

QUARTERLY ACTIVITIES REPORT for the period ended 30 June 2011

YEELIRRIE VALLEY URANIUM PROJECT

This quarter, Blaze embarked on an innovative biogeochemical sampling programme to test the entire Yeelirrie Valley Uranium Project area for mineralisation. The primary focus is uranium, but the programme will simultaneously test for a wide range of mineralisation types, including gold, nickel and rare earth element mineralisation.

The programme, comprising 262 samples, is designed to identify subtle anomalies that may be indicative of uranium mineralisation in the subsurface.

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 are Yeelirrie-style calcrete-hosted uranium and to a lesser extent granite-hosted uranium mineralisation. The programme will also check for other types of mineralisation, such as gold, nickel and rare earths, which are prospective throughout the northern Eastern Goldfields region.

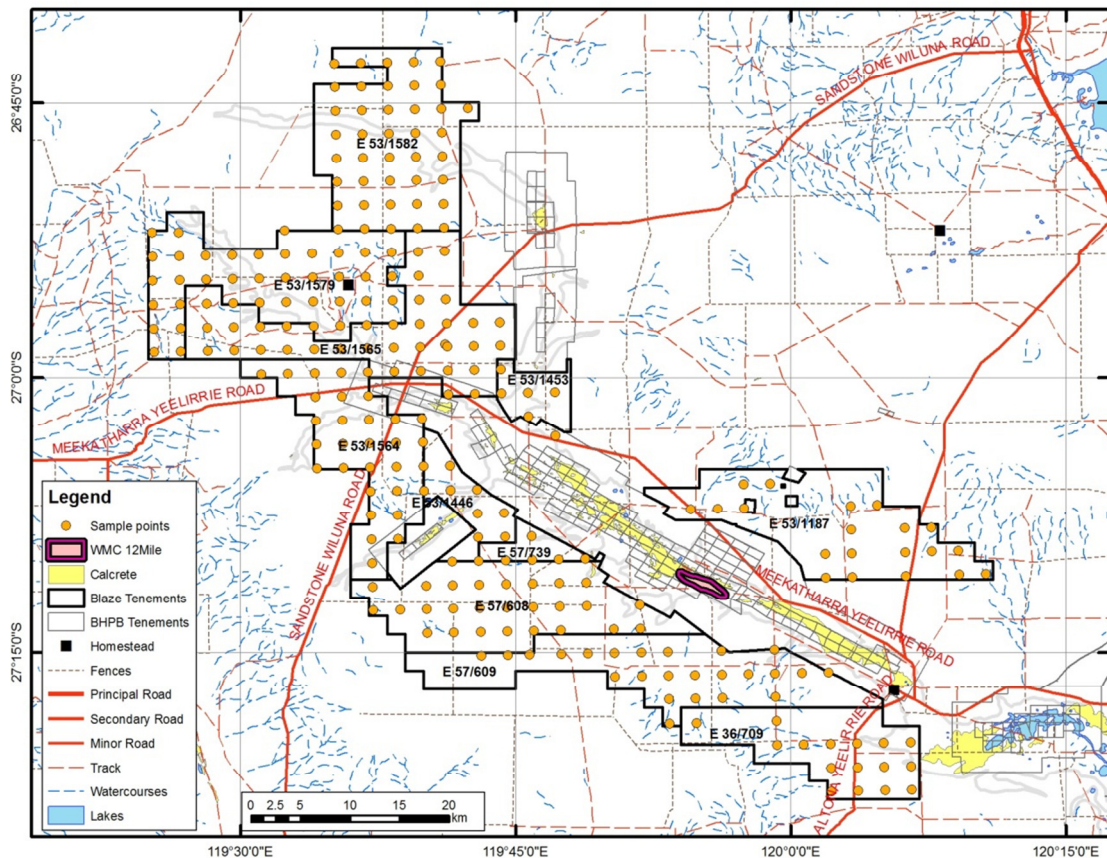


Figure 2 - Biogeochemical sample sites throughout the Yeelirrie Valley project area. The location of mineralisation at BHPB's Yeelirrie Project (12 Mile) is shown for reference.

Rationale

Most of the Yeelirrie Valley project has not been explored historically, and geochemical data for most of the area does not exist. This programme aims to:

1. define broad uranium anomalies over the tenement package.
2. detect anomalism in a suite of other elements over the tenement package in order to canvas the region for other types of mineralisation.
3. provide a series of targets on which to focus more intense exploration efforts.

Background information

A more technical description of the programme and its rationale is provided below.

Mineralised calcrete at Yeelirrie has been exhumed by erosion, resulting in outcropping mineralisation and a correspondingly strong radiometric anomaly. It was the strong radiometric anomalies detected in regional surveys that led to the discovery of Yeelirrie. However, thin (<50cm thick) sand or soil cover will obscure any radiometric anomaly. As these mineralised calcretes develop in the subsurface at a depth of several metres, buried deposits will not be detected by radiometric surveys.

To the company's knowledge, no techniques other than radiometric surveys have been used to target uranium mineralisation on a regional scale throughout the Yeelirrie Valley

region. This biogeochemical survey marks the first such regional survey to search for uranium using an alternative technique.

Interpretation of satellite imagery by Blaze has resulted in a newly defined channel for the upstream portions of the Yeelirrie Valley. This is important as it is the channel calcrete deposits that host uranium mineralisation at the Yeelirrie deposit. These upstream areas have not been incised by erosion and the area is radiometrically subdued (as expected). Analysis of the likely controls on the localisation of mineralisation at Yeelirrie reveals identical features at numerous localities further upstream beneath cover.

Direct sampling of soils from such a large area would be expensive in terms of time and money, and would not provide information on deeper underlying mineralisation. Vegetation sampling casts a wider net, effectively sampling the entire volume of the root ball of the plant. However, direct sampling of vegetation has been shown to give irregular results above known uranium deposits (depending on root ball size, depth of roots etc.).

Herbivores effectively and indiscriminately sample the fresh growth of many plants through grazing. Kangaroos in the region migrate less than 3.5 km per day. Sampling and analysis of kangaroo scats indirectly samples vegetation within a 3.5 km radius for uranium and other elements. This technique has been used to great effect at the Lake Maitland uranium deposit east of Yeelirrie, and also on a regional scale in the South Australian Eucla¹. Results will provide regional-scale, low-amplitude anomalies for follow-up exploration.

Blaze's programme, the first to target the Yeelirrie Valley area, will be the third such kangaroo scat sampling programme specifically targeted at uranium exploration. The Company is using one of the inventors of the technique as a technical consultant to provide guidance and analysis of the results.

Assays and analysis

Geochemical analysis of the samples is presently underway at the Intertek Genalysis laboratory in Perth. Intertek Genalysis was chosen because they have developed a specialised biogeochemistry analytical stream that delivers high quality assays with a comprehensive suite of 65 elements.

Assays will be completed over the coming weeks. Biogeochemical assays are not directly comparable with regular soil geochemical assays, so the data will be analysed by our consultant expert in order to identify anomalies for follow-up work.

Blaze will report further when analysis of the data is completed.

David Zukerman
Company Secretary
Blaze International Ltd

¹ Howard, J, and Brown, A., 2011. "Geochemical exploration using flora and fauna." Exploration Technologies 2011 Extended Abstracts, 28-29 March 2011, AIG Bulletin 54-2011, pp. 37-39 (ISBN 1 876118 42 3).

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Competent Persons Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Alexander 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". Alexander 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.