BOWGAN MINERALS LIMITED

EXPLORATION LICENCE 24253
NEUTRAL JUNCTION PROJECT

TENTH ANNUAL REPORT
FOR THE PERIOD
7 APRIL 2014–6 APRIL 2015

Barrow Creek, Alcoota
1:250,000 Map Sheets

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SUMMARY

The Neutral Junction project consists of three exploration licences; EL's 24253, 28615 and 29475, and one exploration licence application (ELA 30797) located in the Barrow Creek-Mount Skinner area from 220 to 280 km north of Alice Springs.

EL24253 (Neutral Junction), the subject of this report is the largest tenement and is operated under a joint-venture agreement, between Bowgan Minerals Limited, Mega Hindmarsh Pty Limited and the original tenement manager Mithril Resources Limited. Bowgan Minerals Limited is the current operator of the Neutral Junction project.

Bowgan Minerals Limited is currently exploring for economic occurrences of copper, gold-silver, base-metal and other elements within an iron oxide-copper-gold ('Tennant Creek-style' IOCG) deposit setting and for uranium within an unconformity-related deposit setting.

Exploration work completed by Bowgan during the 2014-15 reporting period included; completion of 6.5 line kilometres of ground magnetic surveying, collection of 2 rock chip and one soil sample, completion of geological (outcrop), regolith and flora mapping, cataloguing and submission of samples for analysis by ALS Chemex, review of analytical results from rock chip and soil samples and detailed interpretation of geology from mapping data. An additional reconnaissance site visit to Adnera Hill and Tara target areas was also conducted during March 2015 to assist with future exploration planning.

Ground magnetic surveys completed along the Ooralingie Fault corridor in the area further north of Max's Find identified an extension of a +ve magnetic anomaly with follow-up exploration being proposed. Analysis of a single rock-chip sample identified anomalous iron and tungsten only. Analysis of a single duplicate sample identified potential for instrument error with hand-held XRF and added weight to further validation for this preliminary technique.

A new exploration licence (EL29475) was granted during January 2013 and is located immediately south of EL24253. Here, recent exploration identified a series of linear magnetic anomalies corresponding with the Ooralingie Fault corridor and rock-chip samples of breccia with anomalous results. A further exploration licence (ELA (ELA30797) was also recently lodged towards the south and north-west of EL24253 which contains anomalous uranium and tungsten prospects within the extension of the Oorlaingie Fault corridor.

Future exploration programs on EL24253 will incorporate both of these new tenements. Bowgan will aim to continue to develop exploration targets in preparation for a comprehensive program of first-pass exploration drilling at Adnera Hill. This program will target the potential for economic occurrences of copper-gold/silver and base-metal mineralisation within an IOCG deposit setting along the prospective Ooralingie Fault corridor.

1. INTRODUCTION

The Neutral Junction project is located 280 km north of Alice Springs, Northern Territory on the Barrow Creek (SF53-6) and Alcoota (SF53-10) 1:250 000 map sheets (Figure 1). Access to the district is via the Stuart Highway or via the Sandover Highway, with access to exploration areas provided by a network of graded station tracks.

This is the tenth annual technical report for the Neutral Junction project, and details all mineral exploration activities undertaken by Bowgan Minerals Limited (Bowgan) on EL24253 during this period.

Exploration work completed during the 2013-14 reporting period by Bowgan included; completion of 6.5 line kilometres of ground magnetic surveying, collection of 2 rock chip and one soil sample, completion of geological (outcrop), regolith and flora mapping, cataloguing and submission of samples for analysis by ALS Chemex, review of analytical results from rock chip and soil samples and detailed interpretation of geology from mapping data. An additional reconnaissance site visit was conducted to Adnera Hill and Tara target areas during March 2015 to assist with future exploration planning.

2. TENEMENT DETAILS

2.1 Tenure

Mithril Resources Limited is the registered titleholder of the exploration licence EL24253 (Table 1). The licence lies within the Neutral Junction, Stirling Downs and Mt Skinner Pastoral Leases (Figure 1).

Table 1: Neutral Junction project tenement details

Tenement	Name	Tenement Holder	No. of graticular blocks	Date Granted
EL 24253	Neutral Junction	Mithril Resources Limited	454 (1,433 sq km)	7/4/2005

The Neutral Junction project is operated under a joint-venture agreement, between Bowgan Minerals Limited (Bowgan), Mega Hindmarsh Pty Limited (Mega) and the original tenement manager Mithril Resources Limited (Mithril).

Bowgan are the current operators of the Neutral Junction project under a joint-venture agreement which required the expenditure of $167,000- by August 2011 to obtain a 33.3% interest, with 33.3% ownership being retained by the original tenement managers Mithril, the other 33.3% being retained by the previous tenement managers Mega (originally Hindmarsh Pty. Ltd.).

This expenditure requirement was met by Bowgan during January 2011, with the joint-venture agreement being ratified during April-May 2011. Further to the original agreement, an increased ownership, up to a maximum of 80% ownership by Bowgan, may now be obtained by means of additional

expenditure beyond the principle sum of $167,000-, with no time-limit attached.

2.2 Native Title Parties and Aboriginal Heritage

An AAPA survey was conducted by previous JV managers Mega in which a number of areas of significance (registered sites) were identified. Field work was subsequently conducted in a manner to avoid these designated sites.

In August 2006, Hindmarsh Pty Limited (now Mega) convened a meeting with Central Lands Council (CLC) representatives and registered native title claimants at Tara Community Hall. Site visits were conducted by local native title representatives and CLC staff (including an anthropologist) and site clearances issued.

A number of areas of significance were identified during this visit, combined with sites identified by previous AAPA surveys. After detailed discussion with native title holders and the CLC, Hindmarsh Pty Limited planned its exploration program so that these sites are avoided.

Bowgan Minerals Limited has been, and will continue to conduct its field exploration activities according to this original agreement.

2.3 Consultation with Pastoralists

The station managers at Neutral Junction, Stirling Downs and Mount Skinner pastoral stations were contacted by Bowgan both, before commencement and, at the conclusion of field exploration programs on EL24253.

All aspects of the program were discussed in detail with management and staff at each pastoral station before commencement of field work and on-going discussions were conducted during the course of, and at the completion of each field program.

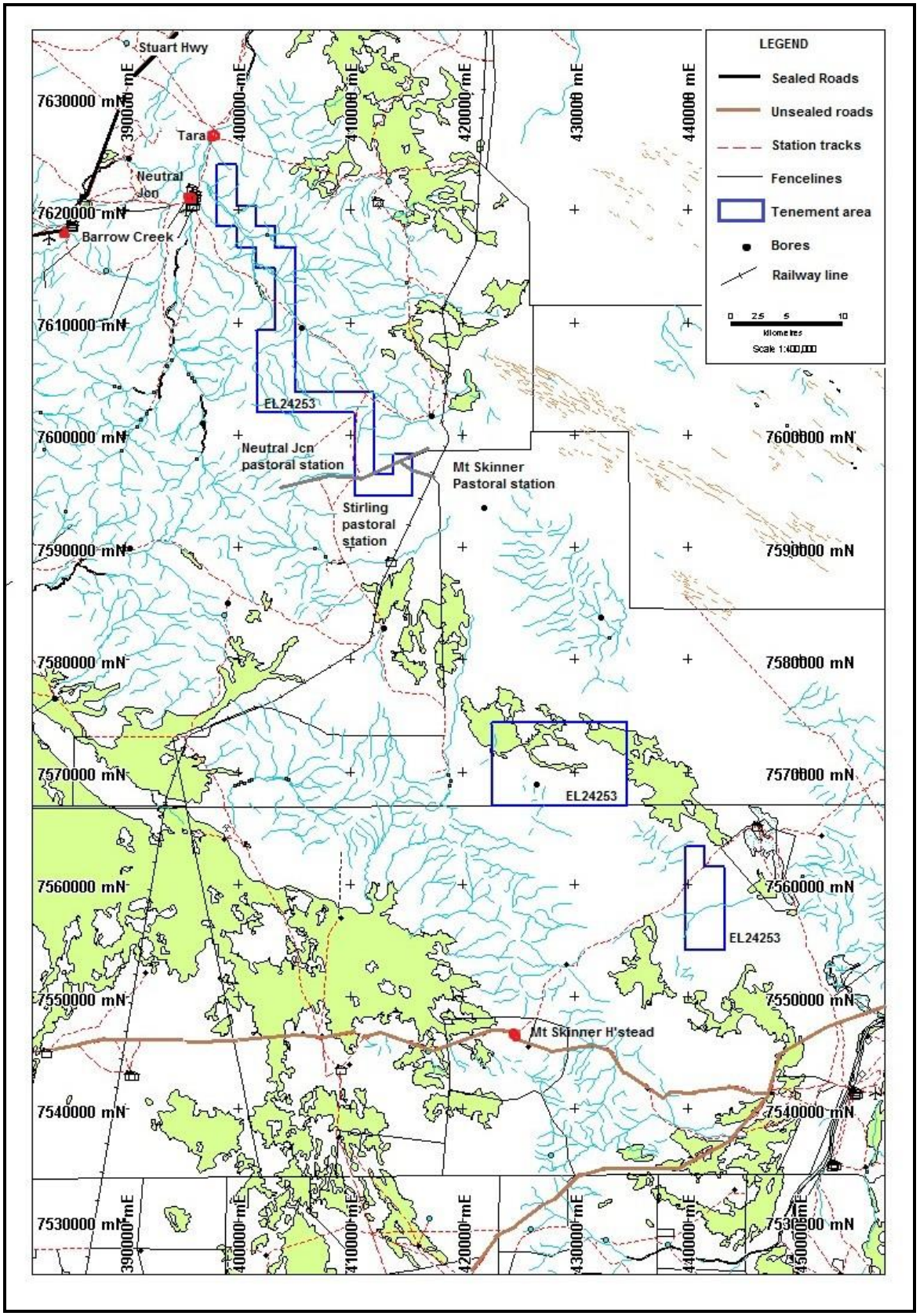

Figure 1: Current tenement holding for EL24253, Neutral Junction project; consisting of 67 blocks within the Barrow Creek-Mount Skinner area of the NT.

3. REGIONAL GEOLOGY

Bowgan's Neutral Junction project consists of three EL's and an ELA, with EL24253 (Neutral Junction) being the subject of this report. The tenement straddles the boundary between two geological provinces; Arunta Inlier on the south and the Tennant Creek Inlier/Davenport Province on the north. The contact between these tectonic blocks constitutes a wide northwest-southeast trending corridor which includes intensely folded and faulted rock types of both provinces (Lennartz, 2006).

At surface across most of the EL24253 tenement area, Neoproterozoic-aged Georgina Basin sediments comprising; Adelaidean Central Mt Stuart Formation (sandstones and quartzite) occur within shallow-dipping outcrops, or under shallow cover. These flat-lying units rest unconformably above steeply inclined and deformed/metamorphosed Palaeoproterozoic-aged metasediments which exhibit amphibolite-grade metamorphism and are largely obscured apart from a small number of exposures at surface or under shallow cover. The metasedimentary package includes the prospective Hatches Creek Group (HCG) which hosts the Home of Bullion mine as well as a number of other potentially economic prospects. Proterozoic-aged, radiometrically-anomalous granites have intruded along the northwest-southeast structural trend and outcrop in the Barrow Creek area immediately north-west of EL24253 as well as further towards the south-east, in the Adnera Hill and Tomahawk Range areas on Mount Skinner station.

Previous modelling of the depth of the HCG metasediments by the NTGS indicates that a major fault forms the western margin of the Georgina Basin. The depth of the basin sediments in the southern half of the EL24253 increases from less than 100 m to greater than 1 km from west to east over a distance of less than 500 m. This suggests a major crustal discontinuity, which could provide a pathway for migrating mafic magma.

This fault bounds the HCG in the northern half of EL 24253 and further towards the north-west of the tenement the fault approximately coincides with the Strzeleckie nickel sulphide occurrence.

4. PREVIOUS EXPLORATION

Historically, limited prospecting and small-scale mining has been reported in the local area for copper, lead silver, nickel, tin, tantalum, tungsten, molybdenum and mica (NTGS, 1991). The largest mining operation occurred at Home of Bullion mine site where high-grade copper ore was extracted (6,100 tonnes officially recorded) between 1923 and 1951. Exploration of the Home of Bullion deposit was recommenced in 2012 by Kidman Resources.

Aerial surveying (magnetics) was completed by NT Geological Survey on N-S oriented 500 metre line-spacing at 100 metres height during 1981.

Uranium exploration was carried out in the district by Otter Exploration (1977) and C.R.A. Exploration (1978). In 1977, Otter undertook exploration in the Mt Ida region. Trace amounts of uranium mineralisation (maximum 215 ppm) were discovered in micro-gneisses adjacent to pegmatite bodies in Lower Proterozoic metasediments and intrusive granite bodies.

In 1978, C.R.A.E. recognised the potential for uranium occurrence in the Arunta Complex basement and at the unconformity with the overlying Central Mount Stuart Formation. Magnetic and radiometric surveys were completed with ground follow-up (stream sediment sampling) in the northern portion of EL24253.

Exploration for base metals was conducted by Kennecott Exploration (1966), Department of Mines and Water Resources (1968), Alcoa Australia Ltd. (1983) and Otter Exploration (1989). In 1980, C.R.A.E. collected approximately 20 samples over the area within the northern part of EL 24253. These samples were analysed for base metals however, uranium was not included in the suite.

Previous work for wolfram, tantalum and tin was conducted by BHP Minerals Ltd (early 1980's) and R.B. Mining (1981).

Exploration for diamonds was undertaken by C.R.A.E. in 1977.

4.1 Discussion

The area is prospective for nickel, copper and cobalt in sulphides hosted by mafic intrusions. Two nickel sulphide occurrences (Prospect D and Strzeleckie) occur to the north-west of EL24253. These occurrences are mapped as being within amphibolites associated with HCG metasediments (Fowler, 2006).

Mafic intrusions have not been located at/near surface by exploration conducted to date within EL24253. However, outcrops of the prospective HCG stratigraphy in association with a major fault provided the basis for follow up of the Prospect D and Strzeleckie nickel sulphide occurrences along strike in the south-east direction.

From a continental scale it is apparent that EL24253 is on major magnetic and gravity breaks as well as major lineament trends. Prospect D and Strzeleckie also occur on or near the regional magnetic break with prospect D occurring at an inflection point.

Mapped outcrops of HCG with amphibolites are restricted to three areas on the Barrow Creek 1:250,000 Sheet. The prospect D and Strzeleckie occurrences are associated with two of the outcrops with the third outcrop occurring in EL24253 in the Main Target Zone (denoted as Target Area 'A').

5. EXPORATION BY JOINT-VENTURE PARTNERS

5.1 2005-06 Exploration by Mithril Resources Limited

In June 2005, geological mapping and reconnaissance geochemical surveying was conducted to explore for nickel associated with any extensions of the HCG, in association with possible mafic intrusions. Geological mapping failed to confirm nickel prospectivity in the area. Outcrops examined within EL24253 did not contain any mafics and HCG units were not identified further to the south in the Springs Range area, as was expected. Gabbroic float was identified in one stream draining an escarpment composed of uplifted Georgina Basin sediments, but the source of the float was not successfully located further upstream. This led to the conclusion that the alluvial gravels incised by the current stream may have been deposited by a stream draining a different area.

The reconnaissance geochemical survey collected 27 samples of magnetic lag fractions, returning the highest nickel value of 67 ppm and highest copper value of 24 ppm. None of the elements assayed show any significant trends, which did not encourage further nickel exploration on EL24253 by Mithril Resources.

Whilst assays were not greatly anomalous, the generally elevated concentrations for elements such as Ni and Cr were indicative of the potential occurrence of mafic lithologies in the areas sampled. Mafic rocks may be present at shallow depth below cover in these areas. Hence, there is a possibility of a uranium occurrence associated with a ‘reducing’ trap near mafic rock types.

5.2 2006-09 Exploration by Mega Hindmarsh Pty Limited

A reconnaissance geological survey was undertaken in August 2006. Following this, geological and geophysical ground surveying was completed in selected exploration areas by Hindmarsh staff between September-November 2006 and in April 2007. Hawke Geophysics Pty Ltd was contracted to review and interpret geophysical data in order to identify anomalies.

The primary mineralisation model considered was for unconformity-related uranium in the proximity of the contact between Palaeoproterozoic HCG metasediments and the younger overlying Neoproterozoic sediments (Stuarts Range group) of the Georgina Basin sequence. Identification of a potential chemical trap, such as a cross cutting dolerite, magnetite-rich intrusive or graphitic shale, was also used as a targeting criteria.

The main target area (Target Area ‘A’) consisted of a window of HCG, surrounded by an exposed Palaeozoic/Neo-Proterozoic unconformity with the overlying Stuarts Range sediments. A detailed program of geological mapping and magnetometer surveying on 400m spacing (N-S lines) was conducted which failed to identify any occurrence of dolerite and/or graphitic shale units within Target Area A. Several magnetically anomalous zones were identified in other

areas by subsequent surveys. These were interpreted to be located 650-800m below surface, precluding further work.

Spectrometer surveying (using the Exploranium GR 320 instrument with a 1.8 litre crystal) identified one area containing anomalous uranium concentration of 12.5ppm_eU (402910mE, 7604000mN). This area was later identified as Target Area 'B'. The interpretation of all geological and geophysical data by was completed by geophysical consultant Phillip Hawke.

During 2008, further spectrometer surveying (GR320) was conducted Target Area A and prospective areas on Mt Skinner station (Adnera Hill) interpreted from previous airborne survey (NTGS). In Target Area 'B', scintillometer and magnetometer surveys explored the gamma anomaly (12.5 ppm_eU) detected by previous radiometric surveys.

Soil sampling was conducted around an outcrop in Target Area 'A' identified to contain boudinaged texture (steeply-plunging) within isoclinally folded metasediments identified by previous geological mapping. Soil and stream sediment sampling was completed in two prospective areas north of the 12.5 ppm_eU geophysical anomaly near Target Area 'B'. Geological mapping was conducted in Target Areas 'A' & 'B' and in the Mt Skinner (Adnera Hill) target area. Rock samples (highly magnetic pebbles) collected from Target Area 'B' were also submitted for petrological examination.

In Target Area 'A' and Mt Skinner, preliminary ground spectrometer surveying failed to identify any significant radiometric anomalies. Geochemical (soil) sampling targeting a small boudinaged outcrop of HCG at Target Area 'A' confirmed the presence of elevated base metal values, but no anomalous uranium or thorium values were identified.

In Target Area 'B', ground spectrometer surveying showed a N-S striking zone of elevated radiometric values over a strike length of 3-4 km. This anomaly was interpreted to be continuous northward from the previous 12.5 ppm eU. Magnetic surveying confirmed the presence of a number of sub-parallel zones containing elevated magnetic response within the northern part of the anomalous zone detected by radiometric surveying. Soil sampling in two areas showed potentially elevated uranium and base metals (maximum 2.4ppm U, 15.6ppm Co, 6.6ppm Mo, 20.2ppm Ni, 79ppm V, 21ppm Zn) values within the vicinity of the radiometric/magnetic anomaly.

Geological mapping identified N-S trending thrust faulting, a prominent landscape feature continuous along the western flank of the radiometric anomaly. Petrology of samples of strongly magnetic iron-rich pebbles failed to confirm the presence of primary magnetite, but the strong magnetism was interpreted to be associated with secondary/supergene-style magnetite emplacement (Pontifex, 2007).

6. EXPLORATION BY BOWGAN MINERALS LIMITED

6.1 Period 2009–10

Bowgan formally commenced exploration field work on EL24253 during February 2010. A total of 48.6 line kilometres of ground magnetic surveying were completed in 3 target areas; Adnera Hill, Railway and Tara (Figure 2). Surveys confirmed the occurrence of discrete, and strongly magnetic bodies at depth in all three target areas examined, with follow-up exploration being proposed.

A literature review of phosphate potential on EL24253 discounted potential for economic occurrences within the tenement area.

6.2 Period 2010–11

A total of 95.6 line kilometres of ground magnetic surveying (using G-856 magnetometer and base station) were completed at the Adnera Hill, Railway and Tara targets (Figure 2), with geological, regolith and flora mapping being completed concurrently. Selective sampling of outcrop was also conducted.

A review of previous exploration work completed to date on EL24253 was conducted with collation, processing and interpretation of the geophysical dataset being completed by contractor Phil Hawke.

6.3 Period 2011-2012

Exploration field work was completed at Tara and Adnera Hill target areas (Figure 2).

At Tara targets#1&2, a total of 41.6 line kilometres of magnetic surveying was completed using a G-859 Cesium Magnetometer. The dataset was subsequently interpreted by contractor Phil Hawke with a number of potential targets being identified within broader linear magnetic anomalies.

At Adnera Hill targets, a total of 674 point-reading and auto-cycle readings were collected using a GR230 hand-held spectrometer. The field program also included; collection of 30 soil samples at the NJR002&004 targets, completion of geological (outcrop), regolith and flora mapping. The submission of 3 petrological samples for examination by Pontifex, submission of 23 rock chip and 30 soil samples for analysis by ALS Chemex (Alice Springs) was completed at the conclusion of the field program along with interpretation of results and the collation of mapping (outcrop, regolith and flora) datasets.

Analysis of magnetic data from previous field programs at Adnera Hill was also completed by contractor Phil Hawke, whom identified a potential dolerite intrusive or skarn at target NJM014, interpreted field strength of 0.4 (40000 x 10-5) SI units at approximately 200m depth.

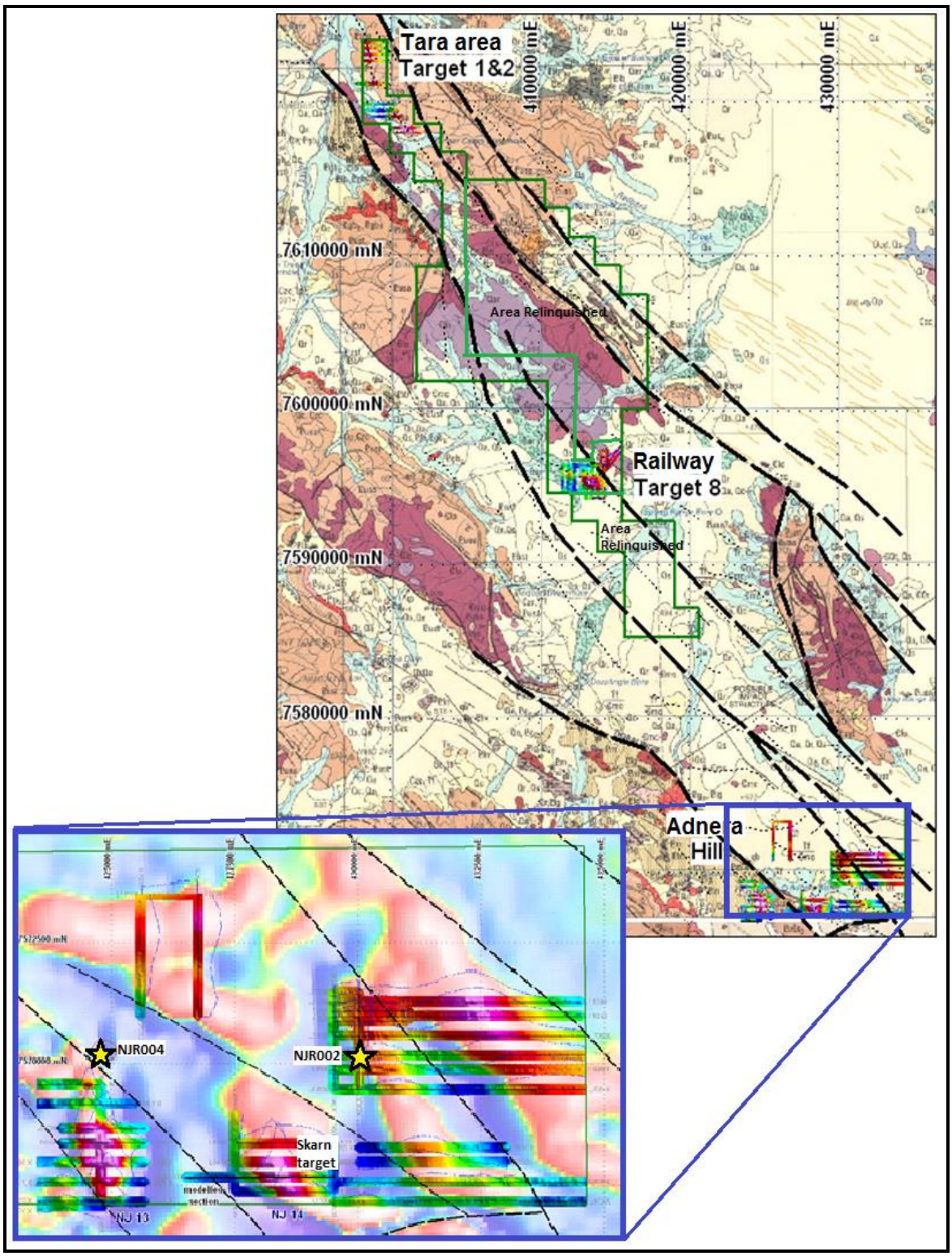

Figure 2: Neutral Junction EL24253, showing regional geology with location of exploration field work by Bowgan, period 2009-2012. The Adnera Hill target area (insert) has been enlarged to show the current target areas and magnetic surveying traverses completed to date. This area has the focus of exploration efforts on EL24253 post-2012.

Soil sampling completed during the reporting period identified significantly anomalous results. At target NJR002; 1.575g/t gold and 0.12g/t silver was identified within ironstone and at target NJR004, 0.177g/t gold, 0.25g/t silver and 153.3ppm copper was detected with follow-up sampling and geological mapping being proposed at both target areas. Anomalous assays were also confirmed from a number of rock chip samples collected from other target areas with follow-up sampling and geological mapping also being proposed.

6.4 Period 2012-2013

Exploration field work was completed at Adnera Hill targets which included; collection of 421 soil samples and 40 rock chip samples, completion of geological (outcrop), regolith and flora mapping, submission of 53 soil and 4 rock chips for analysis by ALS Chemex, preliminary testing of remaining 368 soil samples using a Niton XRF, interpretation of analytical results from rock chip and soil samples and the collation of mapping datasets (outcrop, regolith and flora).

Bowgan has recognised similarities between targets NJR002&4 with other copper and gold deposits within the Arunta Block with an iron oxide-copper-gold ('Tennant Creek' style IOCG) deposit setting being postulated for the Adnera Hill target area.

6.5 Period 2013-2014

Exploration field work was completed at Adnera Hill targets (Figure 2) which included; collection of 741 soil samples and 33 rock chip samples, completion of geological (outcrop), regolith and flora mapping, submission of 13 rock chips for analysis by ALS Chemex, preliminary testing of 741 soil samples using a Niton XRF and the interpretation of analytical results from rock chip and soil samples and collation of mapping datasets (outcrop, regolith and flora). A formal presentation about the geology of the Adnera Hill area was also made to the NTGS (in Darwin) during the reporting period.

Anomalous soils samples were identified via XRF analysis in the NJR004/NJM013 and NJR002 target areas. Minor anomalous results were determined from first-pass soil sampling completed at NJR002-north. Linear surface anomalies were interpreted for a range of key elements; including copper, lead, zinc, arsenic, iron, manganese, uranium, thorium, cobalt and a number of other elements. Whilst results to date have been encouraging, it is important to recognise that the results are preliminary owing to the XRF analysis methodology adopted.

Chemical assaying of selected rock chip samples collected from various locations at Adnera Hill also determined anomalous results for copper, zinc, lead, arsenic, chromium, iron, manganese and other elements.

Geological mapping identified decomposed schists outcropping within a creek trace further north of target NJR004 interpreted to be Palaeo-proterozoic in age, possibly representing a local 'equivalent' unit comparable to the prospective Hatches Creek (HCG) schists which host potentially economic base-metal mineralisation at Home of Bullion approximately 30km further north of Adnera Hill. Approximately 1km further north, mapping identified a small surface gossan which dipped sub-vertical and aligned with the regional NNW-SSE (330° magnetic) structural trend. A single outcrop sample returned 581ppm copper, along with a number of other anomalous elements.

An examination of regional geophysical and ASTER datasets identified potential extensions from existing target areas with follow-up sampling, surveying and mapping being proposed (Figure 3).

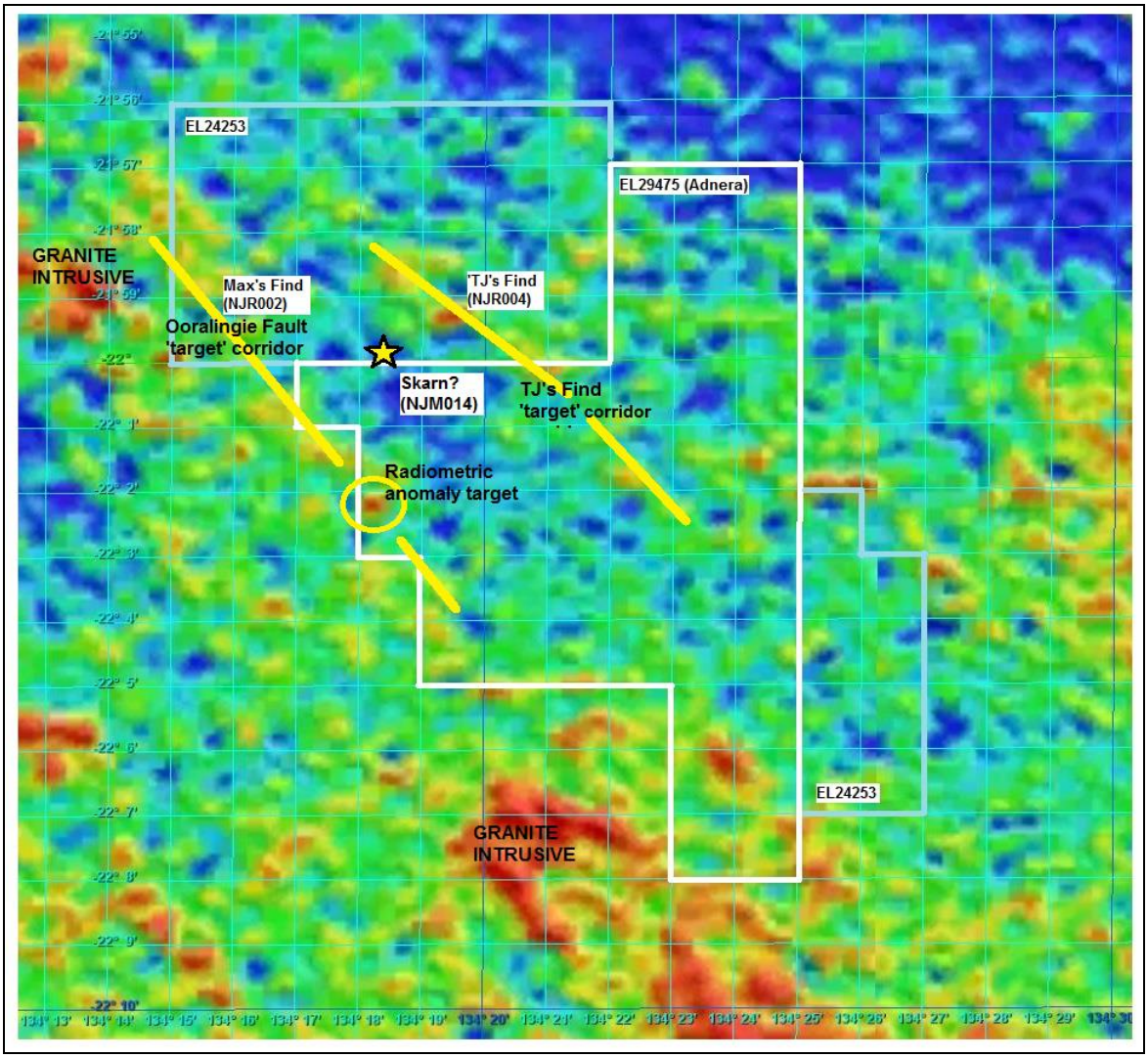

Figure 3: Radiometric image (Uranium field) for EL24253 and EL29475 showing target corridors and prominent Uranium anomalies (sourced from ASTER dataset, 2014).

7 CURRENT REPORTING PERIOD (07 April 2014-06 April 2015)

Exploration work completed by Bowgan on EL24253 during the current reporting period included;

1) completion of 6.5 line kilometres of ground magnetic surveying,
2) collection of 2 rock chip and one soil sample,
3) completion of geological (outcrop), regolith and flora mapping,
4) submission of samples for analysis by ALS Chemex,
5) interpretation of analytical results from rock chip and soil samples,
6) completion of a reconnaissance site visit to Adnera Hill and Tara target areas during March 2015 to assist with future exploration planning.

7.1 Program summary

The magnetic surveying program was conducted at Adnera Hill targets over 6 field days during October 2014 and investigated a number of prospective exploration targets interpreted along the Ooralingie Fault trace, towards the north and south of existing targets; 'Max's Find' (NJR004) and 'NJM013'.

On EL24253, a total of 6 traverses were completed for 6.5 line kilometres to test for potential extensions towards further to the north of Max's Find as part of a larger ground magnetic surveying program (Figure 9, Appendix). Survey traverses completed on EL24253 during the October 2014 program are presented in Table 2 (Appendix).

All magnetic data has been validated in preparation for processing and interpretation by a geophysicist.

Geological mapping and sampling was conducted concurrently during completion of the magnetic surveying program. A total of 2 rock-chips and 1 soil sample were collected from EL24253 as part of this mapping program and are presented in Table 3 (Appendix). All samples were catalogued, cut and photographed before submission to ALS Chemex in Alice Springs for chemical analysis.

A summary of analytical results is presented in Table 4 (Appendix).

An additional site visit was conducted to Adnera Hill and Tara target areas over 2 field days during March 2015. This involved a brief geological reconnaissance, being conducted to assist with the planning of future exploration programs proposed for both target areas.

7.2 Program aims: Magnetic surveying

Bowgan considers the Adnera Hill area to have a high prospectivity for copper, gold-silver and other base-metals according to an iron oxide-copper-gold ('Tennant Creek-style' IOCG) deposit setting. Previous exploration has identified anomalous results in XRF soils and chemical assays of soils and rock chips at three target areas within the Adnera Hill area (Figure 4).

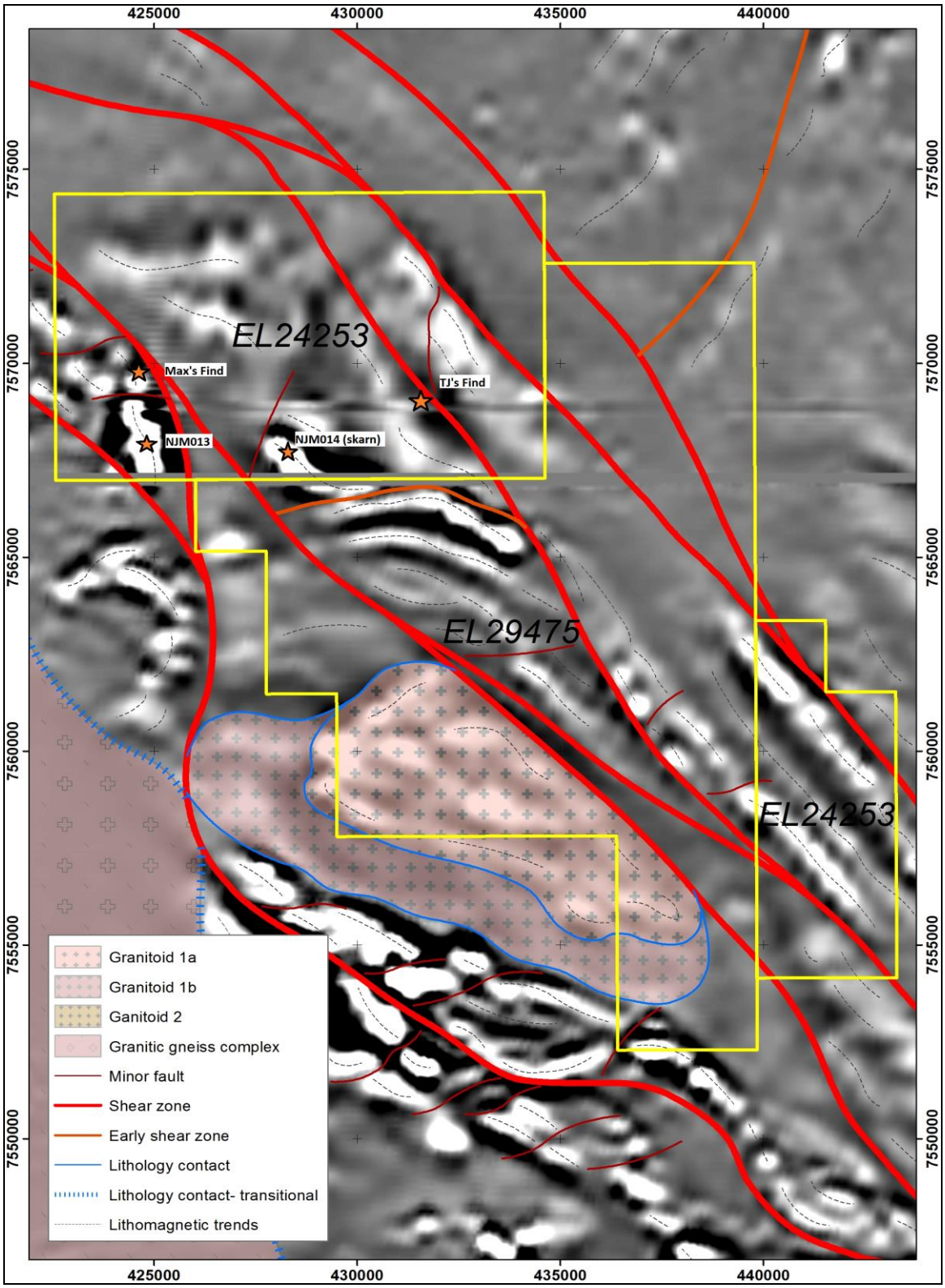

Figure 4: Combined magnetic (high resolution derivative image) and geological/structural interpretation for the Adnera Hill area (Crowe, 2014). Max's Find anomaly and NJM013 magnetic targets (which are the focus of this report) are identified within the Ooralingie Fault corridor in the south-western corner of EL24253.

One target area; Max's Find anomaly and the NJM013 magnetic target, is located in the south-western corner of EL24253 within the confines of the Ooralingie Fault corridor, which is identified to be a deep regional structure trending NNW-SSE with a modelled depth of >10km (based on previous modelling by NTGS).

Here, previous exploration by Bowgan has delineated a large copper and gold-silver anomaly over a distance of >500metres (Max's Find) which corresponds with several +ve magnetic anomalies, interpreted to have been disrupted by faulting along a perpendicular (east-west) trend. A small surface gossan was later mapped along the same fault trend during 2013 about 1km further to the north of the Max's Find anomaly. Follow-up assay of a single rock chip sample from the gossan (NJRK_2013_048) determined 581ppm copper.

Hence, a program of extensional magnetic surveying was desired to test for potential magnetic targets in the area between the Max's Find anomaly and the surface gossan. A total of 5 traverses were conducted from east-west according to a 200metre line-spacing with a single traverse being conducted from north-west to south-east down the axis of the fault.

7.3 Results and Conclusions

Magnetic surveying has confirmed the continuation of a strong +ve magnetic anomaly along a north-west (Ooralingie fault) strike trend for a distance of greater than 800metres from the Max's Find anomaly. Stacked magnetic profiles for the surveys completed are presented in Figure 5.

A preliminary interpretation prior to processing and modelling by a geophysicist suggests that this magnetic anomaly could represent either a mafic intrusive at depth (e.g. dolerite) containing a high magnetic susceptibility, or potentially a magnetite-rich skarn occurring at depth within the Ooralingie fault trend. A similar magnetic anomaly is identified several kilometres further east (target NJM014) which has previously been modelled at a magnetite skarn (Hawke, 2011).

Although limited by nature, the magnetic surveying conducted on EL24253 during October 2014 suggests that further exploration potential may exist further north from the copper, gold-silver anomaly identified at Max's Find.

Follow-up programs of geological mapping, outcrop (rock chip) and geochemical (soil) sampling are proposed to further explore this area and confirm any potential for further anomalies to occur in the area surveyed during October 2014.

7.4 Mapping and sampling: October 2014

Geological mapping conducted during the running of the ground magnetic surveys identified a small outcrop exposure containing veining and heavily brecciated quartz which showed potentially similar textures when compared to the gossan samples examined during reconnaissance mapping visit in 2013.

A single rock chip sample (NJRK_2014_001, Plate 1) was collected, and later cut at the NTGS core shed in Alice Springs before being catalogued. The cut sample revealed massive quartz with brittle fracture, potentially brecciated textures and fine infill-veining (both limonite and haematite). The sample was then submitted to ALS Chemex in Alice Springs for multi-element analysis with no anomalous values for gold, silver, copper or base-metals being confirmed, with the exception of 5.3% iron and 4.8ppm tungsten (Table 4, Appendix).

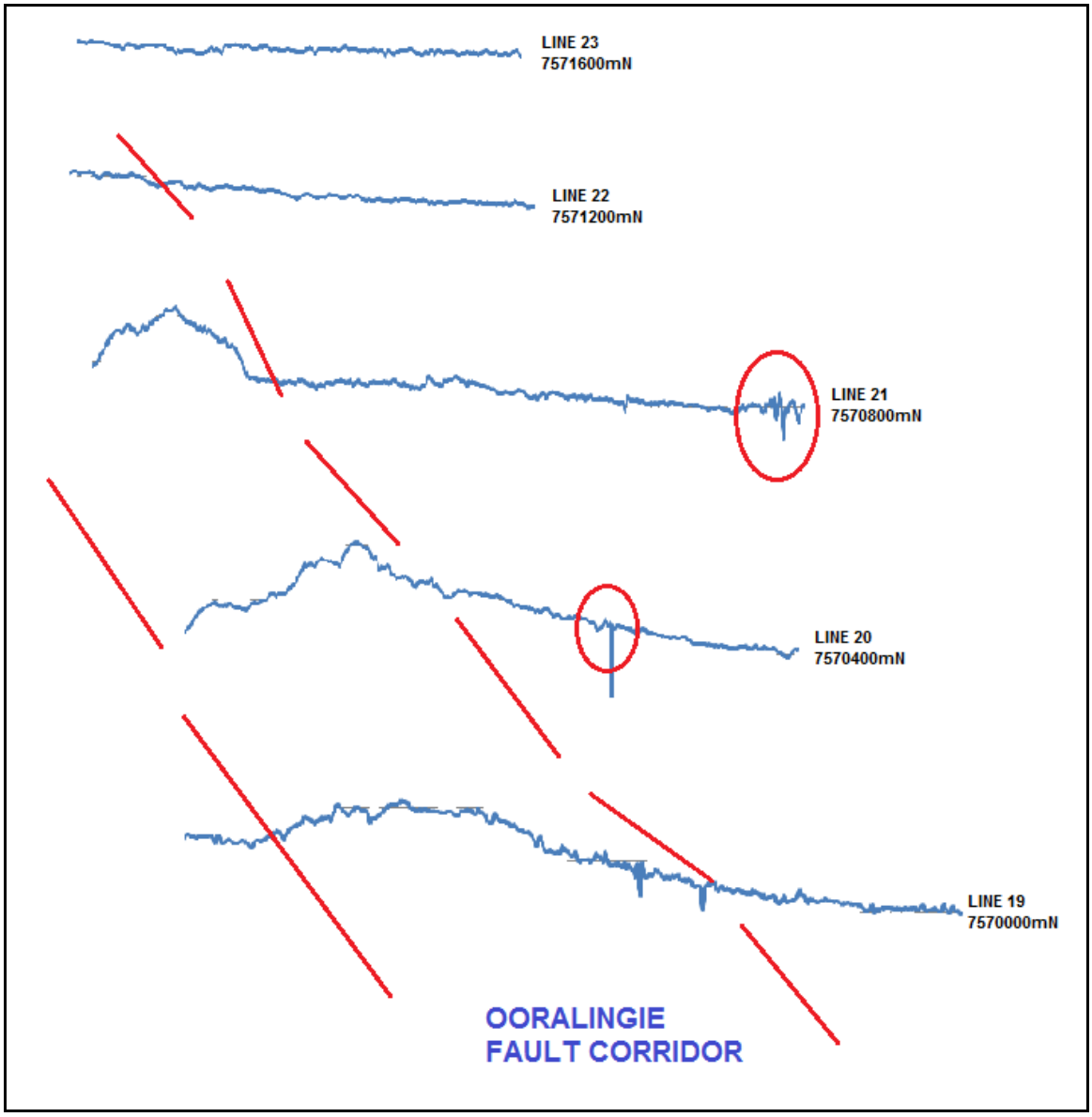

Figure 5: Stacked magnetic profiles (raw data) for ground magnetic traverses completed further north-west of Max's Find during October 2014. Note discrete magnetic features on the eastern flank of section 7570800mN and 7570400mN, which may represent a possible oblique (fault?) structure and will be subject to further investigation.

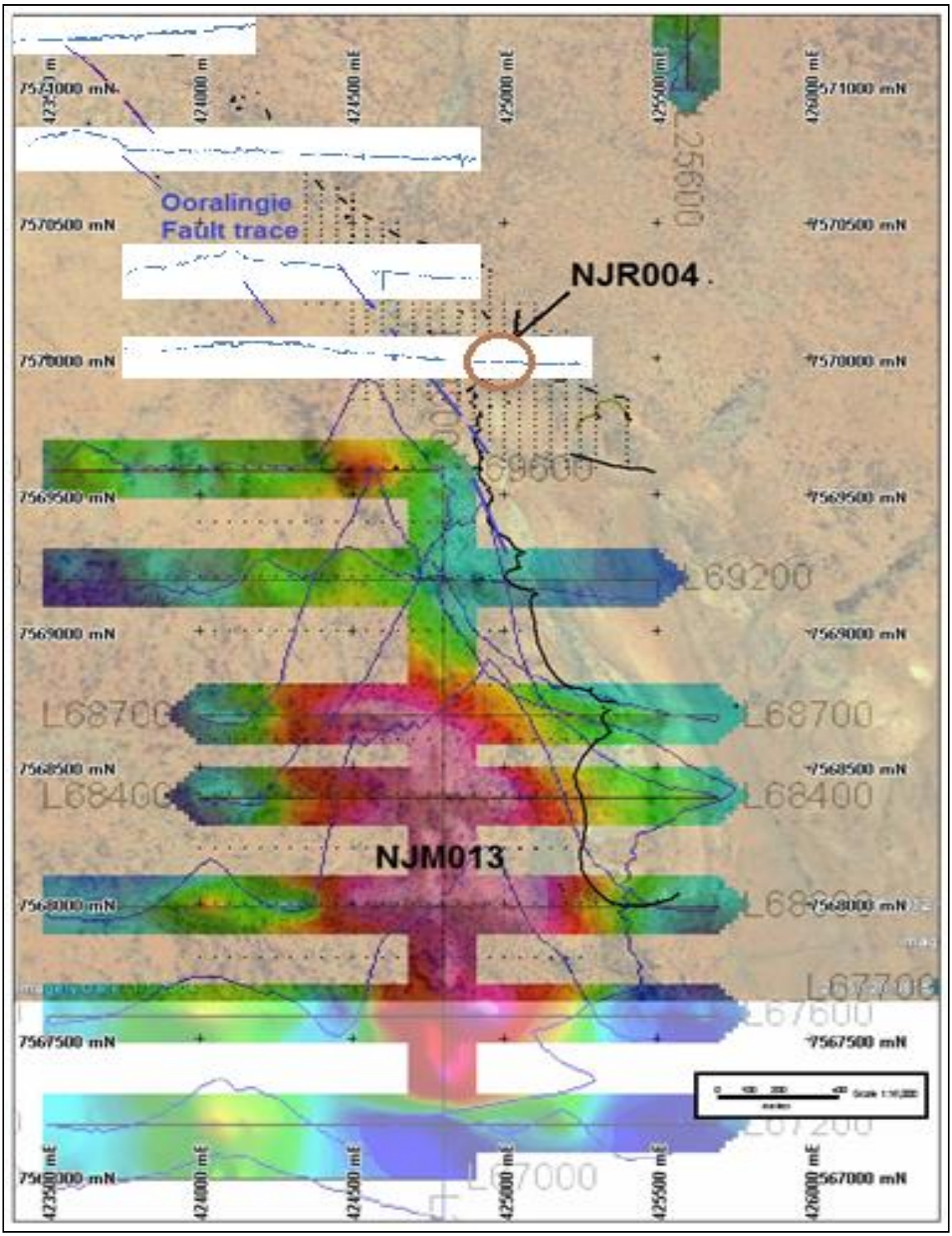

Figure 6: Aerial image (Google Earth) of Max's Find (NJR004)/NJM013 target area. Magnetic modelling (pre-2014) is overlain, along with recent surveys conducted October 2014. Ooralingie Fault corridor is indicated on the image along a NW-SE strike trend.

Plate 1: Outcrop sample NJRK_2014_001, consisting of fractures (brecciated) and veined quartz. Sample collected in surveyed are north of Max's Find (423890mE, 7570920mN)

Two additional samples; a rock chip (NJRK_2014_002) and a single soil sample (duplicate sample for NJS_2013_767) were also collected at a single sample point identified to be highly anomalous by preliminary XRF assays in the southern part of the Max's Find anomaly. The original soil (NJS_2013_767) was tested by hand-held XRF and determined to contain up to 500ppm copper, plus highly anomalous results for a range of base-metal elements.

The two new samples (one soil and one rock-chip) were subsequently submitted to ALS Chemex in Alice Springs for multi-element analysis at the conclusion of the field program to allow for a comparison to be completed against the original highly anomalous soil sample and to validate this earlier result.

The chemical analysis of both the soil and rock-chip sample failed to confirm the previous XRF result, which suggests that a sampling or instrument error may have occurred for this particular reading by the hand-held XRF. Elevated concentrations of silver, cobalt, chromium, lead, tin, thorium and vanadium were detected by the assay however. This result adds further weight to a re-analysis of all earlier XRF samples, via a more rigorous and valid preparation and testing methodology when employing the hand-held XRF method.

7.5 Discussion: Future exploration strategy for the Adnera Hill area

Three existing targets identified by Bowgan in the Adnera Hill area are currently identified to have a high prospectivity for copper, gold-silver and base-metals according to an iron oxide-copper-gold ('Tennant Creek-style' IOCG) deposit setting. A program of first-pass exploration drilling is currently proposed to test each of the three targets.

Bowgan applied for, and was granted a new exploration licence (EL29475) during January 2013 in the area immediately south of the three targets on EL24253. A new tenement application was recently lodged, during March 2015 (ELA30797) for an additional exploration licence in the area towards the south and north-west of EL24253 (Figure 7).

To date, first-pass exploration on EL29475 has included; reconnaissance geological mapping, followed by detailed geological mapping and outcrop sampling and ground magnetic surveying. Surveys identified a series of linear magnetic anomalies corresponding with the Ooralingie Fault corridor and rock-chip sampling of targets further south of targets Max's Find/NJM013 were assayed to reveal up to 95ppm copper, 1860ppm (0.12%) lead, 490ppm zinc and 0.78 g/t silver in association with a brecciated and haematite-infilled/flooded fine-grained sediment (Price, 2015). Further exposures of this prospective breccia have been mapped within a series of discontinuous lenses striking roughly NW-SE for up to 5km south of EL24253 along the Ooralingie Fault corridor.

Once granted, a similar program of first-pass exploration is currently planned for ELA30797. In particular, surveys will aim to target the prospective Ooralingie Fault corridor towards the north-west direction from EL24253. Two historical prospects are currently documented, including; anomalous uranium hosted within an alaskite as well as a tungsten anomaly which are both located within the Fault corridor and will be subject to detailed exploration in the future to determine any resource potential.

The overall aim of the exploration strategy for Bowgan Minerals Limited will be to combine future exploration field programs to incorporate all three exploration tenements and to continue to develop exploration targets in preparation for a comprehensive program of first-pass exploration drilling at Adnera Hill. This program will target the potential for economic occurrences of copper-gold/silver and base-metal mineralisation according to an iron oxide-copper-gold ('Tennant Creek-style' IOCG) deposit setting along the potentially anomalous regional Ooralingie Fault corridor.

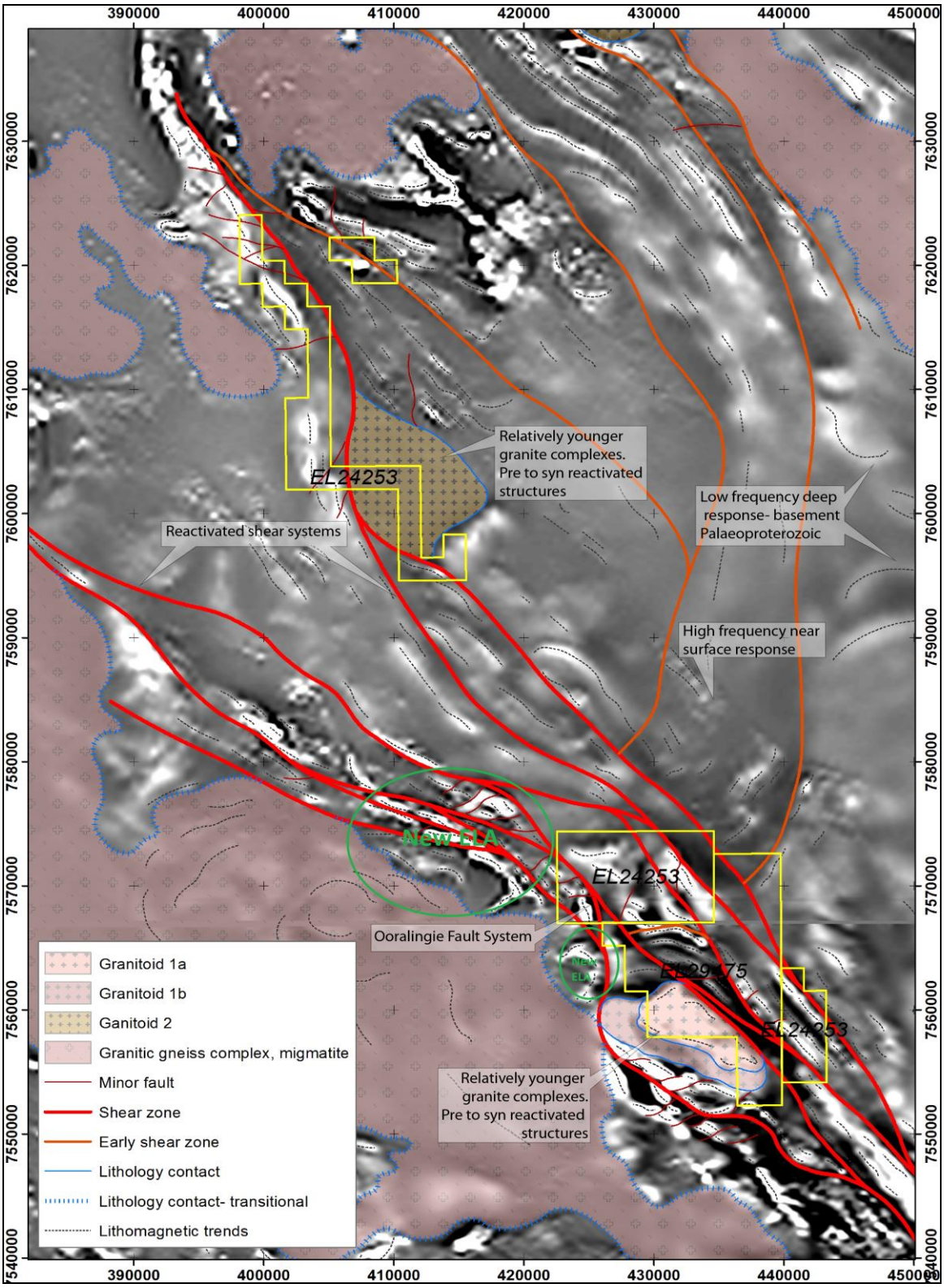

Figure 7: Combined magnetic (high resolution derivative image) and geological/structural interpretation for the Neutral Junction project (Crowe, 2014). Location of the new exploration licence (ELA30797) is indicated on the image.

8 WORK PROGRAM PROPOSED FOR 2015-16 REPORTING PERIOD

Exploration field work is on-going for Neutral Junction (EL24253) during the next reporting season with the first field program scheduled to commence during June-July 2015.

The following exploration work is proposed to be completed during the 2015-16 reporting period;

1) Magnetic surveying at Adnera Hill target areas,
2) Magnetic surveying at Buggy Camp well target area,
3) Additional geological mapping and sampling at Adnera Hill targets,
4) Review and interpretation of results,
5) Re-analysis of soil samples via XRF using validated methodology.

This work will be conducted with an aim to finalise the design of a first-pass exploration drilling programs for existing targets at Adnera Hill, plus the generation of potential new targets (Figure 8).

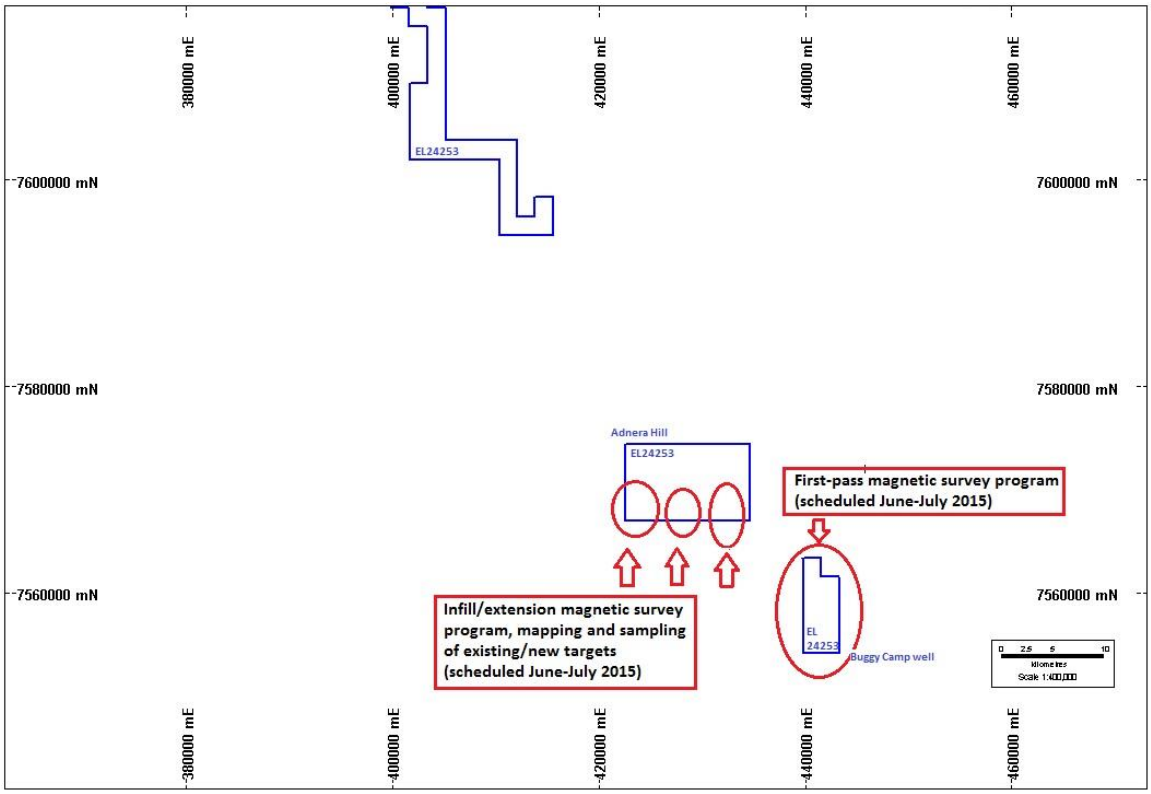

Figure 8: Location of proposed exploration field program on EL24253 for the 2015-16 reporting period.

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APPENDIX

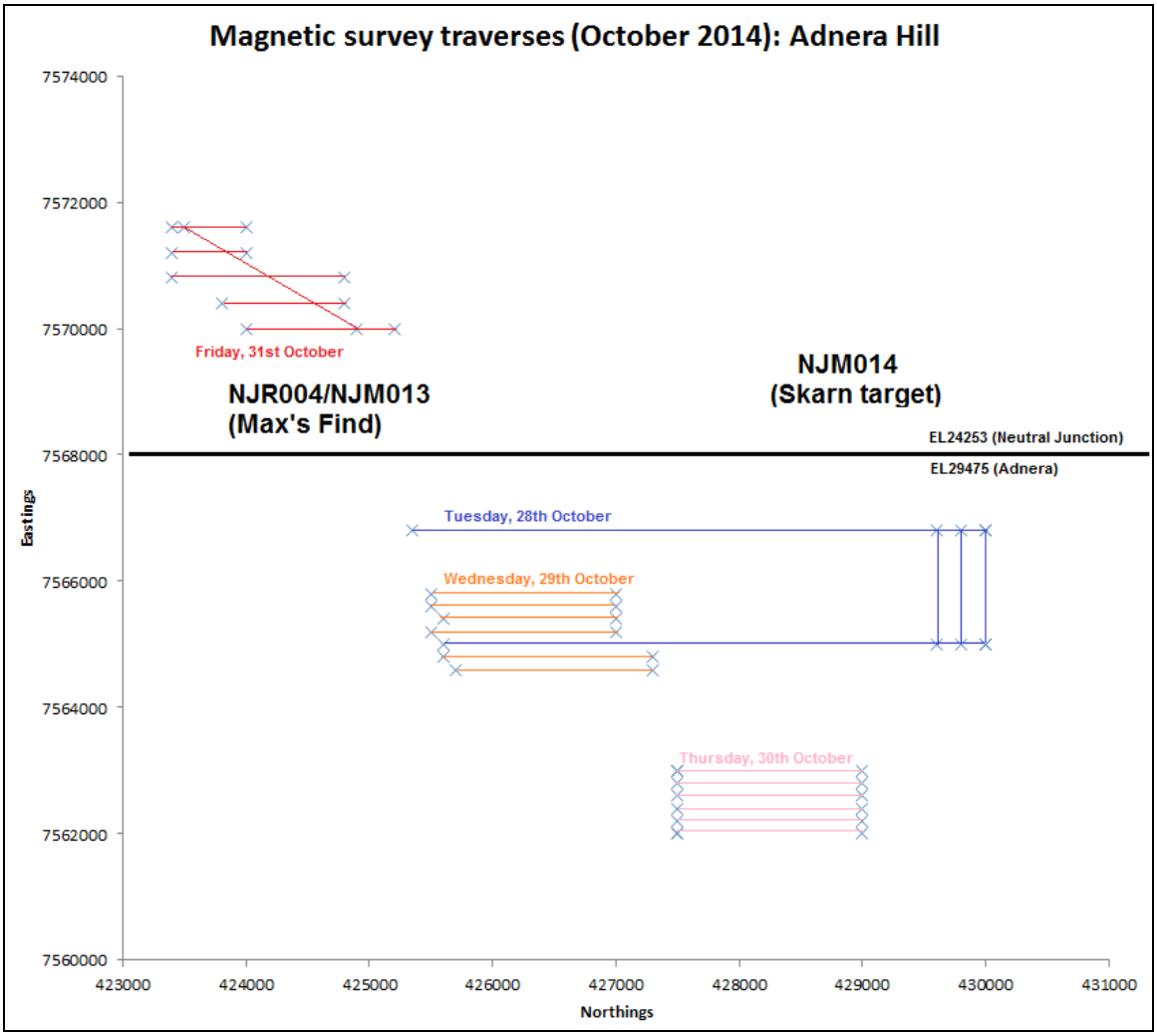

Figure 9: Location of ground magnetic survey traverses completed on EL24253 (Neutral Junction) and EL29475 (Adnera Hill) during October 2014.

Table 2: Magnetic surveying traverses completed on EL24253 during October 2014.

Date	EL	Line	Easting from	Easting to	Northing from	Northing to	Distance
31/10/2014	24253	19	425200	424000	7570000		1200
31/10/2014	24253	20	423800	424800	7570400		1000
31/10/2014	24253	21	424800	423400	7570800		1400
31/10/2014	24253	22	423400	424000	7571200		600
31/10/2014	24253	23	424000	423400	7571600		600
31/10/2014	24253	24	423500	424900	7571600	7570000	1700
					TOTAL for Friday, 31st October:		**6500metres**

Table 3: Location of rock chip and soil samples collected from Adnera Hill targets, October 2014.

Sample No.	Date	EL	Target	Easting	Northing	Description
NJRK_2014_001	31/10/14	24253	NJR004 north	423890	7570800	Quartz breccia
NJRK_2014_002	31/10/14	24253	NJR004	426135	7564720	Quartzite
NJS_2013_767	31/10/14	24253	NJR004	426130	7564700	Soil sample

Table 4: Summary of chemical assay results from analysis of rock chips and soil samples from EL24253 (ALS Chemex, 2014).

SAMPLE No.	Ag	Al	As	Ba	Be	Bi	Ca	Cd	Ce
NJRK_2014_001	0.06	1.97	3.8	1400	2.95	0.92	0.04	0.05	36.3
NJRK_2014_002	0.14	1.55	1.1	580	0.48	0.54	0.06	0.03	28.6
NJS_2013_767	0.1	3.43	2.9	210	0.82	0.23	0.13	0.03	55.8
	Co	**Cr**	**Cs**	**Cu**	**Fe_%**	**Ga**	**Ge**	**Hf**	**In**
NJRK_2014_001	3.1	11	5.65	5	5.3	6.17	0.15	1.1	0.017
NJRK_2014_002	1.5	12	0.6	10.3	0.65	3.37	<0.05	1.5	0.017
NJS_2013_767	4.5	30	2.39	15.4	1.69	8.69	0.1	2.3	0.033
	K_%	**La**	**Li**	**Mg_%**	**Mn**	**Mo**	**Na_%**	**Nb**	**Ni**
NJRK_2014_001	1.56	22.4	4.7	0.11	92	0.44	0.03	3.4	5.6
NJRK_2014_002	0.18	15.2	8.5	0.05	201	0.18	<0.01	1.9	3.7
NJS_2013_767	0.9	28.8	11.4	0.14	218	0.41	0.08	5.8	9
	P	**Pb**	**Rb**	**Re**	**S_%**	**Sb**	**Sc**	**Se**	**Sn**
NJRK_2014_001	470	18.9	88.3	<0.002	0.04	0.25	2.5	1	1.3
NJRK_2014_002	90	7.4	13.5	<0.002	0.04	0.18	2.2	<1	0.8
NJS_2013_767	260	13.7	59.4	<0.002	0.01	0.38	6.3	<1	1.6
	Sr	**Ta**	**Te**	**Th**	**Ti_%**	**Tl**	**U**	**V**	**W**
NJRK_2014_001	33.7	0.33	0.17	6.2	0.064	0.41	2.8	21	4.8
NJRK_2014_002	30.5	0.21	<0.05	4.7	0.064	0.07	1.3	11	0.5
NJS_2013_767	48.6	0.47	<0.05	12.8	0.232	0.26	1.6	42	0.8
	Y	**Zn**	**Zr**	**Au**					
NJRK_2014_001	23.1	32	40.1	0.001					
NJRK_2014_002	7.8	9	54.3	<0.001					
NJS_2013_767	12.7	24	80.6	0.002					