PARTIAL RELINQUISHMENT REPORT FOR EL27366

(Reporting Period: 11/01/2010 to 26/08/2014)

Project Title Holder: Anglo Australian Resources NL
Project Operator: MMG Exploration Pty Ltd

Distribution

1. MMG Exploration Pty Ltd
2. Anglo Australian Resources NL
3. NT Department of Resources

Report No: MMR6658

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Date: 15 October 2014
<table>
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<td>Operator (if different from above)</td>
<td>MMG Exploration Pty Ltd</td>
</tr>
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<td>Michelle Stevenson</td>
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<td>Titles/Tenements</td>
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<td>Part of the Victoria River Basin Project Area</td>
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<tr>
<td>Report title including type of report and reporting period including a date</td>
<td>Partial Relinquishment Report (Reporting Period: 11 January 2010 to 26 August 2014)</td>
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<tr>
<td>Company reference number</td>
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</tr>
<tr>
<td>Target Commodity or Commodities</td>
<td>Zinc, Lead, Silver.</td>
</tr>
<tr>
<td>Date of report</td>
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</tr>
<tr>
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<td></td>
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ABSTRACT

This partial relinquishment report is for EL27366 which forms part of the Victoria River Basin (VRB), Mt Stamford Combined Reporting Area. Since 29 January 2013, the Mt Stamford Tenements have been operated by MMG Australia Pty Ltd (MMG) in joint venture with Anglo Australian Resources NL (Anglo). Vehicle access to the project area is via the Victoria, Buchanan and Buntine Highways, thence station tracks.

The Victoria River Downs exploration target is a large sedex Zn-Pb-Ag system within a Mesoproterozoic sub-basin. The area of interest is a linear gravity-feature interpreted as a potential shale basin which is obscured by geochemically opaque Neoproterozoic Sandstone and Cambrian Volcanics. Age dating within the stratigraphic sequences suggest dates from 1,645my (Limbunya Group) to 1,610 – 1,570my (Bullita Group), which is within the age range of all major Australian Sedex zinc deposits.

From 2007 to 2008, data from the open file reports pertaining to the VRB Project area was used to construct a robust, validated database. Anglo reprocessed the geochemical data and Geotem, gravity, aeromagnetics and landsat images.

The NTGS completed a regional gravity survey. Interpretation of this gravity data in conjunction with other imaged data sets generated robust interpretations showing major lineaments, which correlate with faults mapped by the NTGS. Major structural features which had not been previously documented, were evident on imaged early time channel data.

Southern Geoscience reprocessed AGSO gravity data, which showed the presence of basement highs and linear gravity lows, the resolution of which would be refined by infill gravity readings in areas of specific interest.

Anglo undertook a regional reconnaissance geochemical sampling program (i.e. stream sediment, rock chip and soil samples). This work successfully confirmed the robustness of previous anomalies identified and highlighted prospective areas of interest in the vicinity of the Victoria River Downs Homestead. The statistically processed geochemical data showed a zoning of the base metal occurrences, from principally lead domains to zinc-copper domains. This work highlighted a distinct zinc-copper domain along the western and southern margins of the VRB. By contrast lead-copper anomalism dominates the central-eastern portion of the VRB. Areas of strong base metal anomalism are generally associated with the calcareous sediments of the Bullita Group and major structural corridors.

From 2008 to 2009, the data from an airborne GEOTEM EM survey completed ~1996 was re-processed by Southern Geoscience Consultants. The survey detected one good quality, discrete, late time anomaly (A68) plus numerous, lower quality response. A total of 68 anomalies were identified. The majority of these anomalies appeared to be related to conductive surficial (regolith) or possibly shallow, flat dipping bedrock stratigraphic units rather than being discrete bedrock conductors.

The only late time anomaly interpreted as a possible bedrock conductor (A68) coincides with litho-structural target 5E, defined by Anglo. This target is characterized by the triple point intersection of major faults trending N-S, NE-SW and NW-SE. Some of the stratigraphic conductors might have potential for stratiform-stratabound sulphide mineralisation as they may be related to thick sulphidic shale (basinal) sequences.

In 2009 to 2010, Anglo conducted a helicopter-supported gravity survey in two areas. The northern part of the survey (based on readings spaced 1 km x 1 km) was designed to target a major north south fault and associated splay faults and domes over a strike length of 50 km near Victoria River Downs Station. The southern half of the survey in the Mt Sanford area (100 km south west of Victoria River Downs Homestead) was also conducted initially on a 1 km x 1 km basis and then infilled to 500m x 500m.

The gravity data assisted in the interpretation of the geology and the development of targets. The most promising targets were developed in the Mt Sanford area where a broad gravity low is highlighted, sub-parallel to and east of a major NW trending fault (Pear Tree Fault). This area was interpreted to be a potential shale basin.

From 2010 to 2011, the interpreted gravity targets were followed up with stream sediment and rock chip samples. No evidence of outcropping mineralisation was discovered. Stream sediment samples collected in the vicinity of the gravity targets were 1 to 2 times above background in Zinc (i.e. moderately anomalous). The highest values were collected in streams overlying the B1 and B2 target areas which contained sediments dominated by weathered Cambrian volcanics.
Southern Geoscience reviewed the gravity data which showed an open ended 2-5km wide gravity low sitting on the eastern flank of a fault zone (named Pear Tree Fault). This low is interpreted as basin dominated by low density lithologies such as shales. Further interpretations concurred with Southern Geoscience’s gravity interpretation and highlighted the visibility of a strike extensive NW-SE structure on a continental scale.

No exploration work was completed from 2011-2013, as Anglo was seeking a joint venture partner to advance the project. A joint-venture agreement was completed with MMG in January 2013, but continuing wet season rains prevented field work for the remainder of the reporting period.

No work was completed on the area to be relinquished during 2013 or 2014.

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Any information included in the report that originates from historical reports or other sources is listed in the “References” section at the end of the document. This report may be released to open file as per Regulation 125(3)(b).
TABLE OF CONTENTS

TITLE PAGE ...................................................................................................................................... I
ABSTRACT ....................................................................................................................................... II
COPYRIGHT STATEMENT ............................................................................................................... III

1. BACKGROUND .......................................................................................................................... 2
   1.1 INTRODUCTION ................................................................................................................... 2
   1.2 LOCATION AND ACCESS ................................................................................................. 2
   1.3 WEATHER ............................................................................................................................ 3
   1.4 TENURE ................................................................................................................................ 3
   1.5 EXPLORATION RATIONALE ............................................................................................ 4

2. REGIONAL GEOLOGY ............................................................................................................... 4
   2.5 INTRODUCTION .................................................................................................................... 4
   2.6 STRATIGRAPHY .................................................................................................................... 5
   2.7 STRUCTURE .......................................................................................................................... 5

3. WORK COMPLETED ON THE UNITS BEING RELINQUISHED .............................................. 8

4. EXPENDITURE .......................................................................................................................... 10

5. PLANNED WORK ...................................................................................................................... 10

6. REFERENCES (Unpublished) .................................................................................................... 11

LIST OF FIGURES

Figure 1. Victoria River Location Map showing blocks for relinquishment
Figure 2 Stratigraphic column for the Victoria and Birrindudu Basins. Potential SEDEX host stratigraphy.

LIST OF TABLES

Table 1 Victoria River EL 27366 tenement details.
Table 2 The sub-blocks being relinquished from EL 27366.
Table 3 Regional Stratigraphic Column.
Table 4 Victoria River Basin Proterozoic Stratigraphic Column.
Table 5 Exploration Activity and Expenditure Table for EL 27366.
Table 6 Proposed Exploration Expenditure for EL 27366.

MAP SHEETS

1:250 000 Victoria River Downs SE5024
1:250 000 Limuny SE5207
1:250 000 Wave Hill SE5208
1. BACKGROUND

1.1 INTRODUCTION

This partial relinquishment report is for EL 27366, which forms part of the Victoria River Basin, Mt Stamford Combined Reporting Area. Since 29 January 2013, the Mt Stamford Tenements have been operated by MMG Australia Pty Ltd (MMG) in joint venture with Anglo Australian Resources NL (Anglo).

1.2 LOCATION AND ACCESS

The Victoria River Basin (VRB) tenements are located approximately 450km south of Darwin (NT), 200km east of Kununurra (WA) and 250km southwest of Katherine (NT) (Figure 1). The tenement is located on the Victoria River Downs, Limbunya and Wave Hill 1:250 000 scale map sheets. The tenement is part of the Victoria River Project area which covers six granted tenements.

Access to the tenement is via the Victoria, Buchanan and Buntine Highways, thence station tracks. Throughout the VRB the stratigraphy is generally flat lying or shallow dipping. However, there are a number of localised domal features adjacent to prominent faults or lineaments. Half the Victoria River Project area is within the Gregory National Park, which is in the process of being converted to Aboriginal Freehold Land.
1.3 WEATHER

The wet season normally lasts from November to March. The annual rainfall ranges from 38-51cm. The evaporation rate is 260cm per annum. During the summer months the daily maximum temperature usually exceeds 38 degrees Celsius. In July the daily temperature range is 10-27 degrees Celsius.

1.4 TENURE

EL 27366 was originally granted to Anglo Australian Resources NL (Anglo) on 10th January 2010 for a period of six years. The licence area originally comprised a total of 47 blocks which is now reduced to 34 blocks. MMG Australia Pty Ltd and Anglo concluded a joint-venture agreement on the 29 January 2013 whereby MMG would manage/operate future exploration on the tenement.
In June 2014, a Partial Cancellation (i.e. a penalty of 13 blocks) was issued from the DME, due to not having met the expenditure condition for two consecutive years. The units selected for this cancellation are given in Table 2.

<table>
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<tr>
<th>Tenement</th>
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<th>km²</th>
<th>Application Date</th>
<th>Grant Date</th>
<th>Expiry Date</th>
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<td>EL27366</td>
<td>34</td>
<td>95.2</td>
<td>27/05/2009</td>
<td>11/01/2010</td>
<td>10/01/2016</td>
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Table 1. Victoria River Basin EL 27366 tenement details.

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<tr>
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<th>BIM</th>
<th>Block Number</th>
<th>Sub-units</th>
<th>Number</th>
</tr>
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<tr>
<td>27366</td>
<td>SE52</td>
<td>708</td>
<td>j k o p s t u x y z</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>780</td>
<td>c d e</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 2. The sub-blocks being relinquished from EL 27366.

1.5 EXPLORATION RATIONALE

MMG and Anglo are targeting SEDEX-style zinc-lead-silver deposits (e.g. HYC 227Mt at 9.3% Zn, 4.1% Pb, 92g/t Ag) in the Mesoproterozoic Victoria River Basin. The Basin has strong similarities to the Macarthur and Nicholson Basins which host the giant Macarthur River and Century SEDEX-style zinc deposits. The project covers a sequence of Proterozoic sediments dominated by dolomitic carbonates and other fine-grained sediments. The sediments are generally flat lying with an overall very shallow north-easterly dip.

The Fraynes Formation and Kunja Siltstone (Limbunya Group), the Mount Sanford Formation (Wattie Group) and the Timber Creek Formation (Bulita Group) are considered the most prospective for SEDEX style of mineralisation targeted by Anglo Australian Resources NL, particularly adjacent to interpreted growth faults. The Victoria River Downs area contains:

1. A large regional base metal geochemical halo.
2. A sedimentary package that can be correlated with the McArthur River Basin.
3. Fine grained shales and chemical sediments that could host a SEDEX deposit.
4. Age dating of the same age as other Australian Proterozoic base metal deposits.
5. Major regional structures that may have acted as growth faults during the evolution of the basin.
6. Unusual domal and monoclinal structures adjacent to major growth faults.
7. Evidence of local SAG basins.

2. REGIONAL GEOLOGY

2.5 INTRODUCTION

The project area is located in the Proterozoic Victoria River Basin (VRB) which consists of a 3.5km thick stratigraphic sequence of sandstone, shale and dolomitic sediments, covering an area of 160,000sq kms, overlying the Birrindudu Basin and has the potential for sedimentary hosted zinc dominated base metal deposits similar in style to the giant McArthur River, Cannington and Century deposits.

The Bullita stratigraphic succession is considered to have potential to host stratiform sedimentary, Mississippi and Irish lead-zinc styles of mineralisation. These deposits are associated with the fine grained clastic rocks (black shales) of a sedimentary package, which contains substantial dolomites and limestones, and are located near major regional structures with a halo of lead anomalism. The target size is in the order of 50-100 million tonnes at 10% combined Pb/Zn. Age dating within these sequences suggest dates from 1,645my (Limbunya Group) to 1,610 – 1,570my (Bullita Group), which is within the age range of all major Australian SEDEX zinc deposits.

The stratigraphic sequence from the basement Invery Metamorphics and Pine Creek volcanics upwards, consists of the Proterozoic Birrindudu and Limbunya Group sediments which form the lower Birrindudu
Basin, which is overlain by the sediments of the VRB consisting of the Wattie, Bullita, Tijunna and Avergne Groups.

The VRB is bounded to the northwest by the Fitzmaurice mobile zone, to the southwest by the Ord Basin, to the south by the Carpentarian Birrindudu Basin, and to the southeast by Paleozoic Wiso Basin, to the Northeast by the Pine Ck geosyncline.

Birrindudu Basin was accompanied by regionally extensive north-trending growth faults. Deposition in both Birrindudu and Victoria Basins includes several phases of intra-cratonic SAG. Strata dip away from the centres of depositional basins and is attributed to basement uplift.

The major structural elements are shown on the various 1:250,000 geological plans. This data has been supplemented by lineament studies completed from aeromagnetic, Geotem, gravity and Landsat data. The imaged Geotem has enhanced the presence of a north trending 50km long by 5km wide structural corridor, which isn’t evident from mapping or other geophysical surveys. This structural corridor is truncated north and south by WNW trending regional lineaments, such as the Limbunya Fault in the south and, with sub-parallel Gill and GB faults. Other major structural directions include the NW, NE and E-W lineaments.

2.6 STRATIGRAPHY

The project area is located in the Victoria River region, principally within the Victoria River Basin (VRB), which overlies the basement Sturt block and consists of a 3.5km thick sequence of little deformed sedimentary rocks that cover ~160,000sq kms.

The stratigraphic sequence from the basement Invery Metamorphics and Pine Creek volcanics upwards, consists of the Proterozoic Birrindudu and Limbunya Group sediments which form the lower Birrindudu Basin, which is overlain by the sediments of the VRB consisting of the Wattle, Bullita, Tijunna and Avergne Groups.

The VRB is bounded to the northwest by the Fitzmaurice mobile zone, to the southwest by the Ord Basin, to the south by the Carpentarian Birrindudu Basin, and to the southeast by Paleozoic Wiso Basin, to the Northeast by the Pine Ck geosyncline. Birrindudu Basin was accompanied by regionally extensive north-trending growth faults. Deposition in both Birrindudu and Victoria Basins includes several phases of intra-cratonic SAG. Strata dip away from the centres of depositional basins and is attributed to basement uplift.

2.7 STRUCTURE

The McArthur River and Mississippi styles of base metal mineralization are strongly influenced by structure. Thus it’s essential that the major structural controls are well documented and robust geological models are generated for the evolution of the Victoria River Basin sedimentation as it has been influenced by faulting within the basement rocks. An overview of the regional geology plans highlight major structural trends, which are dominated by:

- Major boundary faults trending 030-045 magnetic.
- Faults trending 110-130 magnetic.
- Major faults trending 130-140 magnetic.
- Domal structures trending 150-170 magnetic.
- Regional folding trending 360-020 magnetic.

This configuration of faults and folds supports a regional E-W compressional stress regime, characterised by brittle to brittle-ductile deformation. The 110-130 degree trending structures are possible extensional with a theoretical sinistral component of displacement. This structural orientation dominates the Victoria River Basin and is likely to be the dominant growth fault orientation in addition to E-W normal faults, which are likely to occur.

Major anticlinal and synclinal structures with N-S orientated axial planes, have been mapped at Bullita Station and the Fitzgerald Range near Victoria River downs. These may reflect extended periods of E-W compression that may have existed during deposition and post consolidation of the stratigraphic column.
This E-W stress regime may have generated E-W orientated extensional normal faults that may have existed during sedimentation so as to generate growth fault environments.

<table>
<thead>
<tr>
<th>Age</th>
<th>Stratigraphic Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top</td>
<td></td>
</tr>
<tr>
<td>Cambrian</td>
<td>• Atrium Volcanics, 250m thick, tholeiitic basalt and agglomerate, with minor sandstone, chert and limestone interbeds cover the whole region. Unconformably overlies the Proterozoic sequence.</td>
</tr>
<tr>
<td>Proterozoic</td>
<td>• Wolfe Creek Basin.</td>
</tr>
<tr>
<td></td>
<td>• Victoria River Basin consists of the upper Auvergne, Tijunna, Bullita and lower Wattie Groups.</td>
</tr>
<tr>
<td></td>
<td>• Birrindudu Basin is composed of the Limbunya Group sediments and carbonate rocks are developed on the edges of gravity highs, which represent uplifted basement blocks.</td>
</tr>
<tr>
<td>Bottom</td>
<td></td>
</tr>
<tr>
<td>Lower</td>
<td></td>
</tr>
<tr>
<td>Proterozoic</td>
<td>• Metamorphic basement of the Pine Creek and Halls Ck orogens.</td>
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**Table 3. Regional Stratigraphic Column.**

<table>
<thead>
<tr>
<th>Stratigraphic Group</th>
<th>Stratigraphic Formation</th>
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<tr>
<td>Auvergne Group</td>
<td>• Jasper Gorge Sandstone Fm 80m thick. Unconformably overlies the Wondoan Hill Fm. Consists of massive to blocky quartz sandstone, minor siltstone and local basal conglomerate. Generally resistant and caps plateau and mesas.</td>
</tr>
<tr>
<td>Tijunnia Group</td>
<td>• Wondoan Hill Fm 145m thick. Unconformably overlies the Bullita Group. Consists of quartz sandstone and glauconitic sandstone, with minor claystone and siltstone.</td>
</tr>
<tr>
<td>Bullita Group</td>
<td>• Battle Ck Fm 80m thick. Conformably overlies the Weaner Sandstone. Consists of greenish to purple siltstone with dark brown coarse-grained glauconitic dolomite. At the middle of the formation is a series of red brown stromatolitic dolomite and at the top is brown yellow sandstone.</td>
</tr>
<tr>
<td></td>
<td>• Weaner Sandstone 3-15m thick. Conformably overlies the Bynoe Fm. It is a thin series of white to brown sandstone and grits that are pebbly towards the base.</td>
</tr>
<tr>
<td></td>
<td>• Bynoe Fm 190-243m thick. The basal part contains green and purplish micaceous siltstones and shales with few sandstone and dolomite interbeds. The rest of the Fm consists of thinly bedded sandstone and slightly micaceous siltstone.</td>
</tr>
<tr>
<td></td>
<td>• Skull Ck Fm 162-229m thick, Predominantly dolomitic with silty upper and lower parts. The lower contact is defined by a 3m thick stromatolitic horizon. It contains pyrobitumen and disseminated pyrite. The formation has undergone varying degrees of dolomitisation.</td>
</tr>
<tr>
<td></td>
<td>• Supplejack Dolomite Mb 17-28m thick. Massive thinly bedded dolomite and dolarenite within 60m of the top of the Skull Ck Fm. Stromatolitic near the top. Rare disseminated pyrite and galena occur. Upper and lower contacts are regionally anomalous in base metals. Epigenetic galena is commonly visible.</td>
</tr>
<tr>
<td></td>
<td>• Timber Ck Fm 135-306m thick. Forms the basal unit of the Bullita Group and consists of thinly interbedded siltstone, fine sandstone and dolostone, pyrobitumen and disseminated pyrite and epigenetic galena. Locally stream sediments anomalous in zinc. <strong>Prospective horizon for SEDEX style mineralisation.</strong> The high carbonate content of the Bullita Group distinguishes it from the conformably underlying Wattie Group, dominated by sandstone stratigraphy.</td>
</tr>
<tr>
<td>Wattie Group</td>
<td>• Seale Sandstone 100m thick. Massive fine and medium grained sandstone.</td>
</tr>
<tr>
<td></td>
<td>• Gibbie Formation 25-75m thick. Micaceous siltstone, sandstone and minor shale. Argillitic phases locally ferruginous. Local abundant pyrite.</td>
</tr>
<tr>
<td></td>
<td>• Neave Sandstone &lt; 20m thick. Lithic medium grained sandstone, minor conglomeratic sandstone.</td>
</tr>
</tbody>
</table>
- Mount Sanford Formation up to 200m thick. Chocolate and green siltstone, dolomite, interbedded fine sandstone, claystone and shale. Potential host for sediment hosted base metal deposit.
- Hughie Sandstone < 100m thick. Sandstones and orthoquartzite with minor carbonate.
- Burtawurta Formation 30m thick. Siltstone interbedded with fine sandstone.
- Wickham Formation 175m - 315m thick. Sandstone, conglomerate and chert disconformably overlying the Limbunya group.

### Limbunya Group
- Killaloc Formation 0-60m thick. Siltstone, dolomite and minor sandstone.
- Fraynes Formation 110m-130m thick. Silty dolostone, dololuite, purple green micaceous siltstone, containing pseudomorphs of evaporates. The top of the formation is defined by a chert breccia. Potential host for sediment hosted base metal deposit.
- Campbell Springs Dolomite 160m-320m thick. Grey stromatalitic dolostone, doloarenite, dolorudite, dolosiltite, dolomitic mudstone and minor tuffite. SHRIMP date of 1638Ma.
- Lower Limbunya Group 480m-640m thick. Includes Blue Hole Formation, Farquarson Sandstone, Kunja Siltstone (Potential host for sediment hosted base metal deposit), Mallabah Formation, Amos Knob Formation, Pear Tree Dolomite, Magery Formation and Stirling Sandstone.

### Invermay Metamorphics

**Table 4.** Victoria River Basin Proterozoic Stratigraphic Column.
3. WORK COMPLETED ON THE UNITS BEING RELINQUISHED

From 2007 to 2008, data from the open file reports pertaining to the Victoria River Basin (VRB) Project area was used to construct a robust, validated database. This database is composed of 23,734 stream sediment samples, 375 rock chip samples, 191 soil samples and data for 78 drill holes. Anglo reprocessed the geochemical data and Geotem, gravity, aeromagnetics and landsat images.
The NTGS completed a regional gravity survey based on 10km square survey stations. Interpretation of this gravity data in conjunction with other imaged data sets generated robust interpretations showing major lineaments, which correlate with faults mapped by the NTGS. Major structural features, which had not been previously documented, were also evident on imaged early time channel data. This structural data significantly enhanced the prospectivity of the VRB for litho-structurally controlled base metal mineralisation.

Southern Geoscience reprocessed AGSO gravity data, which showed the presence of basement highs and linear gravity lows, the resolution of which would be refined by infill gravity readings in areas of specific interest.

Anglo undertook a regional reconnaissance geochemical sampling program. A total of 265 stream sediment, 115 rock chip and 92 soil samples were taken and submitted for multi-element analyses. This work successfully confirmed the robustness of previous anomalies identified and highlighted prospective areas of interest in the vicinity of the Victoria River Downs Homestead. The geochemical data was then statistically processed, normalised and anomalous thresholds were generated for copper, lead and zinc. A strong zoning of the base metal occurrences was identified, from principally lead domains to zinc-copper domains. This work highlighted a distinct zinc-copper domain along the western and southern margins of the VRB. By contrast lead-copper anomalism dominates the central-eastern portion of the VRB. Areas of strong base metal anomalism are generally associated with the calcareous sediments of the Bullita Group and major structural corridors.

From 2008 to 2009, the data from an airborne GEOTEM EM survey completed over ~20% of Anglo’s Victoria Downs project area in ~1996 was re-processed by Southern Geoscience Consultants. The interpretation formed a part of Anglo’s exploration programme assessing the base metal (McArthur River style mineralisation) potential within the Victoria Downs project.

The survey detected one good quality, discrete, late time anomaly (A68) plus numerous, lower quality responses, some of which could be geologically significant. A total of 68 anomalies were identified. The majority of these anomalies appeared to be related to conductive surficial (regolith) or possibly shallow, flat dipping bedrock stratigraphic units rather than being discrete bedrock conductors.

The only late time anomaly interpreted as a possible bedrock conductor (A68) coincides with litho-structural target 5E, defined by Anglo. This target is characterized by the triple point intersection of major faults trending N-S, NE-SW and NW-SE. Some of the stratigraphic conductors might have potential for stratiform-stratabound sulphide mineralisation as they may be related to thick sulphidic shale (basinal) sequences.

The remaining anomalies are equally divided between those located adjacent to major lineaments and those distal to major lineaments probably associated with particular stratigraphic units. In addition, interpretation of the Geotem images has identified major structures not previously recognized and this includes a 5km wide by 50km long corridor of structural complexity, along which major domal structures have been developed. This structural corridor is intersected and offset by major cross faults.

During 2009 to 2010, Anglo conducted a helicopter-supported gravity survey, consisting of 1,589 gravity readings in two areas on granted Victoria River Downs tenure. The northern part of the survey (based on readings spaced 1 km x 1 km) was designed to target a major north south fault and associated splay faults and domes over a strike length of 50 km near Victoria River Downs Station. This area contains extensive stream sediment geochemistry zinc-lead anomalies. The southern half of the survey in the Mt Sanford area (100 km south west of Victoria River Downs Homestead) was also conducted initially on a 1 km x 1 km basis and then in-filled to 500m x 500m.

The gravity data assisted in the interpretation of the geology and the development of targets. The most promising targets were developed in the Mt Sanford area where a broad gravity low is highlighted, sub-parallel to and east of a major NW trending fault (Pear Tree Fault). This area was interpreted to be a potential shale basin. Two areas within this gravity low were selected as potentially to be dilational sub basins. In addition 5 discrete gravity anomalies in the Mt Sanford area have been highlighted as potential direct targets.

The large domal structure just north of the Victoria River Downs Station centred on the Fitzgerald Range had high Pb geochemistry in streams, rock chips and soils on the south eastern edge of the dome. However as no major faults are mapped in this area or reflected in the gravity, the potential for growth structures in the area is considered to be limited. A salt dome model proposed by earlier explorer BHP may still have some viability. A regional gravity low could support this theory.
The geological interpretation highlighted at least three areas within the Gregory National Park where sub-basins may have been developed adjacent to growth structures. One of these areas has highly anomalous Zn stream sediment geochemistry while the other two areas are deficient in geochemical data.

In the fourth year of tenure (i.e. 2010-2011), the interpreted gravity targets were followed up with 20 stream sediment samples and six rock chip samples. No evidence of outcropping mineralisation was discovered. Rock chips of goethitic ironstone, associated with a silty sediment from the G3 target area were anomalous in lead (154ppm) and zinc (138ppm). All other samples collected from the reconnaissance program contained only background values of base metals.

Stream sediment samples collected in the vicinity of the gravity targets were 1 to 2 times above background in Zinc (with a maximum of 82ppm in the vicinity of the B2 target). These values can be considered moderately anomalous. The highest values were collected in streams overlying the B1 and B2 target areas which contained sediments dominated by weathered Cambrian volcanics. It is uncertain whether these reflect a halo to underlying mineralisation or the normal background values associated with the Cambrian Volcanics. Copper and lead values were at background levels.

Consultant Southern Geoscience were contracted to review the gravity data. The data showed an open ended 2-5km wide gravity low sitting on the eastern flank of a fault zone (named Pear Tree Fault). This low is interpreted as basin dominated by low density lithologies such as shales. Further interpretations concurred with Southern Geoscience's gravity interpretation and highlighted the visibility of a strike extensive NW-SE structure on a continental scale.

No exploration work was completed from 2011 to 2012, as Anglo was seeking a joint venture partner to advance the project. A joint-venture agreement was completed with MMG in January 2013, but continuing wet season rains prevented field work for the remainder of the reporting period.

No work was completed on the blocks for relinquishment during 2013 or 2014.

The sub-blocks nominated for relinquishment from the Victoria River Downs tenement (EL27366) are considered less prospective for SEDEX-style zinc-lead-silver mineralisation.

### 4. EXPENDITURE

A total of $24,200.29 has been spent on the EL 27366 tenement. A breakdown of expenditure costs is given below.

<table>
<thead>
<tr>
<th>Exploration Activity and Prospecting</th>
<th>Description of Activity</th>
<th>$ AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geological Activities / Field Prospecting</td>
<td>Geological activities / Field Reconnaissance / Meals / Travel &amp; Accommodation / Consumables</td>
<td>$6,876.49</td>
</tr>
<tr>
<td>Office Studies</td>
<td>Salary/Wages/Consultant</td>
<td>$16,171.80</td>
</tr>
<tr>
<td>Overheads (not to exceed 15% of the sum of A to H above)</td>
<td>Office administration and sundry</td>
<td>$1,152.00</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td></td>
<td><strong>$24,200.29</strong></td>
</tr>
</tbody>
</table>

Table 5. Exploration Activity and Expenditure Table for EL 27366.

### 5. PLANNED WORK

The proposed work programme for EL 27366 for 2015 consists of possible drill testing of the Skull Creek and Timber Creek after desktop review of the drilling and EM results and field mapping.

The proposed expenditure for the tenements is shown in Table 6.
### Table 6. Proposed Exploration Expenditure for EL 27366.

<table>
<thead>
<tr>
<th>Exploration Category</th>
<th>Description</th>
<th>Expenditure AUS $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geological Activities and Prospecting</td>
<td></td>
<td>$6,250</td>
</tr>
<tr>
<td>Drilling</td>
<td>Drill test the Skull Creek and Timber Creek Formations</td>
<td>$30,750</td>
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<tr>
<td>Geochemical Activities</td>
<td></td>
<td>$10,000</td>
</tr>
<tr>
<td>Bulk Sampling and Earthworks</td>
<td></td>
<td>$5,000</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td></td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$57,000</strong></td>
</tr>
</tbody>
</table>

6. REFERENCES (Unpublished)


McGilvray, C.T. and Pietrass-Wong, B. 2012, Group Annual Report GR241/12 (EL25728, EL27934 & EL28753) (Victoria River Basin Project, Mt Stamford Combined Reporting Area), MMG Australia Ltd, MMR#6536.

McGilvray, C.T. and Pietrass-Wong, B. 2013, Group Annual Report GR89/13 (EL25422 & EL27366) (Victoria River Basin Project Combined Reporting Area), MMG Australia Ltd, MMR#6609.

Holm O. et al. 1999, Basins, Fluids and Zn-Pb Ores; CODES Special Publications 2: By Centre for Ore Deposit Research University of Tasmania.


