FOURTH ANNUAL AND FINAL REPORT FOR EL29391

For period from 02/04/2015 to 18/03/2016
GEORGINA BASIN PROJECT NT

Brunette Downs    SE5311  1:250,000
Mount Drummond    SE5312  1:250,000

Titleholder: Tropical Resources Pty. Ltd

Report No. 2016-003
Tropical Resources Pty. Ltd
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27th March 2016
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1. SUMMARY

EL 29391 is about 25km just east side of the Tableland Highway (No.11) and 40km south side of Calvert Road. Tropical Resources Pty Ltd applied for EL29391 primarily to explore for Diamond, Gold and secondly to evaluate the potential for other types of economic mineralization such as Iron and Phosphate. Work during Year 1 of tenure consisted of a review of NTGS data and Open File Company reports (geological and geophysical), and a short time field trip.

During year two to four, TRC wanted to joint venture with a Chinese Company to do geophysical survey, but it goes slowly.

2. LOCATION AND ACCESS

EL 29391 is about 870Km of SSE$140^0$ of Darwin, and about 240km of NEE$60^0$ of Tennant Creek, about 140km of north side of the Barkly Highway (Figure 1). There is just about 15km east side of Tableland Highway (No.11) and 6km north of Ranken Road.

Access is along the Tableland Highway via Barkly Highway and Stuart Highway from Darwin. There are several rough road can be reach to the Lease. Topography is plains with some hills but the relative elevation is less 50m, several rivers cross the land. Access is advisable in the dry season only.

The tenement has numerous creeks which can flood in heavy rains during the wet season.
Figure 1 Location of EL29391 in Topography
(Green polygon was retained)
3. TENEMENT STATUS AND OWNERSHIP

EL 29391 was granted on 2nd April 2012 and expires on 1st December 2018 for a term of six years. It comprises 250 graticular blocks (814.42 sq km). There are no other mining leases or mineral claims shown within the License boundaries.

After the data reviewed and short field trip at the first year, TRC decided to reduce the northern part, from 250 blocks to 125 blocks (407.86 sq km), because it lacks any outcrop or is difficult to do field work, via relinquished 125 blocks (Figure 2).

After third year, TRC reduce the west part, from 125 blocks to 36 blocks (117.46 sq km), via relinquished 89 blocks. (Figure 2).

Figure 2 Reserved blocks (green polygon) of EL29391

Underlying cadastre is mainly Pastoral Lease. Landholders show below: 1-NT Portion 1483, Perpetual Pastoral Lease 925,Nicholson; 2-NT Portion 1033, Perpetual Pastoral Lease 962,Nicholson;)(Figure 3).
4. GEOLOGY

EL29391 is situated within the Georgina Basin, a wildly folded sequence of Cambrian rocks. The 1:250,000 Geological map cover the tenement area (Brunette Downs, 1966 and Mt. Drummond, 2006) (Figure 4).
All of the economic diamond deposits and other significantly diamondiferous occurrences in Australia occur on the North Australian Craton ("NAC"). The NAC underlies the Kimberley region of northern WA, the northern two thirds of the NT and the north western part of Queensland. It is also host to many significant base metal, gold and uranium deposits. The NAC was formed at about 1850Ma during the Barramundi Orogeny by the amalgamation of Archaean and early
Proterozoic rocks which now form the basement rocks to the younger sequence. Proterozoic (1820-1600Ma) platform cover sediments, Palaeozoic volcanics and sediments, and Mesozoic sediments cover these basement rocks.

The Georgina Basin is one such platform cover which developed above the NAC between 1800-1500Ma. Its sedimentary package consists of unmetamorphosed and less intensely deformed rocks of carbonate, siliciclastic and interbedded volcanics deposited in a shallow intracratonic basin.

The Georgina Basin is overlain by the remnants of the Cambrian Karkly Group Ranken Formation Limestone: Bioclast, bioclast rudestone; Grey Biological Dolomite, rudestone, Sandstone; and Cambrian Helen Springs Volcanic Rocks. There is a widespread distribution of Cenozoic Limestone, dolomite; and sandy soil, laterite and alluvium cover.

5. PREVIOUS EXPLORATION

Exploration has been carried out in the area since 1978, there are several companies worked on this area (Some of them show in Table 1), Exploration primarily involved rock chip, soil and stream sampling for Diamond, gold and some base metal analysis.

Table 1 List of the previous exploration Licenses

<table>
<thead>
<tr>
<th>EL Number</th>
<th>Expiry Date</th>
<th>Company Reports</th>
</tr>
</thead>
</table>
6. EXPLORATION DURING YEAR 1

During 2012 to 2013, Tropical Resources exploration consisted of historic data compilation including tenure, datasets, open file reports and geo-referencing of relevant maps. This enabled an informed review of the tenements prospectively in regards to Diamond and Gold, Iron and Phosphate. Also field reconnaissance was completed.

7. EXPLORATION DURING YEAR 2

In 2013, Tropical Resources exploration consisted of historic data compilation including tenure, datasets, open file reports and geo-referencing of relevant maps. This enabled an informed review of the tenements prospectively in regards to Diamond and Gold, Iron and Phosphate. Also field reconnaissance was completed. A short trip in the field with a potential cooperation partner.

8. EXPLORATION DURING YEAR 3

In 2014, Tropical Resources exploration consisted of historic data compilation including tenure, datasets, open file reports and geo-referencing of relevant maps. This enabled an informed review of the tenements prospectively in regards to Diamond and Gold, Iron and Phosphate. Also field reconnaissance was completed. A short trip in the field with a potential cooperation partner.
9. EXPLORATION DURING YEAR 4

In 2015, Tropical Resources exploration consisted of historic data compilation including tenure, datasets, open file reports and geo-referencing of relevant maps. This enabled an informed review of the tenements prospectively in regards to Diamond and Gold, Iron and Phosphate. Also field reconnaissance was completed. A short trip in the field with a potential cooperation partner.

10. EXPENDITURE

Expenditure during all of four years was $230,000:

Table 2 Expenditure on EL29391

<table>
<thead>
<tr>
<th>Works</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground Geological survey</td>
<td>$2,000.00</td>
<td>$18,000.00</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
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<tr>
<td>Office studies</td>
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<td>$46,000.00</td>
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<td>$18,000.00</td>
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<tr>
<td>Overheads</td>
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<td>$10,000.00</td>
<td>$9,000.00</td>
<td>$4000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$230,000.00</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. CONCLUSION AND RECOMMENDATION

The exploration target is Diamond and Gold, Base metal and Iron, Phosphate. However through analysis history exploration date and superficial traversing the EL28790 property, after field trip, there is no large scale host rock of Diamond occurrence.

Concerning all of the field works including Geophysics and Geology survey, all collected data and sample analyzed results, we think there is no more potential target or possibility to find the Gold, Diamond or others minerals, so we surrender it.
12. REFERENCES


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