YEAR 4 REDUCTION REPORT OF EL28944

BURT PLAIN

5th March 2015 to 4th March 2016
Aileron Project NT

NAPPERBY SF5309 1:250,000
HERMANNNSBURG SF5313 1:250,000
AILERON 5552 1:100,000
ANBURLA 5551 1:100,000

Datum: GDA 94 zone 53

Titleholder: Australia Mining and Gemstone Co. Pty. Ltd
ABN: 86 114 395 247

Report No. 2016-015
Australia Mining and Gemstone Co. Pty. Ltd
By Mingjin HOU
28th April 2016
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1. SUMMARY

The Aileron Project is situated in the southern of Central Desert Shire in the central part of Northern Territory, approximately 105 kilometres northwest 310 degree of Alice Springs (Figure 1). EL28944 belong The Burt Plain, Historical exploration focused on uranium.

EL28944 was granted in March 2012, the tenement covered 51 graticular blocks on Aileron region, located about 40km Southwest of Aileron roadhouse in the Northern Territory of Australia. Northern areas of EL28944 located in Aileron station and southern areas of EL28944 belong Amburla station, the EL28944 is cover with aeolian sand, just low outcrop basement rocks is Palaeoproterozoic gneiss. There are many station tracks and fence lines crossing the tenement.

During 2012-2014 period, open file Geophysical data in ER-Mapper format were obtained from the Northern Territory Geological Survey, this data was merged and processed in-house. In September 2012, Australia Mining and Gemstone Co. Pty. Ltd (AMG) staff enhanced EL28944 areas, ninety-nine percent areas of EL28944 are covered by aeolian sand. AMG exploration target is for gold and copper.

2. LOCATION AND ACCESS

EL28944 is located in the northern part of Burt Plain and southwest of Aileron, about 105 kilometres northwest of Alice Springs in the Northern Territory (Figures 1).

The exploration licence is accessed by unsealed roads and station tracks from the Amburla and Aileron Station Roads, this roads connect to Tanami Road and Stuart Highway, the Tanami Road crossing with Stuart Highway at 20 kilometres north of Alice Springs. Between Alice Springs and Yuendunu road was seal with bitumen.
The station homestead is a long way south of the tenement via a dirt track. The station keeps access gates closed and it was necessary to approach the homestead directly to make contact with the proprietors.

3. TENEMENT STATUS AND OWNERSHIP

EL28944 was granted Australia Mining and Gemstone Co. Pty. Ltd on 5th March 2012 for a term of six (6) years. EL28944 comprised 51 graticular blocks (161.26 sqkm), after the second reduction period, the EL’s area is 11 graticular blocks (32.2 sqkm, Figure 2). There are no other mining leases or mineral claims within the Licence area. List of Graticular
blocks covering EL28944 in Table 1.

Figure 2: Graticular blocks covering EL28944 (red blocks reduced)
Table 1 Graticular blocks covering EL28944 (red blocks reduced)

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<th>SF532606S</th>
<th>SF532606W</th>
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<td>SF532606R</td>
<td>SF532606V</td>
<td>SF532606Z</td>
<td>SF532678D</td>
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</tbody>
</table>

Background land tenure under EL28944 is part of Aileron station and Amburla station (Figure 3) , The Rubunja Community had been excised from the lease.

![Figure 3 Landholders and Lease Numbers displayed inside EL28944](image)

Contact details being: **Aileron Station** (Waite River Holdings Pty Ltd); Phone:08 8956 9705; fax 08 8956 8535.

**Amburla Station**: Tanami Downs, NT 0872; phone: 08 8956 8527.

The region has a semi-arid continental climate. This following description is drawn from Stewart (1982): “The climate is characterised by long hot summers when temperatures regularly exceed 40°C, and short mild winters. The average rainfall is about 280mm, most of which falls between November and March, but both frequency and amount are erratic.” (Stewart, 1982)
4. GEOLOGY

REGIONAL GEOLOGY
EL28944 is situated in the Aileron Province of the Arunta Region in the southern part of the Northern Territory, deformed and metamorphosed Palaeoproterozoic orogenic rocks older than 1800 million years crop out as major tectonic units surrounded by younger rocks and essentially form the recognition and inferred basement to the North Australian Craton. These Palaeoproterozoic rocks form the Pine Creek Orogen, Tanami Region, northern Arunta Province, and Tennant, Murphy and Arnhem Inliers. They include remnants of Archean rocks, which have been dated at 2500 million years.

To the south, the rocks of the North Australian Craton pass into the Central Australian Mobile Belts of the Proterozoic Orogens of the Arunta Region and Musgrave Block, consisting of granulite and amphibolite facies, metamorphosed sediments and mafic volcanics intruded by granitoids. In the southern Arunta Province, episodic igneous activity took place between 1880-1050 million years and deformation included a series of major tectonic events, including retrogressive metamorphism in the Proterozoic and Palaeozoic. These basement rocks are exposed in the southern of the licence.

Proterozoic-Palaeozoic basins form part of the North Australian platform cover and comprise mildly deformed, largely unmetamorphosed predominantly sedimentary successions unconformably overlying the Proterozoic Orogens. This includes the Ngalia and Georgina Basins in the Aileron region. These rocks are absent here.

A system of major west-northwest trending and north-northeast dipping thrust faults and shear zones affects the Arunta Region. The associated shear zones can be up to hundreds of metres in width and extend for several kilometres, and are thought to have formed during the 400-300 Ma Alice Springs Orogeny (Cartwright et al., 1999). The Palaeoproterozoic basement rocks of the Arunta Region have been thrust over the younger sediments of the Ngalia Basin along the Napperby and Yuendumu Thrusts.
LOCAL GEOLOGY

The tenement is underlain by basement rocks of the Aileron Province (According to the web-site of the NTGS (December, 2004)) basement rocks in the Aileron region comprise part of: “... the Arunta Region, a complex basement inlier in central Australia that has undergone a prolonged history of sedimentation, magmatism and tectonism extending from the Palaeoproterozoic to the Palaeozoic. The Arunta Region can be subdivided into the three, largely fault bounded terranes with distinct geological histories: the Aileron, Warumpi and Irindina Provinces. The Aileron Province comprises greenschist to granulite facies metamorphic rocks with protolith ages in the range 1865 -1710 Ma. It forms part of the North Australian Craton and is geologically continuous with the gold-bearing Tanami and Tennant Regions to the north. In contrast, the Warumpi Province comprises amphibolite to granulite facies rocks with protolith ages in the range 1690-1600 Ma, and is interpreted to be an exotic terrane that accreted to the southern margin of the North Australian Craton at 1640 Ma. The Irindina Province in the Harts Range region comprises Neoproterozoic to Cambrian metasediments that formed in a major depocentre within the Centralian Superbasin. It underwent high-grade metamorphism and deformation during Ordovician” (480 - 450 Ma).

The Arunta Basement in this region is further subdivided into the Central and Southern Provinces by the Redbank Thrust Zone, a major north dipping crustal-scale northwest trending structure. The oldest rocks of the Central Province that underlies Burt Plain are mafic and felsic granulites of the Strangways and Narwietooma Metamorphic Complexes that were deformed, metamorphosed and intruded by megacrystic syntectonic granites during the Strangways Orogeny around 1760-1750Ma. Rocks of the Narwietooma Complex are more widespread comprising mafic granulites.

The EL28944 area is typified by flat sandy plains overlying gneiss and granites of the Arunta Block (Figure 4). Sandy and calcrete soils are found extensively within the Ngalia basin to the North and overlying the Arunta Block of the tenement area. A number of
isolated gneiss hills emerge from the plain within southern of EL28944 area, especially around The Rubunja Community. The vegetation in the area consists of acacia scrubland associated with grasslands and minimally modified pastures in places. Taller eucalypts are present within and along the main drainage systems.

**Figure 4 Geological Map of EL28944 (1:250000 geologic map)**

Except aeolian sands covered in EL28944, basement rock is Narwietooma Metamorphic Complex (Pnx), it outcrop in southern of EL28944, petrology was consisting of
Quartzofeldspathic gneiss, felsic granulite, mafic granulite, garnet and cordierite-bearing metasediments, and rare calc-silicate rock, it are less outcrop over the lease area.

5. PREVIOUS EXPLORATION

No MODAT occurrences are located on EL28944, nor was NTGS open-file data on previous exploration covered EL28944. Much work of the lease was undertaken outside of EL28944. The historic tenements, their report numbers and comments from abstracts are listed below.

CRA Exploration Pty Ltd held EL753 in 1973, This licence covered a large area of Burt Plain from Mt Harris west of Native Gap, east to the low hills southwest of Sheppards Bore. CRA’s interest in Burt Plain was for sedimentary uranium. Mapping of the outcrops SW of Sheppard’s Bore, recognized as potential sources for secondary uranium, found foliated granite with common quartz-haematite-pyrite veins. Scintillometer readings up to 2000cpm were recorded but assays returned up to 36ppm U and 50ppm Th. Grades were too low for primary targets, no secondary (calcrete) mineralisation was found and the area was relinquished.

Imperial Granite and Minerals Pty Ltd held EL24746 on 13th April 2006 for a period of six years, the property was purchased from them by Northern Mining Ltd to explore for energy minerals. From the airborne EM survey that was completed in 2008 it has been possible to identify areas of little prospectivity for relinquishment. A total of 198 blocks covering 625.19 square kilometres and representing approximately 49% of the total area of the licence were proposed for relinquishment on 11th March 2009.

In 2012-2014 Australia Mining and Gemstone Co. Pty. Ltd exploration consisted of historic data compilation including tenure, geophysics date, open file reports and geo-referencing of relevant maps. This enabled and informed review of the tenements prospectively in regards to Au and Cu.

6. EXPLORATION DURING YEAR 1
In the first years of tenure, work on EL28944 was limited to desk-top reviews and reconnaissance field trips. These field trips traverse included discussions with pastoralists. Access around the area was also assessed. The lease is almost covered with aeolian sand, there is a little bit Palaeoproterozoic gneiss (photo1) around The Rubunja Community. No sampling was undertaken.

Photo1 Palaeoproterozoic gneiss (southern of EL28944)

7. EXPLORATION DURING YEAR 2

During second year, AMG continued to compile all historic data of the EL. AMG paid attention to the Kurinelli goldfield in Davenport range of the Barkly region. The lease is covered about 99% with Aeolian and as a result, AMG surrendered the northern area of this tenement.

8. EXPLORATION DURING YEAR 3
During third year, the EL did not undertake field work, as the AMG geologists carry out two copper exploration projects with Panda Mining Pty Ltd in the Flinders Range of South Australia.

9. EXPLORATION DURING YEAR 4

Work done during Year 4 included:

a) All data review and

b) Some geological survey

10. CONCLUSION AND RECOMMENDATIONS

The area was considered prospective for gold and copper, as the lease landform is flat and overlying by aeolian sand. There is a little bit Palaeoproterozoic gneiss around The Rubunja Community. At present, AMG geologist cannot determine the potential in the lease.

11. REFERENCES


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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.

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