

ACH EXPLORATION PTY LTD

FINAL ANNUAL AND SURRENDER REPORT

EL 30447, 30448 & 30449

27th April 2015 to 31st March 2016

Target Commodities: Copper and Gold

Standard NT 1:100 000 scale map sheets relevant

**GOSSE RIVER
FAVENC
DALMORE
WONARAH
ALROY
PLAYFORD**

Standard NT 1:250 000 scale map sheets relevant

**TENANT CREEK
ALROY**

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1.0 ABSTRACT

Exploration Licences 30447, 30448 and 30449 were granted on 27th April 2015. The rationale for selection of these areas was based on interpretation of regional geophysical data that identified the likelihood of the Palaeoproterozoic Warramunga Province extending further to the east than currently recognised. The basement geology over the tenure was completely covered by Cambrian-aged Georgina Basin sediments, and possibly also Mesozoic and Tertiary sediments and surficial deposits. The principal exploration target style for the Exploration Licences was for Iron Oxide Copper Gold (IOCG) deposits similar to the Tennant Creek copper-gold district. At the time of application in 2014, the parent company of ACH Exploration Pty Ltd, ACH Global Pty Ltd, had yet to secure any other mineral resource based assets or transactions and had sufficient funds to support ACH Exploration's exploration portfolio. By the time of grant of the tenure in question in April 2015, ACH Global had identified, negotiated and secured the right to farm in to the Foster/ Jan nickel mines at Kambalda in Western Australia, the only two remaining significant historic WMC nickel mines that had not been the subject of a transaction since WMC withdrew from the mining of the Kambalda deposits in 2001. Accordingly the board of ACH Global directed that available funds be retained to underwrite that farm-in deal. Consequently the tenements were offered for joint venture to a range of medium to large size international and Australian resource companies who had demonstrated a potential interest in exploring this style of target as well as private syndicates. Unfortunately, due to the ongoing general negative sentiment prevailing throughout 2015 and the early part of 2016, ACH Exploration was unable to attract the necessary backing and made a decision to surrender the tenure to allow competing parties access to the ground and targets should they desire.

2.0 STATEMENT REGARDING COPYRIGHT

ACH Exploration and the author state that nothing in this report is copyright.

3.0 REPORT

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3.1 Location

The tenements, EL 30447, 30448 and 30449 are located approximately 140km east, 180km east north-east and 75km east south-east of Tennant Creek on NT map sheets (1:250 000 scale) Tennant Creek and Alroy.

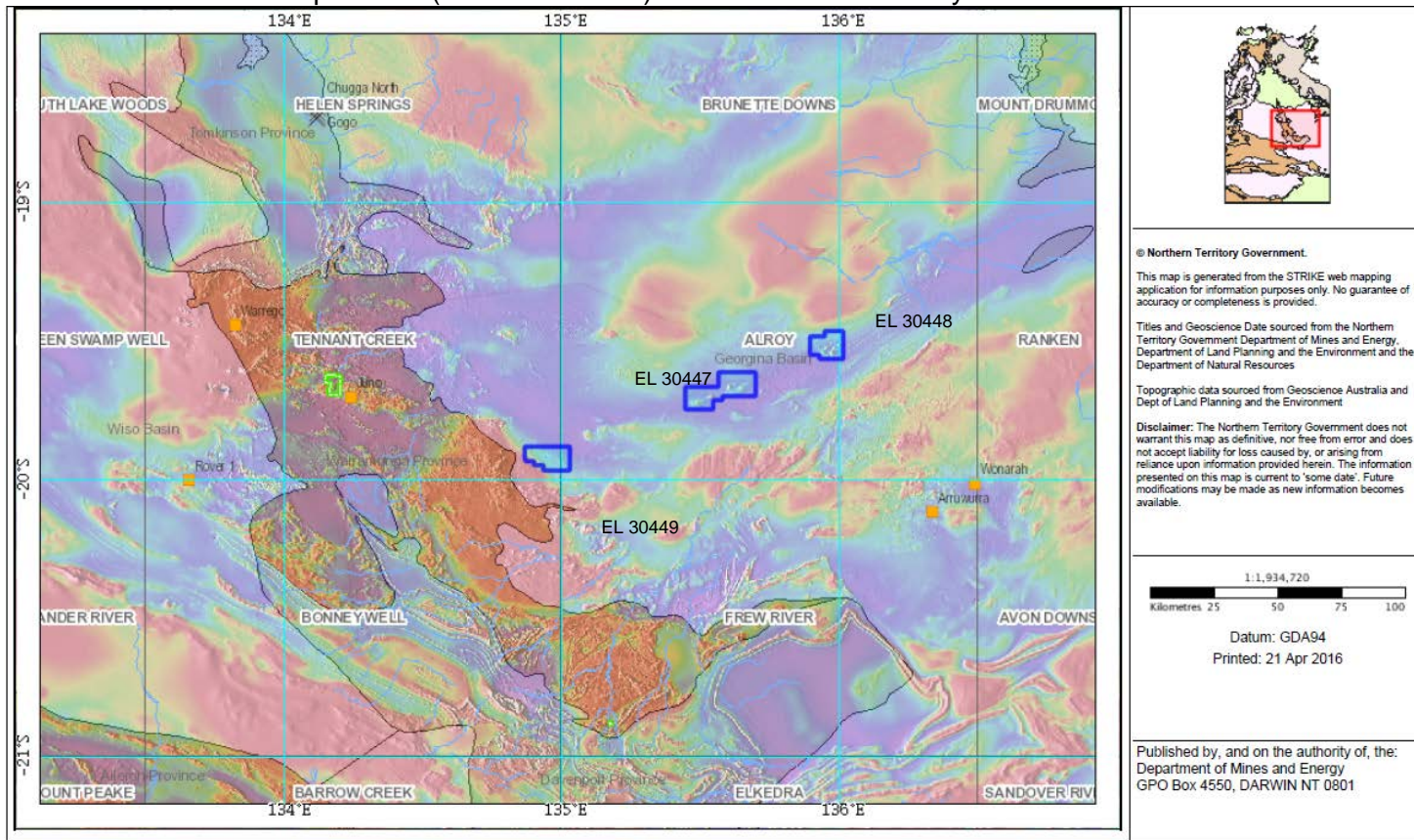


Figure 1: Location plan of tenements ELs 30447, 30448 and 30449

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The tenement details are as follows:

Title	Grant Date	Area/blocks	Covenant \$	Surrender Date
EL 30447	27/04/2015	74	\$65,300	31/03/2016
EL 30448	27/04/2015	37	\$42,800	31/03/2016
EL 30449	27/04/2015	44	\$43,000	31/03/2016

The project covers semi- desert and open grassland that is used for pastoral purposes. Access to the project area would be via the Stuart Highway via Kurundi.

3.1.1 Geological setting, exploration/mining history and exploration rationale

The area the subject of the tenements has been explored intermittently by previous limited explorers in periodic and sporadic bursts. Companies that have explored the area have principally done so on a similar exploration rationale and target type and include significant companies such as CRA and Geopeko together with junior resource entities such as Asian Minerals and Red Metal Ltd.

ACH Exploration's rationale was based on interpretation of regional geophysical data that identified the likelihood of the Palaeoproterozoic Warramunga Province extending further to the east than currently recognised. The basement geology over the areas is completely covered by Cambrian-aged Georgina Basin sediments, and possibly also Mesozoic and Tertiary sediments and surficial deposits. The thickness of younger cover rocks overlying the Warramunga Province basement is not certain, potentially from <100m to greater than 500m, and thus presented a possible opportunity to test for shallower targets.

The exploration target was for Iron Oxide Copper Gold (IOCG) deposits similar to the Tennant Creek copper-gold district. Tennant Creek deposits are typically associated with "ironstone" alteration, irregular to pipe like magnetite-quartz-chlorite bodies that have the potential to provide a geophysical response through cover rocks. In addition, IOCG deposits in the Olympic province are also associated with extensive iron alteration systems which give rise to significant density anomalies that can be mapped with gravity.

ACH Exploration was advised by its consultant geoscientist from Gold Vector Pty Ltd (E.J. Baltis) who selected coincident magnetic-gravity anomalies from the regional geophysical data as displayed on Figures 2 and 3 following.

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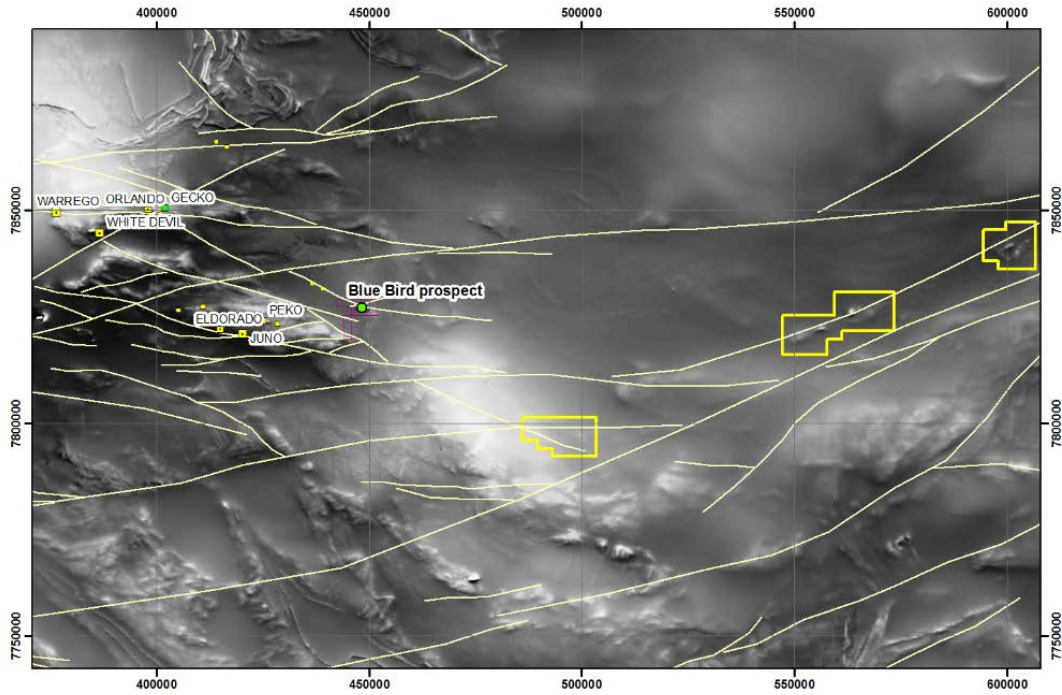


Figure 2: Structural interpretation and tenement boundaries over gravity image

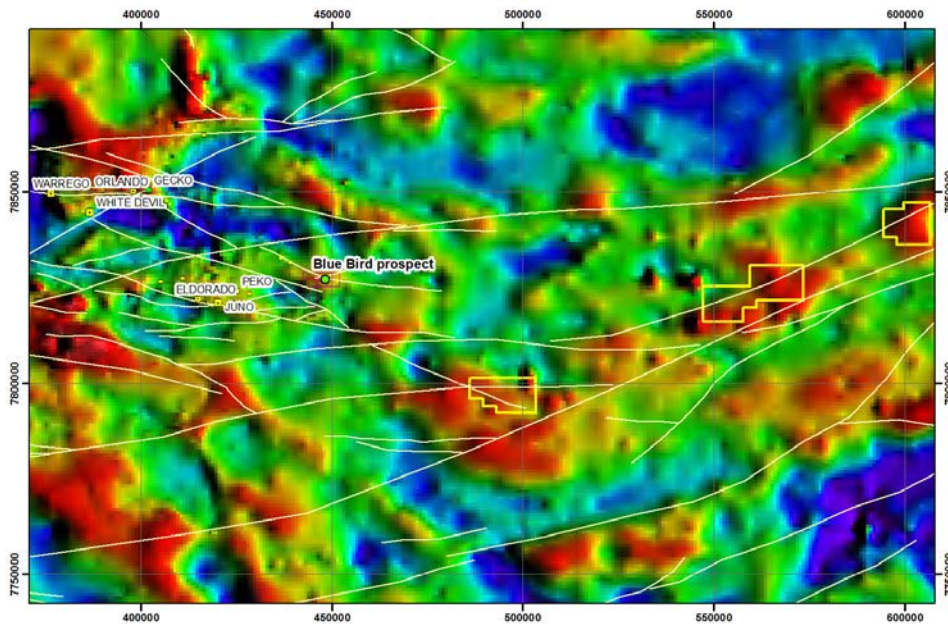


Figure 3 Structural interpretation and tenement boundaries over magnetics

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3.1.2. Exploration index map

No surveys or sample points were conducted and accordingly no index map is required.

3.1.3 Geological activities and office studies

The exploration program was intended to consist mainly of the use of geophysics to aid the definition of bedrock drilling targets.

At the time of application in 2014, the parent company of ACH Exploration Pty Ltd, ACH Global Pty Ltd, had yet to secure any other mineral resource based assets or transactions and had sufficient funds to support ACH Exploration's exploration portfolio. By the time of grant of the tenure in question in April 2015, ACH Global had identified, negotiated and secured the right to farm in to the Foster/ Jan nickel mines at Kambalda in Western Australia, the only two remaining significant historic WMC nickel mines that had not been the subject of a transaction since WMC withdrew from the mining of the Kambalda deposits in 2001. Accordingly the board of ACH Global directed that available funds be retained to underwrite that farm-in deal. Consequently the tenements were offered for joint venture to a range of medium to large size international and Australian resource companies who had demonstrated a potential interest in exploring this style of target as well as private syndicates. Unfortunately, due to the ongoing general negative sentiment prevailing throughout 2015 and the early part of 2016, ACH Exploration was unable to attract the necessary backing and made a decision to surrender the tenure to allow competing parties access to the ground and targets should they desire.

During the term of granted tenure no field work was undertaken and the tenements were not visited in person.

3.1.4 Conclusion and recommendations

ACH Exploration believes that the target rationale is still valid however the funds required to adequately test and screen the tenure for targets on this type are most likely beyond the scope and capability of a private vehicle such as it is, rather a large, well-capitalised, senior industry player would be required to undertake the level of exploration necessary to prove up a significant discovery.

3.1.5 References

CR86/190a; EL3537 Gosse River Final Report, April 1985, CRAE Limited Unpublished Report.

CR1989/0559; Final Report On EL 5088 Incorporating the Period 16th January 1989 - 22nd May 1989, Geopeko Unpublished Report.

CR2005/0170; EL's 23776, 23777, 23778, 23779 and EL23782, Dalmore-Epenarra Project Final Report, 10 December 1983 – 18 November 2004, Asian Minerals Pty Ltd. Unpublished Report.

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