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AUSTRALIS MINERALS PTY LTD

EL29590 VICTORIA RIVER

ANNUAL REPORT

For the period 10 April 2014 to 9 April 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

Enterprise Mining hold 6 exploration licenses within the Northern Territory (figure 1). These licenses fall along the G2 linear and/or associated linears within target areas identified by Dr Hugh Rutter. Dr Rutter was part of the WMC team that discovered the Olympic Dam deposit in South Australia. The Olympic Dam deposit also falls along the G2 linear.

A review of the known linears within Australia demonstrates a strong correlation between Proterozoic or earlier mineralisation with major NNW trending linears, including the Cloncurry linear (Mount Isa- Cobar-Lake Cargelligo), the Kalgoorlie linear (Norseman-Kalgoorlie-Coolgardie-Menzies-Wiluna- Pilbara) and the G2 linear (Olympic Dam-McDills-Alcoota-Wave Hill-Victoria River-Delamere). Other linear sets trend NW and NE. These can be associated with other major centres of mineralisation including Broken Hill, McArthur River, Pine Creek, Mt Magnet/Meekatharra, Tennant Creek and others. The linears are thought to be deep seated structural features which may form conduits for mineralising fluids. The G2 linear is thought to be around 1600 Ma old.

Dr Rutter considered the G2 linear to be under explored and identified some 11 prospective areas along the G2 linear. Enterprise Mining then examined each of these areas to select sites with suitable geology, geophysics and ground availability. Of the 11 sites, 7 were discounted because of a lack of ground availability. Within the remainder a total of 8 exploration licenses were applied for of which 2 have been relinquished because the available ground did not include the most favorable geological units.

The Enterprise licenses cover targets along the G2 linear that have seen very little recent exploration for metallic minerals and for which there is a distinct lack of existing ground based data. They are based on a combination of prospective geology and anomalous geophysical features. Initial exploration is expected to include more detailed geophysics to generate targets which may warrant further investigation.

2. THE ENTERPRISE MINING GROUND SELECTION STRATEGY (Australis Minerals and Kingsland Resources)

The ground selection was instigated by Dr Hugh Rutter on the basis that the NNW trending G2 linear was underexplored North of the Olympic Dam deposit. A number of areas were selected on the basis that they were near to the G2 linear and in areas with favorable geology and geophysics. Each of these areas was examined in detail for ground availability and 8 exploration licenses applied for (figure 1 and table 1). Four of these have since been discarded as the available ground did not cover the most favorable rock units.

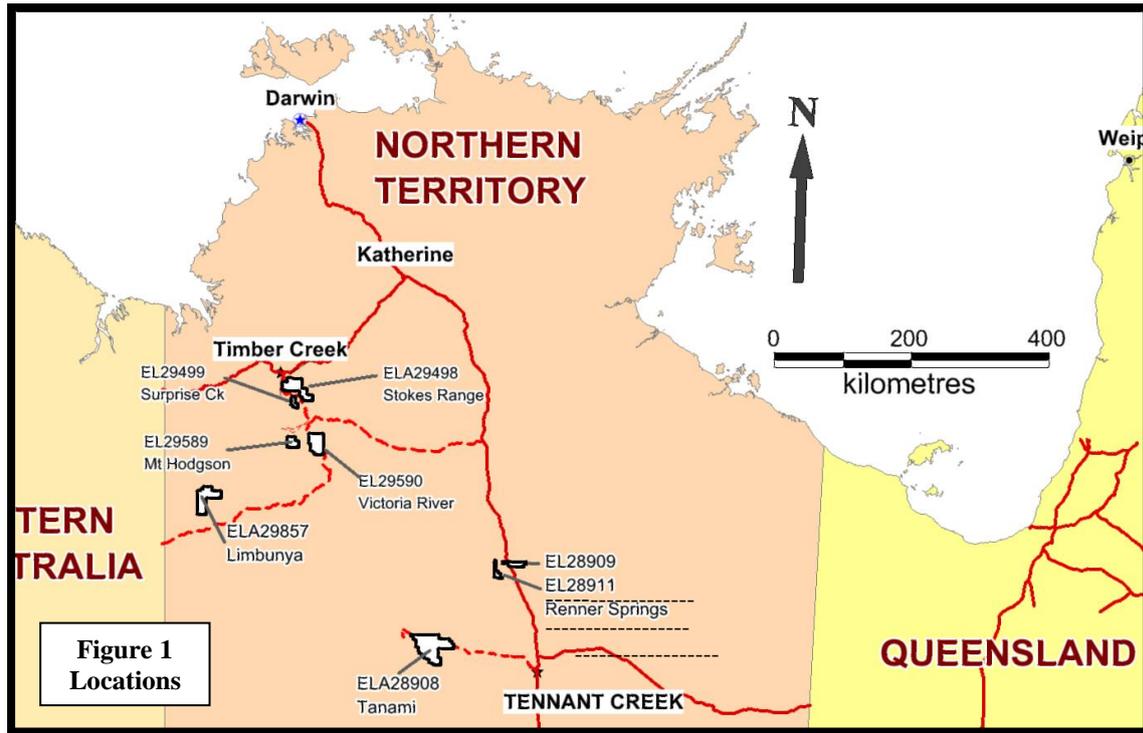


Figure 1
Locations

Table 1: Enterprise Tenements

Tenement Location	Registered Holder/ Applicant	Status	Grant date/ Application Date	Area	Licence Number	Minerals
Stokes Range Northern Territory	*AUR	Application	19-May-12	717km ²	ELA29498	Gold, Copper, Base Metals
Surprise Creek Northern Territory	*AUR	Granted	20-Feb-13	122km ²	EL29499	Gold, Copper, Base Metals
Victoria River Northern Territory	*AUR	Granted	10-Apr-13	609km ²	ELA29590	Gold, Copper, Base Metals
Mt Hodgson Northern Territory	*AUR	Granted	22-Jul-13	234km ²	ELA29589	Gold, Copper, Base Metals

*KIR=Kingsland Resources Pty Ltd, *AUR=Australis Minerals Pty Ltd

The Olympic Dam Deposit - Discovery WMC 1970's

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 2).

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.

Area Selection Criteria

Within each of the prospective locations selected by Dr Rutter exploration licenses were applied for 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.
- Ground availability.

Of the 11 sites selected by Dr Rutter, 7 were discarded due to a lack of ground availability either because of existing exploration licenses or State/Territory/National reserves of some type. Licenses were taken up at the Green Swamp Well, Delamere, Victoria River Downs and Limbunya sites.

Four licenses are located in the Northern Territory South of Timber Creek (EL29498, EL29499, EL29589 and EL29590). These licenses cover magnetic and gravity features within the Birrindudu Group and are thought to be prospective for sediment hosted base metal mineralisation. These licenses fall close to the intersection of the G2 linear with a NE trending and NW trending linears.

EL29857 at Limbunya also falls on the same NE trending linear that extends from Arnhem Land through Pine Creek, Timber Creek and on to the Lamboo area of Western Australia. It covers the contact between the Finnis River Group and the Wattie and Bullita Group.

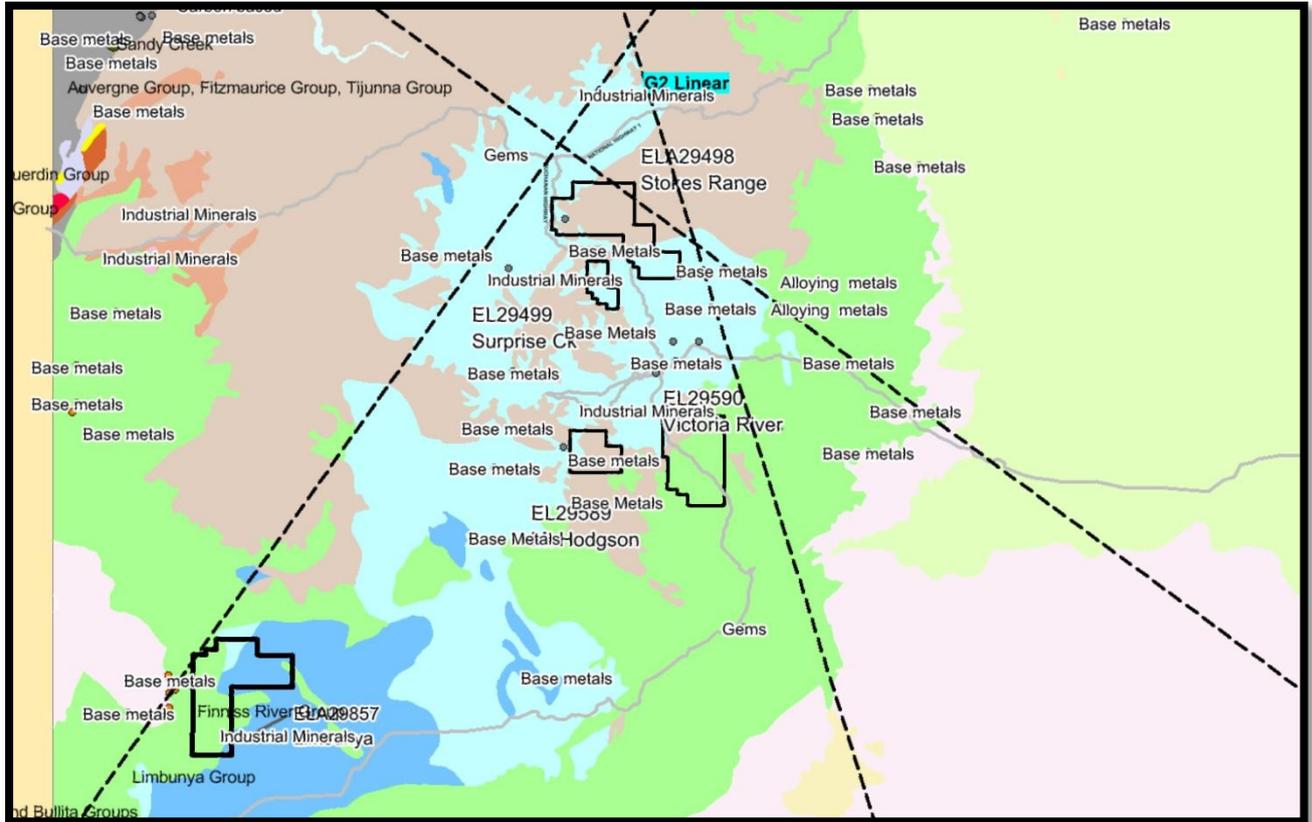


Figure 2. Relationship between EL29498, EL29499, EL29589, EL29590 and EL29857, the G2 linear and NE trending and NW trending linears in the NW of the Northern Territory.

The licenses are in areas which have seen little exploration and the emphasis should be on generating drill targets using a combination of modern remote sensing techniques with the expectation of finding significant mineralisation of one or more of the license areas. Several prominent structural features are evident on the aeromagnetic image and these may be associated with mineralisation.

3. AREAS SELECTED

EL29590 Victoria River Area, EL29589 Mt Hodgson

- These licenses are adjacent to the G2 linear within the Victoria Basin
- exhibit a 15 mgl gravity anomaly as well as magnetic anomalies
- outcrop showing structural doming
- evidence of carbonate base metal mineralisation in the area.

Exploration is targeting gold, base metals and diamonds.



ELA29498 Stokes Range:

- The licence is within the G2 linear and adjacent to other linears within the Victoria Basin and Birrindudu Basins.
- 15 mgl gravity anomaly as well as magnetic anomalies in northern and southern parts of block.
- Evidence of carbonate base metal mineralisation in the area. A kimberlite pipe occurs north west of the licenses.
- 15 mgl gravity anomaly within the G2 linear
- Magnetic anomalies
- Adelaidean outcrop
- Some evidence of mineralization

Exploration is targeting gold, base metals and diamonds.

EL29499 Surprise Creek:

- The licence is within the G2 linear and adjacent to other linears within part of the Birrindudu Basin.
- 15 mgl 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.

Reinterpretation of the magnetic data by Dr Rutter has identified several features within the magnetic anomaly. These appear to correspond to faults previously mapped by the NT Geological Survey and may represent sites for mineralisation.

The existing Cu-Pb-Zn and Mn mineralisation in the area strike in similar direction to the faulting and are at least partly structurally controlled. The faulting highlighted by the magnetic data represent potential exploration targets and warrant further investigation.

4. EL29590 VICTORIA RIVER, EL29589 MT HODGSON

4.1. Geology

EL29590 covers rocks of the Birrindudu Basin, Victoria Basin and Wiso Basin, .

Birrindudu Basin: Mesoproterozoic to Palaeoproterozoic marine sedimentary rocks including sublithic arenite, quartz arenite, siltstone, shale, conglomerate, stromatolitic chert, limestone, glauconitic sandstone. Little deformed and unmetamorphosed sedimentary succession correlated with McArthur Basin. Unconformably overlies Palaeoproterozoic Pine Creek Orogen to the north. Unconformably overlain by Palaeozoic Wiso and Daly basins to the east; by Ord Basin to southwest; by Neoproterozoic Wolfe Creek Basin to west and Neoproterozoic Victoria Basin to the north; and in places, by Cambrian Kalkarindji Province and patchy sedimentary rocks of basin-margin Mesozoic sandstone. Towards south, underlain by Palaeoproterozoic metasediments and granites of Tanami Region. In northwest, in faulted

contact with Palaeozoic–Mesozoic Bonaparte Basin and Palaeoproterozoic rocks of Halls Creek Orogen.

Hosts diamond deposits at Timber Creek and minor Pb-Ag occurrences. Insufficient exploration. Potential for diamonds, base metal deposits and petroleum.

Wiso Basin: Unmetamorphosed Devonian to Cambrian intracratonic basin forming part of the Central Australian Platform Cover. Faulted against Palaeoproterozoic metamorphic rocks of the Aileron Province to the south. Unconformably overlies Palaeoproterozoic rocks of the Tanami Region to the west, Tenannt Region to the east, and the Proterozoic Victoria-Birrindudu Basin to the northwest. Cretaceous rocks of the Dunmarra Basin cover its northern margin. The basin deepens toward the south (Lander Trough) along the margin with the Arunta Region.

Rare oil shows in stratigraphic holes. Gas shows in waterbores. No petroleum wells have been drilled. Virtually unexplored. Potential for petroleum, base metals and phosphate. Currently explored for diamonds.

Victoria Basin: An unmetamorphosed Neoproterozoic sedimentary basin that formed part of the Centralian Superbasin, and extends into Western Australia. Unconformably overlies the Pine Creek Orogen and Birrindudu Basin. Unconformably overlain by the Wiso, Daly and Wolfe basins and the Kalkarinji Province.

No major mineral occurrences. Potential for sediment hosted base metal deposits and uranium.

(NT Geological Survey)

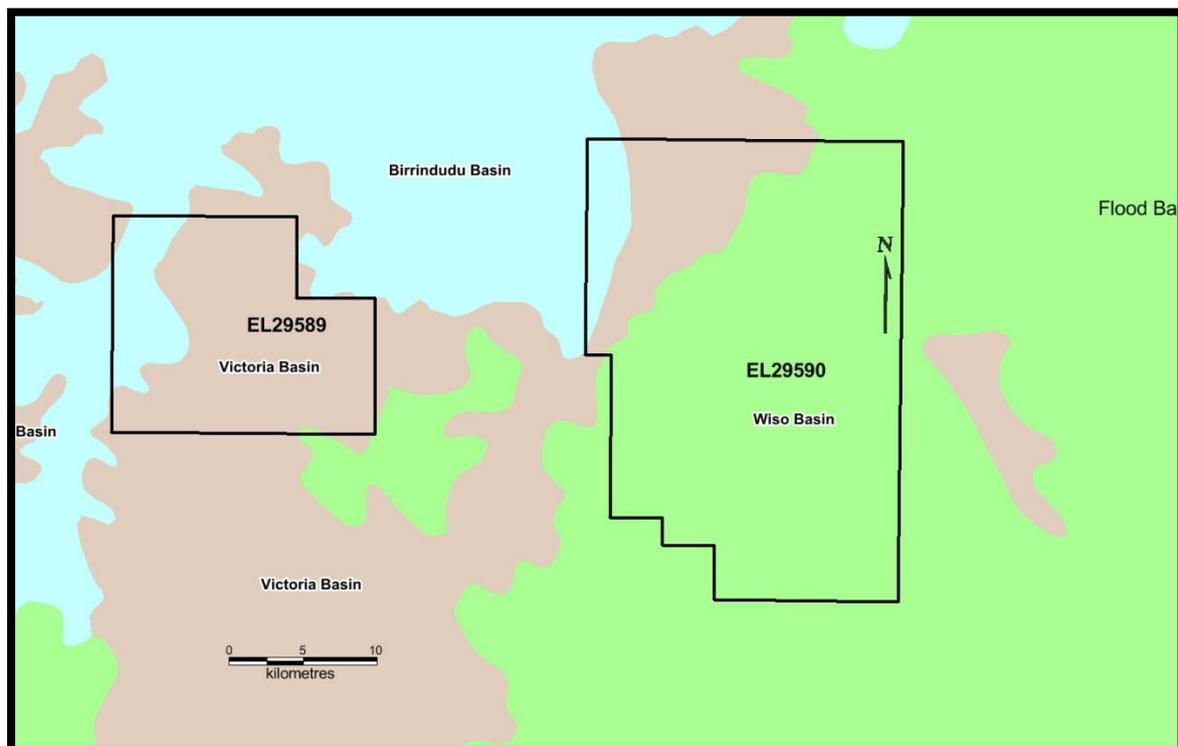


Figure 3: Major geological units within EL29590 and EL29589.

5. WORK COMPLETED PREVIOUS PERIODS

5.1. Lineament Study

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

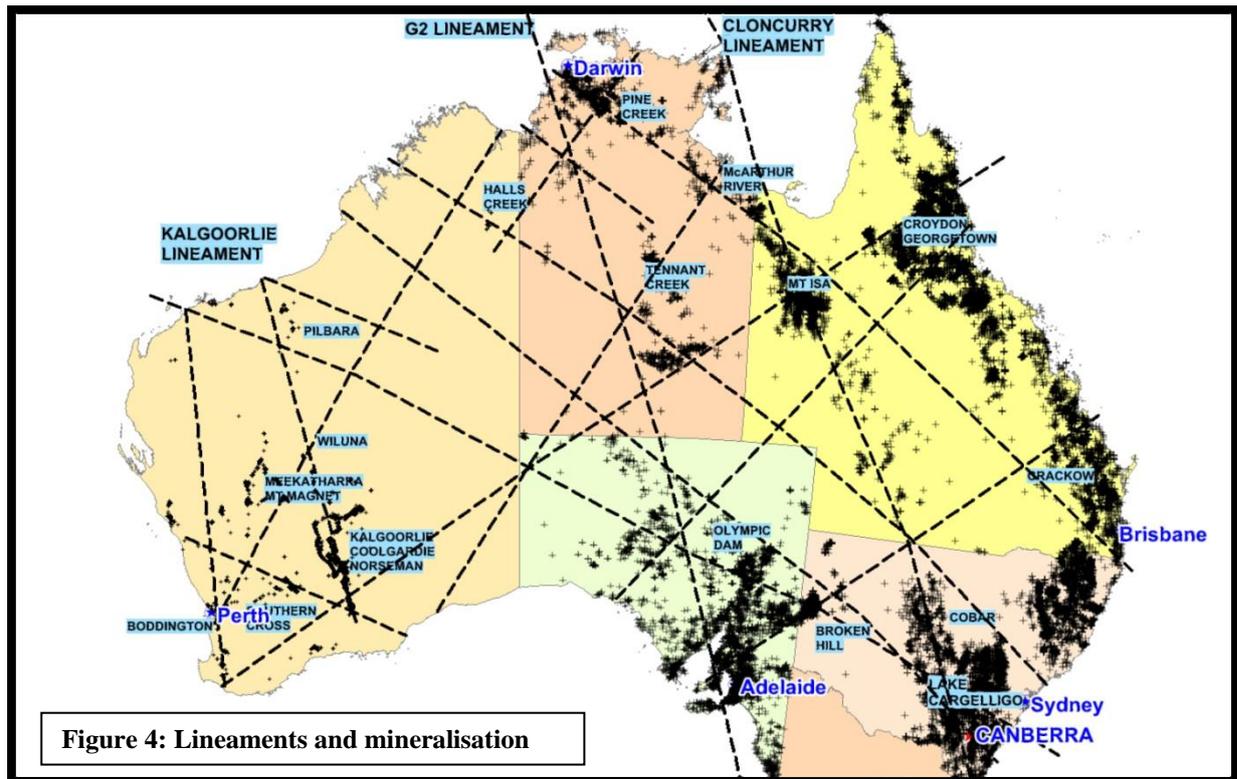
Western Australia: WABMINES.tab

Queensland: Qmin_all.tab

Each of these was loaded into MapInfo and edited to exclude mineralisation unlikely to be influenced by the presence of lineaments on the basis that the lineaments represent deep seated structural features and are of Precambrian age.

The deposit types excluded include: Sand and gravel, coal, oil, alluvials, phosphates, pegmatitic minerals, uranium and thorium, as well as various other deposits that were considered unlikely.

Figure 4 shows the main lineaments within Australia along with the locations of historical mines and the major metalliferous mining centres. This map clearly illustrates a strong correlation between the lineaments and mineralisation, at least in Proterozoic and Paleozoic rock units.



Four main lineament trends are evident;

NNW TRENDING SET:

These appear to have a very strong influence on mineralisation, and include;

1. The Cloncurry Lineament. This influences the Mount Isa mineralisation, and extends southward through the Cobar district mineralisation, the Lake Cargelligo deposit and onwards.
2. The Kalgoorlie Lineament. This influences the Major Norseman, Kalgoorlie, Coolgardie, Menzies, Wiluna mineralisation in Western Australia and extends Northward through the Pilbara area, including the Telfer, numerous smaller gold mines as well as the major Ta/Sn mine at Wodgina.
3. The G2 Lineament. This extends from near Adelaide in South Australia and extends through to West of Darwin and influences the major Olympic Dam deposit in South Australia, Alcoota and Pine Creek in the NT as well as numerous smaller deposits.
4. The Perth Lineament. This influences the Greenbushes Sn/Ta deposit, the Boddington gold mine as well as numerous smaller deposits.

NE TRENDING SET:

These appear to have a moderate to strong influence on mineralisation and include;

1. Broken Hill - Crackow.
2. McArthur River - Tennant Creek.
3. Boddington - Mt Magnet - Meekatharra - Wiluna
4. Halls Creek - Pine Creek

NW TRENDING SET : (This may be two sets, with one set at about 040° and another at about 060°).

These appear to have a moderate to strong influence on mineralisation and include;

1. Pine Creek - McArthur River - Mt Isa - Crackow
2. Halls Creek - Callie -Rover - Cobar
3. Pilbara - Olympic Dam - Broken Hill - Lake Cargelligo
4. Southern Cross - Norseman

5.2. OTHER FACTORS AFFECTING THE DISCOVERY OF MINERALISATION

There are a number of factors which will affect whether mineralisation has been discovered. These include;

1. Cover by later sedimentary basins; Figure 3 illustrates the major sedimentary basins in Australia in relation to the lineaments and known metalliferous deposits. Sedimentary basins from the Neoproterozoic and younger effectively mask mineralisation, and the explorer is reliant on geophysical methods in particular to target areas.

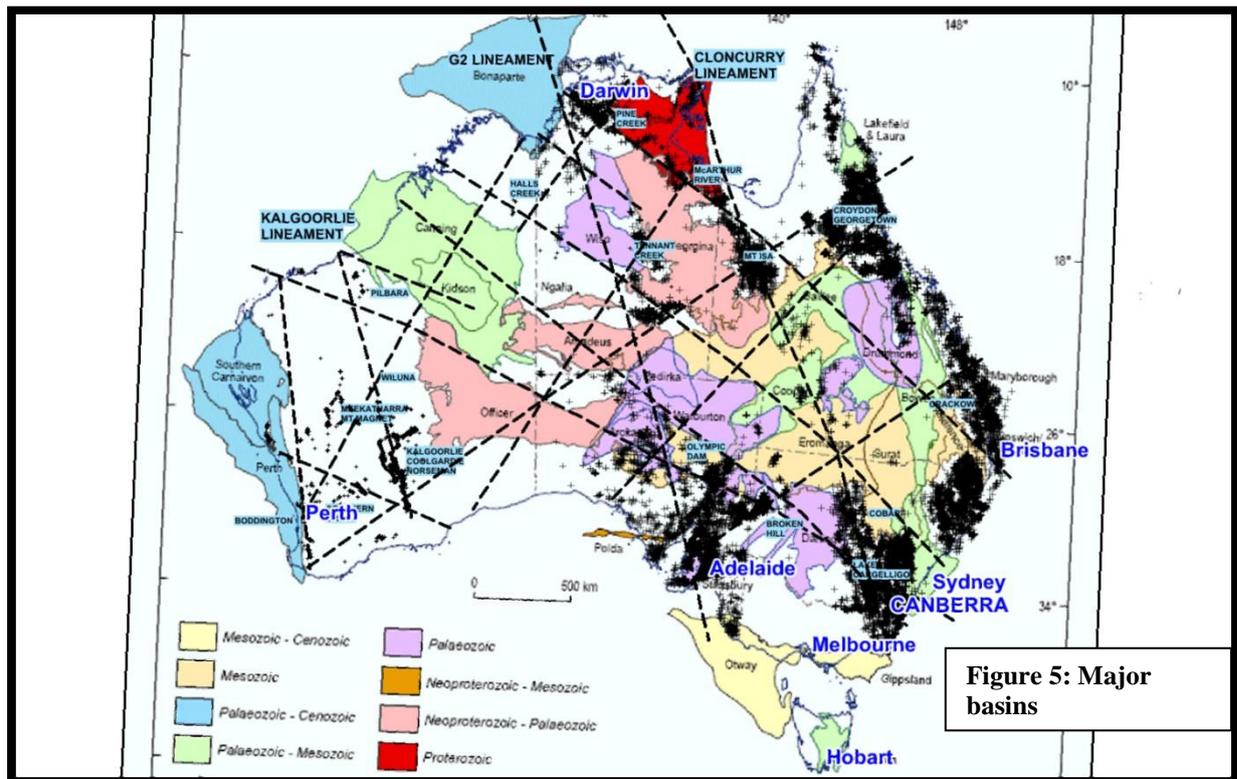


Figure 5: Major basins

For the G2 linear, the Warburton, Amadeus and Wiso Basins have clearly masked mineralisation, with discovered deposits mainly grouped in the areas where basement rocks are exposed between these basins. The Olympic Dam and Rover deposits for example are under thick cover and were discovered by detailed geophysics followed by drilling.

2. Favorable Geology: Some rock units on the group or formation level are more highly mineralised than others and this is an important factor in area selection.
3. Ground Availability: Ground may already be under license, or may be within various reserves and be generally unavailable.
4. Remoteness: Some areas are remote from access and are underexplored for this reason. With the move towards remote sensing techniques for exploration, this factor is becoming less relevant, but may explain a lack of discoveries in the past.

a. Tempest Survey Interpretation

Between the 5th and the 7th June 2013, Fugro Airborne Surveys Pty. Ltd. (FAS) undertook an airborne TEMPEST electromagnetic survey for MMG Management Pty Ltd, over the Vic River Project areas in the Northern Territory. The survey consisted of three areas: A Northern and Southern Vic River areas as well as a test area.

The "test area" consisted of three traverses and partially overlaps EL29590 held by Australis Minerals Pty Ltd. The data for the "test area" was made available to Australis by MMG as the area tested overlaps ground held by Australis.

No expenditure is claimed for this data in section 8, except for the interpretation work carried out by Dr Rutter on behalf of Enterprise Mining Pty Ltd. This expenditure is split evenly between EL29590, EL29499, EL29589 and 29857

The results from the "test area" were reinterpreted by Dr Rutter with the aim of assessing the method for future work on EL29499 and others held by Enterprise Mining in the area.

TEMPEST is a broad bandwidth square wave time-domain EM system operated from a fixed-wing aircraft. TEMPEST was designed to acquire high resolution, fully calibrated TEM data that could be used in a quantitative fashion for both conductivity mapping applications and conductive target detection.

TEMPEST's broad bandwidth makes it capable of resolving subtle variations in conductivity from the near surface to many hundreds of metres deep, making it ideally suited to a wide range of exploration targets.

This work relates to exploration on EL29499 in that it demonstrates a geophysical technique used over nearby areas with similar geology which may successfully identify targets for further more detailed exploration if used over EL29499.

5.3. The "test area" TEMPEST SURVEY

Figure 8 shows the location of the three traverses in relation to EL29590 and EL29589 (Australis). The Easternmost 2 km of each traverse overlaps EL29590. Figure 8 shows the CDI plots for each of the traverses and Figure 9 these plots in place over EL29590.

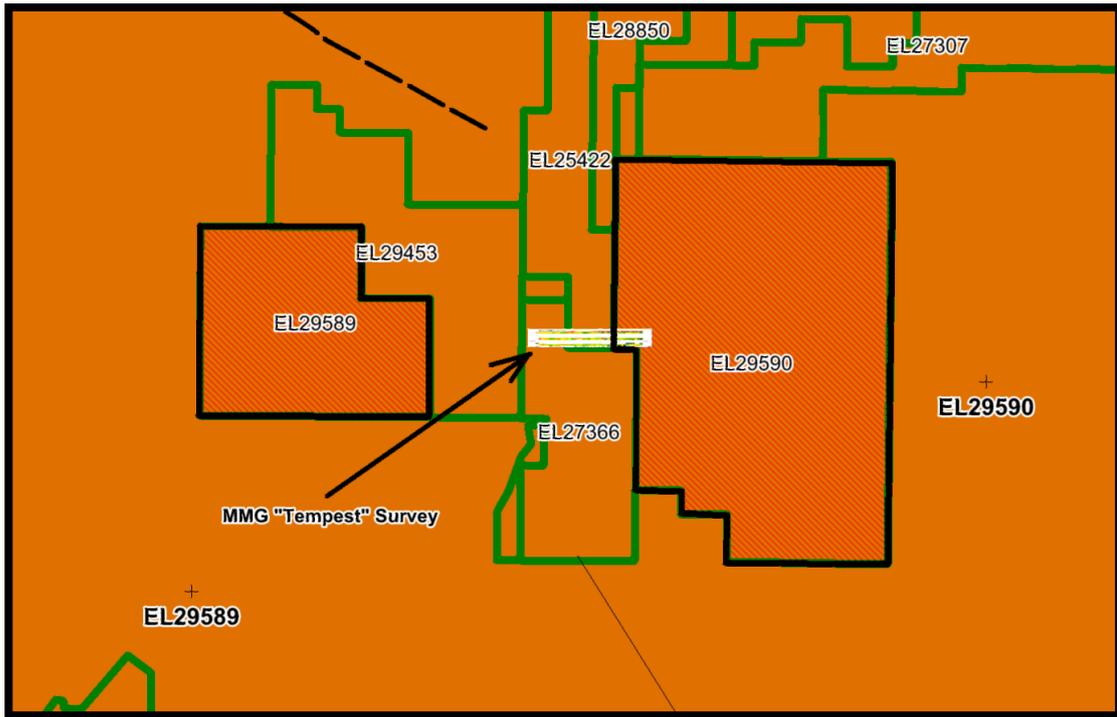


Figure 6: The "test area" survey location.

Digital Terrain Model

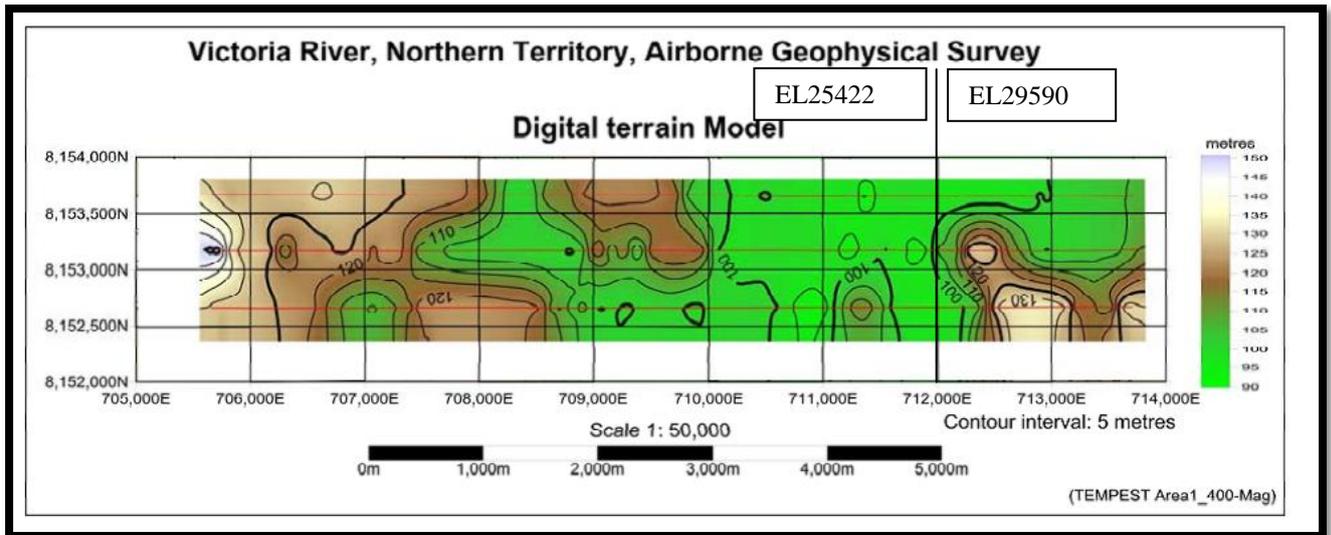


Figure 7: DTM of survey area showing variations in surface topography (Hugh Rutter 2013)

The Digital Terrain Model is standard information collected during most airborne geophysical surveys. It is essential to incorporate this data when interpreting the other geophysical data.

In this situation the variation in elevation is not great. The general surface is 90m above sea level and some of the higher areas rise to 130m, an increase of 40m. The higher area of 150m at the western end of the central line appears to be in error and should not be taken meaningful. (Rutter 2013)

Total Magnetic Intensity

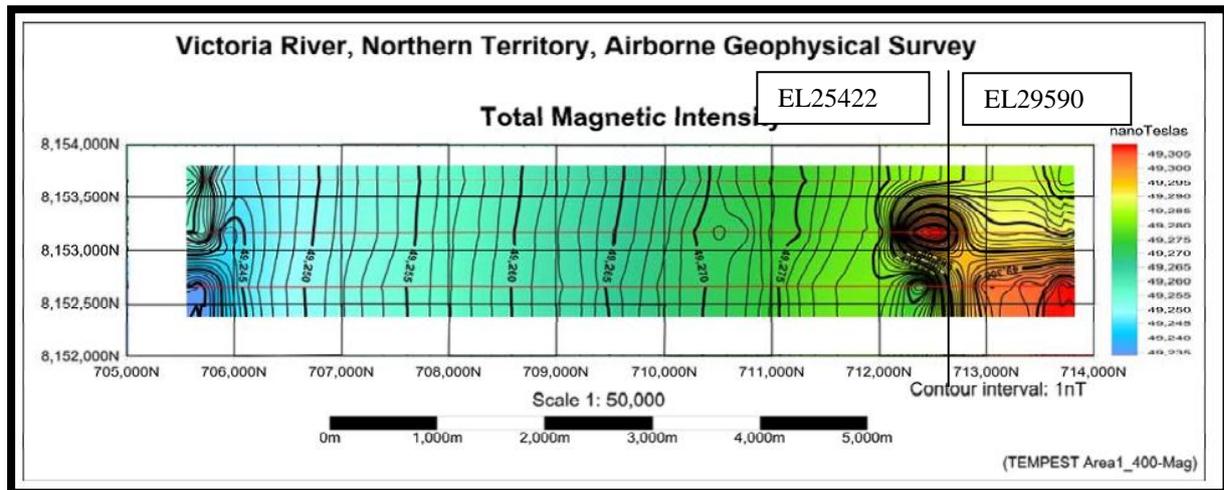


Figure 8: TMI plot of the survey area showing the anomaly within EL29590 (Hugh Rutter 2013).

The Total Magnetic Intensity data is used to locate and interpret different geological rock types and geological structure. In this example the gradual increase in magnetic intensity from west to east, suggests a deep seated rock unit which contains magnetic minerals.

More importantly there is significant magnetic anomaly, with an amplitude of 40 nanoTeslas at the eastern end of the test survey area. It is also coincident with an increase in elevation. An interpretation of the airborne magnetic data is the first step in the complete data analysis. (Rutter 2013)

Bedrock Conductivity

The TEMPEST survey aims to identify areas of increased conductivity at various depths with the premise that high conductivity may represent sites of mineralisation through the presence of sulphides and other conductive minerals.

The calculated bedrock conductivity is usually the most appropriate parameter to be considered at the start of the interpretation process for this data set. It defines the areas with higher conductivity which may be indicating sulphide mineralization in the bedrock. But to determine this requires further analysis of the full data set and the conductivity decay curves.

From Figures 10 and 11 it appears that there are numerous areas of higher conductivity across the whole of each traverse, but that these features in general do not reach the surface either as a result of weathering destroying the sulphides, or the features narrow down or do not reach the surface.

The overall impression is of a number of narrow (?) vertical features perhaps representing vein mineralisation. This is perhaps consistent with the known mineralisation in the area where a number of small copper and barite occurrences are recorded. Strikes of these are often NE or sometimes WNW, as are many of the known faults in the area.

Hugh Rutter's initial interpretation of the data is shown in figure 10 with a number of apparent anomalies present at the eastern end of the survey lines within both the Australis EL29590 and MMG's EL25422.

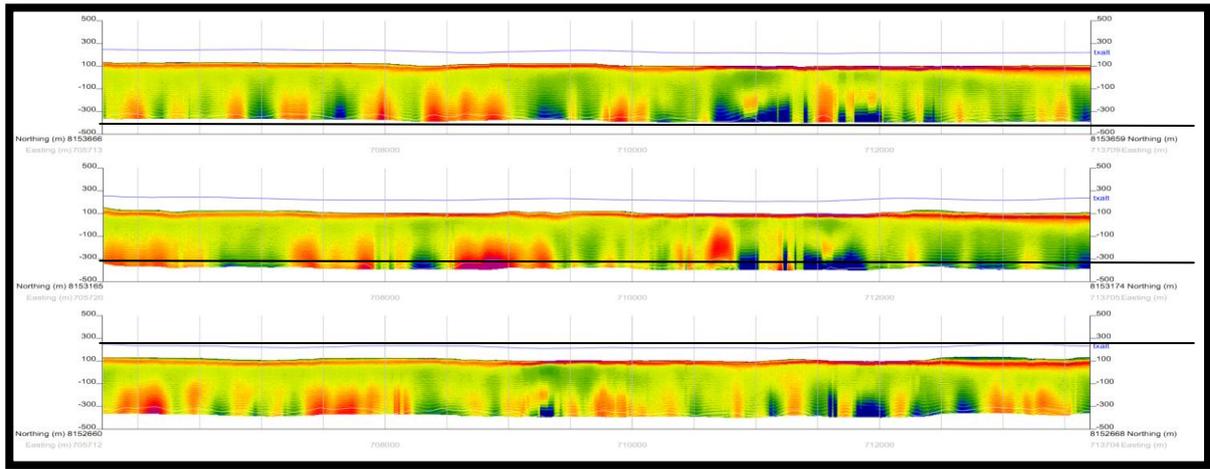


Figure 9: CDI (Conductivity Depth Image) plots of each of the traverses.

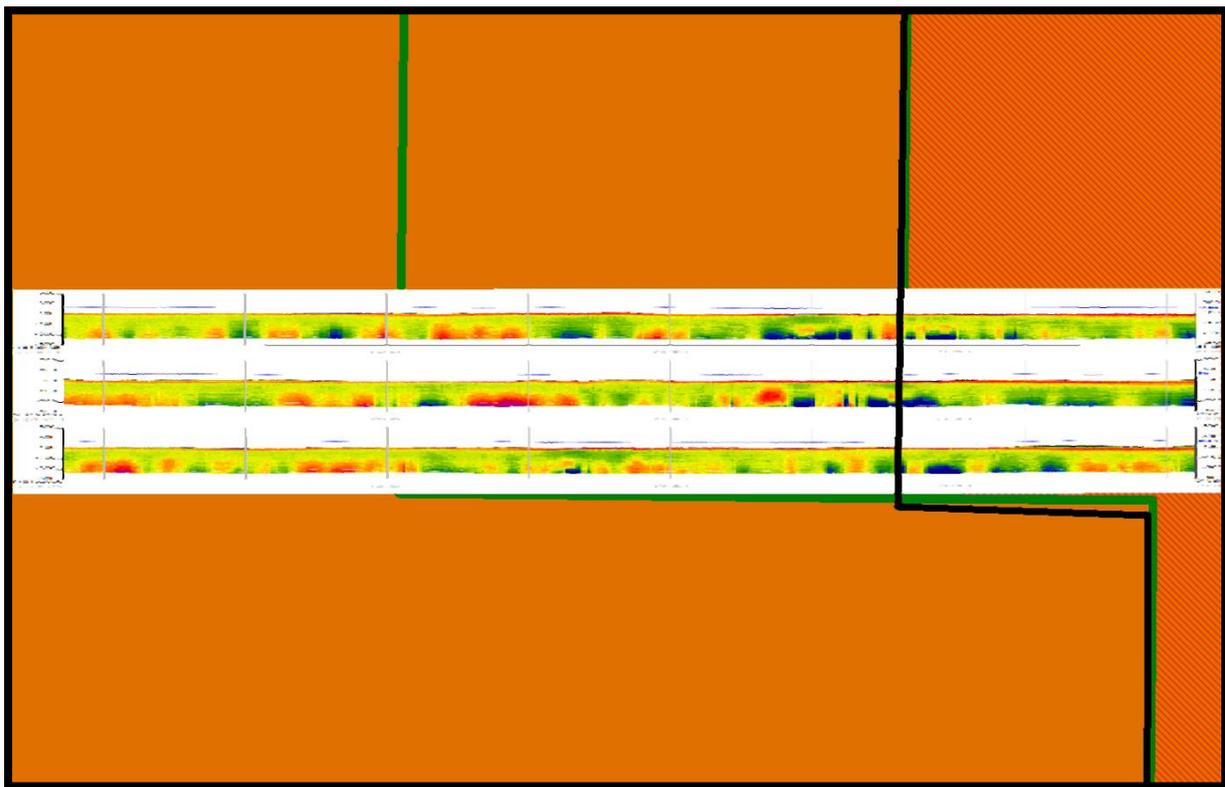


Figure 10: CDI plots located against the traverse locations.

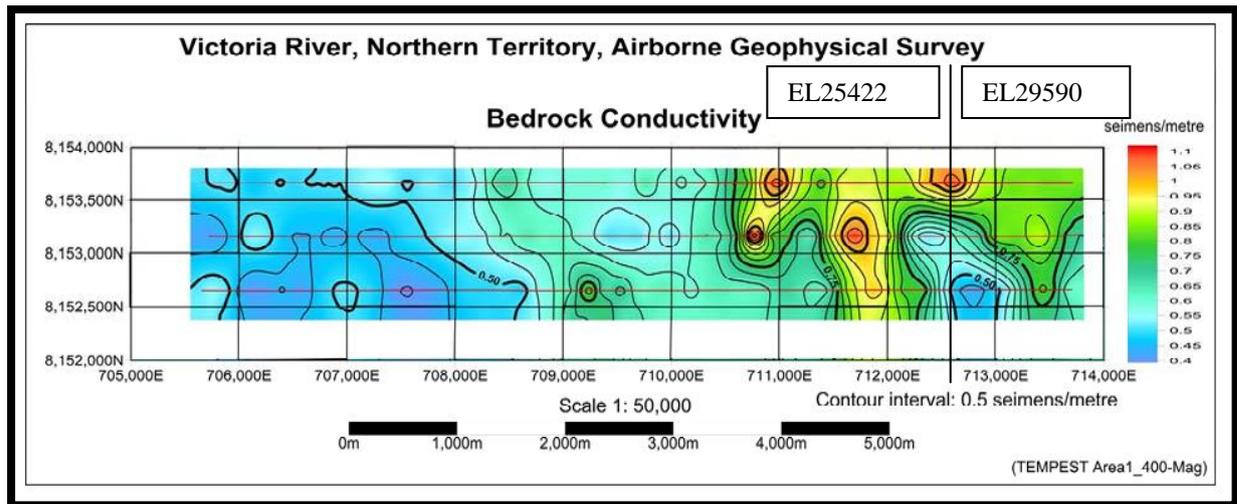


Figure 11: Hugh Rutter's initial interpretation of the bedrock conductivity (CDI) data showing a number of areas of increased conductivity at the Eastern end of the survey within both EL29590 and EL25422 (MMG).

5.4. CONCLUSIONS

The TEMPEST survey carried out by MMG has identified numerous (perhaps 20) deeply located narrow bands of increased conductivity. These appear to die out within 25-100 metres of the surface, possibly due to the effects of weathering. They may represent vertical or subvertical vein mineralisation striking NE similar in style to that found on the surface. In some areas the conductive area is quite intense and these may represent areas of increase mineralisation and perhaps an exploration target.

There is a clear magnetic anomaly within Enterprises ground at the eastern end of the survey, but this is not directly supported by the conductivity data, although there is a conductivity high a few hundred metres north. I'm not sure what this means at this stage. (EL29590 is east of the 712,000E line). There are several conductivity highs immediately west of EL29590, but there is no magnetic anomaly associated with these either. Perhaps the two relate to different things. In any case, there is a fair bit of "activity" within or near EL29590 which looks interesting.

6. WORK COMPLETED 2014-2015

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.

7. RECOMMENDATIONS.

Hugh's report supports the use of Tempest surveys (with accompanying magnetic, dtm etc) over EL29590/EL29499 etc as a method that will generate drill targets quickly and at a reasonable cost. The report also highlights that proper interpretation of the results is an essential part of the process.



Geological mapping each of the flight paths on the ground with accompanying rock chip sampling may go some way towards identifying the source of the increased conductivity.

From this data it appears that the TEMPEST survey method is a viable tool for further exploration on EL29590 and EL29589 in the future.

8. DISCUSSION

Enterprise Mining Pty Ltd through its subsidiaries, Australis Minerals Pty Ltd and Kingsland Resources Pty Ltd has accumulated a total of 6 licenses in the Northern Territory based on the concept that the G2 linear has a strong influence on mineralisation along its length as evidenced by the discovery of the Olympic Dam deposit by Western Mining in the late 1970's. Dr Hugh Rutter was a leading member of the discovery team for Olympic Dam, and has provided considerable advise to Enterprise on target areas, leading to the exploration license applications.

The mineralising concept provided by Dr Rutter appears sound and may lead to a number of significant discoveries within the Enterprise licenses. These target areas recommended by Dr Rutter appear to have been previously ignored or underexplored and warrant the application of modern exploration techniques.

Exploration on all licenses is at the concept stage. Initial exploration will be aimed at identifying and ranking specific targets within the licenses for further exploration. A comprehensive exploration program involving aircraft based geophysics, geological mapping and sampling, ground based geophysics, and eventually RC and diamond drilling is planned.

The Directors of Enterprise Mining are keen to continue exploration work and welcome interest and investment from other companies and individual investors.

9. PROPOSED WORK YEAR 3 **HIGH RESOLUTION AERO GEOPHYSICAL SURVEY**

High resolution aero geophysical surveys including magnetics and gravity and radiometrics will be flown over any anomalies identified during Phase 1 with the aim of more closely defining the extent and location of target areas within the licence. This survey will either use a light aircraft or helicopter.

A budget quote was obtained from CGC with the quoted cost for flying HeliTEM over a single area of about 1000 line km in the NT about \$230/km plus a mob of between \$30,000-50,000 depending on whether it could be shared.

The expected cost for a HeliTEM survey over EL29590 is about \$85,000. This is planned to be completed in year 2 of the licence in conjunction with surveys over other licences held in the same area (EL29589, EL29499). Coupled with expenditure for general geology, reporting and administration the commitment of \$100,000 for year 2 of EL29590 is expected to be exceeded.

10. EXPENDITURE - YEAR 2

	EL29499
Directors Costs	\$ 7,000
Accomodation and Travel	\$ 2,500
Administration @15%	\$ 1,500
	\$ 11,500

11. REFERENCES

Rutter H. 2013: A Report on the Applicability of Airborne Electromagnetic Data, TEMPEST, for mineral exploration in the Northern Territory, Australia, for Enterprise Mining Pty. Ltd. Flagstaff GeoConsultants Pty. Ltd.

Abubeker M. 2013: Vic. River, Northern Territory TEMPEST Airborne Geophysical Survey Acquisition and Processing Report For MMG Management Pty Ltd. Fugro Airborne Surveys.

APPENDICES

APPENDIX 1

Letter from OFC Tianjin Mining Co. of China



奧非斯天津礦業公司

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OFC (Tianjin) Mining Co.

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Managing Director Enterprise Mining Pty Ltd
Mr. Aldo Biscontin
Director Enterprise Mining Pty Ltd
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Docklands, VIC, 3008

18th March 2015

Dear Sirs,

RE: Enterprise Mining and subsidiaries Australis Minerals Pty Ltd and Kingsland Resources Pty Ltd

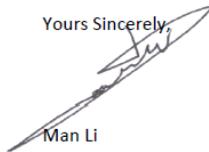
Further to our two meetings prior to Christmas and subsequent meeting in late January this year, we wish to express our interests in the possible acquisition of Enterprise Mining and its subsidiaries or depending on terms and conditions a potential Joint Venture Agreement (JV) to explore and extract value for the Joint venture partners.

We have undertaken an intense literature research of the areas and this coupled with advice from our own geologists gives us confidence in moving forward. Unfortunately the advent of Christmas and the Chinese New Year has restricted us inspecting the site and we wish to arrange a time as soon is feasible to visit the main leases . It will not be necessary to inspect all leases as our main interest lies in the leases currently held by Australis Minerals Pty Ltd.

We agree that a High resolution aero geophysical survey including magnetics and gravity and radiometrics should be flown over any anomalies identified during Phase 1 with the aim of more closely defining the extent and location of target areas within the licence. This survey will either use a light aircraft or helicopter. Drilling would follow on any targets defined.

We would like to schedule another meeting with you early April and with your approval to discuss a path forward.

Yours Sincerely,



Man Li
Chairman