FIRST TIME DISCLOSURE: MEGA URANIUM LTD. MINERAL RESOURCES FOR LAKE MAITLAND URANIUM DEPOSIT

Located in Western Australia,
AUSTRALIA

FOR

MEGA URANIUM LTD.
THE EXCHANGE TOWER
130 KING STREET WEST SUITE 2500
TORONTO, ONTARIO
CANADA

FEBRUARY, 2007

A VAN DER HEYDEN, BSC MAUSIMM

HELLMAN & SCHOFIELD PTY LTD
3/6 TRELAWNEY ST, EASTWOOD
NSW 2122 AUSTRALIA

TEL: +61 2 9858 3863
FAX: +61 2 9858 4077
EMAIL: hellscho@hellscho.com.au

2 TABLE OF CONTENTS

TABLES

ILLUSTRATIONS

3 SUMMARY

This report details the mineral resources for the Lake Maitland uranium project and is consequent upon the announcement on 31st October, 2006 by Mega Uranium Ltd. (Mega) of a successful takeover of Redport Limited (Redport). While Redport was previously listed on the ASX, Mega is listed on the TSX and therefore this resource estimate has not been previously reported under NI43-101 rules.

Mega, through their acquisition of Redport, has 100% equity in the Lake Maitland project, which Redport manages and operates. Redport Limited is an Australian incorporated company.

The Lake Maitland Project is located in central Western Australia, at Latitude 27º 10' south, Longitude 121º 05' east, about 130 kilometres SE of the town of Wiluna and 90 kilometres NW of the town of Leinster. The project comprises 8 granted exploration licences, 11 granted prospecting licences and 9 prospecting licence applications.

The Lake Maitland uranium deposit is characterised as a surficial calcrete deposit which has been developed in one single layer at a depth of 2 to 6 metres from the surface. The mineralised zone is 1 to 3 metres thick, 300 to 1,500 metres wide, about 6 kilometres in length and extends in a north-south arcuate zone into both westerly-extending arms of the playa lake. The uranium-vanadium mineralisation occurs principally as the mineral carnotite ($K(UO_2)_2(VO_4)_2.3H_2O$).

At the time of the most recent resource estimates (June 2006), the Lake Maitland database contained a total of 1605 drill holes totalling 12,531m comprising a combination of auger, rotary air blast (RAB) and aircore holes. Drill hole spacing approximates 100(EW) x 200(NS)m in the better drilled sections of the deposits, and out to 200x800m in the sparser drilled areas.

The digital database of historical data for Lake Maitland was compiled by Acclaim and updated by Redport to include their recent (2005) drilling. This database provided the basis for the resource estimates reported in July 2006, which H&S accepted in good faith as an accurate, reliable and complete representation of the available data.

Limited spot checking of the database by H&S did not identify any substantial errors, so it is considered unlikely that database contains any "fatal flaw" problems. Therefore the database is considered adequate for the estimation of Inferred resources. A few minor errors were identified and some data was found to be missing; these issues need to be addressed.

The Lake Maitland database contains a combination of radiometric (63% of assayed intervals by length) and chemical assays (37%), and is dominated by Redport radiometric and CEC chemical assays.

QA/QC for the recent drilling (Redport 2005) comprised rigorous calibration of gamma probes and standards, blanks and duplicates for the chemical assays. The chemical assays for uranium (ICP-MS method) were shown to be reasonably accurate and precise. Comparisons between the chemical and radiometric data show that the calibration of the gamma probes was adequate.

H&S visited the Lake Maitland project area in late January 2007 and performed a field inspection of the local geology, drill hole sites and drill samples. A scintillometer was used to confirm uranium mineralisation both in the field and in drill samples.

Redport supplied the drill hole database for the deposits, which H&S accepted in good faith as an accurate, reliable and complete representation of the available data. H&S performed only limited validation of the data, including the quality control data for sampling and assaying. The database for Lake Maitland generally appears to be satisfactory for resource estimation, but the responsibility for data integrity and quality resides with Redport.

Redport provided drill hole intercepts at 100, 200 and 500ppm U_3O_8, which formed the basis for models of ore thickness and accumulation (grade x thickness). Ordinary kriging was used to estimate both thickness and accumulation, with grade estimates of U_3O_8 back-calculated from these estimates. No cutting of high grades was applied during estimation.

New resource estimates were completed by H&S in June 2006, with results summarised below (Table 1); all resources are classified as Inferred.

Table 1. Lake Maitland June 2006 resource estimates

Cut off Grade	**Tonnage (Mt)**	**U_3O_8 ppm**	**Metal (Kt)**
100ppm	32.7	330	10.7
200ppm	16.6	500	8.3
500ppm	5.5	860	4.8

Figure 1 shows the location of the Lake Maitland project including the Redport tenements and other nearby deposits.

The Lake Maitland project contains significant uranium resources defined by existing data over a large area. There is reasonable potential for expanding existing resources and discovering and defining additional resources within the Lake Maitland project area, either adjacent to existing resources or at depth. The existing database for Lake Maitland is considered adequate for the estimation of Inferred mineral resources.

Vanadium is also present in the uranium mineralisation at Lake Maitland (at comparable levels to uranium) and could contribute economically significant credits to the project. However, there is only limited data for vanadium and this has not been evaluated to date.

A range of recommendations are made in Section 22 relating to additional work at Lake Maitland.

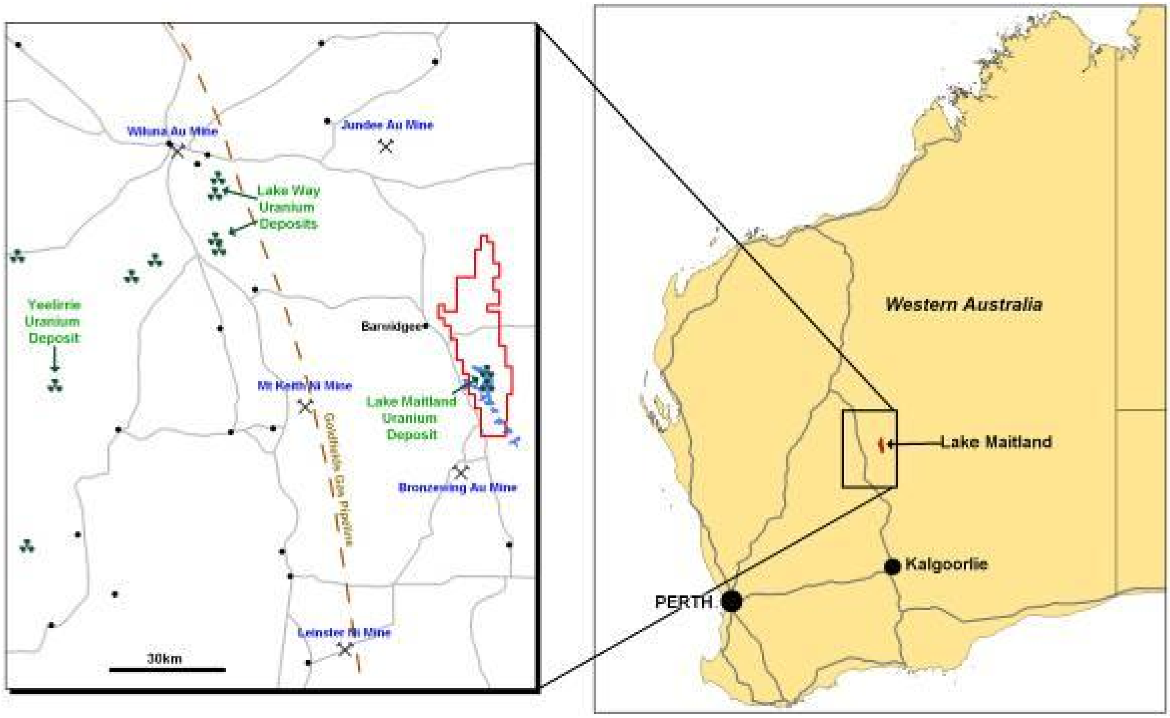


Figure 1. Location of Lake Maitland Uranium Deposit

The current Labor Government in Western Australia will not grant a mining licence for a uranium mine. The current Federal Government, however, will approve new uranium mines. Federal Labor policy does not ban uranium mines and supports existing mines in Northern Territory and South Australia. To progress the currently defined uranium resources at Lake Maitland, however, to reserve status will require a State Government policy change. No timetable for this has been disclosed and it must be assumed that any mining operation may be significantly delayed until the current policy is revoked. Debate of this policy is scheduled for the Labor Party conference to be held in Sydney on April 28-29, 2007.

4 INTRODUCTION

This report was prepared for Mega Uranium Ltd. by Hellman & Schofield Pty Ltd. This report contains the first time disclosure by Mega of uranium mineral resource estimates for the Lake Maitland project.

The details of this report, by virtue of Mega's recently completed take over of Redport, include projects not previously reported by Mega. This independent technical report was prepared at the request of Mr Matthew Wheeler, Manager Geology, Redport.

Information, conclusions and recommendations contained herein are based on field examinations, including a study of relevant and available data and discussions with Redport's manager geology Matthew Wheeler.

Information in this report has been sourced from mineral resource reports produced by Redport as the operator and manager of the Lake Maitland project. These resource reports contain references to historic reports and geological studies. References to relevant reports are made where appropriate within this report and all references used are cited in Section 23.

The author visited the Lake Maitland project area for two days in late January 2007 and performed a field inspection of the local geology, drill hole sites and core samples. A scintillometer was used to confirm uranium mineralisation both in the field and in drill samples.

All units are metric unless otherwise stated, grid references are based on the Map Grid of Australia (1994), which is based on the Geocentric Datum of Australia, 1994 (GDA94).

5 RELIANCE ON OTHER EXPERTS

Part of this technical report relies on information in a report regarding native title by Pamela Kaye, Solicitor - Mining & Energy, DLA Phillips Fox.

Marcus Walter of M&M Walter Consulting – Tenement Managers provided some information regarding project tenements.

6 PROPERTY DESCRIPTION AND LOCATION

6.1 Location

The Lake Maitland Project is located in central Western Australia, at Latitude 27º 10' south, Longitude 121º 05' east, about 130 kilometres SE of the town of Wiluna and 90 kilometres NW of the town of Leinster. It is situated on Barwidgee Pastoral Station around 400 km north of Kalgoorlie and 750 km northeast of the capital city Perth. Lake Maitland lies on the Sir Samuel 1:250,000 sheet (SG 51-13) and the Wanggannoo 1:100,000 sheet (3143).

6.2 Description

The Lake Maitland Project comprises 8 granted exploration licences, 11 granted prospecting licences and 9 prospecting licence applications. These licences have been granted in accordance with the *Mining Act 1978* of Western Australia. A Tenement schedule is provided in Table 2. All tenements are currently in good standing. The total annual rental on the Lake Maitland Project tenements is AUD $21,997 (including GST) with a minimum expenditure commitment of AUD 306,120.

The currently stated Inferred mineral resource (100ppm lower cut-off) is covered by granted licences E53/1099, E53/947, P53/1256 and P1258-1261.

Exploration licences boundaries are based on the Graticular block system (1 minute of latitude by 1 minute of longitude) which do not require physical datums or pegging to be granted under the Mining Act. All prospecting leases have been physically marked with corner pegs referenced to MGA Zone 51 co-ordinates (GDA94) as per description in the tenement register.

The area of a graticule varies with location; at Lake Maitland one graticular block is approximately 1.68km (latitude) x 1.82km (longitude) or 306 hectares. Therefore the total area of the Lake Maitland tenements is around 552 square kilometres.

Table 2. Details for Lake Maitland Exploration and Prospecting Licenses

Lease	Lease Status	Area Type	Lease Area	Grant/Applic -ation Date	Expiry Date	Annual Commit.	Annual Rent
E53/1026	Granted	Blocks	9	27/07/2005	26/07/2010	$20,000	$913
E53/1213	Granted	Blocks	70	5/01/2007	4/01/2012	$70,000	$7,354
E53/1214	Granted	Blocks	6	5/01/2007	4/01/2012	$20,000	$630
E53/947	Granted	Blocks	4	17/11/2004	16/11/2009	$15,000	$420
E53/1060	Granted	Blocks	7	18/08/2005	17/08/2010	$20,000	$710
E53/1099	Granted	Blocks	22	22/06/2005	21/06/2010	$22,000	$2,231
E53/1210	Granted	Blocks	26	18/01/2007	17/01/2012	$26,000	$2,731
E53/1211	Granted	Blocks	25	10/01/2007	9/01/2012	$25,000	$2,626
P37/6943	Application	Hectares	197	28/03/2006		$0	$0
P53/1252	Granted	Hectares	197	31/01/2007	30/01/2011	$7,880	$390
P53/1253	Granted	Hectares	198	30/01/2007	29/01/2011	$7,920	$392
P53/1254	Granted	Hectares	178	31/01/2007	30/01/2011	$7,120	$352
P53/1255	Granted	Hectares	200	31/01/2007	30/01/2011	$8,000	$396
P53/1256	Granted	Hectares	186	31/01/2007	30/01/2011	$7,440	$368
P53/1257	Granted	Hectares	189	31/01/2007	30/01/2011	$7,560	$374
P53/1258	Granted	Hectares	183	31/01/2007	30/01/2011	$7,320	$362
P53/1259	Granted	Hectares	152	31/01/2007	30/01/2011	$6,080	$301
P53/1260	Granted	Hectares	123	31/01/2007	30/01/2011	$4,920	$244
P53/1261	Granted	Hectares	199	31/01/2007	30/01/2011	$7,960	$394
P53/1262	Granted	Hectares	199	31/01/2007	30/01/2011	$7,960	$394
P53/1263	Application	Hectares	199	29/03/2006		$7,960	$394
P53/1324	Application	Hectares	72.9	22/01/2007		$0	$0
P53/1336	Application	Hectares	108.9	31/01/2007		$0	$0
P53/1337	Application	Hectares	188.6	31/01/2007		$0	$0
P53/1338	Application	Hectares	174.7	31/01/2007		$0	$0
P53/1339	Application	Hectares	174.7	31/01/2007		$0	$0
P53/1340	Application	Hectares	170.3	31/01/2007		$0	$0
P53/1341	Application	Hectares	170.9	31/01/2007		$0	$0
					Total =	**$306,120**	**$21,977**

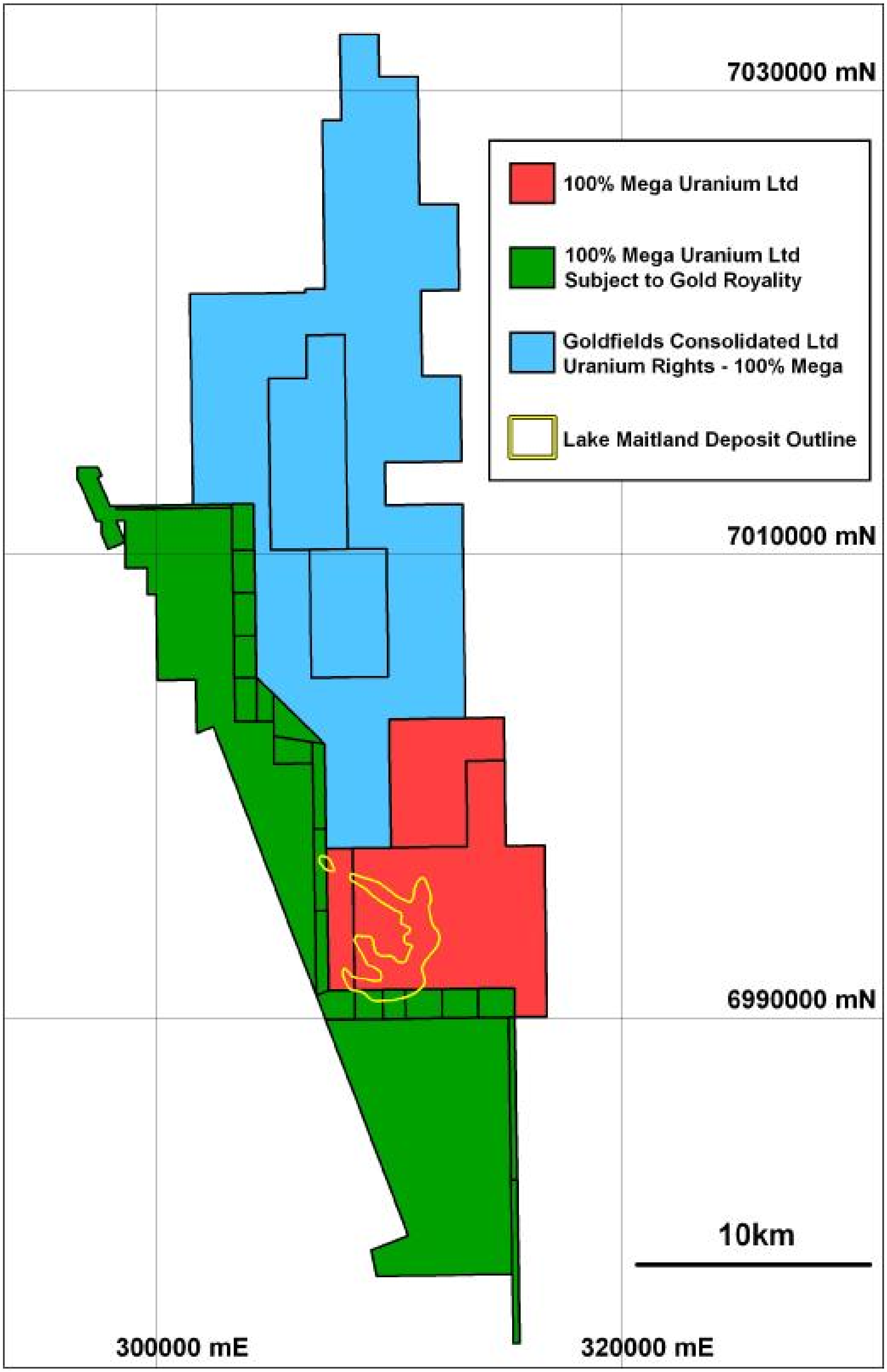


Figure 2. Lake Maitland Tenements

Mega, through their acquisition of Redport, has 100% equity in the Lake Maitland project, which Redport manages and operates. Redport Limited is an Australian incorporated company. The corporate structure is summarised in Figure 3 below.

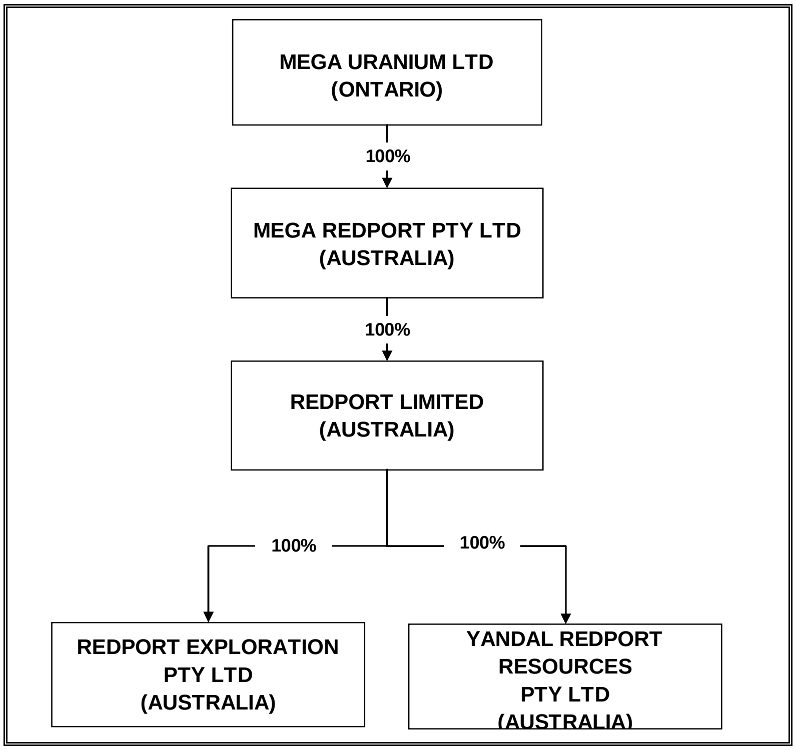


Figure 3. Corporate Structure

An outline of the mineralized zone at Lake Maitland (at 100ppm U3O8 threshold) is shown in Figure 2. As the project is currently undeveloped, the only facilities on site are the camp and nearby core storage area.

Exploration licence E53/1099 carries an AUD $10,000 Unconditional Performance Bank Bond held with Department of Industry and Resources.

The Lake Maitland property is subject to 3 overlapping unregistered native title claims; until these overlapping claims resolved and registered, Redport is under no specific obligations apart from the normal requirements for exploration licenses under the Native Title and Aboriginal Heritage Acts.

The author is aware of no other royalties, back-in rights, payments or other agreements and encumbrances that apply to the Lake Maitland property. Nor are there any known environmental liabilities to which the property is subject.

To the author's knowledge, Redport has secured all the required permits to conduct exploration on the property.

6.3 Federal and State Government Uranium Policy

Since being elected in 1996 the current Federal Liberal-National Party Coalition Government has endorsed the exploitation of uranium and its sale to overseas interests, subject to strict monitoring. The Coalition Government abolished the “Three Mine Policy” adopted in 1983 by the previous Federal Australian Labor Party (ALP) Government.

The Commonwealth Government will only issue an export licence for uranium if it is satisfied the intended recipient will use the uranium for peaceful non-explosive purposes. Australia has developed a regulatory framework for the uranium industry that is widely recognised as being effective and representing world’s best practice. There are four fully operating uranium mines in Australia at present. These are the Ranger mine located in the Northern Territory; Olympic Dam, Beverley and the recently commissioned Honeymoon mine located in the state of South Australia.

The Western Australian State Labor Government has a stated policy opposing uranium mining and processing. This policy is not enacted by any legislation and may change as political circumstances change. Since 25 June 2002 all mining leases have been granted subject to a condition prohibiting the mining of uranium ore. These policies do not restrict exploration for uranium, however in order for the Company to mine uranium in Western Australia state government policy would need to change.

No timetable for any such policy change has been disclosed and it must be assumed that any mining operation may be significantly delayed until the current policy is revoked or there is a change of State Government. Debate of this policy is scheduled for the National Labor Party conference to be held in Sydney on April 28-29.

7 ACCESS, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Lake Maitland Project area is situated within the North Eastern Goldfield’s Province of Western Australia. The Lake Maitland Project is located 750km northwest of Perth, the Capital City of Western Australia. The Project area is situated on the Barwidgee Pastoral Station approximately 70 kilometres southeast of the township of Wiluna (population 960) and 90 kilometres northeast of Leinster. Wiluna and Leinster are serviced by regular air charter flights and road transport. The north-south Goldfields Gas Pipeline passes through the area approximately 50 kilometres to the west of the Lake Maitland Project.

The major sealed road access is via the Kalgoorlie-Leonora-Wiluna-Meekathara highway (Goldfields Highway). Good quality shire-maintained unsealed roads connect the major Mining Centers of Leinster, Bronzewing (currently on care and maintenance) and Jundee. Access to the Lake Maitland project from the west is via the well maintained Bronzewing unsealed private road. Access from the north is via the Barwidgee-Wanggannoo pastoral station roads.

The area has a semi-arid climate characterised by low rainfall and a large temperature range. The mean annual rainfall is about 250 mm, but may vary annually from between 100 and 500 mm. The winter months of May to August have the highest and most consistent average rainfall, however intense rainfall can occur periodically in the summer moths of December to April during tropical storms and cyclones. Summer temperatures regularly exceed 40°C from December to February with an average daily maximum temperate of 35-36°C. Average daily minimum temperatures between June and August are 6-7°C with occasional frosts recorded. Potential evaporation totals 2400 mm/year and exceeds rainfall in all months. Mean daily maximum and minimum temperatures and average monthly rainfall for the closest town of Wiluna is shown in Figure 4.

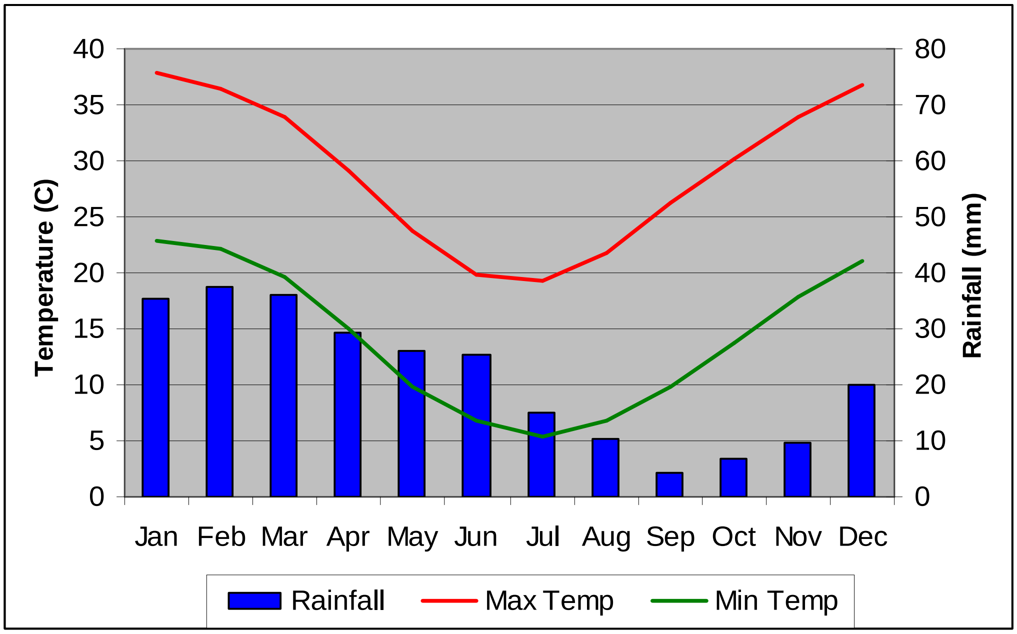


Figure 4. Monthly Average Temperature and Rainfall for Wiluna

The region has a subdued topography ranging from flat to undulating. The largest hills to the west are 494-514m (Mt Joel) above sea level with the plains at 470-480m above sea level. The Lake Maitland surface varies between 469-474m above sea level. Hills correspond to areas of outcropping greenstones (Yandal Greenstone Belt) west of Lake Maitland and have a general north-northwest trend which corresponds to the strike of the greenstone belt. Areas North, South and East of Lake Maitland are dominated by large areas of sand plain containing low breakaways above outcropping granitoids.

The hilly areas dominated by greenstone generally are covered by dense Acacia (mainly mulga) and Cassia shrubs. Both narrow and broad ephemeral drainage courses are dominated by dense vegetation growth including Acacia, Eucalyptus and sandlewood. Bluebush, saltbush and samphire occur around the Lake Maitland playa lake system. Sand plains largely overlie sheetwash and weathered granitoid and are dominated by spinifex with scattered mulga and eucalypt overstorey. The vegetation assemblages in the Eastern Goldfields have been described by Burbidge (1943) and Beard (1990) and been mapped by Beard (1981).

The area immediate area around Lake Maitland is arid with sparse vegetation comprising spinifex grasses, clumps of scrub and occasional trees (see Figure 7 and Figure 8). The lake bed itself has a sparse cover of Samphire, Spinifex and Dunna-dunna (Lawrencia helmsii – see **Figure 5**).

Figure 5. Dunna-dunna on bed of Lake Maitland

The Lake Maitland Project area is located within the Carey drainage system, one of three defined large, broad sub-parallel trending palaeodrainages systems of the region. The Carey Paleodrainage has a very low gradient and in addition to Lake Maitland contains numerous small to very large playa lakes.

Lake Maitland is normally dry, floored by mud and salt crystals and is fringed by sand and gypsum (kopi) dunes that prevent the flow of surface runoff. Lake Maitland may become inundated during rare intense rainfall and cyclonic events. The last known time this occurred was during Cyclone Bobby in 1995.

The North Eastern Goldfields region is a major mineral province with over 20 operating gold mines, two nickel mines, and numerous deposits of uranium, rare earths and base metals. Nickel mining is centred on the deposits at Leinster, Mount Keith and Murrin-Murin. Other major deposits include Yakabindie (nickel), Mount Weld (rare earths), Honeymoon Well and Yeelirrie (uranium).

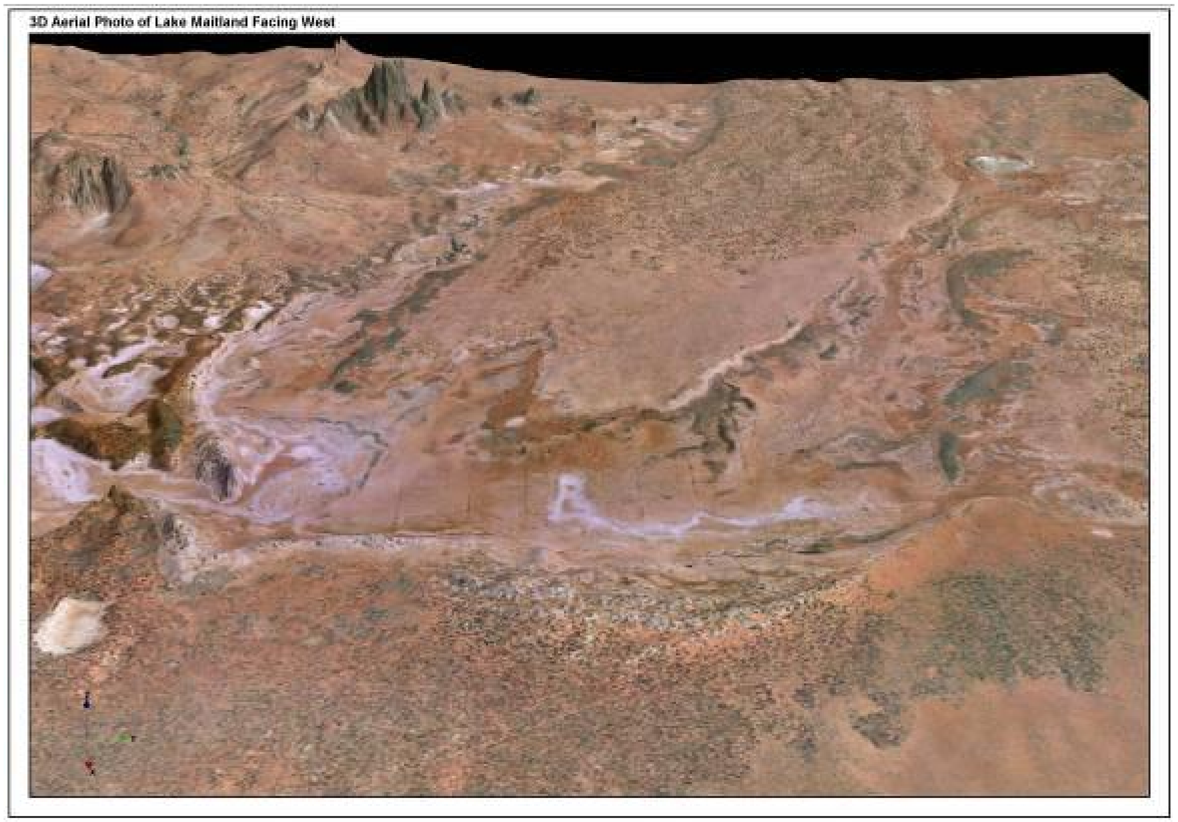


Figure 6. Aerial View of Lake Maitland Looking West

The deposit lies in a predominantly flat area dominated by low sand dunes (1-3m high and up to 200m long), samphire flats and depressed clay pans. The mineralised appears to be confined to calcrete areas within the margins of the lake, or those areas where calcrete may have been present historically. Some areas of calcrete show evidence of significant re-solution, this is seen in the drill logs as extensive voids in the rock mass and has a demonstrable effect on the bulk densities recorded for some of the samples. The average elevation of the drill hole collars is 485m above sea level.

The area around Lake Maitland is very flat, with more than adequate area to establish a mining operation and associated infrastructure. Power would likely be from diesel generators and groundwater sources would need to be tapped as there is no substantial nearby surface water supply. Personnel could be sourced from Perth on a fly in/fly out basis.

Figure 7. Trench in Lake Maitland

Figure 8. Aircore rig on Lake Maitland (2005 program)

8 HISTORY

8.1 Prior Ownership

The title "Lake Maitland" was first applied by Cultus Pacific NL into two small zones of mineralisation in 1979 (McKay & Miezitis, 2001). Cultus assessed uranium resources (non-JORC compliant) to be 500 t at an average grade of 0.04 % U_3O_8 with a best result of 0.06% over 2m returned from analysis.

Seven companies have undertaken work at Lake Maitland (also known as Mt. Joel). They are, in order of work, Australis Mining, Asarco (Wiluna Gold Mines), Carpentaria Exploration Company (Mt. Isa Mines), BP Minerals Australia, Esso (Exxon Coal and Minerals), Acclaim Uranium and Redport.

Currently, the Lake Maitland project is 100% owned by Redport, who are the operator and manager of the project. Mega recently acquired 100% equity in Redport through a recently completed takeover.

8.2 Previous Exploration

8.2.1 Bureau of Mineral Resources

In 1967 the BMR flew the Sir Samuel 1:250,000 mapsheet on 1.4 km line spacing, collecting magnetic and radiometric data. It was an anomaly marked on the BMR's radiometric map which originally drew attention to Lake Maitland as a potential Uranium target.

8.2.2 Australis Mining NL

Australis Mining carried out scintillometer traversing using a BGS-1S at one mile line spacing, which was followed up in June 1972 by a 25 hole auger drilling programme using a Gemco auger rig. Hole depth was generally 16'. This programme was followed by a more detailed programme of 33 auger holes in July of the same year. Depth of holes was 22' for 726' in total. Sampling was done at 1' intervals and retained where the scintillometer gave a reading greater than background. Downhole logging using an Austalex Mini Borehole Logger was carried out. Uranium values up to 2.83 lb/t were noted. A total of 50 samples from 8 holes were sent for assay at Geomin Laboratories using a fluorimetric technique, measuring in U_3O_8. Holes were designated AU01 to 58. This work was on the NW arm of the lake, in the area covered by the baseline 50,000mS. A copy of the Australis Mining Drill Location plan obtained with the Esso data was annotated as section B' = 13,200w, section C = 13,800w, section D =14,400w, section E = 15,200w and section F =16,000w on the Esso/ CEC grid. Whether this is accurate is not known.

8.2.3 Asarco (Wiluna Gold Mines)

Asarco carried out two scintillometer traverses using a BG5 -16 over the Lake surface which gave anomalies of 4-5 times background. This was followed up by 123 auger and RAB holes using a Gemco HT7 and Mayhew 1000 percussion rig. A Gemco 210 auger rig was used to finish the programme after the breakdown of the HT7. Holes were numbered M001 to M123. Drilling was carried out on claim boundaries initially and on a ½ mile line spaced grid with 1/8 mile hole spacing to follow up the anomalous areas. Holes were logged using a Mt. Sopris 1000 downhole logger. Samples were collected at 6' intervals for the auger drilling and 5' for the percussion holes. Samples were only sent for assay where a radiometric anomaly was detected. Some check assays were sent to a second laboratory to check the results from the first. Also a composite sample from each hole was sent for assay to check that no non-radioactive uranium was missed. The work was presumably carried out during 1972. Drilling was carried out over the whole lake surface and also to the west of the lake.

8.2.4 BP Minerals Australia

BP held claims to the south, north and west of the main claim group (held at the time by CEC / Asarco) covering the lake surface. The claims were optioned to BP in May 1974. Work carried out in 1974 included reconnaissance geological visits, photogeology, ground radiometric traversing and a track-etch survey, all apparently carried out over the southern claims.

A follow-up programme of 18 RAB holes was carried out over the same southern claims in November 1975 using a Halco RAB drill mounted on a Bombardier tracked vehicle. Holes were logged using a Scintrex GIS-2 spectrometer with an uncalibrated BP-1 downhole probe. Results from this probe are qualitative only. The drilling was conducted on claim boundaries giving a grid of 1500m lines with 800m hole spacing. Holes were drilled to 30m average. Infill drilling was undertaken in anomalous areas. No quantitative data was presented for this drilling; assays were not presented.

The 1975 work was followed by the drilling of 92 auger holes, A101 to A192 during June 1976. Holes were drilled to 9m on average and logged with an uncalibrated Geometrics DISA 400A downhole probe. The probe was pulled to the surface by hand and the results recorded on an analogue chart recorder. BP mention in their report that the e U_3O_8 grade is approximately the same as the cps reading. Some cuttings were sent for assay from the anomalous zones of the mineralised holes and the results were this time appended to the annual report. Drilling was on the southern claim block.

A second programme in July 1976 again used an auger rig. Holes A193 to A206 were drilled on the western claim block covering the south western arm of the lake and the northern claim block. These holes were also probed as above and mineralised sections sent for assay.

In March 1977 auger holes A207 to A215 were drilled on the northern claim block and logged using the same equipment as the previous programmes.

In June 1977 a short programme of 24 Aircore holes (561 to 585) was carried out on the northern and western claim blocks. Equipment used was a Gemco H22 rig and Geometrics DISA 400A spectrometer connected to an NALB-1-125 downhole probe. Water sampling was also carried out. A maximum resource potential of 500t of U_3O_8 at 400ppm was calculated for the entire claim holding.

8.2.5 Carpentaria Exploration Company (MIM)

The first work by CEC over the main lake area was in 1973, after an agreement with Asarco was made. Scintillometer traversing, emanometer sampling (radon in soil), mapping and water sampling was carried out. A Landcruiser mounted rig was used to drill water sampling holes and a Stihl power auger (hand-held) used for emanometer holes.

This work was followed up by an auger drilling programme with downhole logging undertaken using a calibrated Mount Sopris 1000 downhole logger. The rods were pulled after each metre (dead stick augering) and a sample sent for assaying by Bromo Pedap. A total of 111 holes were logged using the downhole logger, but unfortunately the logs are not presented. The only record of this logging is plan 10741 appended to the CEC annual report for 1974. It is thought that the logger used was owned by Uranerz Australia who later carried out some orientation work on the prospect. An attempt to obtain the logs from the Uranerz archives in Germany and Paladins' copy of the data was unsuccessful (Uranerz copy given to Paladin; Paladin unable to supply the data).

In 1975 a further auger programme was conducted, following the recommendations of the 1974 annual report. Holes were drilled using an auger rig and logged with an uncalibrated Austral downhole logger. It is thought that the drawing 10741 is incorrectly stated as showing the results from the Austral logger, because the 1974 annual report says that this drawing shows the MS1000 results from the earlier programme. Only 41 of 110 recommended sites were drilled by the date of the 1975 annual report.

In April 1978 a programme of Aircore drilling using a track mounted rig was undertaken. CEC mention that the sample return tube is only 2cm in diameter which may have made sampling difficult. Samples were taken at 0.5m intervals in potentially mineralised ground (using the results of the auger programme), and 1m elsewhere. Assaying was done by XRF. A reading was taken using a BGS-1S scintillometer on the sample so taken, but these results are not presented. Downhole logging was not undertaken by CEC. Seven locations were trenched using a backhoe and channel samples taken down the walls. Mineralogical analysis was done at Amdel and bulk density was done in the field, from specimens from a trench (p34, 1979 annual report). In addition, water sampling, metallurgical testing (by Amdel and Uranerz), pump testing, in-situ leach testing, resource estimations at various cut-offs and data comparisons (RC holes vs. channel samples) were done. Two auxiliary baselines were run up the two arms of the lake to the NW, using a tape and theodolite and drilled using the RC rig.

During 1980 coring was done horizontally into the walls of the costeans in order to provide samples for in situ leach testwork. Dead stick augering was carried out using a 0.3m sample interval (similar to the 1m dead stick augering used for the 1974 drilling) and more comparisons done between the various forms of sampling. Esso's Mt. Sopris 2500 calibrated downhole logger was used later to log some of the dead stick auger holes and old RC holes, where accessible. An analysis of the data by CEC led them to think that the logger data cannot be relied upon and they concluded that the logger over-estimates the grade, thus they did not use the logger data in their resource calculations. They apparently did not consider the possibility of the geochemical assaying underestimating the grades to be a likely scenario. A total of 45 samples were sent to CSIRO for disequilibrium tests which concluded that the mean disequilibrium for samples >200ppm is 0.97, i.e. disequilibrium is not a problem. This would tend to contradict the conclusions made by CEC regarding the unreliability of the Esso logging, assuming that the calibration of the logger was correct. Work by Acclaim at the Centipede deposit using the Esso data vs. Acclaims' own logging data confirmed the accuracy of the Esso logging equipment. The same equipment was used by Esso at both prospects.

The resource estimates were updated after the 1/3m dead stick augering was done and some additional costeans were also dug.

CEC assessed their own data as being (in the order, most to least accurate) channel sampling, 0.33m dead stick augering RC drilling and lastly downhole radiometric logging.

The final Amdel report on the metallurgical testwork done at Lake Maitland was apparently received after CEC had sent their last annual report to the Dept. of Minerals and Energy. Further work on the bulk density of the ore had been done on the 150mm cores which had been sent for percolation testing. The average density obtained from the 12 samples was 1.76.

8.2.6 Uranerz Australia

In 1976, Uranerz undertook some orientation work to test exploration techniques, mainly on line 28N (CEC main grid). The ground was held at the time by CEC. Uranerz completed a programme of scintillometer traversing, emanometer sampling, soil sampling, alphameter cup and track etch cup surveying. As well, they dug two backhoe costeans and sent some samples of the material to Germany for metallurgical testwork. It is also possible that the downhole logging done in 1974 during the CEC auger drilling programme was carried out using the Uranerz MS1000 downhole logger.

8.2.7 Esso Coal and Minerals

Esso worked on claims situated to the south and west of the main block held by CEC over the lake. Esso drilled a number of their own holes and also logged existing holes where possible. Esso logged a number of holes on the main part of the lake on behalf of CEC from CECs' 1979 dead stick auger programme and some of the RC holes from 1978.

Esso re-logged many of the old holes, presumably most of the holes on the arms of the lake were the old CEC holes. They designated relogged holes with "M" prefixes. This grid was picked up using Acclaims' DGPS and hence the CEC holes on the arms of the lake were located more accurately using the Esso drill hole plan than CECs' own plan. Some of the pegs still had legible coordinates on them, especially on the northern grid. The southern baseline, designated by Esso as 59,200 and CEC as 54,200 south has a bend in it (as shown on the Esso drill hole location plan) but this does not appear to be the case using the DGPS. A few more holes were taken from a computer printout of the Esso downhole logging data obtained together with the Centipede data from ECMAL in Singleton. Some of these had grid coordinates but were not shown on the Esso drill hole plan. They have been included in the Acclaim database.

Esso drilled 23 RAB holes using a Pioneer drilling rig in the northern claim block during 1978. In addition, many pre-existing holes were re-logged, including the "M" series holes which presumably are the CEC holes and possibly Esso's "SM" holes (South Maitland) which may be equivalent to the BP holes in the same block. Logs for Esso's own holes have the drilled and logged depths on them, whereas other holes have only the logged depth written on the log printout. Most of the mineralisation located was on the north western arm of the lake.

During 1979 62 RAB holes (301 to 362) were drilled to 10m. All holes were logged with a calibrated Mt. Sopris 2500 logger and also any open holes from previous work by other companies.

8.3 Previous Resource Estimates

Carpentaria Exploration Company Pty Ltd (CEC) produced a number of resource estimates, the most recent being "Reserves of Mineralization at March 1980", summarised below. These estimates appear to have been prepared using a cross-sectional polygonal method.

Table 3. CEC 1980 "Reserves of Mineralization"

Cut-off (ppm U_3O_8)	Tonnage (Mt at 1.7 SG)	Grade (ppm U_3O_8)	Oxide (t U_3O_8)
200	11.6	512	5940
300	6.99	672	4704
500	3.41	905	3087
700	1.74	1112	1937

These estimates were produced before the JORC code was introduced (1989) and the term "Reserves" would likely be interpreted as "Resources" under the current JORC code. No classification of resources/reserves was given by CEC.

Acclaim Uranium NL (Acclaim) produced a resource estimate between July 1998 and July 1999. This was a block model generated using the inverse distance method to estimate grade; samples were composited to 0.2m intervals and a 1250ppm U_3O_8 top cut was applied to the data.

Table 4. Acclaim 1988/89 "Global Resource"

Cut Off (ppm U_3O_8)	Tonnes	Grade (ppm U_3O_8)	Contained U_3O_8 (T)
200	15,960,000	519	8283
300	13,344,000	571	7619
500	7,535,000	706	5320
700	3,028,000	873	2643
1000	549,000	1111	610

Although the report (Pearson, 1989) discusses a resource classification scheme based on the number of samples used to estimate each block, no breakdown by resource categories is given in the report. The estimates appear to be a combination of Indicated and Inferred resources.

8.4 Previous Production

There has been no commercial production of uranium (or vanadium) from the Lake Maitland project area to date.

9 GEOLOGICAL SETTING

9.1 Regional Setting

The Lake Maitland project is located within the northern part of the ca 2.7 Ga granite-greenstone terrain of the Eastern Goldfields Province of the Yilgarn Craton of Western Australia (Wyche & Farrell, 2000). Regionally it lies within the poorly exposed north-northwest trending Yandal greenstone belt. The Archaean greenstone basement rocks are deeply weathered and surface exposure is poor. The Yandal belt contains several major gold deposits (Jundee-Nimary, Bronzewing, Mount McClure and Darlot), and numerous smaller deposits and was the subject of intense gold explorations during the 1990's. The belt contains a substantial volume of felsic volcanic and volcaniclastic sedimentary rocks including a prominent calc-alkaline volcanic centre.

The entire region has been peneplained, subject to uplift and is currently being re-dissected. The licenses overly one of a set of wide shallow trunk valleys that drain into salina lakes; the largest being Quinn's Lake. The lakes are the ultimate resting-places for present day surface water run-off and sediment loads. That is they are the centres of an extensive internal drainage system. Over time detrital and chemical sediments have built up in the trunk valleys and lakes, sometimes to considerable thicknesses.

Upstream, the trunk valleys widen out into sheetwash plains that extend to the base of breakaways. The breakaways mark the extent to which re-dissection of the old peneplain surface has progressed. Above the breakaways, the old peneplain remains intact with only rarely monadnocks poking through the flat surface. Most outcrops of Archean bedrock are located on the floodplains especially close by the breakaways.

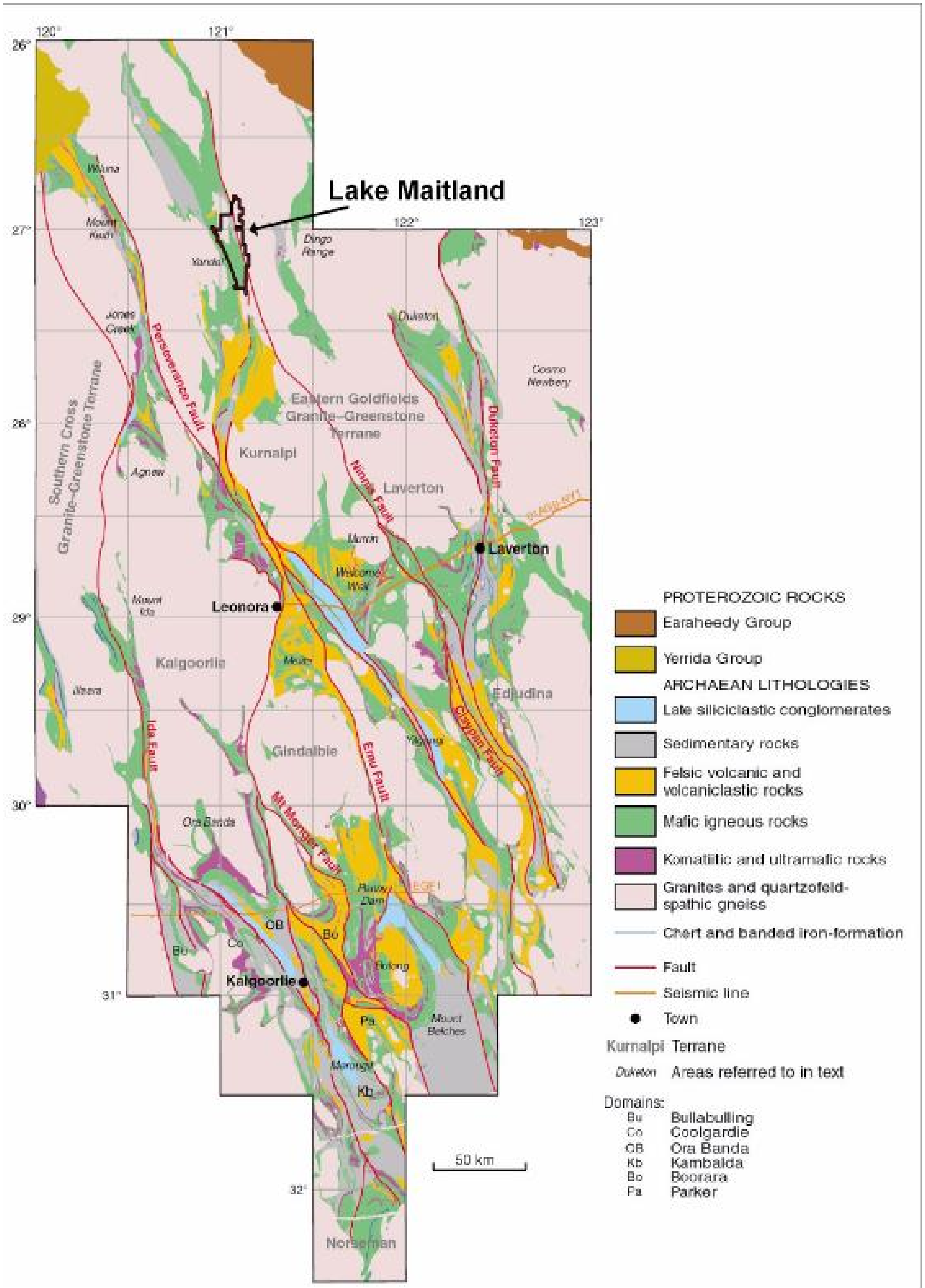


Figure 9. Regional Geological Setting of the Lake Maitland project
(Modified after Wyche et al, 2000)

9.2 Local Geology

This section has been condensed from the 1980 CEC annual report.

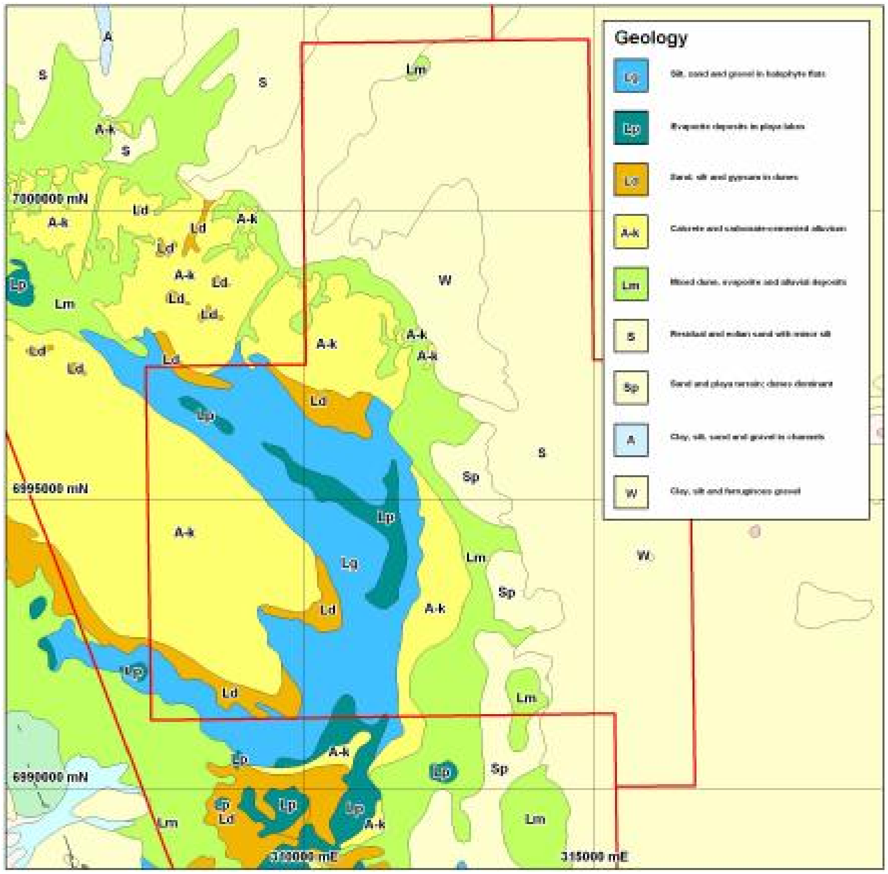


Figure 10. Surficial Geology of the Lake Maitland deposit

9.2.1 The North West Arm

The surface here is dominantly samphire flats with one small clay pan. The surface is covered by between 1 and 3 metres of gypsiferous sand (usually closer to 1m) with up to 30% clay content. Below the gypsum layer, dark brown and black silts and clays are found. These can be quite hard. Calcrete is mainly found on the south-east boundary of the samphire and where the arm reaches the main lake. Below the above mentioned units lies a redbrown silt unit sometimes with rounded quartz grains. The proportion of sand increases with depth. The highest assay values occur at the top of the red brown silts and silty sands.

9.2.2 The South West Arm

This arm is really a continuation of the main lake and consists of a chain of small bare depressed clay pans with occasional plants, and mounds of gypsum sand and red sand with spinifex grass encroaching from the lake margin. The uppermost unit is a gypsum sand and silt unit with fine quartz grains near the lake edge. Beneath this are red brown silty sands with some sandy silts and silts. The silt grades downwards into gritty silt. Calcrete is missing from the upper part of this arm but grades in toward the north eastern end of lines

13,200W. Calcrete increases toward the lake and occurs beneath the hard black clay as described in the section above, where it is present at all. Calcrete is approximately 2 to 3m thick. Calcrete is underlain by the red brown and brown silty sands as described above.

9.2.3 Eastern Margin of Lake Maitland

The eastern lake margin is bounded by gypsum sand dunes up to 3m high and 160 to 200m wide. Beneath the gypsum layer is 1 to 4m of red brown silty sand, grading down into yellow-buff silty sand. Calcrete is absent from this area, although a pinkish red siliceous rock occurs as a cement. The silcrete is hard and from 1 to 4m thick. No mineralisation above 270 ppm occurs in this area (from 1m assaying).

9.2.4 Main Lake Area

The geology here is from the costeans, where dug and drilling in other areas.

As in the other lake areas, the upper unit is an ochre-brown gypsiferous sand or silt, usually 1m in thickness but slightly less to the south. Toward the base, clay content increases. The water table is usually within 10cm of the base of this unit.

Below the gypsum layer is a dark brown to black coated clay and silt unit between 30cm and 1.7m thick; this unit is absent from the eastern and southern sections of the main lake. The dark coating is probably organic in nature. Parts of the unit are very hard and flaggy; these contain a major aquifer.

Underlying the above is a layer of red brown and pale brown silt which forms an aquiclude between the overlying dark unit and underlying calcrete. The thickness is generally about 0.5m thick, but can be up to 1.6m.

Calcrete is the next unit in the sequence and is a dolomitic calcrete in contrast to the siliceous and opaline calcrete which is found in the fossil drainage tongue between the two western arms of the lake. It varies in hardness from hard to soft, but is generally moderately hard. Calcrete is fairly widespread but tends to lens out near the eastern lake shore and south of line 2800N. The calcrete thickness varies from 0.5 to 2m and may contain several layers separated by carbonated clays. The calcrete is slabby almost everywhere where it is hard. The calcrete is also an aquifer, but delivers less water than the upper dark silt layer. Another layer of calcrete exists at 7 to 20m depth, depending on location but has only been tested in three holes which were drilled deeper than usual. No anomalous results are reported from these holes.

Red brown and buff sandy silt usually occurs below the calcrete with a thickness of between 1 and 3m. Silty sand occurs beneath this again.

9.2.5 Mineralisation With Respect to Geology

Over 80% of the mineralised intersections are spatially associated with calcrete, or where calcrete could not be seen in the drill cuttings, in the lateral projection of where it would fall, if it existed. The remainder 36% of the intersections are contained totally within the calcrete, but most of them are on either side of the lower calcrete contact.

10 DEPOSIT TYPES

The Lake Maitland uranium deposit has been classified as a surficial calcrete hosted uranium deposit Butt et al (1984). The main calcrete deposits are located in Western Australia in the Yilgarn Craton, at Yeelirrie, Lake Way, Lake Maitland and Centipede. There are some other known uranium calcrete occurrences both within and outside the Yilgarn Craton. There are minor uranium-bearing calcrete deposits in other states of Australia.

The term calcrete is applied to accumulations (chemical precipitates) of calcium and magnesium carbonates in surficial sediments within Tertiary drainage systems. Calcrete has formed under arid to semi-arid climatic conditions since the Pliocene. Lake Maitland is a significant Tertiary drainage system that developed over 400,000 km2 of south-western Australia.

Calcrete accumulations may extend up to 100km long and 5 km wide and are aquifers. The “valley” calcretes are located in an arid area characterised by infrequent heavy rains of late summer cyclones. Gaskin et al (1981) postulate that valley calcretes indicate an environment functioning as a giant concentrating system in where chemical components are leached from weathered rock of a large catchment area and the products are deposited in a relatively well defined area.

Butt et al (1984) have classified uranium-bearing surficial calcrete deposits of Western Australia into three main types according to their geomorphological characteristics:

- **Valley deposits**: occur in calcrete and underlying sediment in the central channels of major drainage systems and in platforms and chemical deltas where these drainages enter playas (e.g. Yeelirrie, Lake Way, Centipede and Lake Raeside).
- **Playa deposits**: occur in near-surface evaporitic and alluvial sediments of playas, which north of 29°S also contain calcrete (e.g. Lake Maitland, Lake Austin).
- **Terrace deposits**: (e.g. Minindi Creek), west of the Meckering line, mainly in the Narryer Complex and Gascoyne Complex. In the upper terraces near the drainage divide of the Gascoyne River, minor concentrations of uranium are present. In lower terraces, moderately high grades occur in the calcrete and underlying sediment, most occurrences are too small to be economic.

The northern Yilgarn catchments cover an extensive area of Archean granitic rocks containing 2-25 ppm U. Oxidising conditions have prevailed in places to a depth of 300m. Under these conditions uranium is mobilised as uranyl ion complexes and transported laterally in groundwater. Where groundwaters reach drainage valleys the water table rises to within 1-5 metres of the surface. Evaporation and loss of carbon dioxide promotes precipitation, particularly of calcium and magnesium carbonates.

Conditions required for the deposition of the mineral carnotite are thought to be complex. Gaskin et al (1981) states, that where the solubility product (Ksp) of the concentrations of active ion species of uranium, vanadium and potassium exceeds the solubility product of carnotite, the mineral is precipitated in fissures or between carbonate and clay particles. Gray (2000) has studied the hydrogeochemistry of the Yandal greenstone belt within and around the area of Lake Maitland. The groundwaters of the Mt Joel area west of Lake Maitland have considerably high concentrations of P and V. Gray (2000) suggests this is probably due to the low concentration of metal ions that cause precipitation, particularly

Ca, Fe and Pb. Calcium and Fe precipitate P as apatite [$Ca_5(PO_4)_3OH$] and strengite ($FePO_4.2H_2O$) and Fe and Pb precipitate V as Fe vanadate [$Fe(VO_3)_2$] and chervitite ($Pb_2V_2O_7$). Greater availability of V is the reason for the enhanced precipitation of secondary U as carnotite [$K_2(UO_2)_2(VO_4)_2.3H_2O$] in the Northern Yilgarn (Gray 2000).

The genesis of the Lake Maitland uranium deposit is described in Cavaney, 1979:

The carbonated uraniferous waters on reaching the higher saline conditions within the lake, are considered to have precipitated out carbonate as dolomite within the aquifer transmitting it. The uranium could no longer be carried in solution in the now non-carbonated water and consequently would precipitate in the vicinity of the calcrete (newer).

The discovery of uranium mineralisation at Lake Maitland resulted from a regional aerial radiometric survey by the BMR. Subsequent exploration programs included more detailed radiometric surveys, geological mapping, auger, RAB and aircore drilling. A similar approach is being used to identify further targets and extensions on the Lake Maitland licenses.

11 MINERALIZATION

The main metal of interest at Lake Maitland is uranium. There are comparable levels of vanadium present that could contribute economically significant credits, though there is only very limited data for vanadium and this has not been evaluated to date.

Mineralisation is flat and thin, averaging around 1.7m in thickness (at a 100ppm cut-off grade), beneath around 1.5-2.0m of sand and silt (see ***Figure 13***). The mineralisation has a large areal extent, approximately 5km long (N-S) and around 2km wide (E-W). The deposit is essentially crescent-shaped with 3 arms extending towards the west – the north-western, mid-western and south-western arms (see ***Figure 11***).

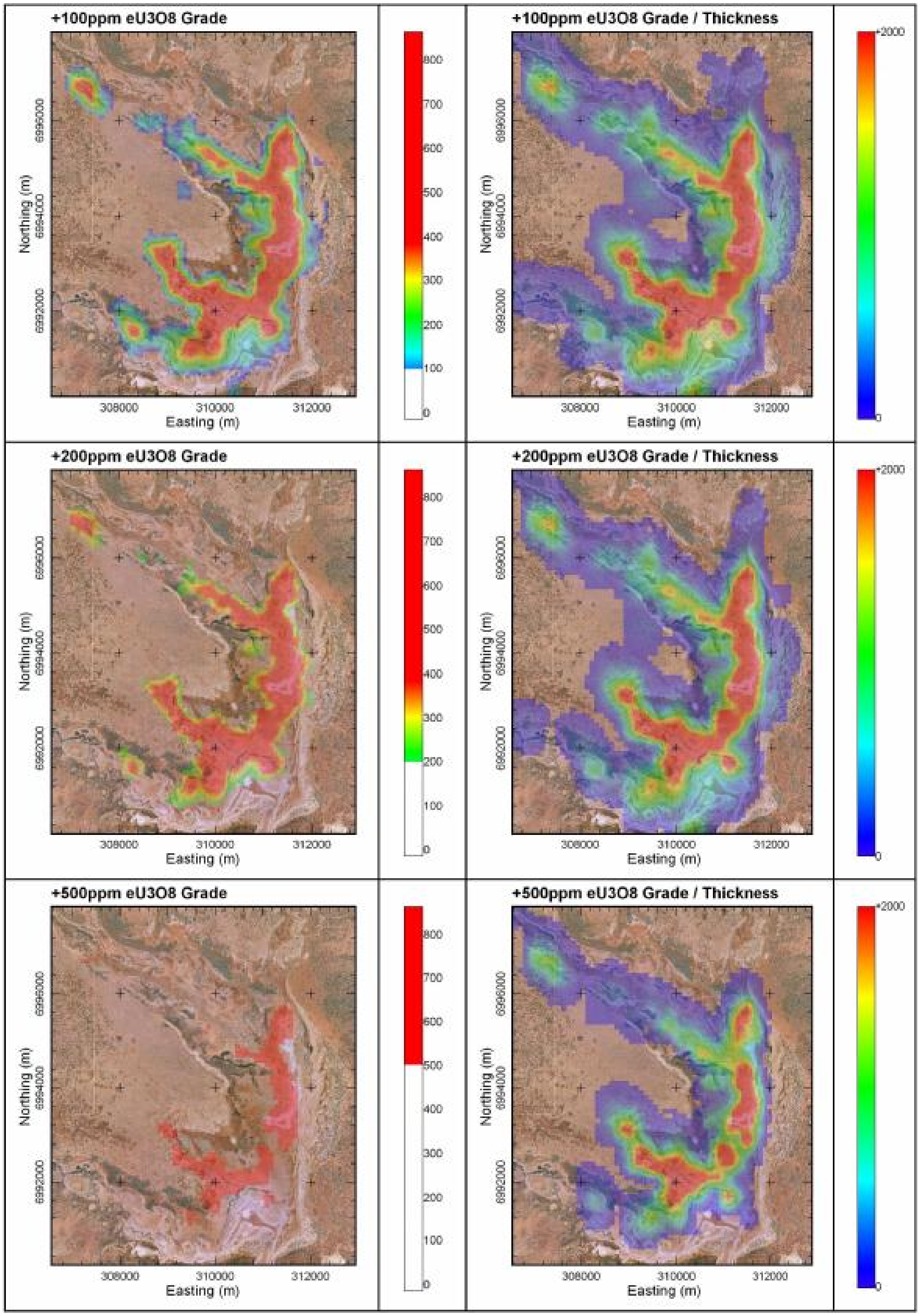


Figure 11. Uranium Mineralisation Distribution within the June 2006 Resource

The uranium mineralisation is assumed to occur principally as the mineral carnotite ($K(UO_2)_2(VO_4)_2.3H_2O$), although no mineralogical studies were found confirming the identification of this yellow mineral. The “carnotite” generally occurs within voids in the calcrete and as disseminations within the sands, silts and clays.

Figure 12. Carnotite in Calcrete – Lake Maitland

Material from Lake Maitland has been analysed to determine the extent of radioactive disequilibrium by Bruce Dickson of CSIRO. A total of 46 samples were tested and the mean disequilibrium ratio of samples with U_3O_8 > 200ppm is 0.97, i.e. on average the samples are only 3% radium rich. The lower grade samples were assessed to be radium rich, though this could also be due to problems in accurately determining low uranium concentrations. This information indicates that disequilibrium is not likely to be a significant problem at Lake Maitland and that radiometric logging should give a reasonably reliable estimate of uranium grade.

Gangue minerals are quartz and clay (montmorillonite and kaolinite) in the detrital sediments and the calcrete contains dolomite in addition to these. A number of salts (halite, gypsum, etc) are also present in variable proportions.

The bulk of the mineralisation occurs within or adjacent to the upper calcrete horizon and the full extent of mineralisation in this layer has not been tested in some areas. There is also a lower calcrete layer (17-23m in depth) intersected in two holes which is largely untested, which has the potential to add to the uranium resources at Lake Maitland.

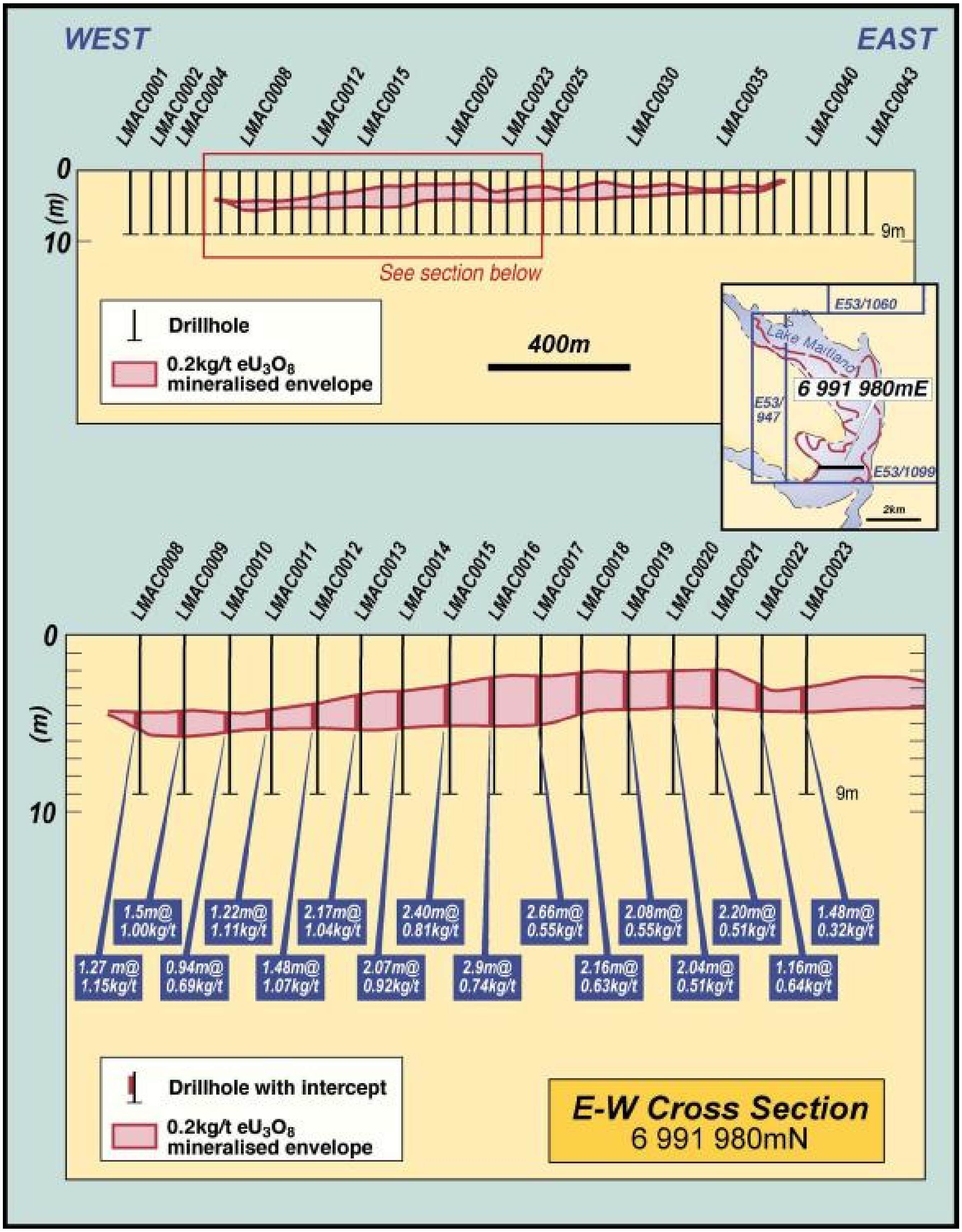


Figure 13. Redport Drilling Cross-section

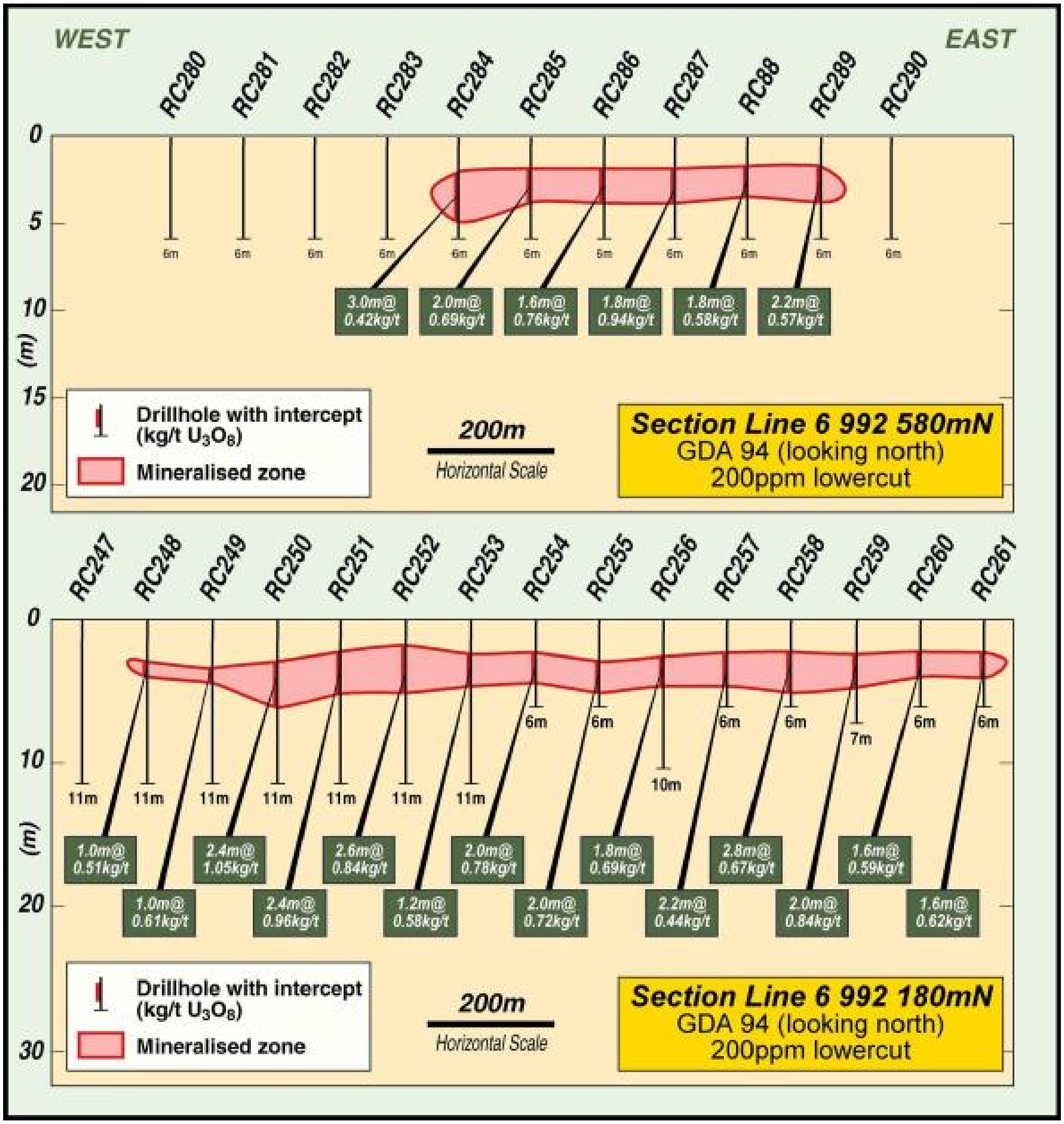


Figure 14. CEC Drill Hole Cross-sections

12 EXPLORATION

The exploration history of Lake Maitland is outlined in some detail in Section 8 (above), while the drilling is described in Section 13 (below).

At the end of 2005, Redport undertook an extensive infill aircore drilling campaign throughout the area of the deposit. The result being that the nominal drill spacing was reduced to 200mN x 100mE. All the holes were logged radiometrically with a number of samples being taken for assay to be used to check the radiometric values. An orientation study was completed on 31 of the samples (two complete drill holes) to determine the most appropriate method to use for the subsequent analysis. Four certified reference standards were included in the orientation study to gauge the performance of each method, ICP MS, XRF pressed powder and XRF fused bead. The results of the orientation study indicated that ICP MS was the most appropriate method to use and this was applied to the subsequent 150 samples.

Redport drilled a total of 590 holes for 4982.5m or approximately 37% of the resource dataset by drill hole or 40% or the dataset by metres drilled.

13 DRILLING

The extent of drilling at Lake Maitland is shown in Figure 15 and summarised by operating company in Table 5. The drill pattern is generally 100(E-W) by 200m (N-S) over much of the deposit.

Table 5. Summary of Drilling by Company

Company	**Drilled**		**Holes with Assays**			
	Holes	**m**	U_3O_8	**e** U_3O_8	**a** U_3O_8	**>100ppm**
ASARCO	121	1380.4	74	0	74	28
AUSTRALIS	48	364.0	9	1	9	7
BPMA	158	1715.0	47	22	30	24
CEC	547	3419.6	520	187	479	323
ESSO	141	670.1	42	40	8	28
REDPORT	590	4982.5	587	587	0	402
Total	**1605**	**12531.6**	**1279**	**837**	**600**	**812**

(eU_3O_8 *= equivalent* U_3O_8 *determined by radiometric logging)*
(aU_3O_8 *= assayed* U_3O_8 *determined by chemical assay)*

The drilling at Lake Maitland is very shallow with an average hole depth of 7.8m and a maximum hole depth of 31m.

Redport hole collar locations were accurately surveyed in the field by DGPS, while Acclaim surveyed the location of some older holes using DGPS and located others through conversion of old grid systems (see Section 16 for details). It is considered impractical to list the collar locations of all 1605 holes. All holes were drilled vertically and down hole surveys were unnecessary for such short holes.

Most holes were logged geologically to identify lithology and any mineralisation present. No records of sample recovery were found, though field examination of the 2005 Redport samples showed that recovery was generally reasonable for that program. No samples exist for earlier drilling programs.

The majority of holes were geophysically logged with by gamma probe, and gamma counts were converted to equivalent U_3O_8 using calibration equations.

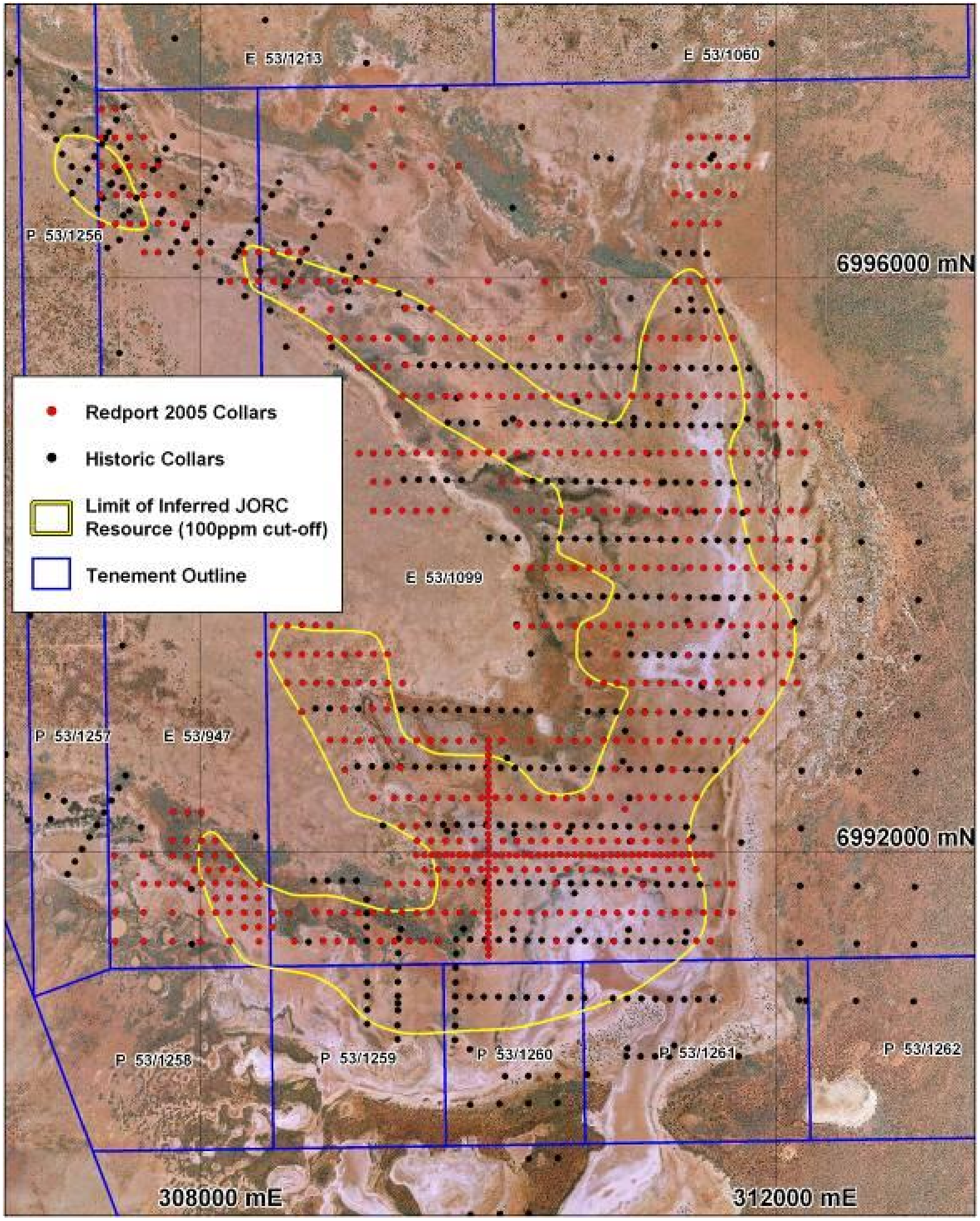


Figure 15. Lake Maitland Project - Plan of Drilling

As the mineralisation at Lake Maitland is flat dipping and all holes were drilled vertically. The mineralised zone is very thin, with an average thickness around 1.7m. The nominal sample length used by Redport for chemical assays is 0.5m, which is considered appropriate for such thin mineralisation. Earlier programs typically used sample lengths of 0.33m or 0.5m for chemical analysis.

14 SAMPLING METHOD AND APPROACH

A combination of radiometric and chemical methods was used to evaluate Lake Maitland. Down hole gamma (radiometric) data was generally collected at 2 or 5cm intervals, while samples for chemical analysis were typically 0.33 or 0.5m in length. Redport used 0.5m intervals for chemical assaying and 2cm intervals for gamma logging for their 2005 drilling program.

There is very limited information regarding sample preparation for earlier drilling programs.

Samples for the 2005 Redport aircore (HQ size) program were collected every half metre. The entire sample came directly from the cyclone into a green plastic bag. Samples were not split. Wet samples were allowed to settle before the excess water was decanted off. (Eggeling, 2005).

The database contains 222,343 uranium assays (both chemical and radiometric) in 1605 holes, though the majority of these are 2cm radiometric intervals for the 2005 Redport aircore drilling. The previous section outlines the number of holes, spacing and area covered by drilling.

Table 6. Summary of Assay Database Intervals by Company

Company	**Total** U_3O_8	**e** U_3O_8 **(gamma)**	**a** U_3O_8 **(chemical)**	**>100ppm** U_3O_8
ASARCO	270	0	270	30
AUSTRALIS	33	1	32	7
BPMA	240	23	217	27
CEC	9,601	6,738	2,863	431
ESSO	186	175	11	33
REDPORT	212,013	212,013	0	647
Total	**222,343**	**218,950**	**3,393**	**1,175**

The substantial differences in sample length require assessment of sample type weighted by sample length to give a more realistic comparison. This shows that radiometric measurements comprise 63% of the assayed intervals by length, and the database is dominated by Redport radiometric and CEC chemical assays.

Table 7. Summary of Assay Type by Length (in metres)

Company	e U_3O_8 (gamma)	a U_3O_8 (chemical)	Total U_3O_8
ASARCO	0	411	411
AUSTRALIS	1	14	15
BPMA	22	217	239
CEC	379	2130	2509
ESSO	39	11	50
REDPORT	4237	0	4237
Total	**4678**	**2783**	**7461**

No sample recovery data was provided to H&S for analysis. Visual inspection of samples on site showed that sample recovery (Redport 2005 aircore) was generally reasonable.

There are a number of "twinned" drill holes and trenches at Lake Maitland, which help validate the earlier data. Redport twinned holes from a number of earlier programs and the recent gamma logging generally confirms the earlier results, including the earlier chemical assays.

The lack of sample recovery data and field duplicate samples (second splits of percussion chips or core available to allow analysis of sample variability and quality) is not considered a critical issue because resource estimates rely primarily on down hole gamma logging. The twinned holes suggest that sample recovery was probably reasonable, though further analysis would be required to prove this conclusively. Sample quality is considered adequate for the current Inferred resource status. Further data analysis and perhaps additional twinned holes would be required before sample quality could be considered acceptable for Indicated or Measured resource status.

15 SAMPLING PREPARATION, ANALYSES AND SECURITY

15.1 Chemical Methods

15.1.1 Historical

There is very limited information regarding historical sampling and chemical analysis procedures and methods; available data is summarised in Table 8.

Table 8. Summary of Drilling and Assay Methods

Company	Drilling Method	Chemical Assay
AUSTRALIS	Auger	fluorimetric
ASARCO	Auger/RAB	?
BPMA	RAB/Auger	?
CEC	Auger/RC	bromo padap/XRF
ESSO	RAB/Auger	?
REDPORT	Aircore	ICP-MS

(Bromo padap is a spectrophotometric method for determining uranium concentration.)

15.1.2 Recent

Redport submitted a total of 181 samples for chemical assaying to use for comparison to the radiometric logging from 23 drill holes.

An orientation study was completed on 31 of the samples (two complete drill holes) to determine the most appropriate method to use for the subsequent analysis. Four certified reference standards were included in the orientation study to gauge the performance of each method, ICP MS, XRF pressed powder and XRF fused bead. The results of the orientation study indicated that ICP MS was the most appropriate method to use and this was applied to the subsequent 150 samples.

Samples for the 2005 assay program were prepared at the Genalysis laboratory in Maddington (Perth) Western Australia by Genalysis employees. Genalysis is an accredited NATA (National Association of Testing Authorities, Australia) laboratory (Number 3244), and accreditation includes most analyses available.

The preparation and analysis procedure used was:

- Dry sample
- Weigh the entire sample
- Crush (to a nominal -2mm)
- Riffle split the sample into two separate samples
- Pulverise sample to 80% passing 75µ
- Take a sub sample of the pulp for analysis and retain the residual material
- Analyse the pulp via 4 acid digestion with an ICP MS and an ICP-OES (determine U, K, Th, and V)
- Analyse samples for sulphate

Standard internal Genalysis QA/QC procedures were implemented.

15.1.3 QA/QC

Redport used 4 different Canmet standards (BL-1, CUP-1, UTS-3 or UTS-4) inserted into the sample submission in a random order with one inserted every 25 samples.

Blanks were inserted into the sample submission by Genalysis using quartz material. This material was crushed, pulverised and treated the same as any normal sample including the analysis of the blank material. One blank was inserted every 25 samples. These blanks were in addition to the lab's own blanks that the lab inserts into any sample submission for their own QA/QC work (Mason, 2006).

Duplicate samples were done by the lab by using the second half of the original crushed sample being prepared as if it were a normal sample. These duplicates were done every 25 samples and are in addition to the duplicates that are done by the labs as a part of their QA/QC.

The average results of standards for the recent chemical assaying are presented in Table 9 and shows that results were reasonably accurate.

Table 9: Summary of Standards for 2005 Redport Assay Program

Standard	Recommended Value	Samples	Average	Difference	%Difference
BL-1	220	2	208.6	-11.4	-5.2%
CUP-1	1280	4	1272.9	-7.1	-0.6%
UTS-3	513	4	519.7	6.7	1.3%
UTS-4	1010	2	989.6	-20.4	-2.0%

15.2 Radiometric Methods

15.2.1 Historical

There is limited information regarding historical gamma logging equipment and calibration; available data is summarised in Table 10.

Table 10. Summary of Gamma Logging Systems and Calibration

Company	Logging System	Calibrated
AUSTRALIS	Australex Mini Borehole Logger	Unknown
ASARCO	Mt Sopris 1000	Unknown
BPMA	BP-1/Geometrics DISA 400A	No
CEC	Mt Sopris 1000/2500	Yes
ESSO	Mt Sopris 2500	Yes
REDPORT	Auslog	Yes

15.2.2 Recent

The following description of radiometric logging and calibration by Redport is taken from Wilson, 2007.

Total count radiometric logging is being used as the primary method for determining eU_3O_8 grade at the Lake Maitland uranium deposit in Western Australia. Redport is currently using its calibrated total count radiometric logging system for this purpose.

A drill hole radiometric probe samples a larger volume, in greater detail, than a typical drill hole sample. Typically, a radiometric sample volume is approximately fifty times larger than a drill hole sample over the same down hole interval. Dilution of grades and over estimation of thicknesses can occur for zones less than 35cm thick and at boundaries. This dilution can be corrected to varying degrees. However the combination of radiometric grade x thickness can be shown to be correct even if the true thickness and true grade are not accurately determined for thin zones. Thus a suitably calibrated total count radiometric logging system will provide more detailed and more representative estimates of grade and thickness than drill hole samples. The larger sample volume is especially important at Lake Maitland where the grade and thickness of the mineralisation can be extremely variable.

In early 2005, Redport purchased an Auslog Digital Logging System from Auslog Pty Ltd. This unit consists of a motorised winch with 450m of single conductor cable (W450-1), an electronic control unit (DLS 5) that controls the power and signals and two total count radiometric probes (A031). The system is controlled by software on a portable computer connected to the DLS. The winch and probe can be programmed to log at a constant depth interval or constant time interval. All Redport logs were logged at a constant depth interval of 2cm using a logging speed of approximately 2m/minute.

The smaller than normal detector crystals in the Redport radiometric probes (2) were designed so that the count rate in higher grade mineralisation would not swamp the detector. The system can reliably measure U_3O_8 grades from 10ppm to 15,000ppm

The logging system was calibrated using the former Australian Mineral Development Laboratory's (AMDEL) test pits at Flemington St, Frewville, Adelaide (now administered by the Geophysical Technical Services group of the South Australian Department for Water, Land & Biodiversity Conservation). These pits were established in 1983, under the supervision of the Commonwealth Scientific and Industrial Research Organisation (CSIRO), to provide accurate calibration facilities for the many types of drill hole logging systems used in the oil and mining industries.

Calibration involves logging test-pits with known grade and thickness (several times) to determine the response of the logging system and then calculating a Calibration ("K") Factor, which gives the true grade (i.e. conversion of counts per second to equivalent U_3O_8). To ensure that the logging system calibration is optimal a range of grades, covering the expected range of values in the deposits to be evaluated, should be logged. For example, the three test pits at SADME have grades of 540ppm, 2100ppm and 9200ppm U_3O_8.

From multiple logs of each of the test pits a system deadtime and a probe calibration ('K') factor were calculated for each probe. The raw counts were converted to **equivalent** U_3O_8 **(eU_3O_8)** by application of the system deadtime, K factor and a hole size factor.

The final e U_3O_8 for each radiometric measurement is equal to:

Edited raw cps x dead-time corrections x K factor x hole size correction x air correction x casing correction.

This data is then filtered with a 3 point non linear filter to remove spikes, a triangular averaging filter which smoothes small oscillations across several readings and then deconvolved to sharpen contacts and produce slightly more accurate grades.

The data, after editing and applying corrections and filters, is stored in a Microsoft Access database. The data in the database is then easily extracted for analysis with other software or for export to other users.

The Redport down hole gamma logging and calibration procedures used in the preparation of the radiometric data used in this evaluation are of a high standard and adequate for the purposes for which it has been used. No director, officer or associate of Redport or Mega were involved in any aspect of the gamma logging.

15.3 Rock Density

CEC undertook a programme of PQ coring during 1978, to provide samples for a laboratory scale in-situ leach test. Bulk density determinations were also carried out by AMDEL on 12 samples of core. Large irregular fragments of the core were used in the determinations, both wet and dry. The average for the dry densities was 1.76g/cc. Doubts must be raised about the care taken in the techniques used, as in two cases the dry bulk density is higher than the wet bulk density. Little detail of the method used was given in the AMDEL report.

Work at both Centipede and Lake Way have given densities closer to 1.5 to 1.6, therefore 1.7 was chosen as a global figure for use in the H&S resource calculation, in order to err on the conservative side.

Subsequent work by Pilbara Wireline Services in 2007 for Redport using down hole geophysical data (gamma gamma density logs) did not provide accurate bulk densities, but did provide an upper limit on the densities in the deposit. There were a number of problems with this approach including cased/uncased holes and unrealistically high density and porosity readings. With a factor of 0.85 applied to the measurements, based on experience from a similar nearby deposit (Centipede), the average values were considered to give an upper limit of bulk densities (Adjusted Mean).

Table 11. Summary of Geophysical Density Measurements

Lithology	Mean Density (gm/cc)	Adjusted Mean (x 0.85)	Number of Samples
Occ – calcrete	2.06	1.75	50
Ocy - carbonaceous clays	2.26	1.92	307
Sgr - weathered granite	2.31	1.96	8
Ofe - laterite	2.04	1.73	7

The adjusted mean for calcrete is close to historical measurements and probably reasonable. Wilson recommends taking samples and performing accurate measurements at a suitable laboratory, which may allow calibration of the geophysical measurements.

15.4 Conclusions

Sample preparation, analysis and QA/QC are considered adequate for the current Inferred resource status. Further data analysis and perhaps additional twinned holes would be required before the historical data could be considered acceptable for Indicated or Measured resource status.

Further information is required regarding the historical sampling and assaying to assess the reliability of this data. The twinned holes suggest that chemical and radiometric assays give comparable results, though further analysis would be required to prove this conclusively. The twinned holes also suggest that the historical data is broadly comparable to the recent Redport results.

The recent Redport sample preparation, analytical and security procedures used in the preparation of assay data used for the H&S resource estimates are of a high standard and considered acceptable for the purposes for which it has been used. No director, officer or associate of Redport/Mega were involved in any aspect of sample preparation or analysis.

16 DATA VERIFICATION

The digital database of historical data for Lake Maitland was compiled by Acclaim and updated by Redport to include their recent (2005) drilling. This database provided the basis for the resource estimates reported in June 2006.

The compilation of historical data by Acclaim is described below and taken from Pearson, 1999.

16.1 Acclaim Database

16.1.1 Data Entry

CEC holes were given an arbitrary number in order to allow them to be entered into a digital database. The Esso MS2500 logs relating to the CEC holes were numbered using the same numbers given to the CEC hole at that location. In this way a comparison between the two data sets is possible. The CEC data was taken from plans only, the Esso data was taken mainly from the computer printout obtained with the Centipede information and also a few additional intersections were interpreted from the analogue logs where this was the only information available. Approximately 20 assays on the Esso RAB drilling were obtained as well.

After digitising the hole locations of the Esso "SM" holes on-screen, they clearly matched up with old BP holes and were thus given the appropriate BP number. The hole positions used were the BP positions, as the Esso location map is large scale and not very accurate, whereas the BP locations were able to be measured more accurately from their cross-sections.

16.1.2 Downhole Radiometric Logging

Esso Coal & Minerals

Computer printout data was obtained from Esso together with the Centipede data which was purchased from Exxon Coal and Minerals in Singleton, NSW. This contained logged intervals in 5cm increments for many of the CEC holes and some of Esso's own holes. Data consists of intervals and e U_3O_8 values for that interval. It is not known whether Esso logged the entire hole or only the part which they expected to be mineralised, as for example, an anomaly exists at 4400N, 9800E where the logger apparently passed through a zone which assayed 900ppm at the top of the hole, but no logger data exists for the top of this hole. Lower down, this hole has gamma log data. Several holes have data only covering for example, 1 to 2m and nothing further up the hole. In most cases the logger data gives much higher grades than the assaying. The header for each hole had the coordinates, depth logged, water table, logger serial number (logger number 61 in all holes here), a K-factor for the probe (0.4737), a water correction factor of 1.1 to account for the attenuation of the gamma rays by water in the hole, an unidentified constant (also 0.4737) and the sample interval (5cm in all cases). This data is considered to be very accurate with respect to the actual grade and thickness, as a comparison has been done on the Centipede data which has both Acclaim calibrated logging data and Esso logger data. The two were within a few percent of each other (total uranium in the hole i.e./ grade thickness).

Esso used a calibrated Mount Sopris downhole logging system which was one of the best available at the time. It was calibrated with each probe at the Grand Junction, Colorado, USA test pits by Exxon before shipping to Australia. The data was read at 5cm intervals into a modified chart recorder which gave a printout rather like a supermarket receipt with the interval and a count per second value for that interval. This was then put onto a piece of paper noting the data about the hole such as the coordinates, water level, probe number, casing type, drill type, depth and so on, together with the anomalous section of the data in cps values. The data was then transcribed onto punched cards and fed into an HP computer for e U_3O_8 calculations. Esso used a blanket 10% correction factor to take account of water in the hole (which can be expected to reduce the cps by about 10%) and formation water etc. At the Centipede deposit, Acclaim went back to the raw cps values and recalculated the e U_3O_8 values making corrections for formation water, porosity, material density and so on. The resulting values were within 2% of the Esso calculated values which had used a blanket 10% correction factor. As mentioned before, the Esso values themselves were within 8% of the results obtained by Acclaim using the Acclaim calibrated downhole logger.

Asarco

The logger used by Asarco was apparently not calibrated and their internal reports (viewed at Wiluna Gold Mines' office in Perth) stated that no attempt had been made to calibrate the unit. This data was not used in the estimate.

Carpentaria Exploration Company

Carpentaria only logged the holes from the 1974 auger programme using a calibrated Mount Sopris 1000 logger. This data was used in the case of five holes, where no assay data was available. This was due to the lack of knowledge about the logging technique and the probe calibration. Raw logs were not available.

Their later drilling used an uncalibrated Austral logger. This data was apparently not presented and would have been of use only in interpreting the thickness of the ore body in any case.

16.1.3 Data Sets Used

Carpentaria Exploration Company

The data used from the work done by CEC was mainly geochemical assays of drill cuttings from the 1m dead stick augering (1974), RC (Aircore, 1978) and 0.3m dead stick augering (1978 to 1979). CEC did not radiometrically log their holes after their initial 1974 programme, but Esso logged some of the RC and 1/3m dead stick auger holes on behalf of CEC (see Esso section). The only radiometric data used from CEC were the intercepts for holes AG121, AG218, AG226, AG228 and AG241. The radiometric data was used here because these holes did not have geochemical assays. Esso radiometric logs were used in preference to the assays, where they were available.

Esso

Esso data used is mainly radiometric downhole logging data from their calibrated Mount Sopris 2500 logger. Esso logged their own holes and also some of those drilled by CEC and BP. In addition to this, a few holes had assays from the expected mineralised zones. These have only been used where logging data was not available. These assays could be expected to be an indication of mineralisation only, as they are from RAB drilling.

BP

The BP data is mainly assay data from their RAB drilling. In a few cases radiometric logs were interpreted by BP staff and presented in the form of an intercept width and grade for the intercept. This data was used in preference to the geochemical data where it was available.

Asarco

The only quantitative data available for the Asarco work is assaying. Data from 27 holes was used in the calculation, where CEC had marked the Asarco hole position on their drill hole location plan. Other Asarco holes could not be accurately located and were hence not used. All but 5 of these holes were Percussion (RAB), the remainder being auger holes.

16.1.4 Surveying & Gridding

A field trip was made to pick up the old grid locations using the DGPS, in order to allow the local grid coordinates to be converted to AMG coordinates. This was to enable the various grids used by different explorers to be related to each other and converted to one grid for the whole deposit (AMG Zone 51, AGD84). No holes had RL data; they were therefore all given an arbitrary RL of 100. Water level data was entered into the database where it was recorded.

The grid (CEC) over the main part of the deposit was accurately picked up and is believed to be of good quality. The angled grid covering the arms of the lake, to the NW has also been located using the DGPS and these holes can also be well located. However, the Esso southern baseline which can be assumed to be the same as that of CEC, has been mistakenly identified as "59,200S" in the Esso reports. If this is assumed to be 54,200mS, as used by CEC then this line makes more sense. This line has a bend to the north about halfway along (from the Esso drill hole location plan) but this section of the line does not appear to be bent on the ground, using the DGPS. The north and south Esso lines were treated independently for grid conversion purposes. Hole positions were measured from the annual report map and the holes with no number given an arbitrary one ("MU"). This grid was set out be CEC using a tape and theodolite (p7, 1978 annual report). Lines radiometrically logged by Esso clearly match up with lines drilled by CEC and so these holes could be re-numbered using the Esso system if necessary and the "CEC" collar location deleted from the database. The Esso position was taken to be correct as the CEC map showed all holes in a straight line, presumably planned locations, not actual ones on the ground.

Asarco holes not identified on the CEC grid (1974 annual report) were located by digitising on screen using Mapinfo and the DME topography data because no permanent grid seems to have been set out. Asarco drilled on claim boundaries. The holes located on the CEC grid can be expected to have the same accuracy as the main CEC grid. Other Asarco holes are of use only as a guide to whether an area is mineralised or not. These holes were only used in the calculation where they were located on the CEC grid.

The BP local grid has not been picked up in the field. The transformation of these grids were undertaken by locating identifiable points on the drill hole location plans and getting the AMG location of those same points from the DME supplied topography using Mapinfo. The topography obtained in this way has been found to be accurate to within a few metres in the field. Interdex was then used to calculate the new grid from the local grid coordinates.

The BP work fits well over the topography following transformation and therefore the transformation here must be fairly accurate, however, the northern holes were too far to the SW and were dragged on screen so as to agree with the topography data (mineral claim boundaries). The local grid at this northern area had been carried a long way from the southern main area and so inaccuracies may have been introduced here.

The grid positions were surveyed using an Omnifix 12PW1 Differential Global Positioning System (DGPS) unit accurate to +/-0.50m. The DGPS correlates data collected from an array of satellites, applies a correction relayed from a base station by satellite (in real time) and sends the resultant coordinates for storing in a Psion Datalogger, to be later downloaded into a PC. Location of Tenement corners/boundaries, old drill sites and gridding was rapidly & accurately carried out. Geoid AGD66 (as used by DOME) was used for the location of tenements.

The old CEC grid was measured in the field using the DGPS to accurately locate a number of points in order to allow the historical hole coordinates to be converted accurately to AMG coordinates. AMG zone 51 (AGD66) has been used in this report.

16.1.5 Grid Transformations

Below is a table of coordinates, in both local and AMG zone 51, AGD66 grids. The Esso and CEC grids are from field measurements and the BP grid is from digital topography data, supplied by the DME.

Table 12. Grid Transformation Parameters

Grid	East	North	AMG East	AMG North
Esso North	-14,800	-50,200	307,118.3	6,996,685.7
"	-12,400	-50,000	309,283.3	6,995,635.2
Esso South	-14,900	-59,200	304,992.4	6,993,293.0
"	-13,800	-59,200	305,935.0	6,992,737.8
BP	3200	1500	310,161.0	6,986,153.4
"	4800	6000	311,768.7	6,990,505.6
CEC Main	7800	6800	308,889.7	6,995,639.9
"	10,000	4400	311,055.5	6,993,217.0

16.1.6 Analysis of Historical Data Quality

A number of graphs were constructed using Excel and Access in order to try to analyse the quality of the various forms of data presented in the annual reports, in order to give an indication of their reliability for use in a resource calculation. Holes were correlated using the concatenated northing and easting values to give a “hole id” for each location. These can then be correlated in an Access query and exported to Excel for graphing. In all cases the total grade x thickness for the hole was calculated and used for comparison. This will take account of the differences likely because of the slight smearing of samples from assay techniques and the possibility that two assays of 1m may straddle a mineralised zone of say 1m, which would then give a false idea if those samples were compared with the radiometric logging, which will of course measure the grade in-situ.

It is worth noting that in their 1980 annual report CEC did an analysis of their own data, calculating averages for each metre interval which had more than one sampling technique associated with it. They explain some of the outliers as being due to sampling mix-ups. When these were removed, correlation improved considerably. Lack of care seems to have been taken when compiling some of the drawings (the only source of assay results from the annual reports) as in some cases where holes appear on more than one drawing one or more of the assays are different. Transcription errors could have been introduced during various generations of drawing compilation. The technique of averaging for 1m intervals does not seem to be as reliable a method as calculating the grade thickness for the entire hole, as the radiometric methods will locate the mineralisation exactly whereas the assays may be slightly smeared down the hole due to samples coating the inside of sample hoses and so on, reducing the value for that interval and increasing the grade for the following interval. If a grade thickness is calculated for both techniques, assuming that the entire hole had been assayed, this anomaly will be removed.

Graph 1. This shows the grade thickness per hole for the Esso Downhole radiometric logging vs. the CEC assaying from the same programme (1978 drilling). The assays were taken by XRF. The graph shows that the two methods are essentially correlated, but as expected the radiometric method gives a higher value of total ppm x m for the whole hole. 3000ppm using XRF equates approximately to 3500 ppm m using the logger. This is a difference of 16%. The approximate volume of material "sampled" by the probe is of the order of 70 times that from the geochemistry, based on a hole diameter of 85mm and a "sample radius" of 350mm for the logger. Only logs which had penetrated the full mineralised zone were used in the comparison.

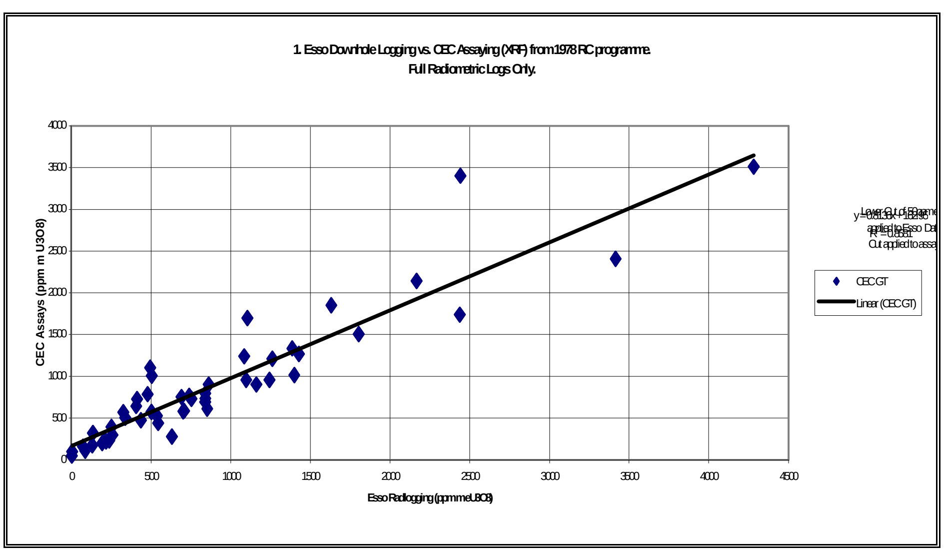


Figure 16. Acclaim Data Analysis – Graph 1

Graph 2. This comparison is between the 1979 dead stick auger programme and Esso radiometric logging. Here, the auger is drilled down 1/3 of a meter and then withdrawn without rotation and the sample scraped off the flights. This reduces contamination due to the sample being mixed when the auger is rotated continuously. Correlation is good, but compared to the radiometric grade thickness the chemical (XRF) grade is consistently less by 350 ppm m. This could be explained by the high nugget effect of the mineralisation and the small sample volume taken by the assay technique. Probing the hole will tend to average out the nugget effect due to the large sample volume. All correlated logs and assays were taken here, so some holes may not have been probed for the full mineralised zone.

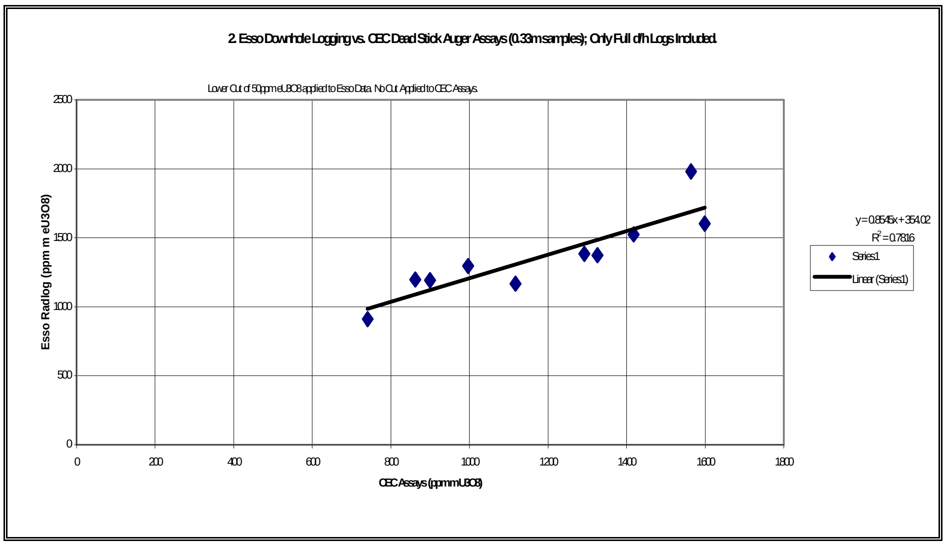


Figure 17. Acclaim Data Analysis – Graph 2

Graph 3. The comparison here is between the 1974 Mt. Sopris 1000 calibrated downhole logger results and the 1974 Auger drilling assays. It shows that the assaying overestimated the grade somewhat (500 ppm m at 2500 ppm m levels. Correlation however is reasonable. The radiometric grades were only measured from a small scale plan (10741) and some inaccuracy in the measuring is inevitable, but this graph suggests that the radiometric data is at least usable and probably a better reflection of the grade and thickness. In addition, the CEC data may not reflect the entire mineralised zone if the hole was blocked part way down. This cannot be accounted for as the logs were not presented with the annual reports. The graph indicates that the assaying technique gave approximately 20% more uranium per hole when compared with the radiometric logging. Nothing is known about the calibration of the probe however.

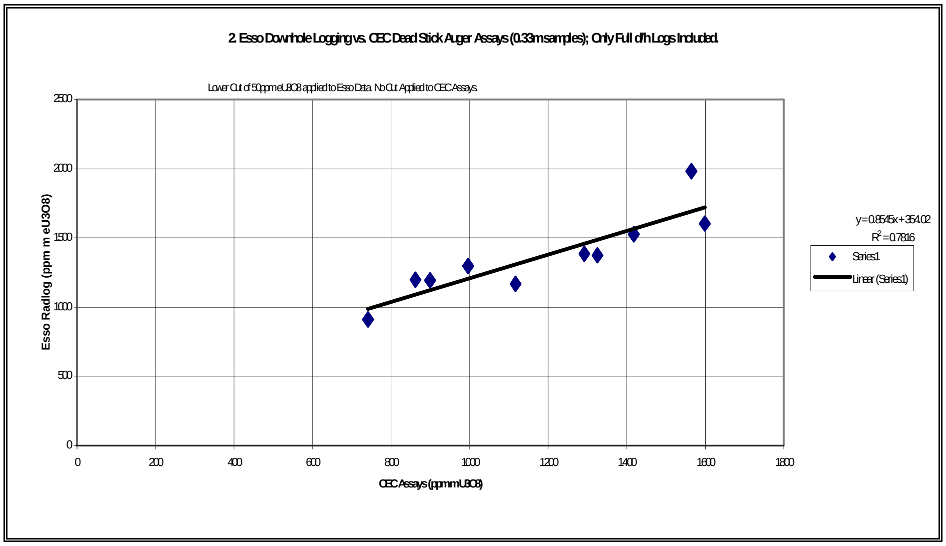


Figure 18. Acclaim Data Analysis – Graph 3

16.1.7 Geological Logging

The Acclaim database only contains geological logging for the CEC RC holes, RC101-418, and comprises primary and secondary lithology codes only. There is no digital geology data for earlier drilling programs, though analog logs exist for many of these holes. All available geological logging should be entered into the database.

16.2 Redport Database

A total of 180 assay samples were taken to use for comparison to the radiometric logging from 23 drill holes. Radiometric data only was used from the total of 590 drill holes. All drill holes have subsequently been surveyed using DGPS. This information, in conjunction with other survey points has been used to create a DTM surface to more accurately locate the historic drilling in a vertical sense. All drill collars in the final resource database have been converted to MGA zone 51 (AGD94) grid co-ordinates.

The Redport database has geological logging for all holes, LMAC0001-0590, and consists of primary and secondary lithology codes, rock colour, qualitative scintillometer reading and water inflow.

16.3 Verification

16.3.1 Database

Redport supplied the drill hole database for the deposits, which H&S accepted in good faith as an accurate, reliable and complete representation of the available data.

H&S performed limited validation of the data, which included spot checks on assays for a few holes from each drilling program and checks on internal data consistency. H&S also reviewed the quality control data for sampling and assaying., including comparisons between radiometric and chemical assays, and gamma probe calibration data.

The spot checks on the assay database showed that the Asarco chemical assays are reliable. Samples below detection limit (BDL) are given the value of the detection limit (12ppm), which is not considered a material issue.

The Esso assays (both chemical and radiometric) are reliably recorded in the database. The only issue is that some of the radiometric values are based on a 300ppm U_3O_8 threshold, so at lower thresholds the intersections could be wider and lower in grade.

The BPMA assays generally appear reliable. The radiometrics appear to be selected intervals (threshold unknown), while at least one chemical assay was noted as missing.

Checks on the CEC and Redport assays (which comprise the majority of the database) detected no obvious errors or issues.

In all cases, the conversion of U to U_3O_8 was correctly calculated. Checks on internal data consistency (from-to intervals) revealed no errors. Five holes were noted to have no elevation assigned: these were channel samples in trenches, i.e. in areas that were already well sampled.

A review of available QA/QC data (see Section 15) shows that gamma probes were rigorously calibrated and the radiometric and chemical assay results are broadly comparable. It has been demonstrated that disequilibrium is unlikely to be a significant problem at Lake Maitland.

The lack of sample recovery data for the samples tested by chemical methods is a concern, but the fact that radiometric and chemical assay results are broadly comparable suggests that sample recovery is not a critical issue. The bulk of the database (~63% by meterage) consists of radiometric data.

H&S conclude that the Redport database is adequate for the estimation of Inferred resources. Some minor issues identified in the database require attention, and H&S recommend that the database be thoroughly validated or rebuilt (Redport has already indicated that this is under consideration). The analog radiometric data (at least for significant intervals) should be captured digitally to allow the calculation of intercepts at a range of thresholds.

The topography for Lake Maitland is based on drill hole collars, surveyed by registered surveyors (MHR Surveyors of Kalgoorlie, WA) using RTK GPS equipment and MGA94 coordinates. Accuracy of surveys is quoted as +/- 0.05m horizontally and +/- 0.1m vertically. The short hole depths make down hole surveys unnecessary and therefore magnetic declination is not an issue.

There are no assays for vanadium or other elements in the current database, although some assays for other elements (V and Sr) were observed during data checking. These should be entered as they may be useful for a number of purposes, including geological, metallurgical and environmental.

Limited spot checking of the database by H&S did not identify any substantial errors, so it is considered unlikely that database contains any “fatal flaw” problems. Therefore the database is considered adequate for the estimation of Inferred resources. A few minor errors were identified and some data was found to be missing; these issues need to be addressed.

16.3.2 Site Visit

H&S visited the Lake Maitland project area over two days, the 24th and 25th of January 2007. This visit included checking of drill hole collar and lease boundary peg locations by GPS, and examination of Redport aircore samples, sample storage facilities and old trenches. A scintillometer was used to check mineralisation in drill samples, material around drill hole collars and in material back-filled into one of the trenches.

H&S confirmed the location of 6 drill hole collars and 2 lease boundary pegs by handheld GPS, generally to within +/-10m, which is within the range of accuracy for this device.

Figure 19. Lease Boundary Peg – SE corner of M53/581

The scintillometer confirmed significant mineralisation in a number of drill hole samples, which correspond to mineralised intervals in the Redport down hole gamma logs. Readings up to 2800cps (counts per second) were recorded (LMAC0144 3.0-3.5m).

Obvious uranium mineralisation was observed near at least one drill hole collar and substantial quantities of mineralised calcrete were found around the infilled site of an old trench (up to several thousand cps).

The Redport sample storage facility (bag farm) was found to be in good order with sample bags organised in row by hole and sample interval. The only concern here is how long the plastic sample bags will survive intact exposed to the elements – a more permanent method of sample storage should be implemented.

The site visit verified that substantial exploration activity has occurred on the Lake Maitland property. The location of some drill holes and lease boundary pegs were confirmed by GPS and the existence of significant uranium mineralisation both in drill samples and trenches was confirmed with a scintillometer.

Figure 20. Scintillometer Reading for LMAC0252 3.0-3.5m

Figure 21. Redport Bag Farm – Lake Maitland

17 ADJACENT PROPERTIES

There are no adjacent properties that impact on the potential merit of the Lake Maitland project.

18 MINERAL PROCESSING AND METALLURGICAL TESTING

AMDEL performed a number of agitation and percolation leaching tests on Lake Maitland samples provided by CEC in 1980 (Goldney, 1980). The conclusions of these tests were:

- The ore is amenable to sodium carbonate leaching at elevated temperatures.
- Conventional carbonate agitation leaching is the preferred process as percolation rates of 'in situ' ore are considered too low for a practical operation.
- Some selectivity in mining would be required to eliminate high gypsum areas as sodium carbonate consumption in leaching is directly related to ore sulphate content.
- With the high chloride content of the 'in situ' ore, a washing stage for partial chloride removal prior to leaching would be required if subsequent uranium recovery is by ion exchange from the pregnant leach liquor.

The highest U_3O_8 recovery obtained was 98%, leaching for 24 hours at 90°C with 30g/l Na_2CO_3, though recoveries for agitation leaching ranged from 6 to 98% for leaching over 48 hours. The head grade of most test samples was around 1550ppm U_3O_8, though a few tests were conducted on samples with 470ppm U_3O_8 head grade.

This work shows that uranium can be extracted for Lake Maitland material, though it is not known at this stage if it can be done economically. Most of the samples used in metallurgical testing were much higher than the average resource grade, so it is unclear what recoveries could be expected from more typical ore grades.

Redport has undertaken minor sighter metallurgical testwork on material from the Lake Maitland deposit to date with results only preliminary at this stage. A detailed metallurgical testwork program is planned to commence in mid-2007 and detailed testwork proposals have been received from two major commercial laboratories. The main objective of the testwork program will be to establish the optimal processing option for the Lake Maitland uranium ore. Further details of the planned metallurgical work program are provided in Item 22.

19 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Hellman & Schofield (H&S) was requested by Redport to estimate the Mineral Resources for the Lake Maitland project in Western Australia to provide a basis for on-going exploration and resource definition. The following is taken largely from Princep, 2006.

19.1 Database

19.1.1 Data Availability

Data for this Mineral resource estimation has been sourced from various hardcopy reports, tables and electronic files provided to Redport. These reports are based on original work completed by the Department of Mines, periodic and relinquishment reports provided by previous owners of the tenements in question, data compiled by Acclaim Uranium NL and recent drilling completed by Redport. This data covers the period between the mid 1960's and the present.

Redport supplied the drill hole database for the deposits, which H&S accepted in good faith as an accurate, reliable and complete representation of the available data.

Figure 22, Figure 23 and Figure 24 shows the Lake Maitland area covered by the drilling data displayed as grade, thickness and grade*thickness values for the 100ppm dataset.

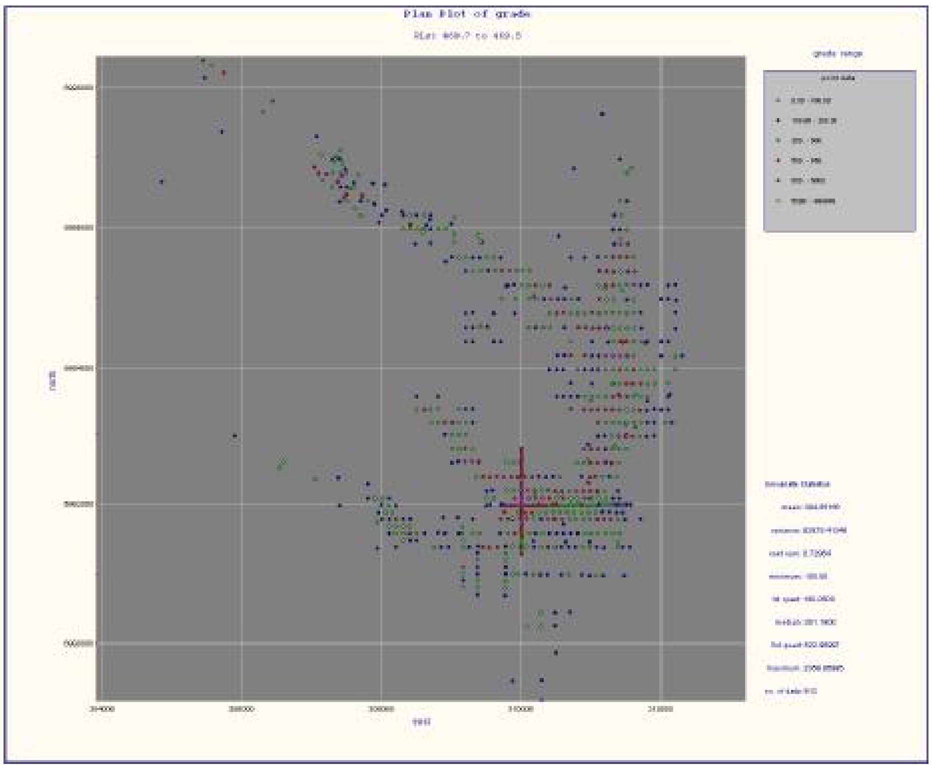


Figure 22. Grade samples, plan view

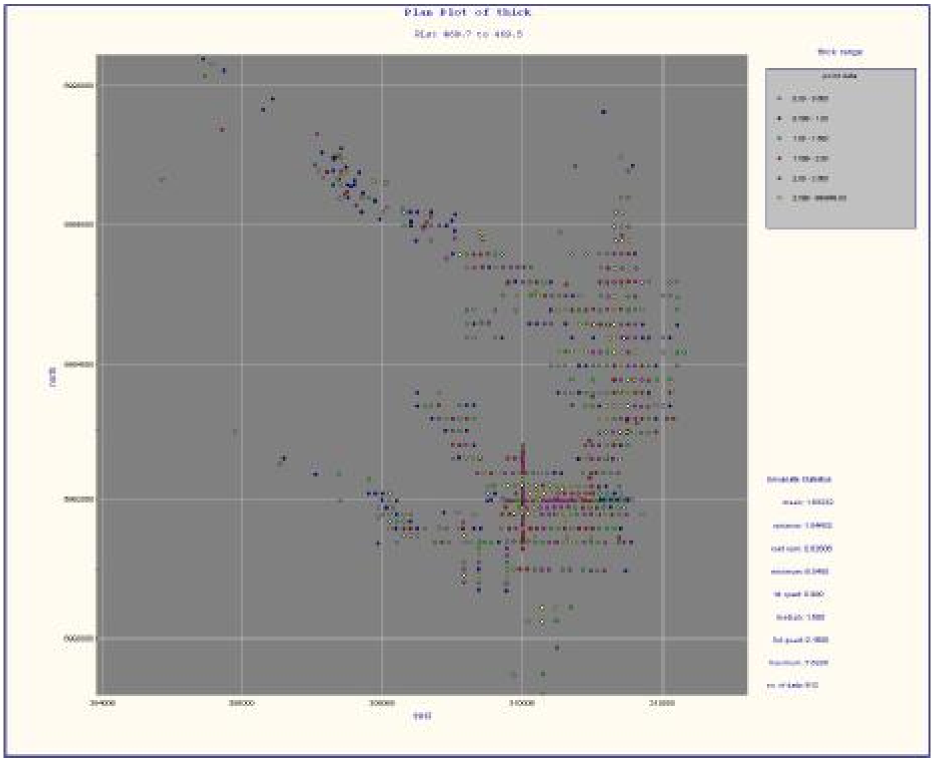


Figure 23. Thickness samples, plan view

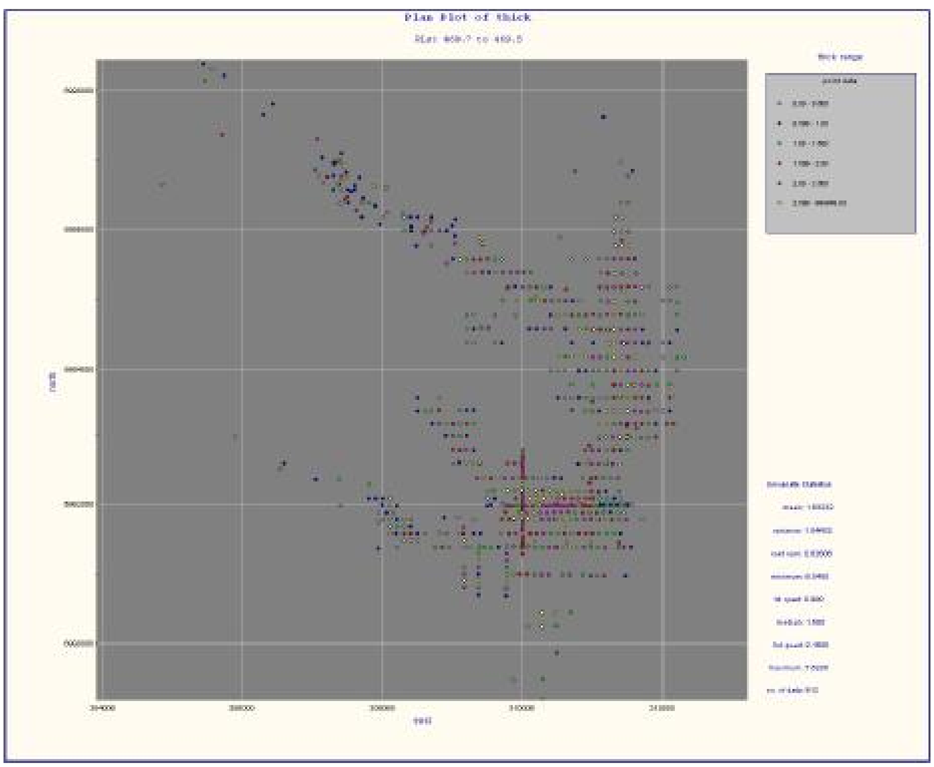


*Figure 24. Grade*Thickness samples, plan view*

19.1.2 Data Adjustments

The drilling data was created from a number of files and reports compiled initially by Acclaim in the late 1990's This data, along with the recent drilling completed by Redport was compiled into a Microsoft Access database. This database was then used for a limited amount of data validation, checking for sample overlaps, lithological consistency etc.

Disequilibrium and deconvolution calibrations were assumed to have been carried out on the historic radiometric values in the dataset. There is some comment in the various reports regarding comparison between drill hole assay, radiometric and bulk sample grades with the conclusion that the geochemical assaying of drill samples underestimates the grade of the sample, this is potentially due to the loss of mineralised material during the drilling process. However the comparison between geochemical and radiometric grades shown in Figure 25 suggests that there is a good correlation between individual 1m composite grades at Lake Maitland. The more recent Redport drilling has shown that this relationship is maintained in the comparison of both individual 1m samples and when taken on an entire hole basis.

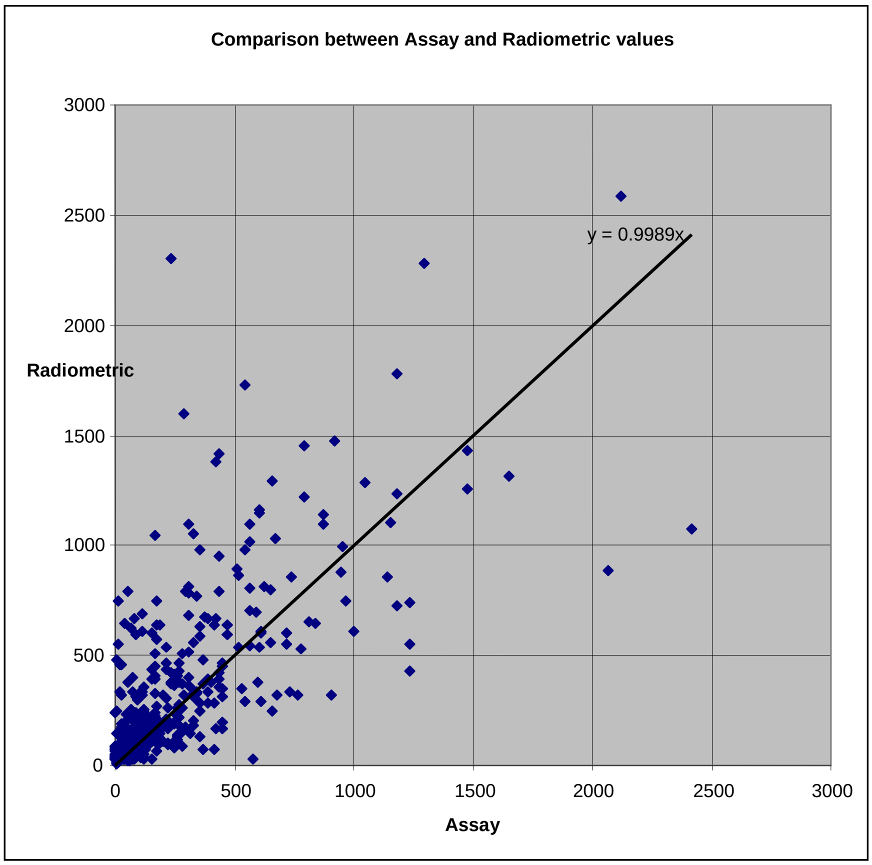


Figure 25. Comparison of Geochemical and Radiometric grades Acclaim data

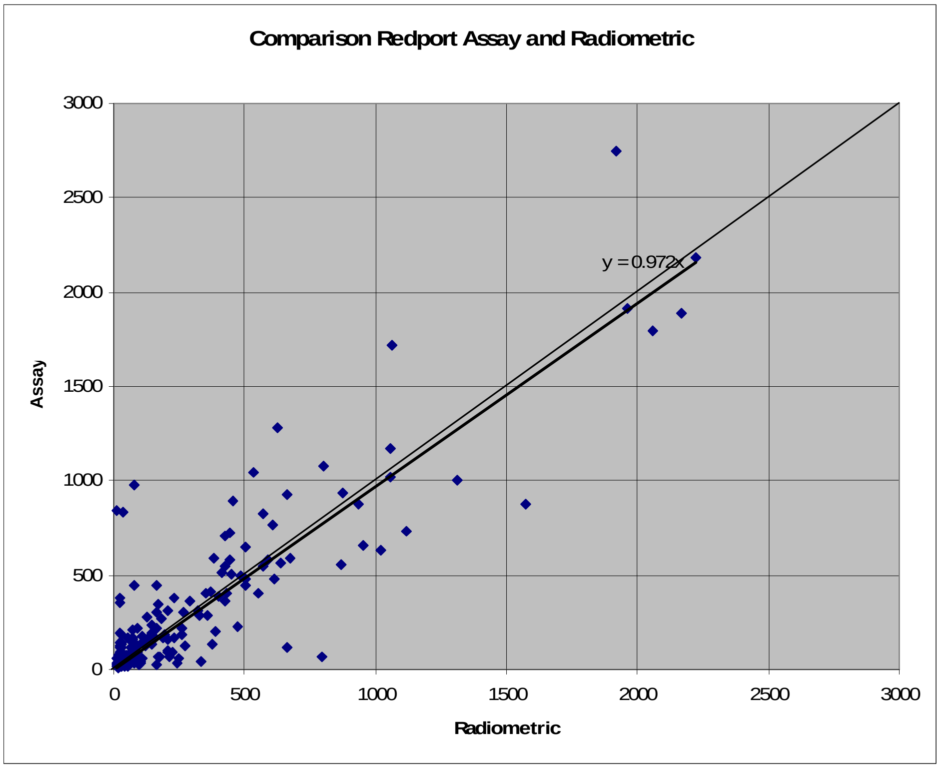


Figure 26. Comparison of Redport Chemical and Radiometric grades by Interval

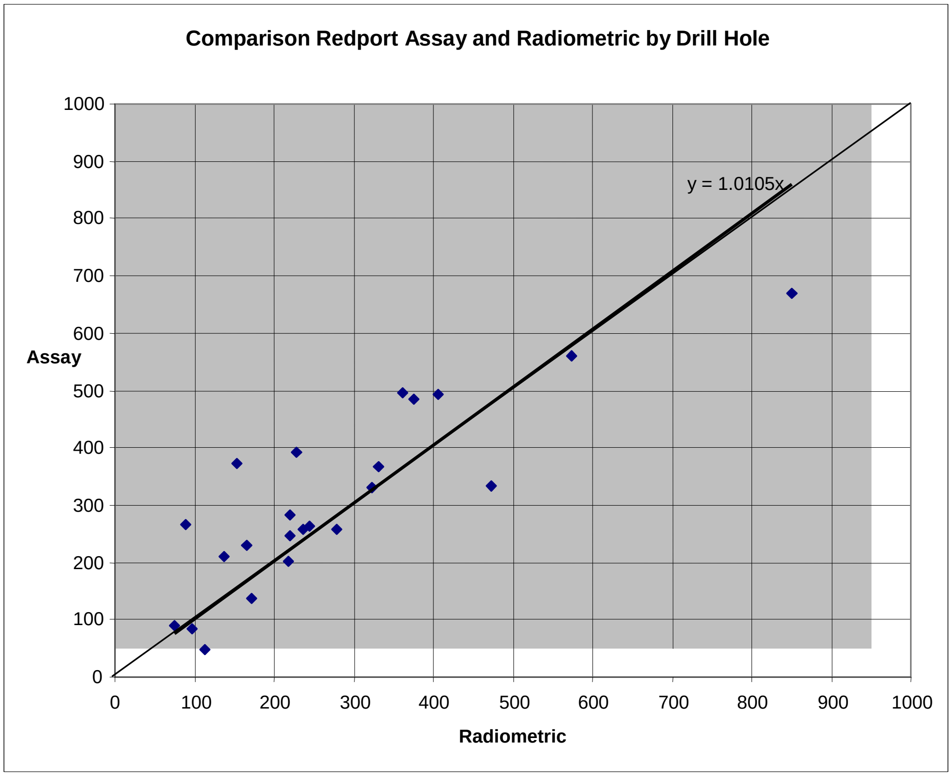


Figure 27. Comparison of Redport Chemical and Radiometric grades by Hole

19.1.3 Density of Ore

A value of 1.7g/cc was used in the resource estimation to allow a reasonable comparison to the previous estimation, based on the work by Acclaim.

19.2 Data Analysis

19.2.1 Descriptive Statistics – resource composites

Descriptive statistics of resource dataset values used within the resource estimation are detailed below for each of the elements estimated.

Table 13. Descriptive statistics, resource dataset

Statistic	**U_3O_8**
Minimum	0.00
Maximum	4672
Mean	86.5
Median	982.1
Variance	60577
Standard Deviation	246.1
Number Samples	218920

Table 14. Descriptive statistics, 100ppm dataset

Statistic	U_3O_8	Thickness	Grade*thickness
Minimum	100.00	0.04	4
Maximum	2359.96	7.62	4658
Mean	394.852	1.632	747.947
Median	301.19	1.6	478
Variance	82978.5	1.044	592410
Coef. Of Varn.	0.730	0.626	1.029
Number Samples	812	812	812

Table 15. Descriptive statistics, 200ppm dataset

Statistic	U_3O_8	Thickness	Grade*thickness
Minimum	200	0.02	4.02
Maximum	2359.96	7.62	4404.48
Mean	547.933	1.308	825.295
Median	458.09	1.19	610.4
Variance	998908.3	0.698	613074
Coef. Of Varn.	0.574	0.639	0.949
Number Samples	657	657	657

Table 16. Descriptive statistics, 500ppm dataset

Statistic	U_3O_8	Thickness	Grade*thickness
Minimum	500	0.020	10.0
Maximum	2595	3.050	4305
Mean	863	0.654	667
Median	751	0.480	363
Variance	121626	0.347	551214
Coef. Of Varn.	0.404	0.900	1.113
Number Samples	584	584	584

19.2.2 Univariate Statistics of the sample data

The data in the drill hole database was composited to mineralised intervals for each drill hole using 100, 200 and 500ppm cut off values. These composites were checked for consistency to ensure that only one composite value was generated for each drill hole containing all the mineralisation above the nominated cut off grade. The vertical position of each composite is not relevant to the methodology used. The statistics for each of the datasets is shown below in Figure 28 to Figure 33 and Table 17 to Table 19.

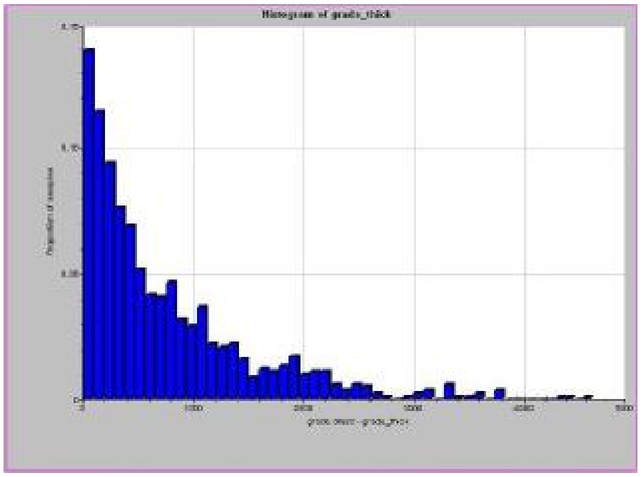


*Figure 28. Grade*Thickness Histogram, 100ppm*

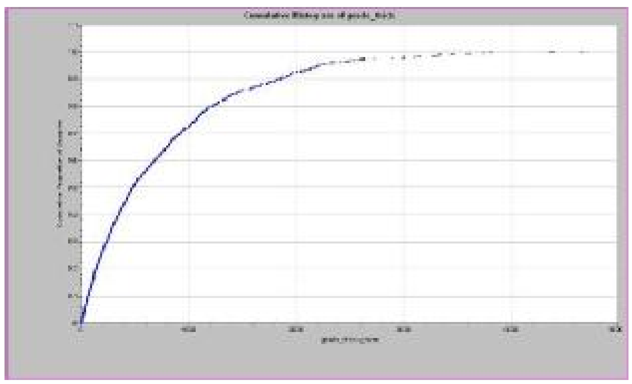


*Figure 29. Grade*Thickness Cumulative Probability, 100ppm*

Table 17. 100ppm Dataset Conditional Statistics

Grade Threshold	Cumulative Probability	Class Mean	Class Median	Mean Above	Class Data
60	0.10	30	29	827	81
139	0.20	100	104	918	81
236	0.30	184	186	1023	81
345	0.40	287	284	1145	81
478	0.50	410	413	1293	82
678	0.60	575	576	1472	81
917	0.70	796	804	1697	81
1218	0.80	1063	1067	2011	81
1451	0.85	1337	1343	2238	41
1854	0.90	1668	1675	2516	40
2230	0.95	2036	2031	2996	41
2589	0.97	2410	2441	3371	16
3441	0.99	3052	3126	3937	16
4658	1.00	3937	3811	-99	9

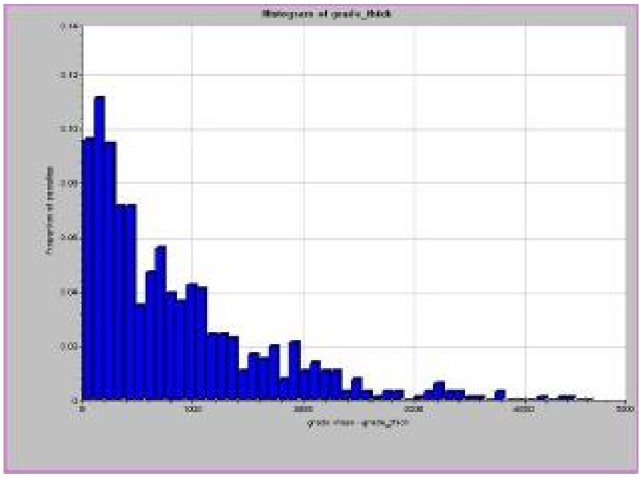


*Figure 30. Grade*Thickness Histogram, 200ppm*

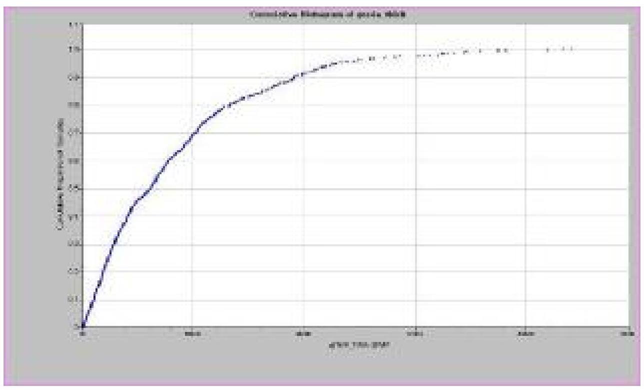


*Figure 31. Grade*Thickness Cumulative Probability, 200ppm*

Table 18. 200ppm Dataset Conditional Statistics

Grade Threshold	Cumulative Probability	Class Mean	Class Median	Mean Above	Class Data
97	0.10	50	49	910	65
184	0.20	142	143	1007	66
280	0.30	232	230	1118	66
405	0.40	343	342	1246	65
610	0.50	495	485	1396	66
785	0.60	693	684	1573	66
1019	0.70	910	919	1791	65
1331	0.80	1152	1150	2110	66
1619	0.85	1476	1458	2321	33
1906	0.90	1787	1768	2588	33
2287	0.95	2100	2094	3075	33
2728	0.97	2510	2482	3443	13
3441	0.99	3179	3233	3933	13
4404	1.00	3933	3811	-99	7

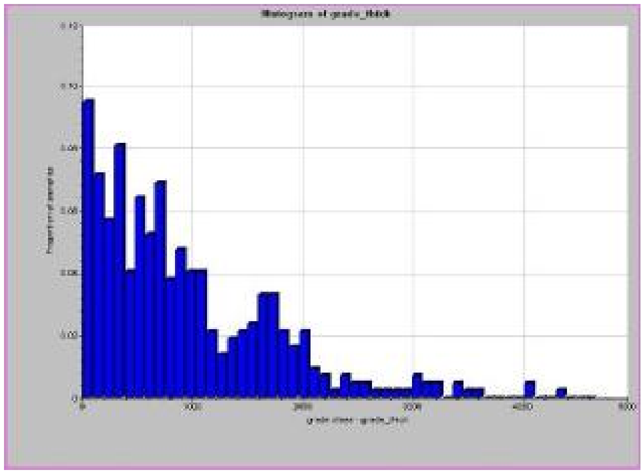


*Figure 32. Grade*Thickness Histogram, 500ppm*

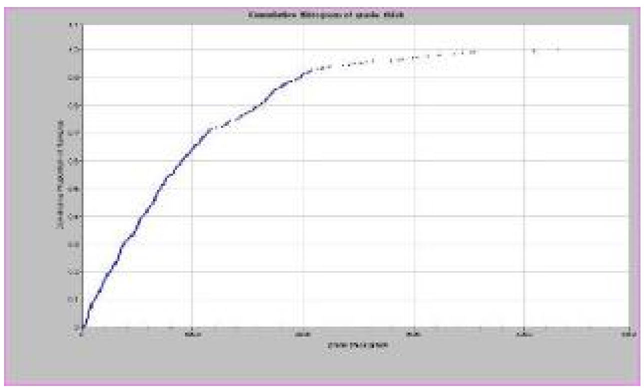


*Figure 33. Grade*Thickness Cumulative Probability, 500ppm*

Table 19. 500ppm Dataset Conditional Statistics

Grade Threshold	Cumulative Probability	Class Mean	Class Median	Mean Above	Class Data
103	0.10	56	55	1022	42
242	0.20	175	178	1127	42
365	0.30	313	323	1243	42
542	0.40	465	477	1372	42
705	0.50	631	647	1520	42
890	0.60	798	800	1699	42
1124	0.70	1013	1013	1926	42
1588	0.80	1371	1395	2201	42
1726	0.85	1666	1671	2376	21
1951	0.90	1829	1815	2643	21
2418	0.95	2110	2055	3152	21
2986	0.97	2692	2626	3471	9
3440	0.99	3194	3225	3914	8
4305	1.00	3914	4087	-99	5

19.2.3 Spatial Continuity of Uranium Grades

Variogram Maps

Figure 34 shows a plan view variogram map of the Lake Maitland mineralisation and indicates strong uranium grade longer range continuity in the North-South direction, matching high grade continuity seen in the plots of uranium grades, with shorter range continuity in the more Southeast-Northwest direction, in this case likely to be as a result of the influence of the sampling density and the narrow arms of the lake.

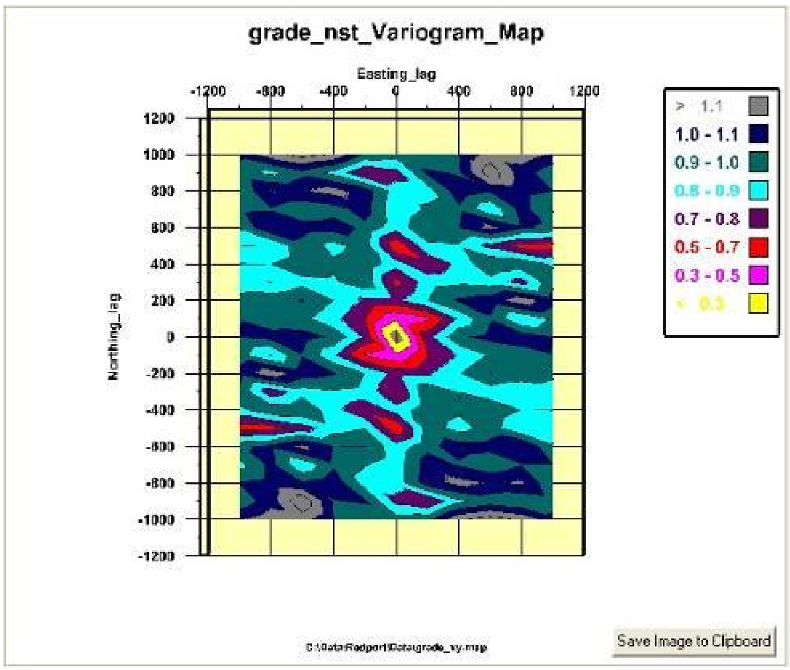


Figure 34. Mineralisation plan-view variogram map, grade

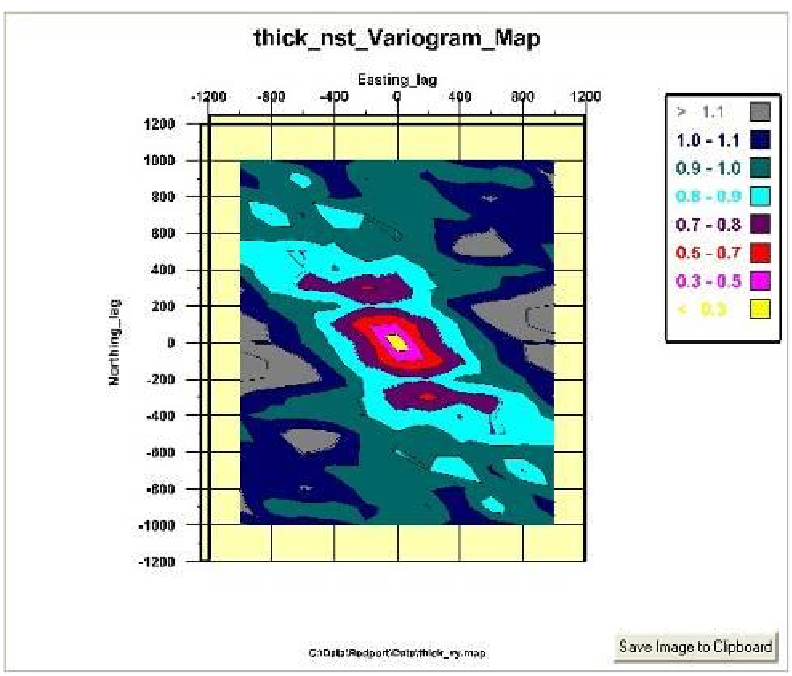


Figure 35. Mineralisation plan-view variogram map, thickness

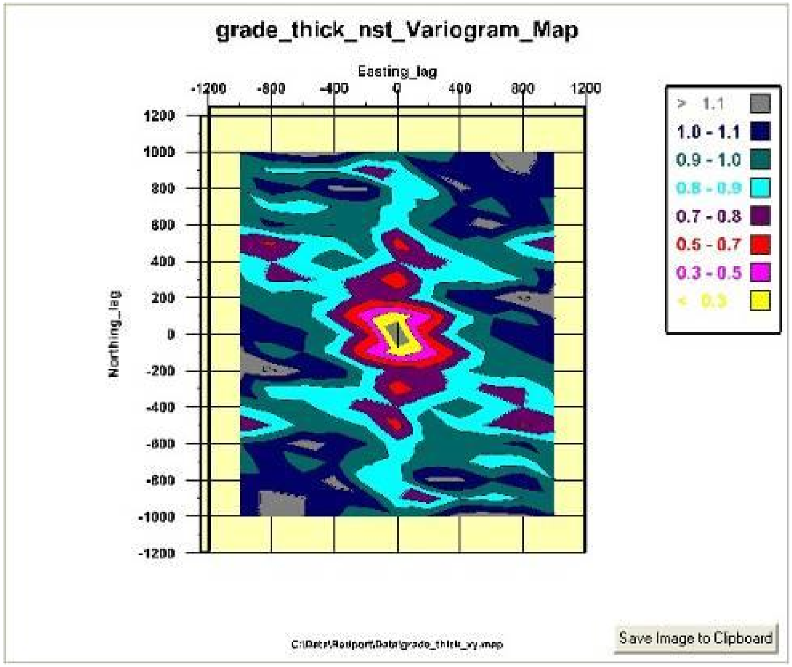


*Figure 36. Mineralisation plan-view variogram map, grade*thickness*

Variogram Modeling

A variety of orientations were tested within the mineralised horizons within the Lake Maitland deposit to determine the directions of continuity for Uranium. Overall the variography is only moderately stable in response to the uneven drill spacing and the Uranium mineralisation interpretation. The variogram directions conform to the average geometry of the Uranium mineralisation envelopes, with the greatest continuity along strike. A plunge has been identified to the south. These ranges primarily reflect the average drill spacing and geometry of the mineralisation.

Variography model details for along strike and across are summarised in Table 20 below.

*Table 20. Variogram models for Grade*Thickness and Thickness*

Attribute	Nugget	Sill	Range (m)		Sill	Range (m)	
	C_0	C_1	Major	Semi - Major	C_2	Major	Semi - Major
Grade * Thickness	0.20	0.37	385	305	0.43	500	1291
Thickness	0.20	0.43	170	215	0.37	845	1226

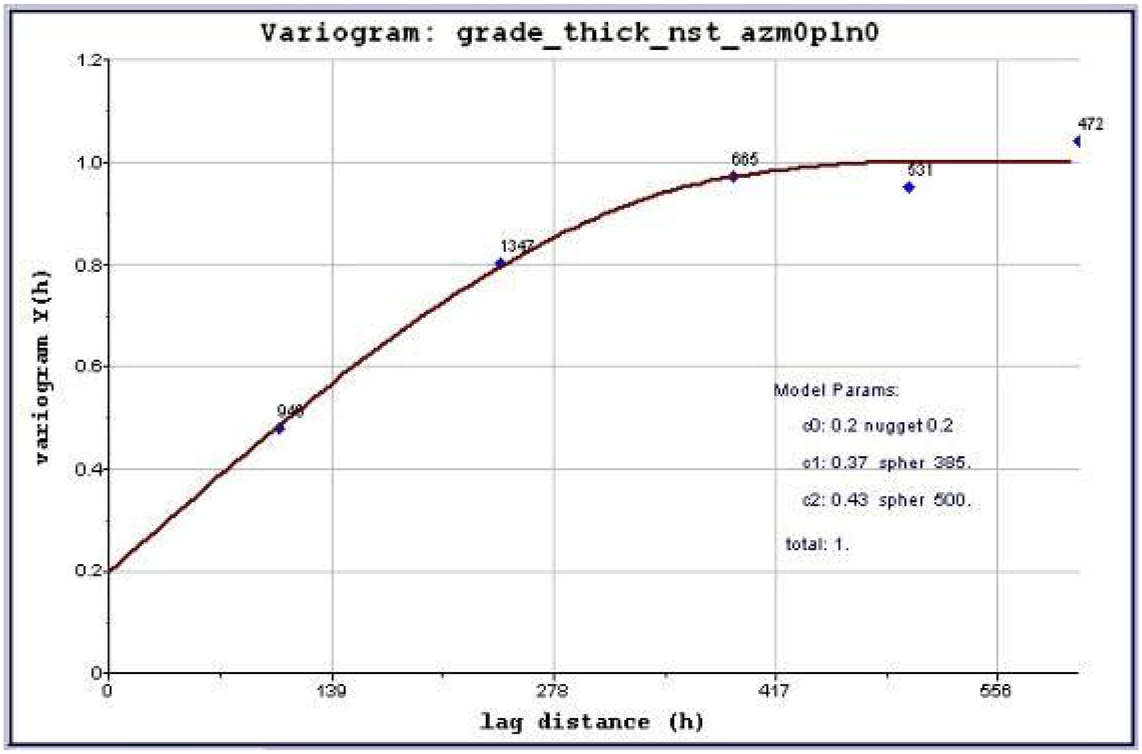


*Figure 37. Grade*Thickness variogram, East-West*

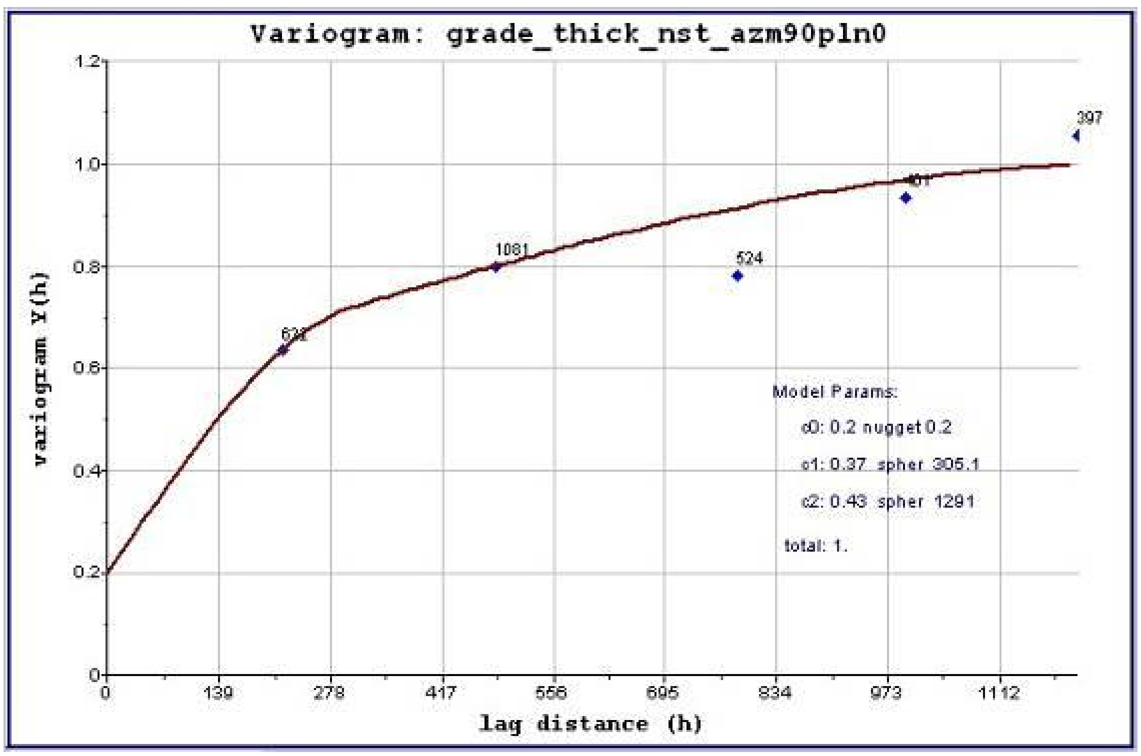


*Figure 38. Grade*Thickness variogram, North-South*

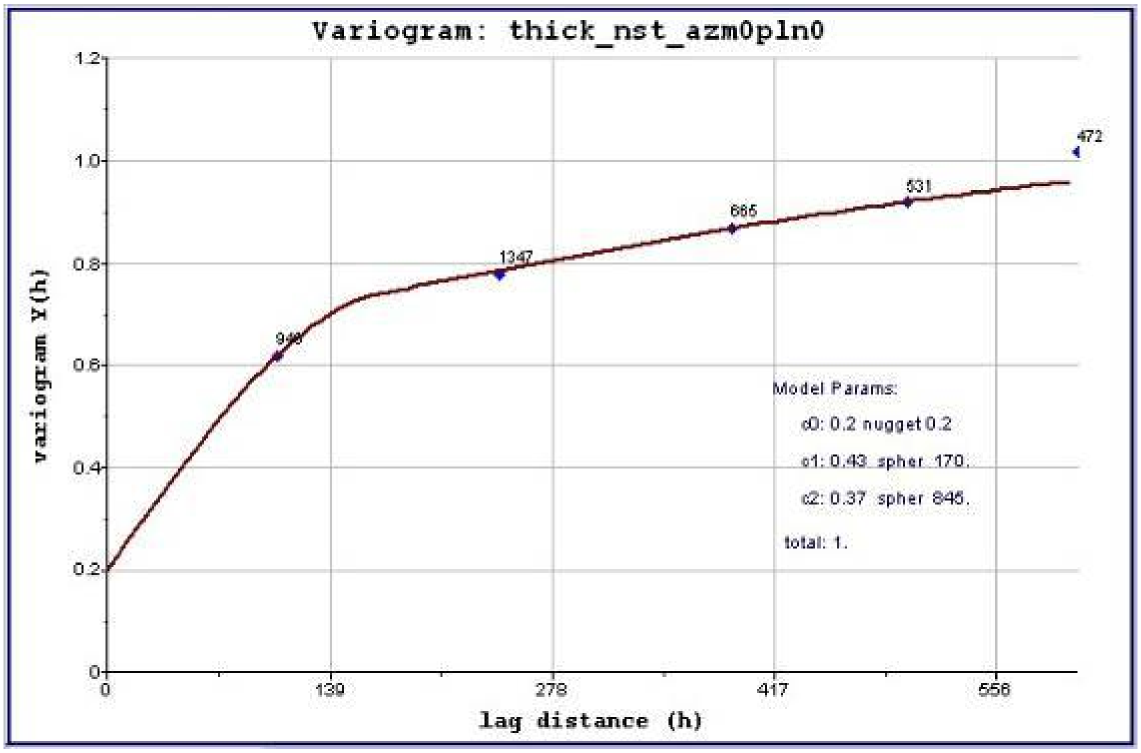


Figure 39. Thickness variogram, East-West

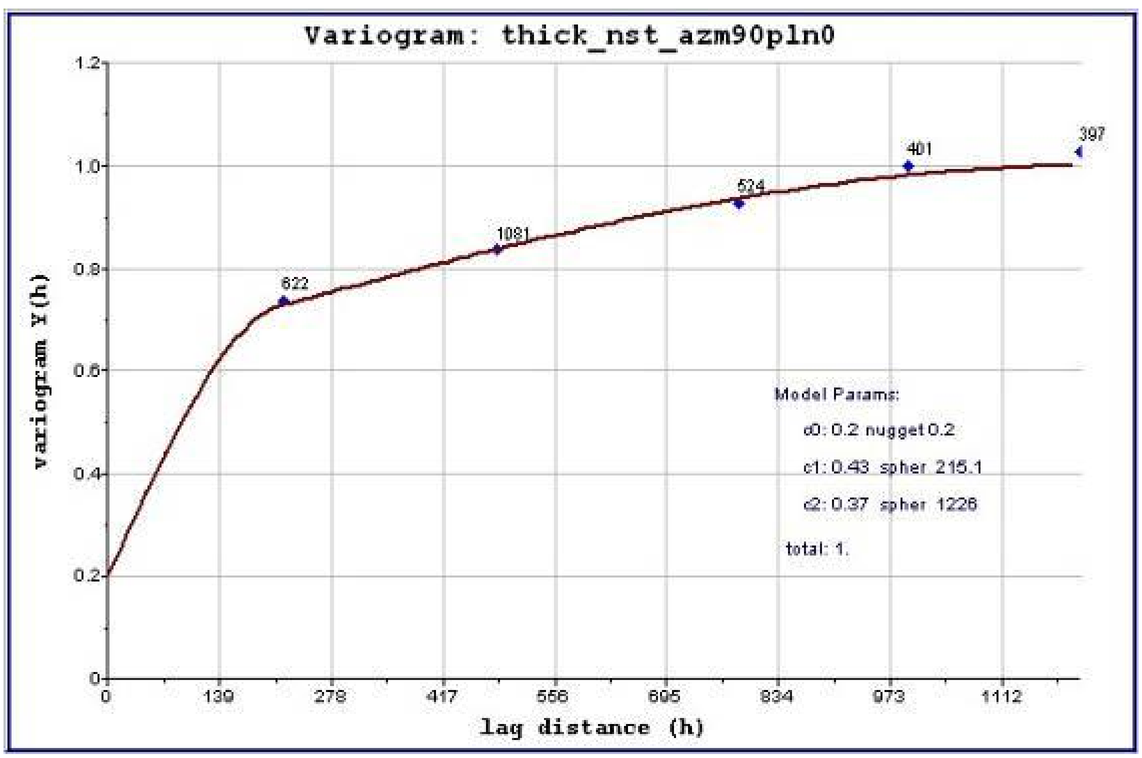


Figure 40. Thickness variogram, North-South

19.3 Estimation

19.3.1 Block Model Construction

A 2 dimensional panel model was generated to enable grade estimation. It was constructed using the surface wireframes that define the geological domains with each cell assigned a unique value for each mineralised domain.

Parent cell sizes were set at 100 m by 100 m (easting and northing respectively). The vertical and across strike dimensions of the parent cell were chosen in recognition of the thin nature of the mineralised zones, the elongate geometry of the lithologies, the drill spacing and the expected mining approach. Along strike, the horizontal dimension was selected primarily on the geometry of the mineralisation. The final panel model dimensions are detailed in Table 21.

Table 21. Resource Model Dimensions

Coordinates	Limits	Number of Panels	Panel Size (metres)
Easting	304,750 - 313,750	90	100
Northing	6,988,650 – 6,999,150	115	100
RL	470	1	-

19.3.2 Interpolation Domains

For the purposes of interpolation, domains were based on the different mineralisation envelopes and were considered to have hard boundaries when compared to non mineralised areas.

19.3.3 Search Neighbourhood

The search ranges used reflect the model fitted to the experimental variogram calculated on the available data, within each domain. Maximum search ranges for the major axis were determined to be 500m. Search ranges for the semi-major axis was factored according to the variogram model anisotropies.

19.3.4 Grade Interpolation

Grade estimation for the mineralisation at the Lake Maitland deposit was undertaken by Ordinary Kriging (OK) using Surpac software. The grade fields interpolated were grade*thickness and thickness with U_3O_8 values generated by back calculation.

A hard boundary was used for estimations within the mineralised domains. Estimations were completed using the variogram model parameters determined from the variography (Table 20). The estimates were interpolated into parent cells with no subcelling of the parent cells, with cell discretisation being set at 4 by 4 (east and north respectively).

For successful grade estimation within the first pass, the minimum and maximum number of composites is set to 4 and 32, respectively. For the second pass the search range has been increased to 500m and the number of required composites maintained at 4 and 32.

The sample search parameters used were based on the variography as previously discussed.

Table 22. Estimation Search Parameters

Estimated	Search Orientation			Search	Sample Numbers		
Element	1	2	3	Radii	Min	Max	Per Hole
Thickness	0	90	-	200x100	4	32	-
Grade*Thickness	0	90	-	200x100	4	32	-

19.3.5 Block Model Validation

The block model was validated visually in vertical section and plan, comparing the samples and block estimates. The validation process compared block grades to input data to ensure that grade trends were reproduced. As expected the model represents a smoothed version of the original samples, without the strong local variability present in the sample data. Grade trends within the various domains are aligned with the orientations of the various search neighbourhoods.

Figure 41 to Figure 45 below show the 100, 200 and 500ppm resources, all images are coloured according to the following scheme, black <100ppm, blue <200ppm, green <500ppm, red <850ppm and magenta >850ppm

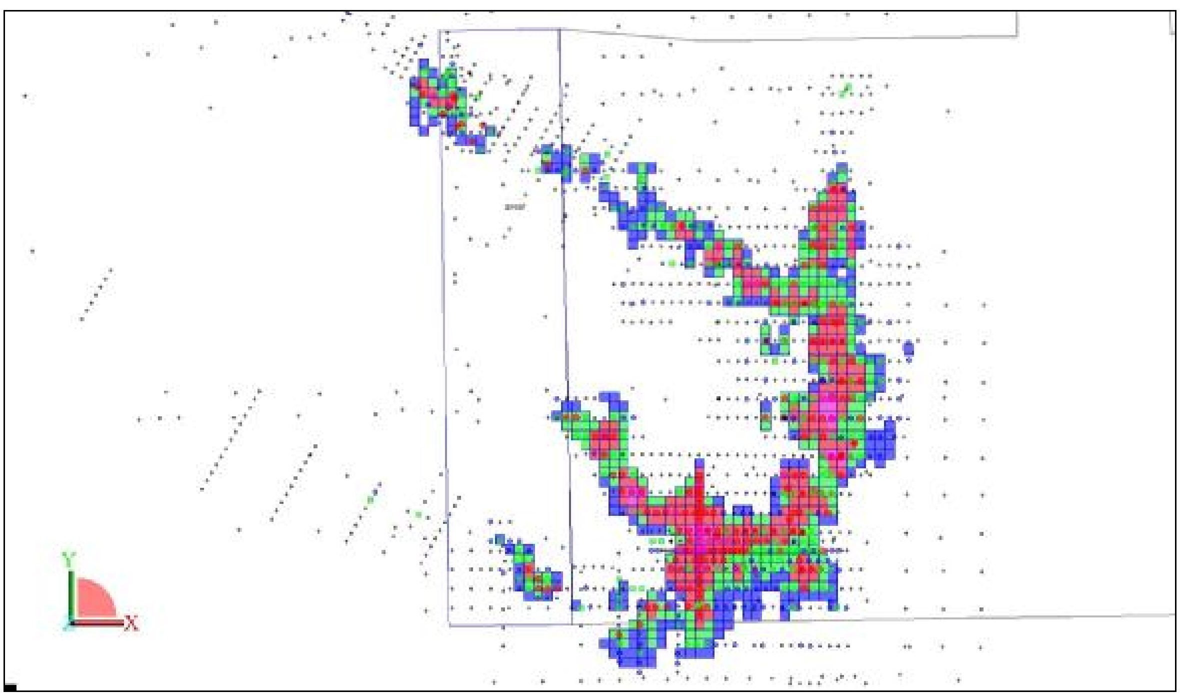


Figure 41. 200ppm resource model grades with sample data

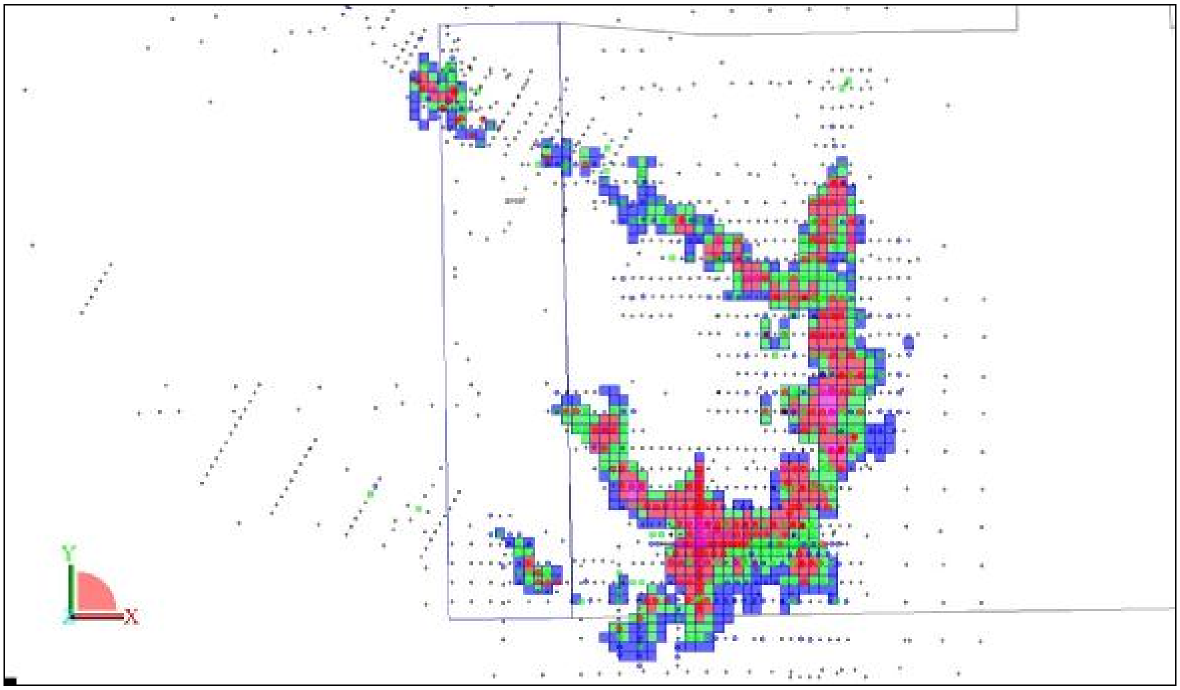


Figure 42. 200ppm resource model thickness with sample data

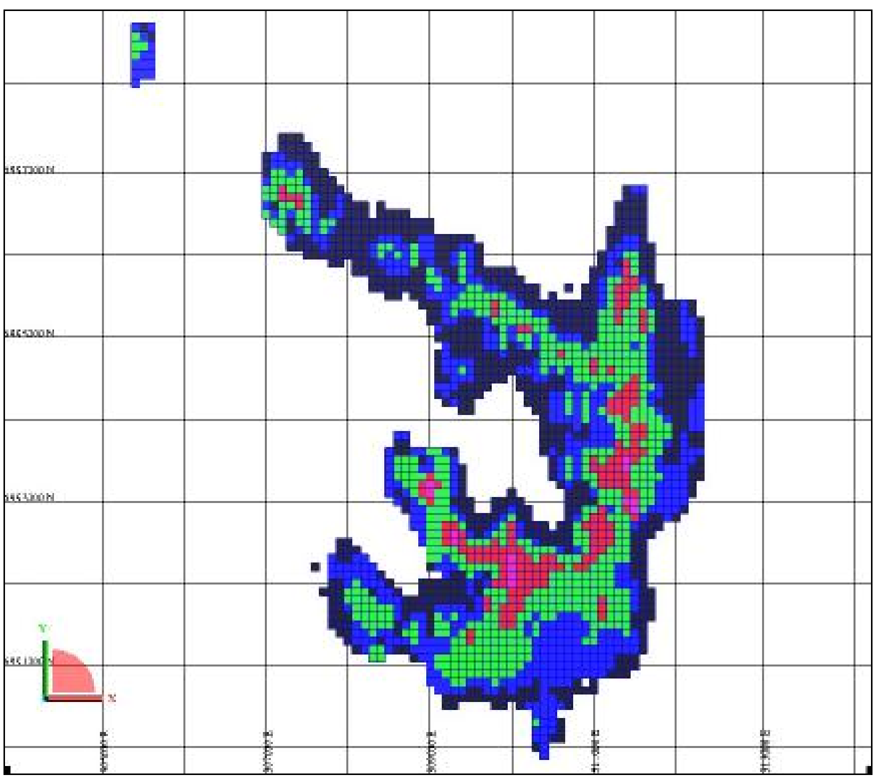


Figure 43. 100ppm resource model grades

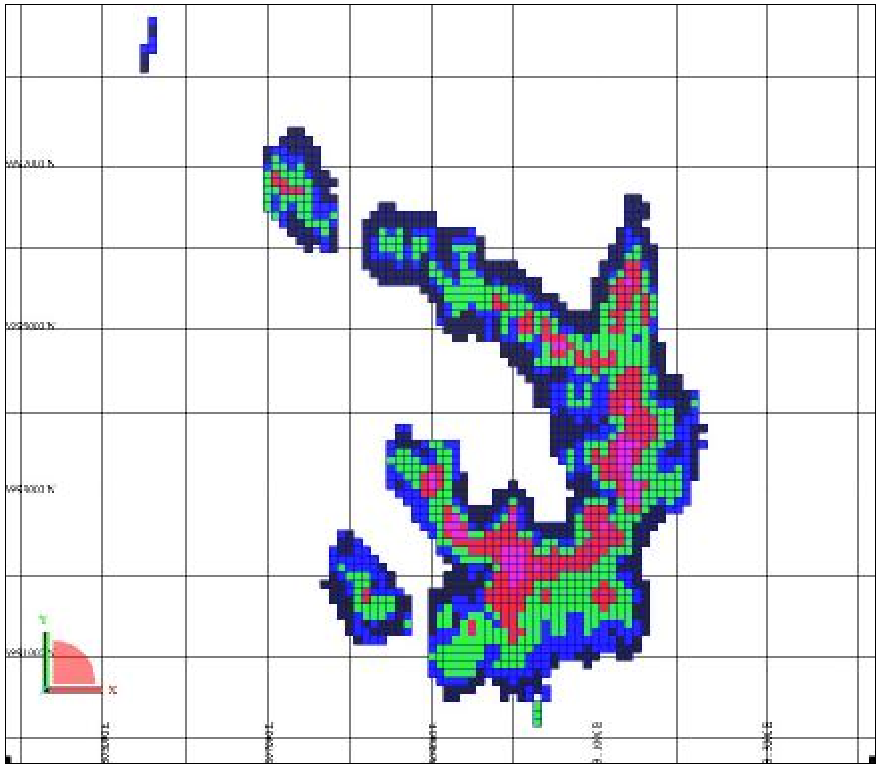


Figure 44. 200ppm resource model grades

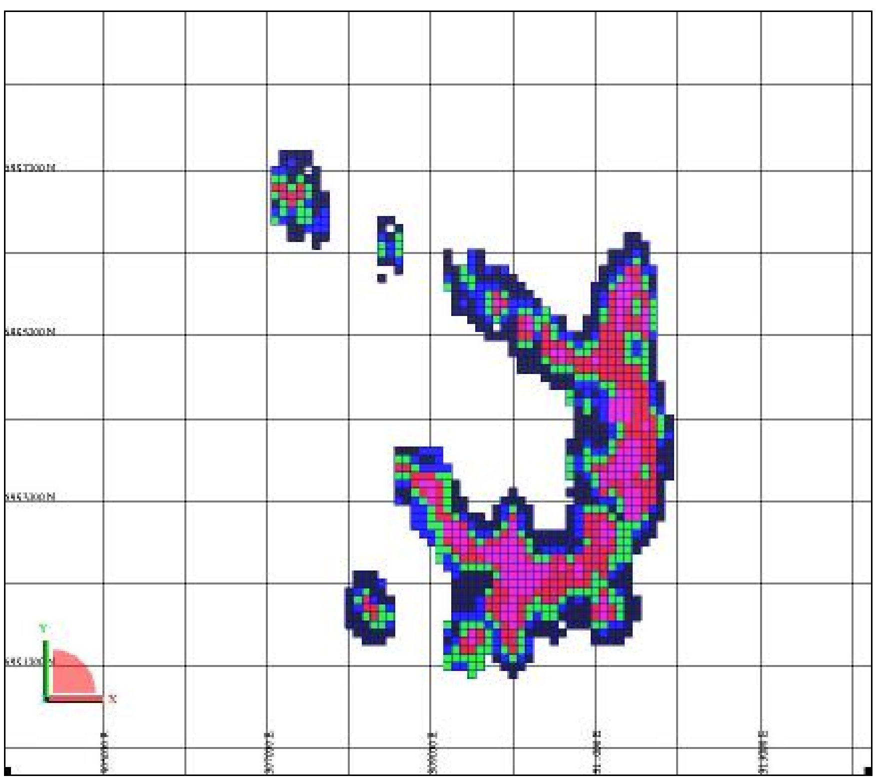


Figure 45. 500ppm resource model grades

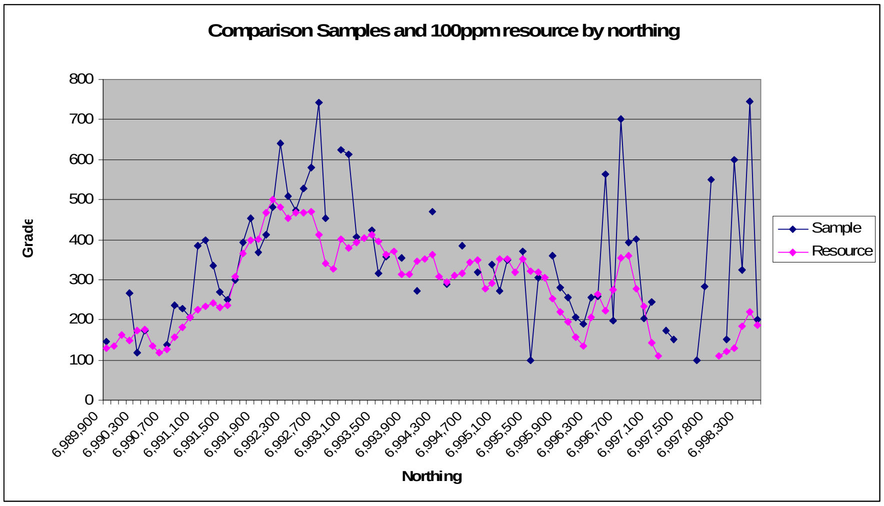


Figure 46. Comparison of resource grade and sample grade, 100ppm

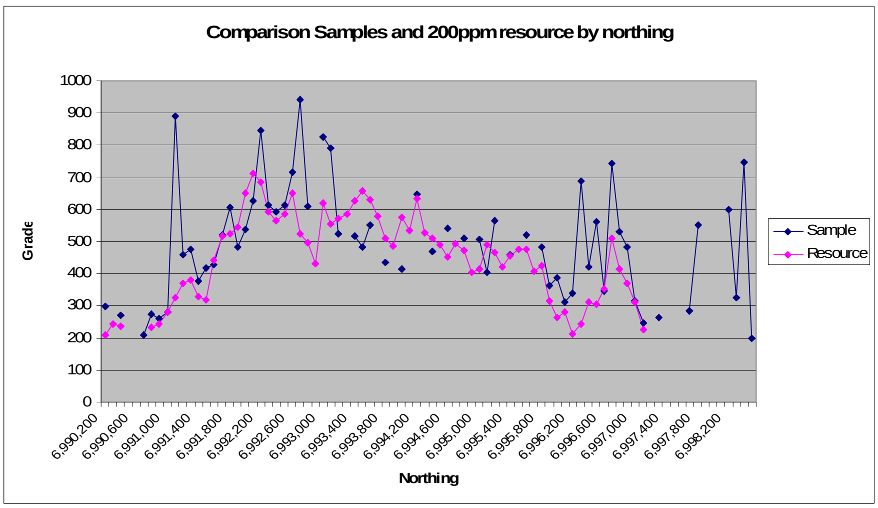


Figure 47. Comparison of resource grade and sample grade, 200ppm

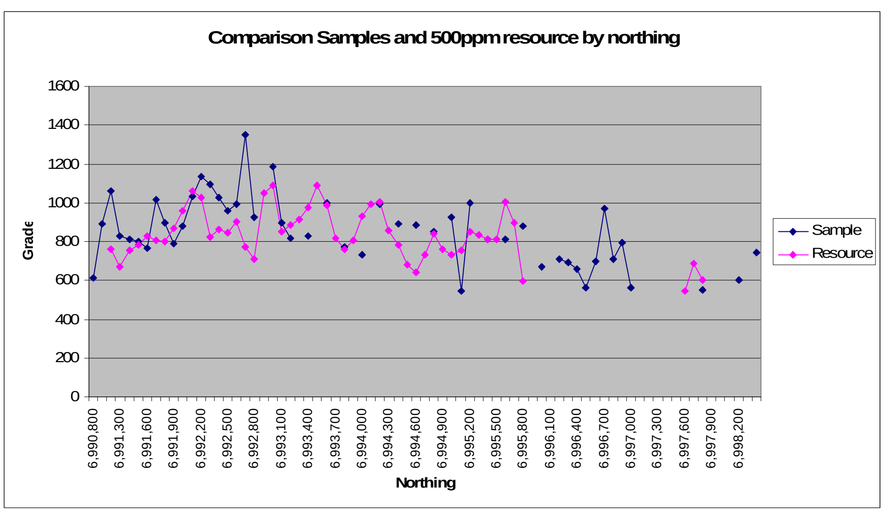


Figure 48. Comparison of resource grade and sample grade, 500ppm

As can be seen in Figure 46 to Figure 48 there is a good correlation between informing composite grades and the resource block model grades, when taken on 100m northing slices. The resource model grades exhibit the smoothing of original sample grades associated with ordinary kriging and moderate search distance parameters.

19.4 Resource Reporting

Grades and tonnes for the mineralised zones were constrained to block estimates realised after three estimation passes, and where U_3O_8 grades are greater than zero. The grade and tonnes have been reported on the following resources: >=100ppm U_3O_8, >=200ppm U_3O_8, and >=500ppm U_3O_8 and are shown in Table 23. Inferred Resource tonnes and grade. The grade tonnage curve for the total resource is shown in Figure 49.

Table 23. Inferred Resource tonnes and grade

Cut off Grade	Tenement	Tonnes	U_3O_8 ppm	Metal Tonnes
100ppm	E53/947	1,901,000	225	423
	E53/1099	25,862,000	360	9,358
	Total	**27,763,000**	**350**	**9,781**
	Other	4,913,000	195	966
	Total	**32,677,000**	**330**	**10,747**
200ppm	E53/947	706,000	350	246
	E53/1099	14,579,000	525	7,664
	Total	**15,284,000**	**520**	**7,910**
	Other	1,313,000	315	415
	Total	**16,597,000**	**500**	**8,324**
500ppm	E53/947	85,000	625	53
	E53/1099	5,342,000	870	4,648
	Total	**5,426,000**	**865**	**4,701**
	Other	86,000	670	58
	Total	**5,513,000**	**860**	**4,759**

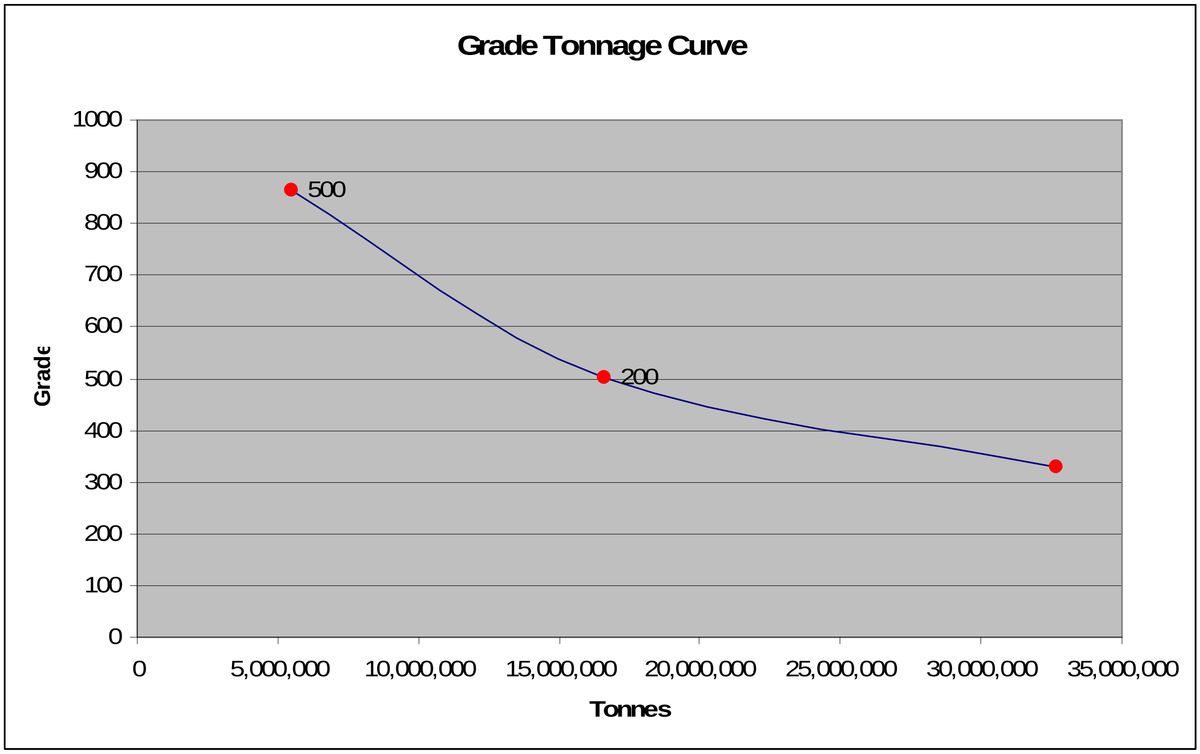


Figure 49. Resource grade tonnage curve

19.5 Resource Classification

19.5.1 Resource Classification Criteria

Drilling techniques

The resource database is based on a combination of auger and percussion drilling. There is no information on the sampling techniques employed. It is assumed that techniques that are aligned with industry standards then in place have been applied.

Logging

The geology coding is neither complete nor had it been validated against the downhole geological logs to ensure the coding is consistent. It is recommended that once the geological logs are obtained this is done.

Quality Control

The absence of quality control means that the quality of the historical data cannot be assessed, Redport generated assay data contains both laboratory generated and company inserted certified reference standards and is considered to be of very good quality.

Topography

The digital terrain model for the surface topography was interpreted from all available surveyed drill hole collar locations in the area and modified using digitised map contours to remove local inconsistencies.

Location of sampling points

Drill hole locations were previously discussed in Section 19.1. Downhole surveys could not be verified but were assumed to have been collected in line with industry standards then in place. Check surveys should be undertaken to confirm location and downhole survey data. Drill hole collars were adjusted to be consistent with the constructed topographic surface. As a priority a correctly surveyed topography should be sourced to aid in the correct positioning of drill hole collars.

Data density and distribution

The sample data for the Lake Maitland deposit is based predominantly on drilling completed on a nominal 200mN x 100mE grid, with most holes drilled vertically. Additional drilling may be necessary to further delineate the mineralisation extents and grade characteristics to thereby increase resource confidence.

Density

As described above the density values used were back calculated from existing historical data. Additional density measurements are required to verify the values used.

Metallurgical factors and assumptions

No metallurgical factors have been considered during the resource estimation for the Lake Maitland deposit.

19.5.2 Categorised Resources

H&S has assessed the items required to categorise the current estimate and has assigned all mineral resource estimates to an Inferred category in accordance with the JORC guidelines. Inferred Uranium resources in the Lake Maitland deposit are reported in Table 24 on the ordinary kriged U_3O_8 estimates for 100mE x 100mN panels within the mineralised zone. Significant figures used in the table below are for internal auditing purposes only and should not be taken to imply a level of precision.

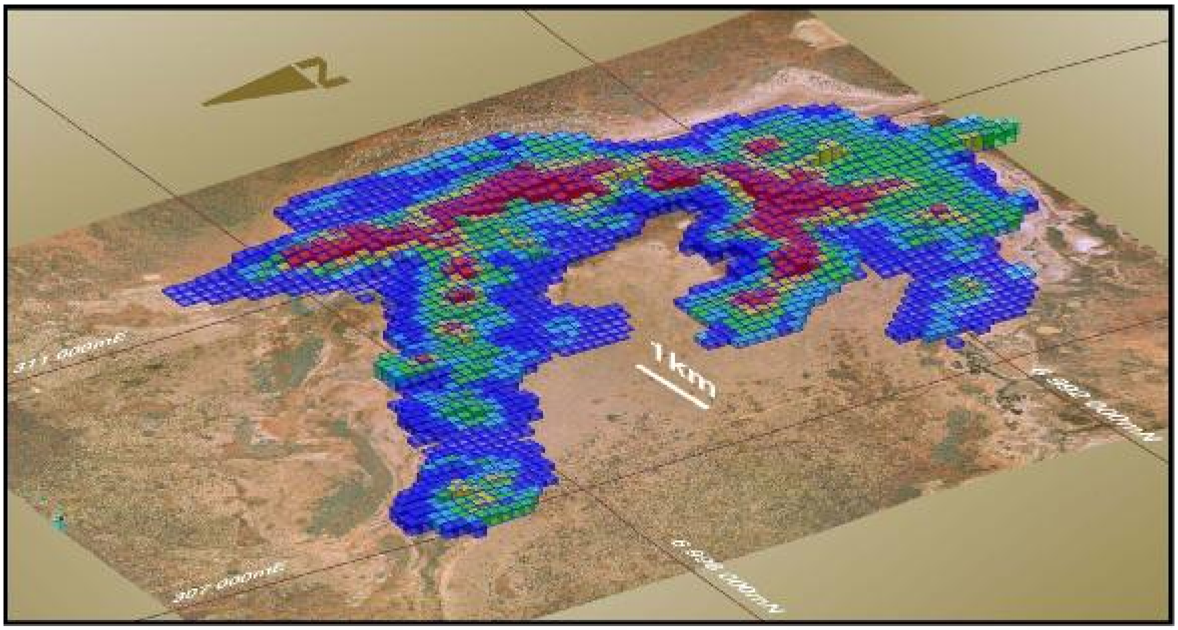
19.6 Conclusions

H&S have completed a resource estimation of the Lake Maitland deposit using ordinary kriging techniques. H&S has assessed the items required to categorise the estimates and due to the lack of historical sample quality control information, uncertainty regarding some collar RL values and positions and confirmation of the bulk density values has assigned all estimated resources to an Inferred category in accordance with the JORC guidelines.

Inferred U_3O_8 resources for the Lake Maitland deposit are reported on the ordinary kriged U_3O_8 estimates. Note, figures have been rounded to nearest 1,000t, nearest 5ppm for U_3O_8 grade.

Table 24. Inferred Mineral Resources at 100, 200 and 500ppm cut offs

Cut off Grade	Tonnage (Mt)	U_3O_8 ppm	Metal (Kt)
100ppm	32.7	330	10.7
200ppm	16.6	500	8.3
500ppm	5.5	860	4.8



LAKE MAITLAND URANIUM DEPOSIT
3D VIEW OF THE URANIUM DEPOSIT LOOKING SOUTH-EAST
DOWN THE PALAEOCHANNEL

*Figure 50. Resource panels, scaled by grade*thickness and coloured by grade*

19.7 Check Estimate

The author performed a quick independent check estimate of the Lake Maitland resource using similar methodology to Princep, 2006. The results of this check estimate were within 10% of Princep's results at a 100ppm U_3O_8 cut-off grade in terms of tonnage, grade and oxide content.

19.8 Modifying Factors

The thinness and flat dip of the mineralised zones at Lake Maitland will be important factors in determining the mining method employed, which will in turn determine the proportion of resources that can be economically extracted.

Metallurgical testing to date indicates that high uranium recoveries can be achieved.

Lake Maitland is no more remote than many other Australian mining projects that have successfully overcome the obvious problems of providing the necessary water, power, manpower etc.

There are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, infrastructure or other issues that may materially affect the mineral resources at Lake Maitland.

The political situation regarding uranium mining in Western Australia is discussed in Section 6.3.

20 OTHER RELEVANT DATA AND INFORMATION

H&S is not aware of additional information or explanations that, if excluded, would mislead the reader.

21 INTERPRETATION AND CONCLUSIONS

The Lake Maitland project contains significant uranium resources defined by existing data over a large area. There is reasonable potential for expanding existing resources and discovering and defining additional resources within the Lake Maitland project area, either adjacent to existing resources or at depth. The existing database for Lake Maitland is considered adequate for the estimation of Inferred mineral resources.

Redport provided drill hole intercepts at 100, 200 and 500ppm U_3O_8, which formed the basis for models of ore thickness and accumulation (grade x thickness). Ordinary kriging was used to estimate both thickness and accumulation, with grade estimates of U_3O_8 back-calculated from these estimates. No cutting of high grades was applied during estimation.

New resource estimates were completed by H&S in June 2006, with results summarised below (Table 1); all resources are classified as Inferred.

Table 25. Summary of mineral resources, Lake Maitland

Cut off Grade	Tonnage (Mt)	U_3O_8 ppm	Metal (Kt)
100ppm	32.7	330	10.7
200ppm	16.6	500	8.3
500ppm	5.5	860	4.8

Vanadium is also present in the uranium mineralisation at Lake Maitland (at comparable levels to uranium) and could contribute economically significant credits to the project. However, there is only limited data for vanadium and this has not been evaluated to date.

22 RECOMMENDATIONS

Princep (2006) recommended a number of steps be undertaken to enable subsequent resource estimates to be classified to higher JORC categories.

- The current resource database should be validated against whatever hard copy information is available; these validations should be noted within the database.
- Additional bulk density determinations should be performed on any drill core from the deposit that is available to confirm or update the bulk density values that have been used in this resource estimation. The procedure for bulk density determinations should be documented.
- A surface topography of the resource area, to at least 1m contour detail, should be sourced and drill hole collar locations should be confirmed.
- Should historical assay QA/QC not be available, sufficient twin hole and infill drilling should be undertaken to enable confirmation of original assay results.
- An increase in drill coverage within the mineralised zones at the Lake Maitland deposit would be required to enable the estimation of higher category resources as at present the data density is in some cases widespread and uneven.

Further recommendations arose from this review of the project:

- The digital capture of all relevant data (e.g. geology, assays for other elements, digital capture of old analog gamma logs, etc) needs to be completed.
- The radiometric and chemical assay data should be stored separately in the database.
- Further work is needed to better define rock density.
- Further work is required to determine an appropriate economic cut-off grade for the uranium mineralisation at Lake Maitland.
- The potential economic value of the vanadium mineralisation at Lake Maitland needs to be assessed.

Redport has commenced a scoping study in order to evaluate the project economics and key requirements for mine development.

1. Review of resource development requirements
2. Evaluate ore leaching options
3. Preliminary review of process water and waste management options
4. Key environmental studies (flora, fauna, hydrological, baseline radiological and meteorological surveys)
5. Review of infrastructure requirements
6. Progress discussions with Native Title groups

Redport has proposed the following work program to advance the Lake Maitland project:

- Phase 1 – Resource Development:

  Large diameter drilling, trenching and metallurgical testwork program.

  Verification drilling using hollow-flight auger coring to further verify accuracy of old and new gamma probe logs and old and new assay, further K, Th assays and disequilibrium samples

- Phase 2 – Resource Development:

  Resource infill 50x50 targeting areas of higher-grade/metal at risk and areas of lower geological/grade continuity

  Resource extension both lake arms & southern and northern extensions

- Environmental & Hydrological Studies: have commenced and are concurrent with Resource Development work

Redport's current annual budget for the Lake Maitland project is AUD $ 3.7 M.

23 REFERENCES

Australian Bureau of Statistics, 2006. Local Government Area populations and median ages - Northern Territory. http://www.abs.gov.au

Australian Government Bureau of Meteorology, 2006. Climate Averages for Australian Sites – Averages for Wiluna. http://www.bom.gov.au

Beard JS, 1980. Plant Life of Western Australia: Kenthurst, New South Wales, Kangaroo Press.

Beard JS, 1981. The vegetation of Western Australia at the 1:3 000 000 scale: Western Australia Forests Department, Map and Explanatory notes.

Burbidge NT, 1943. Notes on the vegetation of the Northeast Goldfields: Royal Society of Western Australia Journal, 27, 119–132.

Butt CRM, Mann AW and Horwitz RC, 1984. Regional Setting distribution and genesis of surficial uranium deposits in calcretes and associated sediments in Australia. In: Surficial Uranium Deposits. International Atomic Energy Agency, Vienna; Tecdoc 322: 121-128.

Cavaney RJ, 1980. Lake Maitland Uranium Project, Report on Activities to December 1980.

Eggeling T, 2005. Annual Report - Lake Maitland West Project.

Gaskin AJ, Butt CRM, Deutscher RL, Horwitz RC & Mann AW, 1981. Hydrology of uranium deposits in calcretes of Western Australia. In: Energy Resources of the Pacific Region (editor Halbouty MT). American Association of Petroleum Geologists Studies in Geology Tulsa; 12.

Gray DJ,2000. Chemistry of groundwaters in the Yandal greenstone belt, in Phillips, GN and Anand, RR, editors, Yandal Greenstone Belt: Regolith, Geology and Mineralisation: Australia Institute of Geoscientists, Bulletin no. 32, 145-156.

Mason M, 2006. Updated Assay Procedures and Protocols for Lake Maitland Drilling and Status Report.

McKay AD and Miezitis Y, 2001. Australia's Uranium Resources, Geology and Development of Deposits. AGSO – Geoscience Australia, Canberra.

Pearson JM, 1999. Lake Maitland Annual Report, Acclaim Uranium NL.

Pearson JM, 1999. Lake Maitland Annual Report on E53/686, Acclaim Uranium NL.

Princep D, 2006. Resources Estimation within the Lake Maitland Project Western Australia.

Redport, 2006. 2006 Annual Report.

Redport website. http://www.redport.com.au

Wilson D, 2006. The Application of Total Count Radiometric Logging to the Lake Maitland Uranium Deposit, Western Australia.

Wilson D, 2007. Lake Maitland Density Logging Analysis.

Wyche S and Farrell T, 2000. Regional geological setting of the Yandal greenstone belt, northeast Yilgarn Craton, in Phillips, GN and Anand, RR, editors, Yandal Greenstone Belt: Regolith, Geology and Mineralisation: Australia Institute of Geoscientists, Bulletin no. 32, 41-49.

ACKNOWLEDGEMENTS

The writer acknowledges information, assistance and feedback provided by:

Mr Matthew Wheeler, Redport

Mr David Princep, Paladin (previously H&S)

Mr Jon Abbot, H&S

Mr Simon Gatehouse, Geochemist, H&S, provided input relating to analytical methods and QA/QC issues.

GLOSSARY OF TERMS

ASX	Australian Stock Exchange
TSX	Toronto Stock Exchange
U_3O_8	Uranium oxide
cps	Counts per second
DFS	Definitive Feasibility Study
EIS	Environmental Impact Statement
Ga	Geological unit of time – 10^9 years
ICP-MS	Inductively coupled plasma mass spectroscopy
XRF	X-ray fluorescence (spectroscopy)
NI	National Instrument
RC	Reverse Circulation Drilling
SEDAR	System for Electronic Document Analysis and Retrieval at www.sedar.com
The Company	Mega Uranium Ltd.

24 DATE AND SIGNATURES

The effective date of this report is 20th February, 2007.

CERTIFICATE OF QUALIFICATION

I, Arnold van der Heyden, MAusIMM, do hereby certify that:

1. I am an Employee Director of:
   Hellman & Schofield Pty Ltd
   Suite 6, 3 Trelawney St,
   EASTWOOD NSW 2119
   AUSTRALIA

2. I graduated with a BSc degree in geology from University of Melbourne in 1980.

3. I am a Member of the Australasian Institute of Mining and Metallurgy.

4. I have worked as a geologist for a total of 26 years since my graduation from university.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for the preparation of the technical report titled "First time disclosure: Mega Uranium Ltd., Mineral Resources for Lake Maitland Uranium Deposit." (the "Technical Report") and dated 20th February 2007. I visited the Lake Maitland Property for two days in January 2007.

7. I have had an involvement in the Lake Maitland Property since January 2007. The nature of this involvement includes review of geology and resource database, resource estimation and general consulting in relation to interpretation of mineralisation.

8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical report misleading.

9. I am independent of the issuer in accordance with section 1.4 of NI43-101.

10. I have read NI43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

11. As of the date of this Certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

12. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated 20th February, 2007.

Signature of Qualified Person

Arnold van der Heyden, MAusIMM, BSc

Name of Qualified Person