ENTERPRISE MINING PTY LTD

AUSTRALIS MINERALS PTY LTD

EL29499 SURPRISE CREEK NT

RELINQUISHMENT REPORT

For the period to 27 February 2015

P. Kimber
Reynard Australia Pty Ltd

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This annual was prepared by Mr. Phillip Kimber, a professional geologist with 34 years industry and consulting experience in hard rock gold, tin, gypsum and other minerals as well as alluvial tin and tantalite, gold and sapphires. This experience has included exploration, mine geology and mine management. Mr. Kimber is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Kimber is an employee of Reynard Australia Pty Ltd.

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1. **INTRODUCTION**

In South Australia there was evidence of copper mineralization extending from Moonta in the south, then northwards through Andamooka and onwards to the coast in the Northern territory. Many of these mineral occurrences were old time mines and “diggings”.

Dr Hugh Rutter compiled the regional geophysics of South Australia, particularly the gravity and magnetic data, and analysed this for buried rock type and structure. An extensive linear feature was recognized, which is now known as the G2 Linear. It extends from the Moonta area of South Australia to the northern coast of Australia, west of Darwin (Figure 1).

A detailed interpretation of the geophysical data, integrated with any geological and mineral information led to the recognition of a prospective area on the Roxby Downs pastoral station. There was no evidence of mineralization on the surface. Detailed magnetic and gravity data suggested a target at between 300m and 400m. A detailed seismic survey which confirmed a target depth of 335m.

Dr Rutter located a site for the first drill hole RD1 which intersected a brecciated granitic rock at 335m, which contained 3.5% copper plus uranium. Olympic Dam had been discovered. Western Mining concentrated on this area and other explorers investigated the surrounding areas.

The fact that the major G2 linear feature extended northwards to the west of Darwin was forgotten.
### Enterprise Mining Tenement Summary Schedule updated 6/2/13

<table>
<thead>
<tr>
<th>Tenement Location</th>
<th>Registered Holder/ Applicant</th>
<th>Status</th>
<th>Grant date/ Application Date</th>
<th>Expiry date/ Renewal Status</th>
<th>Area</th>
<th>Annual Estimated*</th>
<th>Minimum Expenditure</th>
<th>Licence Number</th>
<th>Minerals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surprise Creek Northern Territory</td>
<td><em>AUR</em> Granted</td>
<td>20-Feb-13</td>
<td>19-Feb-19</td>
<td>122km²</td>
<td>$23000</td>
<td>$50000</td>
<td>EL29499</td>
<td></td>
<td>Gold, Copper, Base Metals</td>
</tr>
</tbody>
</table>

*AUR=Australis Resources Pty Ltd

### 2. TENEMENT REDUCTION

#### Figure 2: Units retained (Dark green) and relinquished (Light Green)

![Diagram showing units retained and relinquished](image)

A total of 12 units were relinquished, and 25 retained.
Figure 3: Australis Minerals tenements

NORTHERN TERRITORY

Darwin
Katherine
Timber Creek
EL29499 Surprise Ck
ELA29498 Stokes Range
EL29589 Mt Hodgson
EL29599 Victoria River
3. **AREA SELECTION CRITERIA**

In combination with Dr Rutters advice, the areas were selected utilising geophysical and geological information available from the NT Department of Resources. The data available included:

- Topographic maps composite
- Geological maps composite
- Gravity image
- Total magnetic intensity image
- Ternary radiometrics image
- Magnetic worms image
- Landsat 741 image
- Landsat 742 image.
- Mineral deposit, rock chip, whole rock, soil sampling and drill information.

**EL29499 SURPRISE CREEK:**

- The licence is within the G2 linear and adjacent to other linears within part of the Victoria-Birrindudu Basin.
- 15 mg/l gravity anomaly as well as a magnetic anomaly.
- Evidence of carbonate base metal mineralisation in the area. A kimberlite pipe occurs north west of the licenses.

4. **GEOLOGY**

EL29499 covers both the Victoria Basin and the overlying Wiso Basin (figure 4). These overly the Birrundudu Basin which does not outcrop within the license.

The Victoria Basin is a thick sequence of sedimentary rocks divided into four groups, of which the Bullita, Tijunna and Auvergene groups are exposed within EL29499 (figure 5). The basal Wattie Group is not exposed within the license.

The Bullita Group consists of dolostone, siltstone and sandstone and in the license area comprises the Battle Creek Formation, Weaner Formation, Bynoe Formation, Skull Creek Formation and Supplejack Dolostone Member (figures 5 and 6). The overlying Tijunna Group consists of micaceous claystone, siltstone, minor mudstone and sandstone. It comprises the Stubb Formation and Wondoan Hill Formation of which only the Wondoan Hill Formation is present in the license area. Overlying this is the Auvergene Group consisting of silica cemented sandstones of the Jasper Gorger Sandstone in the license area.
5. MINERALISATION

While base metal occurrences are common throughout the Bullita Group, only minor exploration has taken place in the Victoria Basin, with most workers using a Mississippi Valley type model (Beier 2002). Most of the known occurrences are associated with the Supplejack Dolostone Member (figure 5). The Victoria Basin is believed to also have scope for epigenetic mineralisation and syngenetic sediment hosted base metals similar to the Century and MacArthur River ore bodies. Targets include the Angalarri Siltstone, Skull Creek, Bynoe, Stubb and Wondoan Hill Formations (Beier 2002). Of these, the Skull Creek, Wondoan Hill, Stubb and Bynoe Formations are represented within EL29499 (figure 6).
Figure 5
Outcrop Geology Groups
Figure 6: Outcrop Geology Formations

- Battle Creek Formation
- Byroe Formation
- Cenozoic materials
- Jasper Gorge Sandstone
- Skull Creek Formation
- Stubb Formation
- Weener Sandstone
- Wondoan Hill Formation

Figure 3: Stratigraphy of Victoria-Birrindudu Basin

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6. WORK COMPLETED

Much of the period was spent in negotiations with prospective Joint Venture partners with the aim of raising additional funding to enable the aerial geophysics on all of the Company's licenses to be completed at the same time. To this end The Directors of Australis Minerals have been involved in intense negotiations with the OFC Tianjin Mining Co. of China for much of the current reporting year aimed at securing funding to carry out the proposed exploration program and future exploration on EL29499 as well as the Company's other licenses in the same area.

These negotiations are well advanced and a commercial agreement between Australis Minerals and the OFC Tianjin Mining Co. is expected in the near future. A letter from Mr. Man Li, Chairman of OFC Tianjin Mining is attached as appendix in support of this statement.

A desktop study was undertaken to investigate the relationship between mineralisation and the various lineaments that have been identified within Australia. In this study, the mineral deposit databases from each State or Territory were used to identify areas of known mineralisation.

The databases used are available on line from the Mines Department of each State or Territory;

Northern Territory: NT_Mines.tab  NTCommodities.tab
South Australia: Mindep.tab
                              Mindep_2.tab
                              Mindep_3.tab
New South Wales: Metindex_metallic_mineral_site.tab
Western Australia: WABMINES.tab
Queensland: Qmin_all.tab

As this work affects the retained portion of EL29499, it is not reproduced here, nor is any expenditure credited against it for the relinquished portion of EL29499.

7. RECOMMENDATIONS.

The relinquished portion of EL29499 falls outside the magnetic anomaly and is considered less likely to contain significant mineralisation. No further work on the relinquished portion is recommended.