ACROPOLIS SOUTH)
SOUTH AUSTRALIA

FOR YEAR ENDING 3rd MAY 2012



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EL 3762 (ACROPOLIS SOUTH) SOUTH AUSTRALIA

FOR YEAR ENDING 3rd MAY 2012

**R.B. Flint
October 2012**

SUMMARY

- EL 3762 (Acropolis South) reached its 5-year maturity date on 3rd May 2012, and though extended and replaced by tenement EL 4897 there was a partial surrender imposed as some of the old tenement was within the red zone of the Woomera Prohibited Area.
- Limited gravity surveying was undertaken during December 2005 within the now relinquished portion of EL 3762.

MAP REFERENCE: 1:250 000:
MAP REFERENCE: 1:100 000:

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INTRODUCTION

Exploration Licence 3762 (Acropolis South) is located ~30–35 km south of Olympic Dam (Figure 1). It is within the Olympic Domain of the eastern Gawler Craton, known for its Mesoproterozoic IOCG-style mineralisation with operating mines at Olympic Dam and Prominent Hill, an advanced project (Carrapateena) along with a number of known prospects (e.g. Acropolis, Wirrda Well, Emmie Bluff). Olympic Dam is a world-class deposit containing an immense resource of 8339 Mt @ 0.88% Cu, 0.28 kg/t U₃O₈ and 0.31 g/t Au, representing the world's largest uranium deposit, fourth largest copper deposit and also fourth largest gold deposit. Notable successes after Olympic Dam are Prominent Hill (2001) and Carrapateena (2005). Despite considerable exploration for IOCG-style deposits along the eastern Gawler Craton since discovery of Olympic Dam in 1975, the discovery rate remains low.

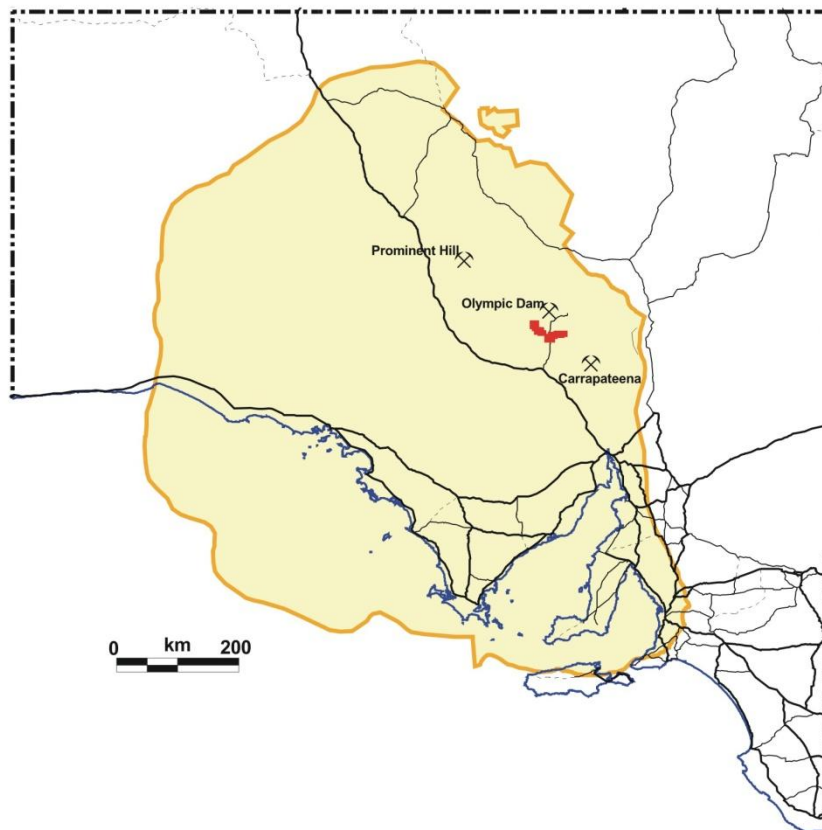


Figure 1: Location of tenement EL 3762 (Acropolis South)

Minotaur has been exploring for IOCG mineralisation on EL 3762 due to the tenement being proximal to known IOCG mineralisation at Acropolis and Wirrda Well. Exploration initially focused near Roxby Downs Homestead, but when access difficulties arose for operating within the Woomera Prohibited Area, then activities shifted further east to between Purple Downs and Andamooka Homesteads.

TENURE

Tenement EL 2931 (Acropolis South) was originally granted on 26th April 2002 and was renewed for a further 5 year period up to 3rd May 2012 as exploration licence EL 3762. An application to DMITRE for renewal as a subsequent Exploration Licence was lodged and granted (EL 4897), though reduced in aerial extent from original 327 km² to 308 km², a reduction imposed by government authorities as portion of the tenement coincided with the red zone of the Woomera Prohibited Area (Figures 1–2).

After listing on the ASX on 24th March 2006, Toro Energy Limited (Toro), under the terms of a tenement access agreement with Minotaur Operations Pty Ltd, gained the rights to uranium exploration on EL 2931 (and subsequently EL 3762).

Minotaur entered into a Joint Venture with Japan Oil, Gas and Metals National Corporation (JOGMEC) on 27th September 2007. Under the terms of the Joint Venture JOGMEC were to earn a 51% interest in the tenements by sole funding A\$2 million of exploration expenditure over a three year period, with a minimum obligation of A\$1 million. JOGMEC subsequently withdrew from the Joint Venture on 18th June 2009, in part due to access difficulties of undertaking mineral exploration within the security sensitive Woomera Prohibited Area.

Protracted negotiations have been undertaken over several years in order to obtain a reasonable co-sharing working relationship for continued exploration within the Woomera Prohibited Area. These negotiations resulted in a Deed of Access

(Exploration) being signed on the 2nd of April 2008. The Deed was valid for a period of one year to the 1st of April 2009. With the expiry of the Deed of Access, the Department of Defence refused to renew the Deed and currently no exploration by Minotaur is possible within those parts of the Exploration Licence that lie within the Woomera Prohibited Area. Public consultation over revised terms and conditions within the draft Deed of Access is ongoing (as at May 2012).

In April 2012, Minotaur entered into a Sale and Purchase Deed with BHP Billiton Olympic Dam Corporation Pty Ltd relating to the sale of 5 tenements held by Minotaur on the eastern Gawler Craton, including EL 3762 (Acropolis South). As part of the Sale process, Toro Energy Limited also sold their rights to uranium mineralisation on tenement EL 3762. The Sale and Purchase Deed with BHP Billiton Olympic Dam Corporation Pty Ltd was finalised by 30th June 2012.

This technical report summarises exploration activities undertaken by Minotaur Exploration on the surrendered portion of EL 3762 (Acropolis South) (Figure 2).

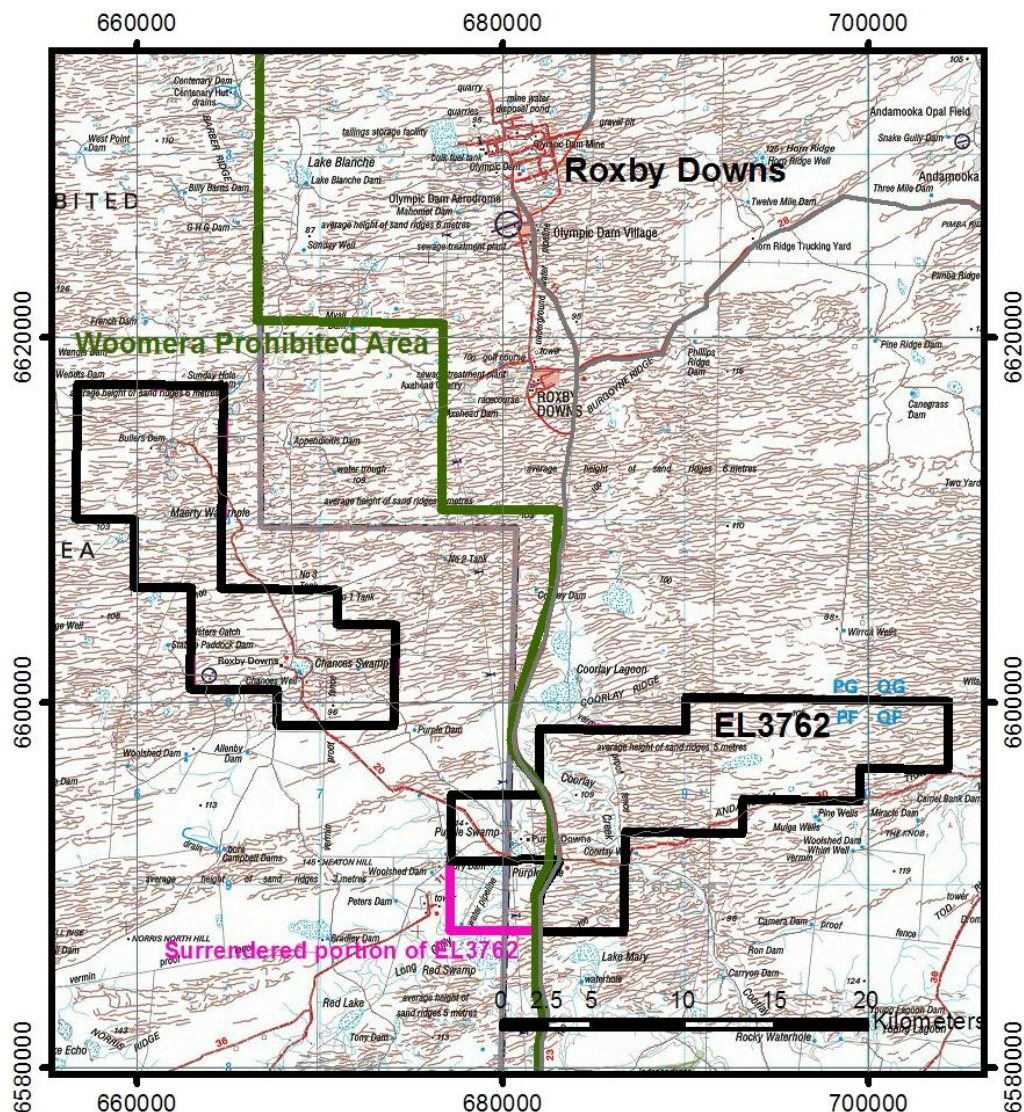


Figure 2: Location of tenement EL 3762 (Acropolis South) with respect to the Woomera Prohibited Area

PREVIOUS EXPLORATION

Details of previous exploration by Minotaur have been documented in Burt *et al* (2006), Flint and Thompson (2006), Mayer and Thompson (2008), Lockheed *et al* (2009), Mayer and Thompson (2010), Flint and Messeiller (2011), Mayer *et al* (2011) and Flint (2012). However, most exploration activities including gravity surveys, MT surveys and various diamond drill programs were focussed west of the Acropolis Prospect and at the Aphrodite gravity anomaly southeast of Wirrda Well. Activities

on the surrendered portion of EL 3762 are restricted to a single gravity survey during late 2005 (Figure 3).

Haines Surveys carried out the gravity survey on EL 2931 (precursor tenement to EL 3762) during 5th–16th December 2005 as part of a broader regional gravity survey. On EL 2931, a total of 325 gravity stations were collected on a 1 x 1 km grid over areas of pre-existing poor coverage and an additional detailed N–S traverse with a station spacing of 250 m (Figure 3). Coordinates for gravity stations were originally based upon the AGD66 datum in order to assist merging with previous surveys, and were subsequently converted to the GDA94 datum post processing of the gravity data.

A positive gravity anomaly was identified just west of the main road between Woomera and Roxby Downs subarea and partly coinciding with the relinquished portion of the tenement. It has low amplitude and a broad wavelength suggesting basement units possess modest densities at considerable depths, though there is no drilling in this immediate area to accurately constrain geophysical modelling.

The gravity feature appears to have no associated distinct magnetic anomaly (Figure 4)

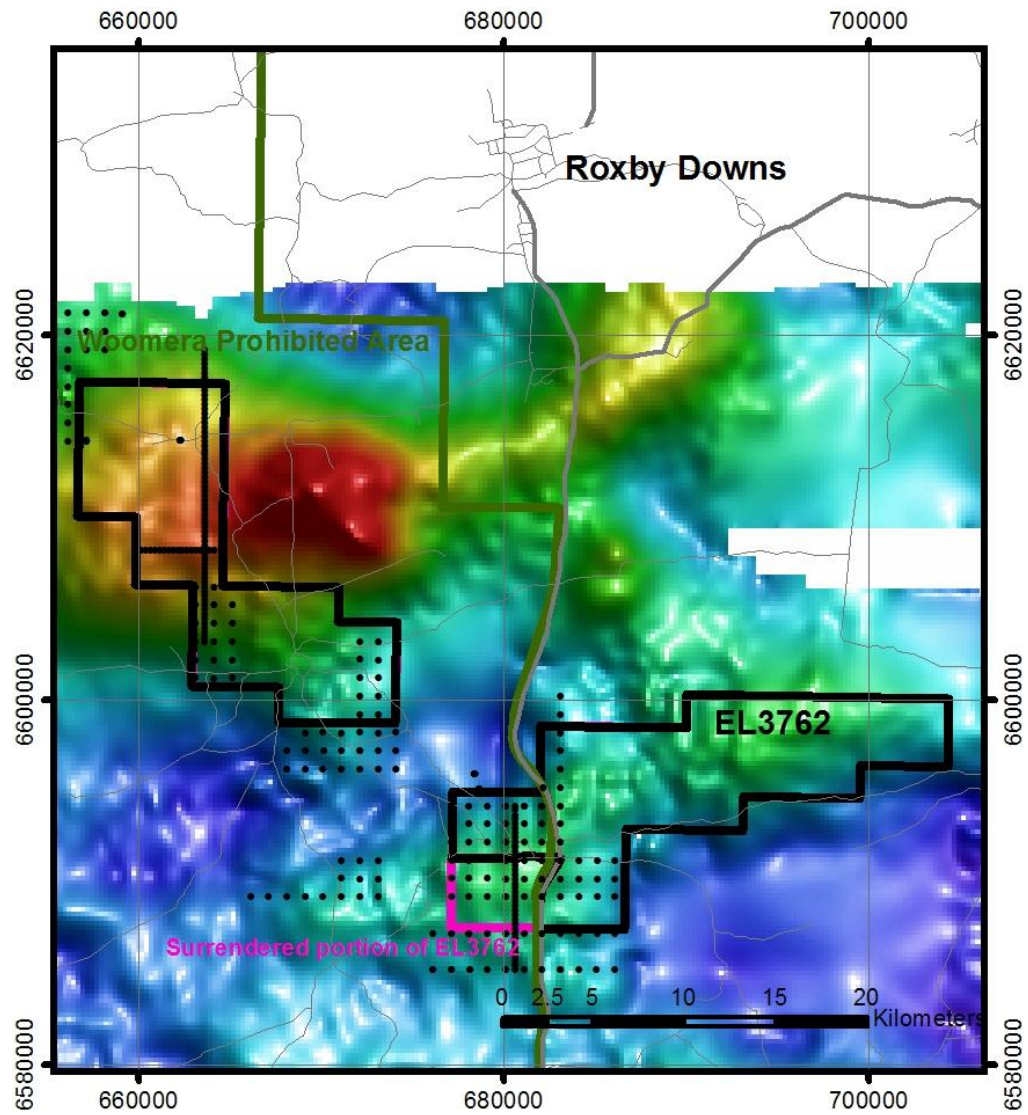


Figure 3: Regional Residual gravity image for EL 3762 (Acropolis South) showing station locations for the 2005 gravity survey (black dots)

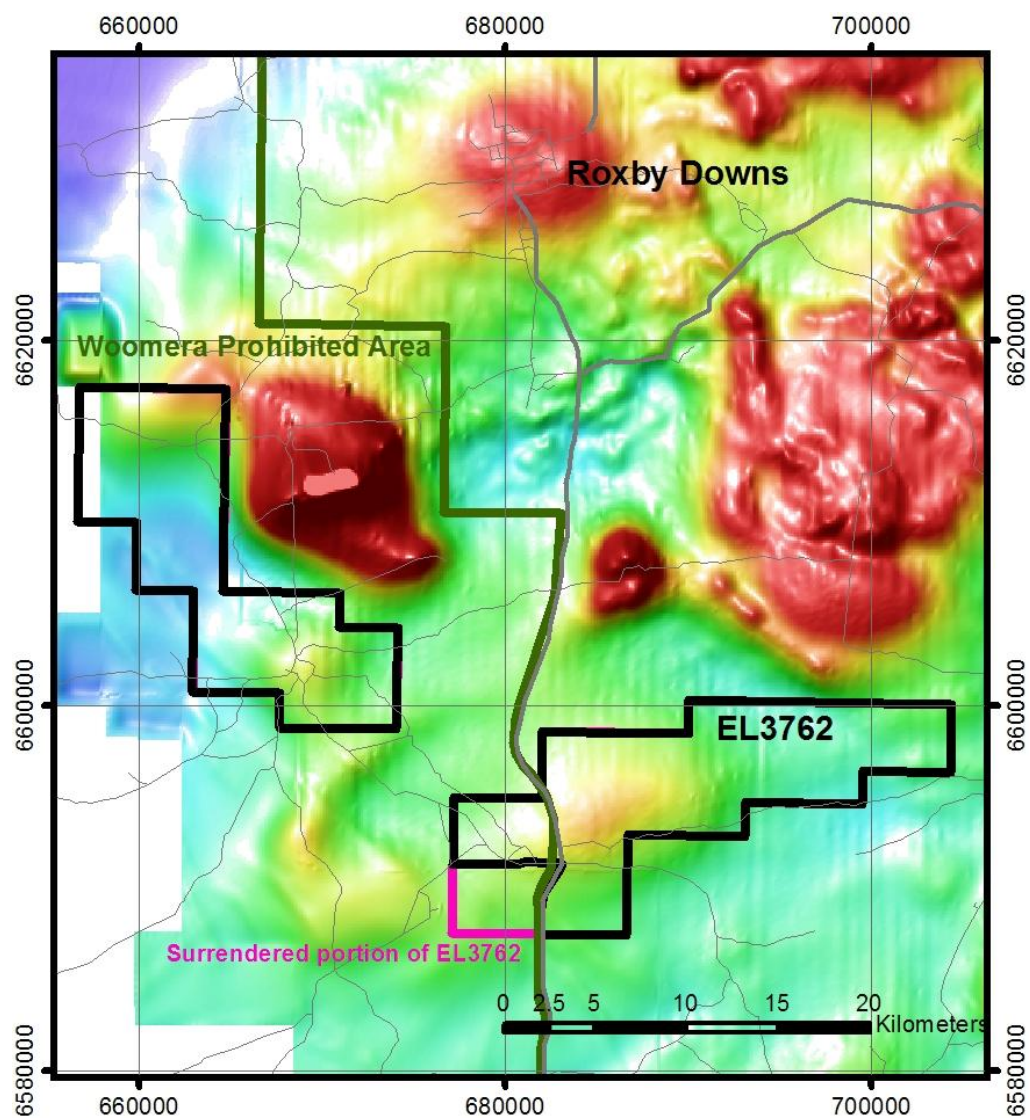


Figure 4: TMI-RTP image for EL 3762 (Acropolis South)

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