EXPLORATION LICENCES 24115 and 24195
BOWGAN PROJECT

PARTIAL RELINQUISHMENT REPORT

Mount Drummond, Walhallow, Brunette Downs, Calvert River
1:250,000 Map Sheets

Registered titleholder: Marengo Mining Limited

Target commodities: Uranium, Gold, Base metals

Operator: Bowgan Minerals Limited
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Date: November 2010
CONTENTS

SUMMARY .................................................................................................................. iv

1. INTRODUCTION .................................................................................................. 1

2. TENEMENT DETAILS ......................................................................................... 1
   2.1 Tenure ........................................................................................................... 1

3. PREVIOUS EXPLORATION; Historical .............................................................. 3

4. PREVIOUS EXPLORATION; 2005 ..................................................................... 3

5. PREVIOUS EXPLORATION; 2006-9 ................................................................. 3

6. EXPLORATION; Bowgan Minerals Limited ..................................................... 4

APPENDIX
FIGURES

1. Location of Bowgan Project tenements........................................2
2. Bowgan Project tenements; Bowgan (EL24115) and Benmara (EL24195).................................................................2

LIST OF TABLES

1. Bowgan Project Tenement Detail..................................................1
SUMMARY

The Bowgan Project is located in the Barkly Tablelands region of Northern Territory, approximately 250 km northeast of the regional centre of Tennant Creek. The Project consists of two contiguous exploration licences; EL24115 (Bowgan) and EL24195 (Benmara). A third exploration licence; EL24196 (Creswell Downs) is located southwest of the other two licences and is reported on separately. Exploration at the Bowgan Project is currently targeting the potential occurrence of economic Uranium, gold and base-metal mineralisation. During August 2010, a partial surrender was conducted consisting of 2 blocks on EL24115 (Bowgan) and 12 blocks on EL24195 (Benmara). The partial surrender was conducted as part of the tenement renewal (6th anniversary, date 25th August 2010). The current standing for EL24115 is 33 blocks and for EL24195 is 20 blocks.
1. INTRODUCTION

The Bowgan Project is located 250 km northeast of Tennant Creek on the Barkly Tableland (Figure 1). Access to the licences is via the Calvert Road and a network of well maintained graded station tracks.

This report describes exploration field work conducted on the surrendered portion of EL24115 (Bowgan) and EL24195 (Benmar) by Bowgan Minerals Limited.

2. TENEMENT DETAILS

2.1 Tenure

Marengo Mining Limited is the registered titleholder of two contiguous exploration licences EL 24115 and 24195 as detailed in Table 1. These exploration licences lie within the Walhallow Pastoral Lease. The south-western portion of EL24115 is contained in the Brunette Downs Pastoral Lease.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Name</th>
<th>Tenement Holder</th>
<th>Original No. of graticular blocks</th>
<th>Date Granted</th>
<th>Renewal Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL24115</td>
<td>Bowgan</td>
<td>Marengo Mining</td>
<td>55 (180 sq km)</td>
<td>7/10/2004</td>
<td>12/10/2010</td>
</tr>
<tr>
<td>EL 24195</td>
<td>Benmara</td>
<td>Marengo Mining</td>
<td>63 (206 sq km)</td>
<td>7/10/2004</td>
<td>12/10/2010</td>
</tr>
</tbody>
</table>

Marengo Mining Limited were the original title holders of the Bowgan Project tenements.

In April 2006 Mega Hindmarsh and Marengo Mining Limited entered into a Joint Venture arrangement, whereby Hindmarsh is entitled to earn a 51% interest in the Bowgan Project by expending $200,000 in three years; Mega Hindmarsh achieved this goal.

In August 2009, a joint-venture was formed between both MegaHindmarsh Pty Limited and Marengo Mining Limited with Bowgan Minerals Limited (Bowgan), whereby Bowgan is entitled to earn a 33.3% interest in the Bowgan Project by spending $338,000 in two years.
Figure 1: Location of Bowgan Project tenements, Barkly Tablelands region.

Figure 2: Bowgan Project tenements; EL24115 (Bowgan) and EL24195 (Benmara).
3. PREVIOUS EXPLORATION: Historical

Previous work in the district for gold, base metals and uranium has been undertaken by BHP, who explored along the Fish River Fault for SEDEX style mineralisation, and diamond explorers, who have been active in this area for many years.

4. PREVIOUS EXPLORATION: Period 2005 (Marengo-era)

Exploration activities undertaken by Marengo Mining Limited in the 2005 field season consisted of:

- Interpretation of geophysical data sets acquired from the Northern Territory Geological Survey,
- Four ground magnetic survey lines across the interpreted position of the Fish River Fault,
- Preparation of drill site access,
- Drilling of nineteen reverse circulation drill holes to test a variety of geophysical targets.

Exploration work was conducted on the surrendered portion of EL24115 (Bowgan) and EL24195 (Benmara) during this period. Detailed results are described in First Annual Report for the period 13 October 2004 to 12 October 2005, by Marengo Mining.

5. PREVIOUS EXPLORATION: Period 2006-2009 (MegaHindmarsh-era)

A reconnaissance geological field survey was undertaken in August 2006. Following this, Hawke Geophysics Pty Ltd was contracted to review previously acquired geophysical data in order to identify the unconformity contact between the crystalline basement rocks (in particular the Murphy Metamorphics) and the overlying sedimentary rocks of the South Nicholson Basin.

The primary mineralisation model considered was for unconformity-related uranium and gold at this contact, with identification of a potential chemical trap, such as a cross-cutting dolerite or graphitic shale, also used as a targeting criteria.

To assist in the geological interpretation of the GeoTEM (airborne EM) survey, the data were reprocessed to produce conductivity-depth inversion (CDI) sections and depth slice products by Integrated Geophysical Solutions of West Perth.

Nineteen target locations were identified for initial ground follow-up, testing a range of interpreted unconformity surface, dolerite and basement conductor (graphite) features. Immediate follow up work included the collection of 59.8 km of ground magnetics and 7,818 ground spectrometer readings.
Selected magnetic features of the ground magnetic profiles were modelled to help constrain their geometry, including:

- The main magnetic anomaly target in the centre of the eastern tenements has a modelled depth of 220 m,
- The magnetic source within the Cambrian basalts is modelled at 160 m depth,
- Interpreted dolerite dykes have a modelled depth of 150 m,
- (Basement) magnetic targets in EL24196 have a modelled depth of 230 m.

The spectrometer survey identified several areas of anomalous uranium concentration (ranging from 8-12 ppm eU), including a 1.3 km zone of elevated uranium along the interpreted basement unconformity corridor. In general, there is a good correlation between the ground and airborne radiometric surveys.

During 2007, a further 311.97 line kilometres of geophysical (ground radiometric) surveying by 4WD vehicle.

During 2008, rehabilitation of all drill sites (Marengo and MegaHindmarsh-era) was completed by an earthmoving contractor.

No field exploration was conducted during 2009, owing to the joint-venture negotiations between the previous operator, MegaHindmarsh Pty Limited and the current tenement operator Bowgan Minerals Limited.

Some of the above exploration work was conducted on the surrendered portions of EL24115 (Bowgan) and EL24195 (Benmara) during this period. Detailed results are described in Second Annual Report for the period 13 October 2005 to 12 October 2006, by Hindmarsh Resources Limited, in the Third Annual Report for the period 13 October 2006 to 12 October 2007, by Hindmarsh Resources Limited, in the Fourth Annual Report for the period 13 October 2007 to 12 October 2008, by MegaHindmarsh Pty Limited, and in the Fifth Annual Report for the period 13 October 2008 to 12 October 2009, by MegaHindmarsh Pty Limited.

6. EXPLORATION: Bowgan Minerals Limited.

No exploration activity was conducted on the surrendered portion of EL24115 (Bowgan) or EL24195 (Benmara) by Bowgan Minerals Limited.
APPENDIX

Figure 3: Surrendered portion of EL24115 (Bowgan) and EL24195 (Benmara).