

Australis Exploration [AX]: Progress Report Tenement Update Notes BF 1 August 2008

Based primarily on Steve Mudge's enthusiasm for the radiometric anomalies generated by his data compilation [some 60 odd images], five areas were identified for additional applications. Compared with the anomaly clusters pegged by neighbouring explorers, the zones are generally higher tenor, and in places similar tenor to the anomaly over Valhalla. As Steve says in his ranking notes 08jun30, "A small radiometric "blimp" is a potential giant orebody"!

In general the regional areas highlighted purely on the radiometrics [see diagrams] were:-

- Northern region...Westmoreland
- Century region – radiometric anomalies closely follow Georgina Basin outline
- Glasshouse NT
- West Isa Region – centered around Urandangi
- Tobermory Region – a westwards extension of the South Isa group of AX Tenements
- South East Region – centered around Boulia [and includes the Mojo package of tenements]

All of these regions lie in the eastern half of the Georgina Basin, mostly in QLD, and east of Minemaker's Wonarah Project, which could be described as "central" Georgina [a basement high?]. there has also been a lot of recent pegging targeting phosphate in the southern Georgina and north-western half of the Georgina.

The Northern Region is fairly tightly pegged, and has not yet been scrutinised. It may suffer from similar drawbacks as the Century region ie. areas of "restricted" ground, and problems associated with Wild Rivers legislation. These factors led to this area being put aside for review at moment.

The Glasshouse Region has been well covered by 14 AX applications, 10 of which have been granted for 5 years with effect from 8 April 2008. The desirability of this area is underlined by several later Phosphate Australia applications fringing the AX tenements.

The West Isa Region is covered by a package of 16 AX EPMA's.

The South East Region is home to the "South Isa" package, comprising 17 AX tenements, extending from west of Boulia, westwards towards Tobermory just over the NT border. The AX tenements partly straddle the package of 16 MOJO applications (weirdly east-west elongated – I only say this because I'm waiting for someone to explain why they are this shape). The Mojo tenements target a regional basement magnetic high trending NNW.

The South East Region also attracts attention because it hosts the only operating phosphate mine at Phosphate Hill, and also because there is a lot of exploration activity for basement targets, mainly copper-gold ["IOCG"], and lead-zinc-silver deposits with Cannington affinities.

The South East Region also has a striking radiometric paleochannel anomaly, which is substantially pegged by Holloman Corporation, a Texan engineering firm [has a Perth address in Cottlesloe].

When it came to sub-block selection time I did my best to refined the target areas, according to additional criteria, to bring the application size down. These criteria were:-

- A primary focus on phosphate within the Georgina (with uranium as a secondary target, or even just as a pathfinder to phosphate; and metals in the basement as a tertiary target). Targets near the edge of the GB were also considered, given the probable regional positional error inherent in the mapped boundary.
- Basement magnetics and structural features evident therein.
- The level and type of exploration activity of neighbouring tenement holders.

There is still a lot of research to be done reviewing the exisiting geological literature, exploration history and current exploration activity.

New Applications

In the South East region I got cold feet on two of the areas I liked; they are outside the limits of the GB, and have unknown basement geology Of course these are still good anomalies, and potential uranium deposits. As such they warrant further investigation, although Eden at TAS says parts of these areas are restricted.

There are 4 new Boulia applications [Boulia 1-4], located along the western structural boundary of the Isa Block, and around the Holloman Palaeochannel Anomaly.

The South Isa Package was extended westwards by 2 applications [South Isa18, and TobermoryQ] to the NT border. Further evaluation of the stronger continuation of the anomaly on the NT side is pending, although TAS advises it has been already pegged.

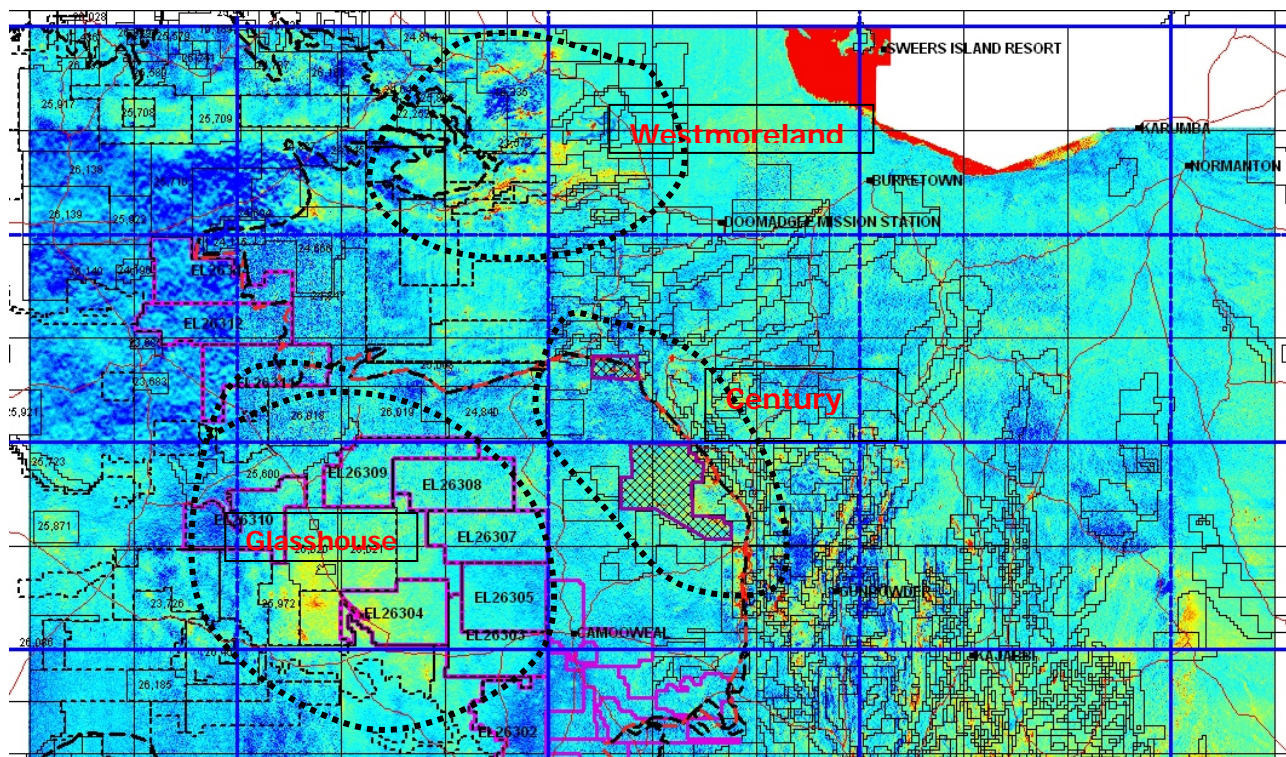
The West Isa Package was extended westwards by 2 applications [WestIsa17, and West Isa18]. The regional radiometric feature is subject of adjacent activity by an apparent JV between Tasman Minerals Ltd, Hanwha Aust PL, and Mt Isa Mines Ltd, not yet researched.

Onwards

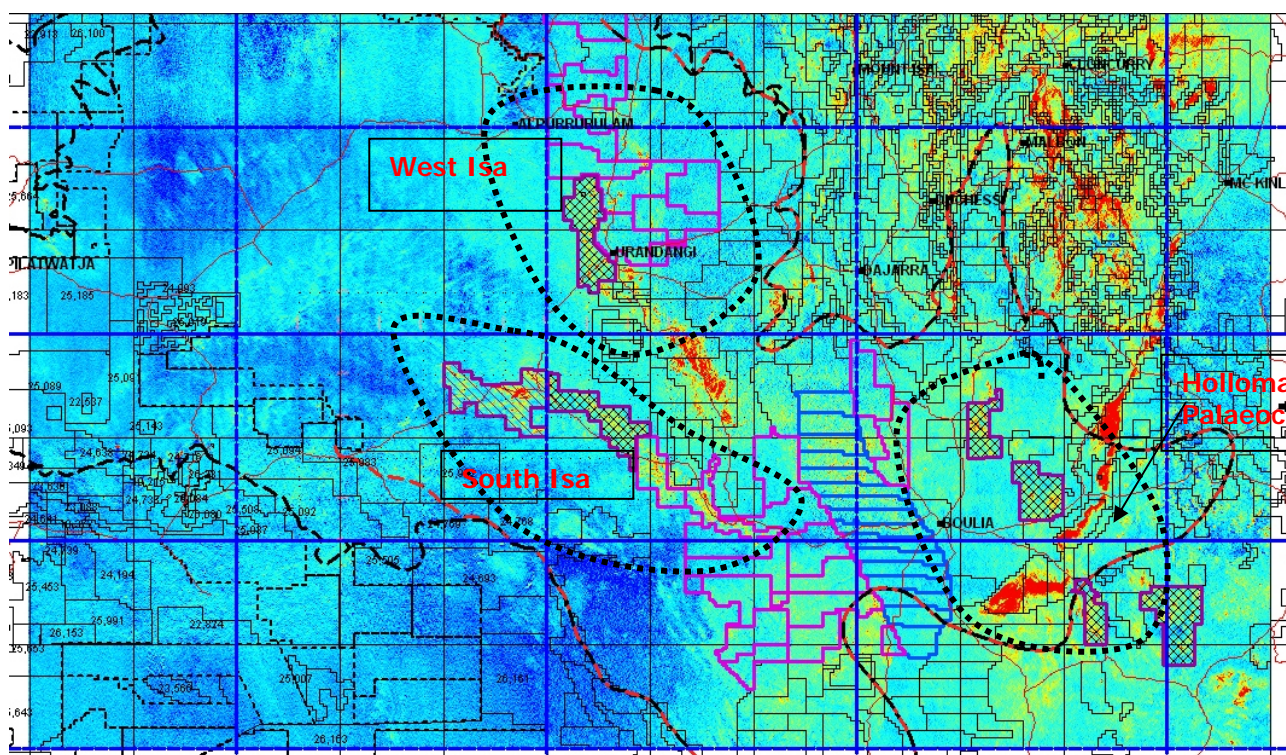
Now that this exercise is largely out of the way, focus will return to reviewing the data, and working on the IM.

Given the success of the recent Phosphate Australia Ltd float [raised \$10M, and 20c shares trading ~60c], and the high profile of Incitec Pivot profitability [see separate article]this package has great potential, this package of tenements, despite the rather daunting commitments, has great multi-commodity potential. !!

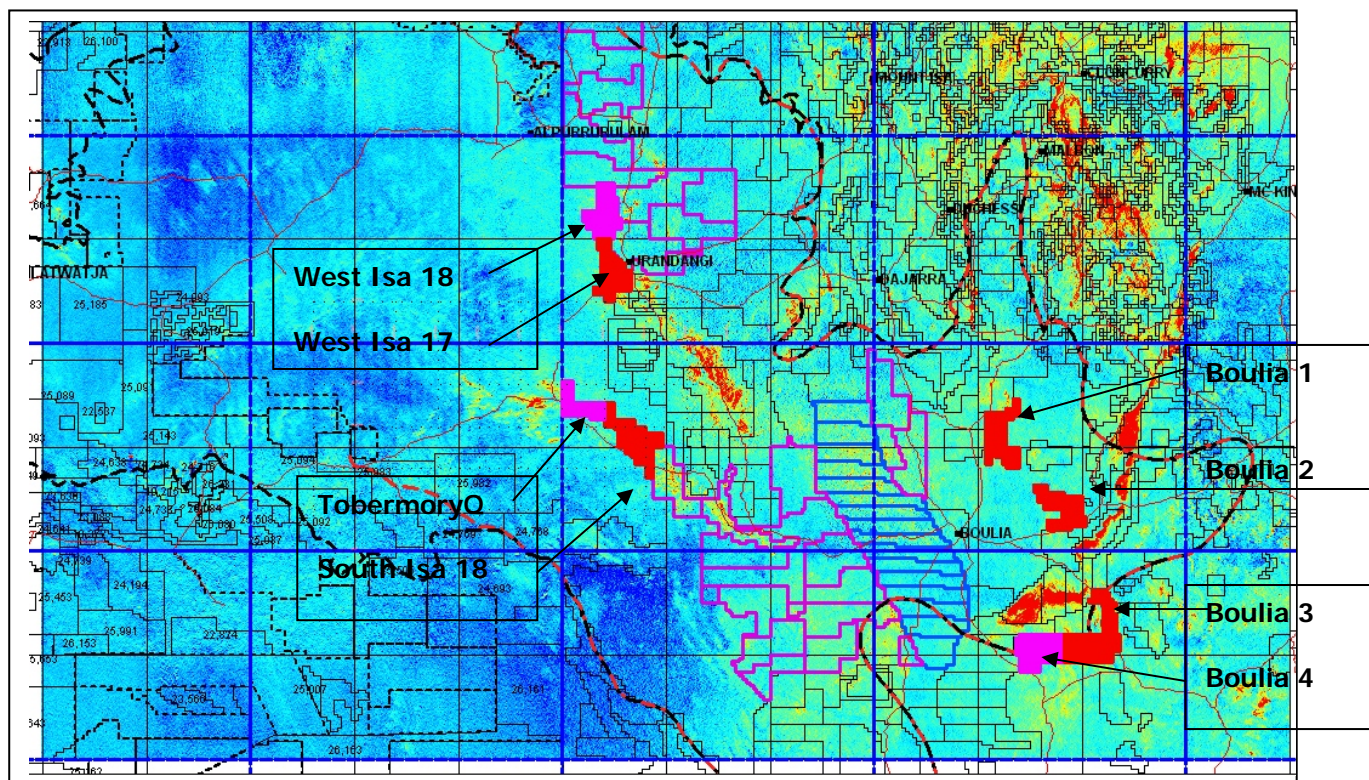
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**Northern Half of the new Geophysical Data Set, showing AX "Glasshouse" tenement package.
Georgina is in red/black dashed line.**



**Southern Half of the new Geophysical Data Set, showing AX "West Isa", "South Isa" and Mojo
tenement packages.
Georgina is in red/black dashed line.**



***Southern Half of the new Geophysical Data Set, showing AX new applications.
Georgina is in red/black dashed line.***

