

QUARTERLY ACTIVITIES REPORT for the period ended 31 December 2011

YEELIRRIE VALLEY URANIUM PROJECT

Results for the biogeochemical survey over the tenement package were received during the quarter. Numerous anomalies have been identified which require follow-up work. Based on the distribution of the results, the decision was made to relinquish several of the less prospective licences in order to reduce costs to the company.

The Yeelirrie Valley Uranium Project (Figure 1) is located in the north of the Eastern Goldfields of Western Australia, some 650 kilometres to the northeast of Perth. The project surrounds BHP-Billiton's Yeelirrie uranium project.



Figure 1 – Location of the Yeelirrie Valley project

BIOGEOCHEMISTRY PROGRAMME

A biogeochemistry sampling programme was undertaken on the Yeelirrie Valley project. A novel technique, developed in the past 2 years and successfully trialled on uranium mineralisation in the northern Eastern Goldfields and the South Australian Eucla, has been implemented over the entire tenement package that comprises the project.

A total of 262 samples were collected on a 2.4 x 2.4 km grid covering the entire project area. The programme has covered over 1600 km² of predominantly flat valley fill sediments as well as the low outcrops and breakaways around the margins of the valley.

The primary targets of the programme were Yeelirrie-style calcrete-hosted uranium and to a lesser extent granite-hosted uranium mineralisation. Other types of mineralisation, such as gold, nickel and rare earths, which are prospective throughout the northern Eastern Goldfields region were also targeted.

Results

Analysis of the assays generated from the regional biogeochemical sampling programme has generated exploration targets for Yeelirrie-style calcrete-hosted uranium mineralisation, sulphide-hosted nickel mineralisation, mesothermal gold mineralisation, and a series of copper targets.

The uranium targets are defined by anomalous U and V values, and tend to display elevated assays in a range of other elements. Most of the targets are associated with or adjacent to channels feeding into the main channel system that hosts BHPB's Yeelirrie deposit. The largest and strongest of the anomalies are located in the northwestern licences.

A broad zone of elevated Cu values extends over more than 36 km² in the northern licences. The anomaly directly coincides with a magnetically intense granite, with U and S anomalism coinciding with the flanks of the granite. Given the IOCG (iron oxide-copper-gold deposit) style affinities, this target ranks highly for follow-up work.

Several other targets were also identified. In the western part of the tenement package, gold and nickel anomalies have been identified. Again, each of these will require follow-up work.

The biogeochemical sampling programme covering the Yeelirrie Valley Project has provided a fast and cheap way to test the geochemical prospectivity of a large area. The programme has effectively sampled a broad region using a minimal sample population when compared to traditional geochemical sampling.

UPCOMING WORK

Future work will include field reconnaissance in target areas that contain outcrop, with infill biogeochemical sampling to focus in on the targets identified during this exploration programme.

TENEMENT INFORMATION

The Yeelirrie Valley Uranium Project is composed of 7 granted exploration licences and 1 exploration licence application (Table 1, Figure 2). These leases cover more than 1,000km² within the catchment of the Yeelirrie palaeochannel and are located upstream from BHPB's Yeelirrie uranium project. Exploration licences E57/608, E57/609, and E36/709 were surrendered during the quarter based on the results of the regional survey.

Table 1 – Licence schedule for the Yeelirrie Valley uranium project as at 9 September 2011.

| Licence No. | Area (blocks) | Area (km ²) | Date granted/ Appl date | Renewal date | Status |
|-------------|---------------|-------------------------|----------------------------|--------------|---------|
| E53/1446 | 26 | 49.7 | 14/07/2009 | 13/07/2014 | LIVE |
| E53/1453 | 16 | 35.2 | 21/09/2009 | 20/09/2014 | LIVE |
| E53/1564 | 51 | 155.8 | 08/03/2011 | 07/03/2016 | LIVE |
| E53/1565 | 69 | 211.1 | 08/03/2011 | 07/03/2016 | LIVE |
| E53/1579 | 67 | 205 | 19/04/2011 | 18/04/2016 | LIVE |
| E53/1582 | 70 | 214.4 | 09/09/2010 | | PENDING |
| E53/1618 | 35 | 107.1 | 16/03/2011 | 13/12/2016 | LIVE |
| E57/739 | 11 | 23.4 | 5/10/2009 | 4/10/2014 | LIVE |
| | 345 | 1001.7 | | | |

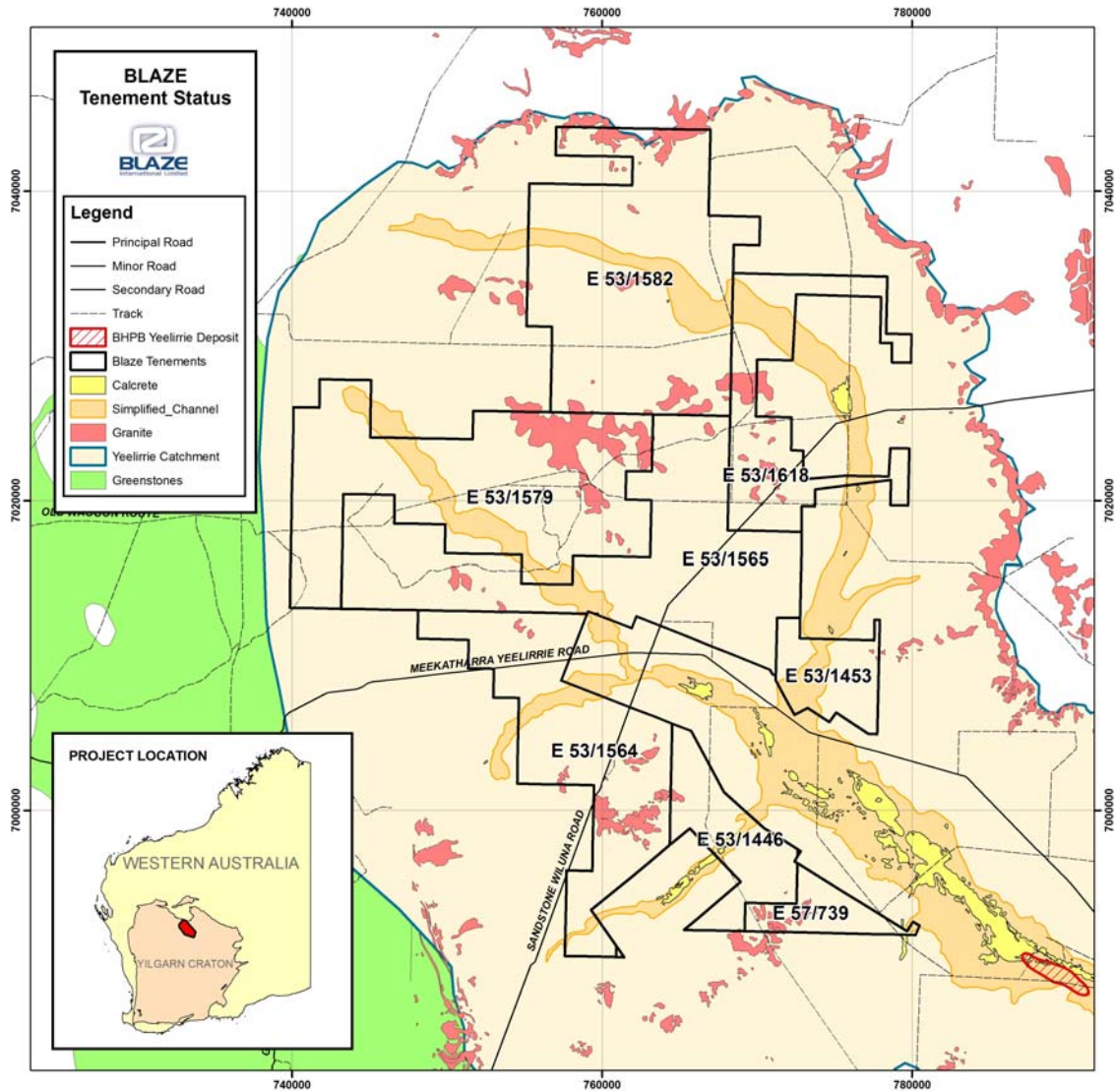


Figure 2 – The licences of the Yeelirrie Valley Uranium Project, shown over the Yeelirrie valley. The Yeelirrie carnotite deposit is located in the bottom right of the map at 12 Mile Bore.

For further information please contact:

David Zukerman, Company Secretary

Phone (08) 9481 7833

Or consult our website:

<http://www.blazelimited.com.au/>

Competent Persons Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Alex Clemen of Clemen and Associates consultants, who is a member of The Australasian Institute of Geoscientists and the Society of Economic Geologists. Mr Clemen has sufficient experience that is relevant to the various styles of mineralisation and types of deposit under consideration, and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Alex Clemen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Blaze International Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Blaze International Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.