

ANNUAL EXPLORATION REPORT EL28803

West of Little Mary River

12 December 2012 to 11 December 2013

Around Hollis base metals project NT

MT EVELYN	SF5305	1:250,000
Ranford Hill	5370	1:100,000

Titleholder: Australia Mining and Gemstone Co. Pty. Ltd

Report No. 2014-005
Australia Mining and Gemstone Co. Pty. Ltd
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9th February 2014

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1. SUMMARY

EL28803 lies in the west of Little Mary River and in the northwest of MT Davis, around the MT Davis had many little old abandoned mine, in particular copper, silver and tin. The copper project is situated in the center of Pine Creek geosyncline in the northern part of Northern Territory, about 211 kilometers southeast 133 degree of Darwin (Figures 1). Copper mineralization was discovered in the area over 100 years ago in 1887 at the Coronet and Mary Faults, copper mineralization is located faults and near apophyses of the Wandie Granite.

The EL has several significant prospects:-

- ◆ Australian Coal and Gold Holdings prospect for tin, gold, basemetals, diamonds and uranium in the northwest of the EL4498;
- ◆ the historic Bowerbird and Hollis prospects where base metals and now gold are recorded, the mineral location distance EL28803 just 915 meters, copper mineralisation within quartz veins which characteristically occur within interbedded greywacke/shale (FINNISS RIVER GROUP Burrell Creek Formation). The units which host the mineralisation also occur elsewhere in the Pine Creek geosyncline.

EL28803 is granted in December 2011, Australia Mining and Gemstone Co. Pty. Ltd (AMG) collate and replot history data in MapInfo, AMG was implemented ground reconnaissance On the 26th August 2012. Because the hardrock outcrop is better in the EL, but it haven't find metal sulfide mineralization in the process of traverse, so this tenement didn't implement field work, AMG probably is undertaking mapping and ground magnetic survey in 2014.

2. LOCATION AND ACCESS

EL28803 is situated approximately 50kms northeast-east of Pine Creek town, about 211 kilometers southeast 133 degree of Darwin in the Northern Territory (Figure 1).

Access to the licence area from Pine Creek is north via the Kakadu Highway and then either eastward, just before the Mary River crossing along an unsealed road created many years ago for access to the Bowerbird copper, lead, silver diggings or

alternatively via the New Wandie Road that turns off to the south just past the Moline Camp as per Figure1.

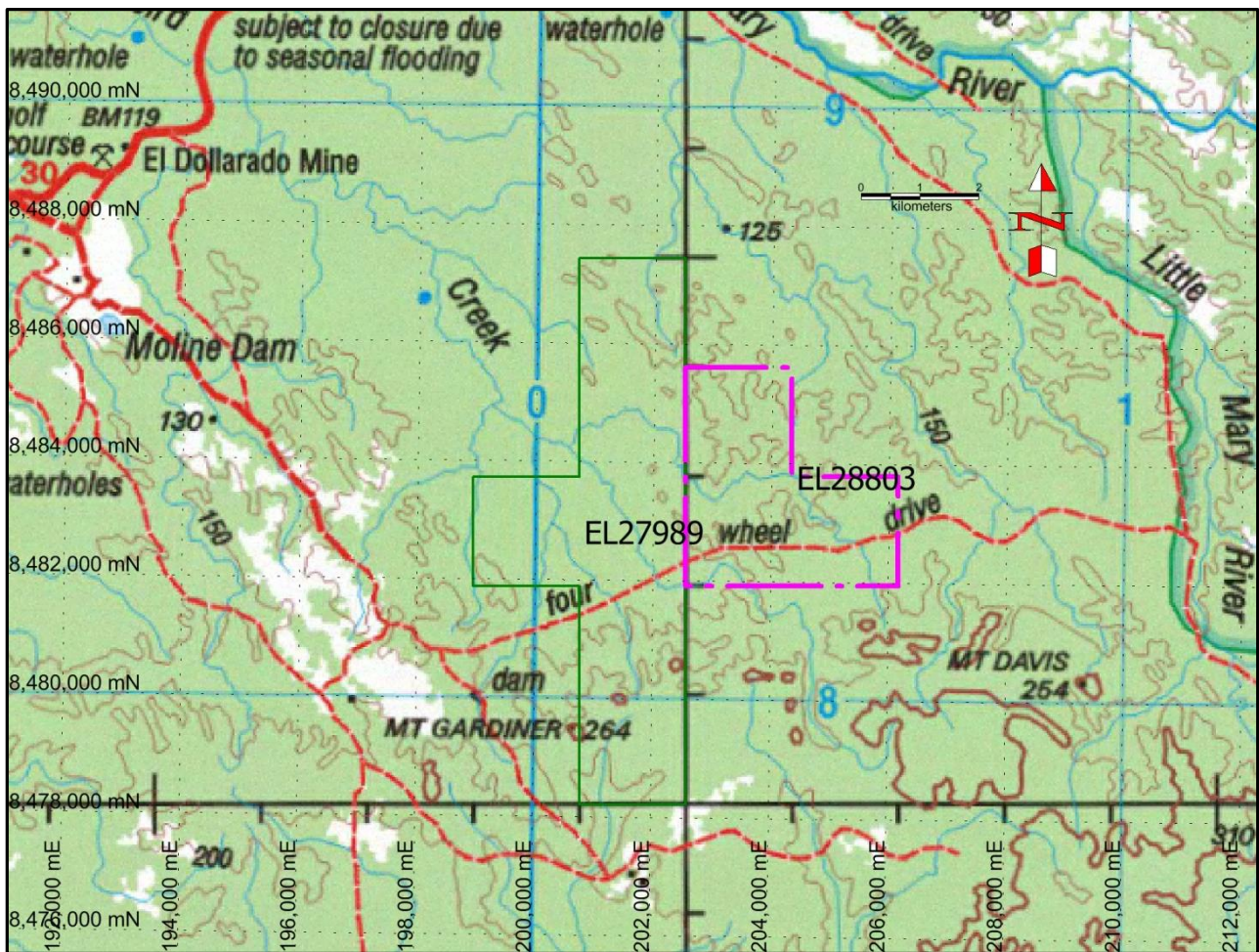


Figure 1 Location Map of EL 28803

Within the tenement old tracks put in by Cyprus Gold are still usable and lead off the New Wandie Road and then via Steele's Lagoon on to the Bowerbird Prospect and the Hollis Prospect. One branch then joins on to the Mt Diamond track that traverses the EL 28803 in the south, bush tracks across EL28803 and cross-country 4WD vehicle passage is possible to many areas (photo 1). But the MT DAVIS area is generally inaccessible between November to April each year as seasonal rainfall.

3. TENEMENT STATUS AND OWNERSHIP

EL28803 was granted on 12th December 2011 for a term of four (4) years. EL28803 comprises 3 graticular blocks (10.01 sqkm, Figure 2). There are no other mining leases or mineral claims within the license area, List of Graticular blocks covering

EL28803 is SD53144F, SD53144L, SD53144M.



Photo 1: track and topography of EL28803

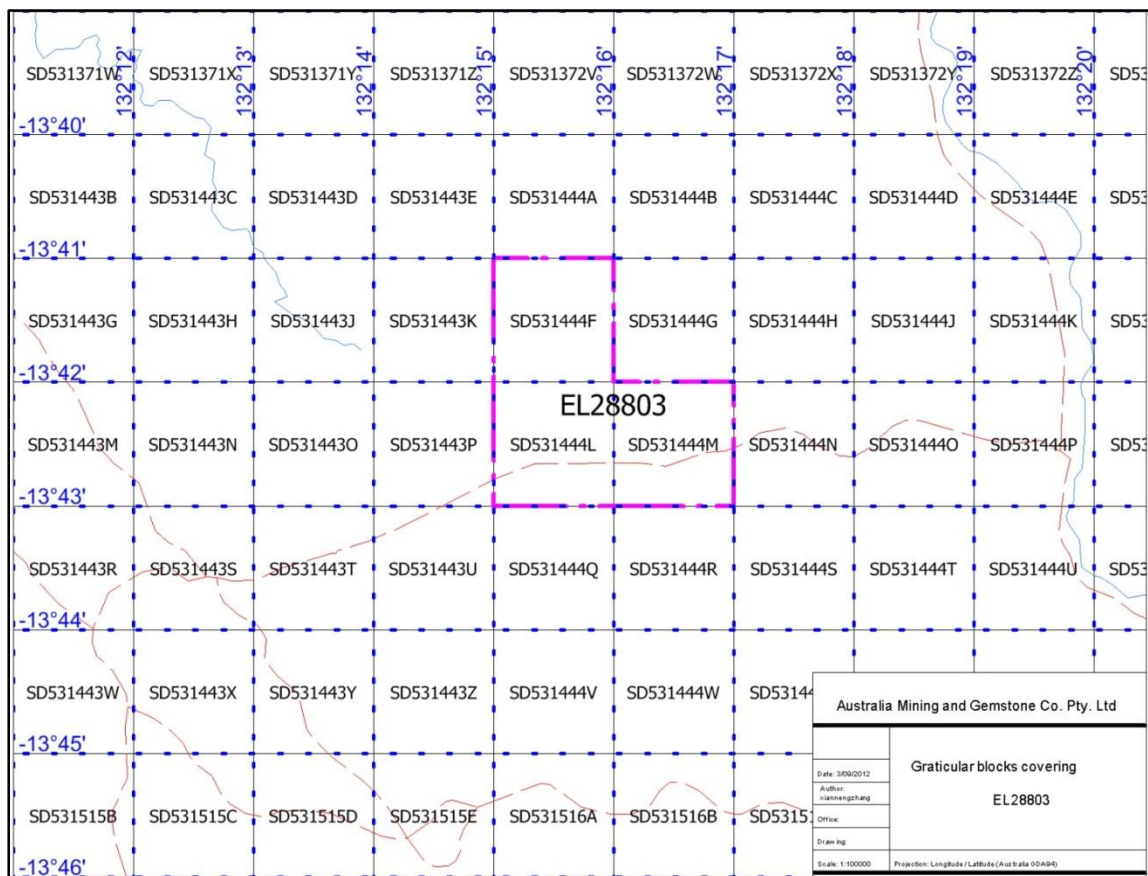


Figure 2 Graticular blocks covering EL28803

Background land tenure under EL28803 is part of MARY RIVER EAST station:

MARY RIVER EAST, Perpetual Pastoral Lease 1134 - NT portion 1631, owned by Alison Ross (Elders Real Estate – Katherine).

Address: 442 Victoria Highway Katherine, NT 0850 (Phone: 08 8972 3232 mobile phone: 0417 847 950) (Figure 3).

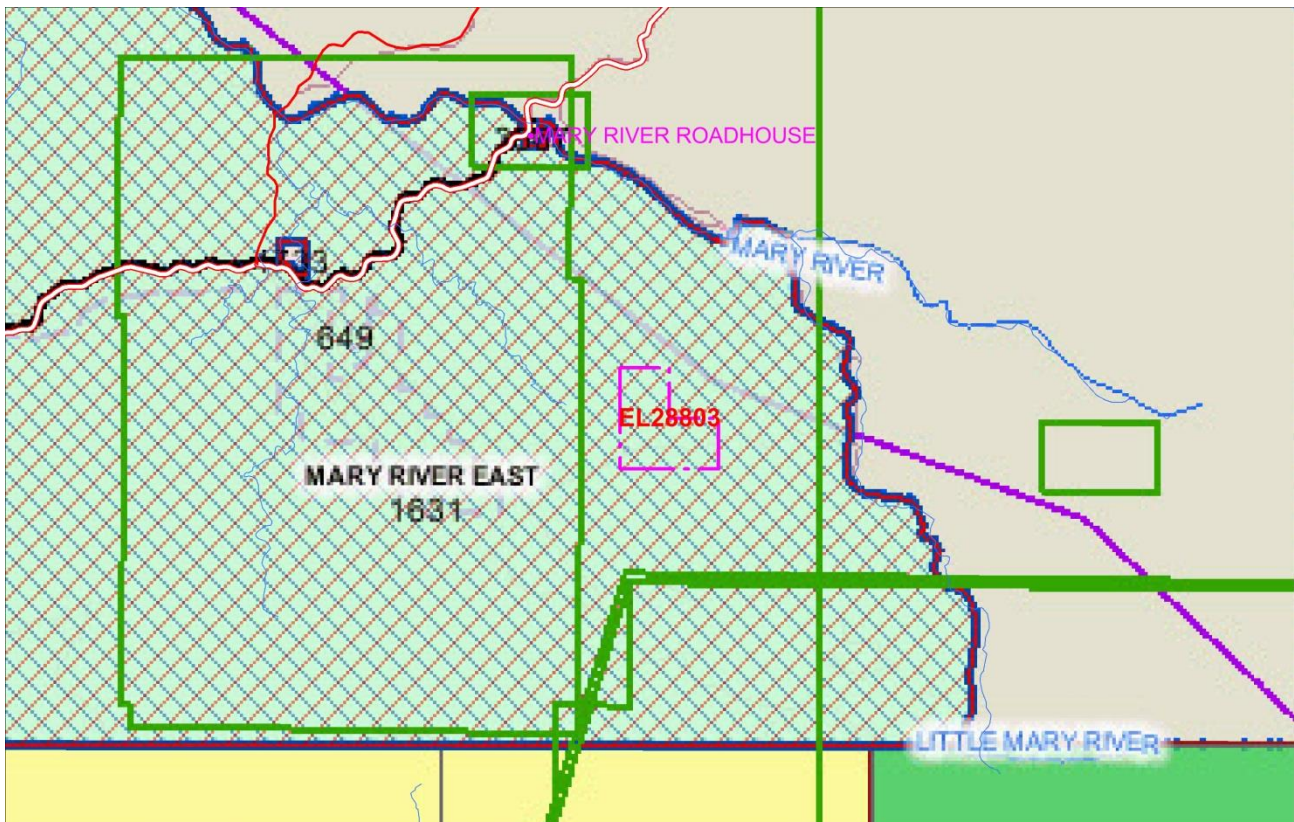


Figure 3 Landholders and Lease Numbers displayed inside EL28803

4. GEOLOGY

REGIONAL GEOLOGY

Historically the Pine Creek Orogenic belt has been the most prospective region of the Northern Territory for Gold.

EL 28803 is situated within the Pine Creek Geosyncline, a tight to isoclinally folded sequence of mainly pelitic and Lower Proterozoic with interlayered tuff units. All rocks

in the area have been metamorphosed to low, and in places medium grade, metamorphic assemblages.

LOCAL GEOLOGY

Government mapping, Figure 4, shows the tenement to be underlain almost entirely by the Early Proterozoic, Finniss River Group, Burrell Creek Formation. The South Alligator Group, Mt Bonnie Formation is present in the northeast and the Mt Davis Granite to the south.

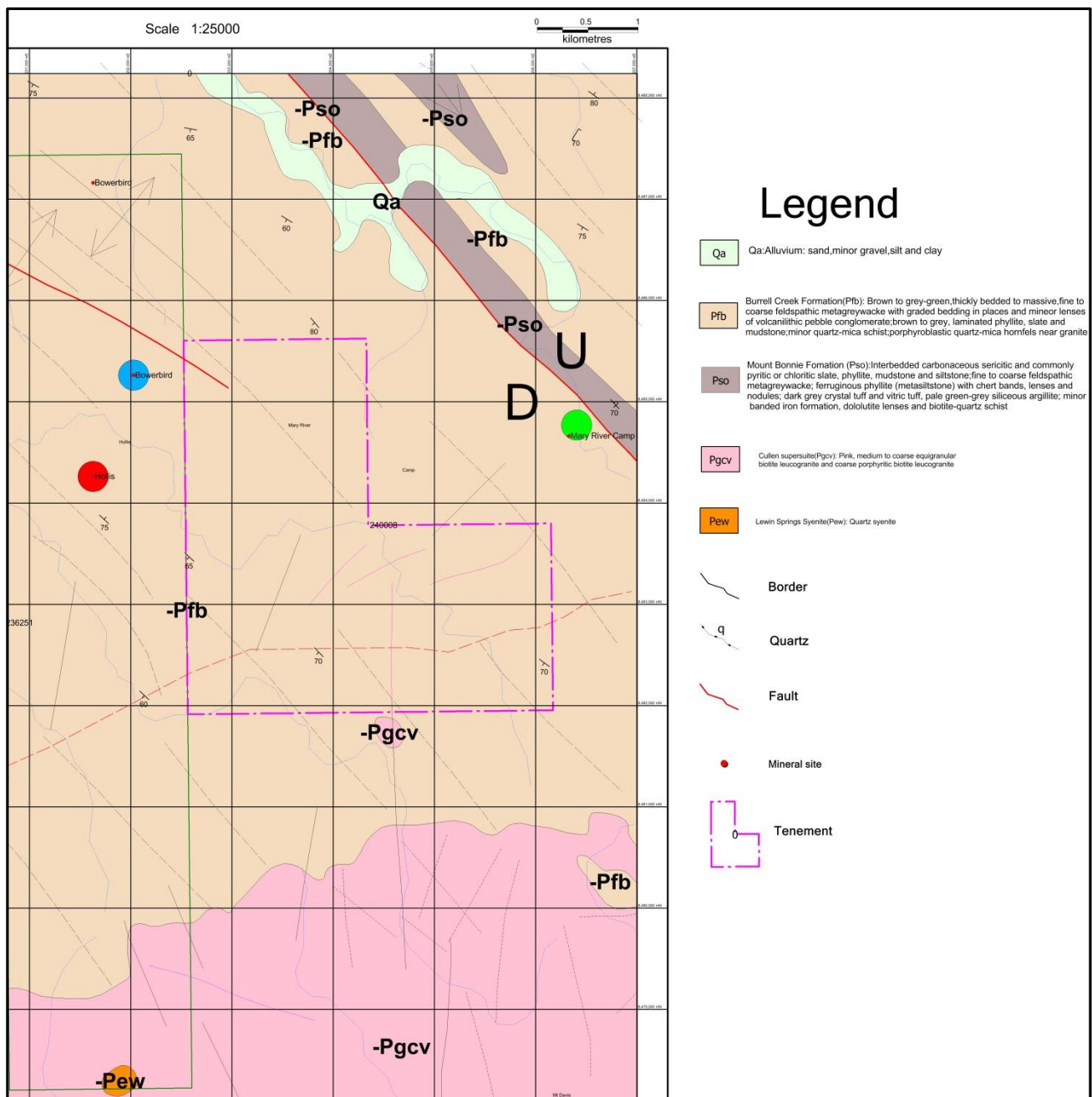


Figure 4 Geological Map of EL28803 (1:250000 geologic map, 2004)

The (Pfb) Burrell Creek Formation comprises phyllites, slates, siltstones, greywackes and rarely conglomerates and ironstones all deposited as flyschoid sediments. Quartz veining and stockworks occur throughout, wallrock parallel quartz was cleavage (photo2).



Photo 2: cleavage of siltstones (Burrell Creek Formation)

The underlying (Pso) Mt Bonnie Formation is petrologically similar to the Burrell Creek Formation but contains more ferruginous, carbonaceous and dolomitic varieties as well as cherts and lithic tuffs.

The (Pgc) Mt Davis Granite, part of the Cullen Batholith Suite, consists of pink, coarse porphyritic and equigranular biotite-hornblende granite and leucogranite.

A small stock of (Pew) Lewin Springs Syenite occurs on the southern boundary out of the tenement.

The above sediments are all highly and tightly folded and generally near vertical. Metamorphic grade is greenschist facies with a hornfels halo near the granite intrusions.

Being within the Cullen Mineral Field vein and stockwork mineralisation of Au, Cu, Pb, Zn and Sn are known and well documented, Beside EL 28803 the Bowerbird (Pb, Ag, Cu, Au) and Hollis (Pb, Ag, Cu, Au) are examples.

5. PREVIOUS EXPLORATION

A complete list of all companies that have been active in the vicinity of EL 28803 has been compiled with the assistance of the NTGS library staff. Those companies' Open File reports have been collated and read.

The previous tenure and exploration done is summarised below.

- (1) EL 44 submitted reports that was CR1966-0039|CR1973-0017|CR1973-0018|CR1973-0019|CR1973-0020|CR1971-0131;
- (2)EL 1091 submitted reports that was CR1978-0062|CR1979-0061;
- (3)EL 1446 submitted reports that was CR1978-0092|CR1981-0225;
- (4)EL 2029 submitted reports that was CR1981-0044;
- (5)EL 3008 submitted reports that was CR1985-0298|CR1986-0263|CR1982-0320|CR1988-0203|CR1983-0250|CR1984-0271|CR1986-0119;
- (6)EL3618 submitted reports that was CR1985-0263|CR1989-0172|CR1985-0050|CR1986-0095|CR1984-0092;
- (7)EL 4492 submitted reports that was CR1986-0123|CR1989-0426|CR1988-0221|CR1990-0588|CR1986-0119;
- (8)EL 4894 submitted reports that was CR1989-0681;
- (9)EL 5928 submitted reports that was CR1990-0524|CR1989-0280;
- (10)EL 6086 submitted reports that was CR1989-0554;
- (11)EL 6121 submitted reports that was CR1991-0579|CR1989-0814|CR1990-597|CR1990-0665|CR1991-0580;
- (12)EL 6391 submitted reports that was CR1991-0540|CR1993-0013|CR1992-0601;

- (13)EL 6793 submitted reports that was CR1990-0596;
- (14)EL 7481 submitted reports that was CR1995-0803|CR1996-0861|CR1993-0738|
CR1994-0869;
- (15)EL 7773 submitted reports that was CR1994-0668|CR1995-0812|CR1994-0807|
CR1993-0525;
- (16)EL 8968 submitted reports that was CR1997-0254|CR1998-0285|CR1999-0166|
CR1996-0296;
- (17) EL 8990 submitted reports that was CR1997-0243|CR1998-0611|CR1996-0295|
CR1998-0291
- (18)EL 9051 submitted reports that was CR1996-0464|CR1999-0255|CR1997-0354|
CR1997-0509|CR1998-0433;
- (19)EL 9212 submitted reports that was CR1996-0380;
- (20)EL 9679 submitted reports that was CR1998-0288;
- (21)EL 4851 submitted reports that was CR1989-0758|CR1991-0042;
- (22)EL 4498 submitted reports that was CR1989-0341|CR1990-0523|CR1991-0008|
CR1986-0136|CR1987-0004|CR1988-0147|CR1989-0189;

In these reports, just Australian Coal & Gold Holdings LTD held EL4498 to implemented exploration works over EL28803, These history works was mapping, rock chips, stream sediment (figure 5).

In 2011-2013 Australia Mining and Gemstone Co. Pty. Ltd 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 Cu, Ag and Au.

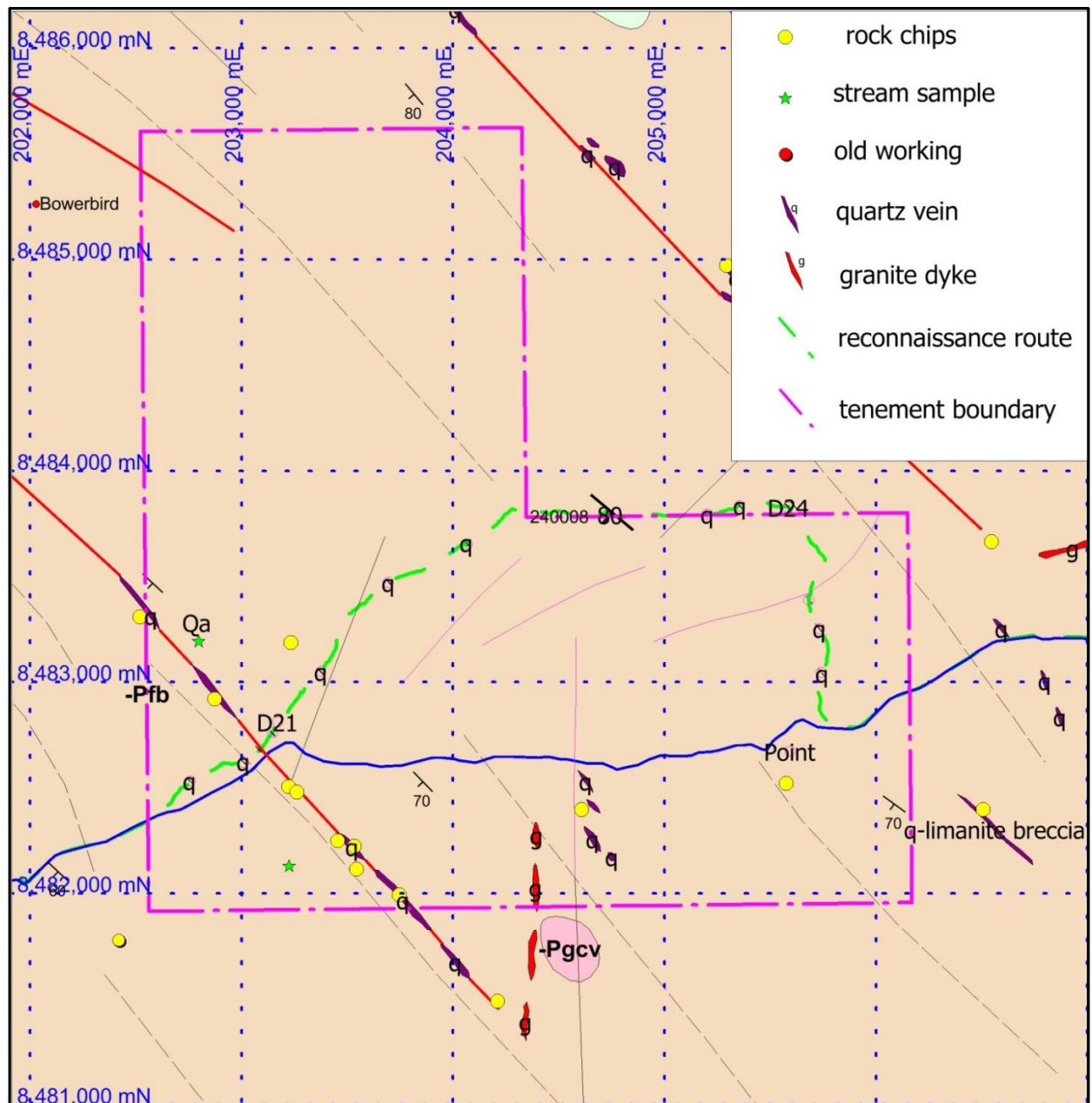


Figure 5 Reconnaissance and compilation of historical data on EL28803

6. EXPLORATION DURING YEAR 1

During Year one, all available historical data was compiled into one database (displayed in Figure 5). On 26 August 2012, AMG staff visited the tenement a time for reconnaissance EL28803, the aim researched alteration and mineralization in fault zones, those quartzes vein was filled in fault but absence Metal Sulfide Clusters, part quartz veins present colloidal iron from wall rock (photo 3).



Photo 3 Part quartz veins present colloidal iron from wall rock

7. EXPLORATION DURING YEAR 2

During second year, AMG continue dispose history date information of the EL, the tenement didn't have prospecting. AMG put fieldwork active on the Kurinelli goldfield in Davenport range of Barkly shire.

8. PLANNED EXPLORATION FOR YEAR 3

The exploration target of EL 28803 is middle-low temperature hydrothermal Cu, Pb, Ag and Au mineralization, programme include ground magnetic survey and mapping over EL28803 .

A cost for the total proposal \$12,000.00.

9. EXPENDITURE

Expenditure (as supplied by Australia Mining and Gemstone Co. Pty. Ltd) consisted of:

Table 1 Expenditure on EL28803

Expense	\$
Office Studies	\$5,500.00
Geological data processing	\$2,500.00
Geophysical data processing and interpretation	\$3,000.00
Overheads	\$1,000.00
TOTAL	\$12,000.00

10. CONCLUSION AND RECOMMENDATIONS

There was some northwest strike fault in the EL area, those fault was filled with quartz vein or breccia, exploration target is base metal and Au mineralization, but traversing the EL28803 property sight quartz vein was pure white and absence Metal Sulfide. AMG geologist think if there can't found accompany Sulfide quartz vein and breccia in faults after mapping next years, probably there be no potential in the lease.

11. REFERENCES

Mount Evelyn, Northern Territory 1:250,000 Geological Map Commentary. Bureau of Mineral Resources, Geology and Geophysics; Department of Mines and Energy, Northern Territory Geological Survey.

CR19860136, Australian Coal & Gold Holdings LTD (1987-1991) EL 4498.

CR20091169 , Acacia Minerals Pty Limited (2004-2009) EL24112.

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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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