

Annual Technical Report

Exploration Licence (EL) 32361 1 April 2021 to 31 March 2022

Title Holder	Territory Exploration Pty Ltd
Titles/Tenements	EL32361
Mine/Project Name	Two Amigos
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Date of Report	23 May 2022 Resubmitted 3 November 2022
Target Commodity or Commodities	Copper
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1. Abstract

The Two Amigos project is wholly owned and operated by Territory Exploration Pty Ltd. The project is initially focused on a significant exposure of gossanous copper bearing ironstone in the Arunta province which has hitherto been unexplored.

This report details initial ground investigation of the single gossan target; Two Amigos.

2. Copyright

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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. All relevant authorisations and consents have been obtained.

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3. Introduction

This Annual Report covers activities carried out during the period 1st April 2021 to 31st March 2022 and reconnaissance work completed prior to the grant of the tenement. The title holder is based in Western Australia and Covid-19 border restrictions impeded planned field visits during the first year which will now be conducted in the second year of tenure.

This report covers activities that were limited to aerial surveying and rock chip sampling carried out pre grant of the tenement. Interest in the area was demonstrated by three joint venture approaches during the first year; field visits are planned in June 2022.

4. Location, Title History, Physiography and Access

EL32361 is located approximately 70 km north of Alice Springs on Pastoral Lease Yambah Station (Figure 1). Access to Yambah Homestead is via a well made and sign posted gravel road branching off the Stuart Highway, 60 km north of Alice Springs. The road is suitable for road trains.

The main prospect, the Two Amigos copper gossan, is accessed by a station track approximately 20 km from the Yambah Homestead leading to a nearby dam as depicted on the Google Earth image (Figure 2). The prospect is approximately 20 km east of Yambah Homestead. The station track provides year round access apart from periods of heavy rainfall. The terrain is extremely hilly and inaccessible off the prepared station tracks. Hence the discovery was made by helicopter reconnaissance by the author of this report.

Two other known outcropping gossanous exposures within the Strangways province of the Arunta complex have been drill tested nearby, which include Harry's Reward and Edward's Creek. Both these occurrences lie outside the area of EL32361.

The EL covers 40 graticular blocks totalling approximately 126 sq kilometres.

The area was previously held under an Exploration Licence held by Davenport Resources but no field work was carried out in the area of Two Amigos as that company focused its exploration at Johnny Reward's gold prospect further east.

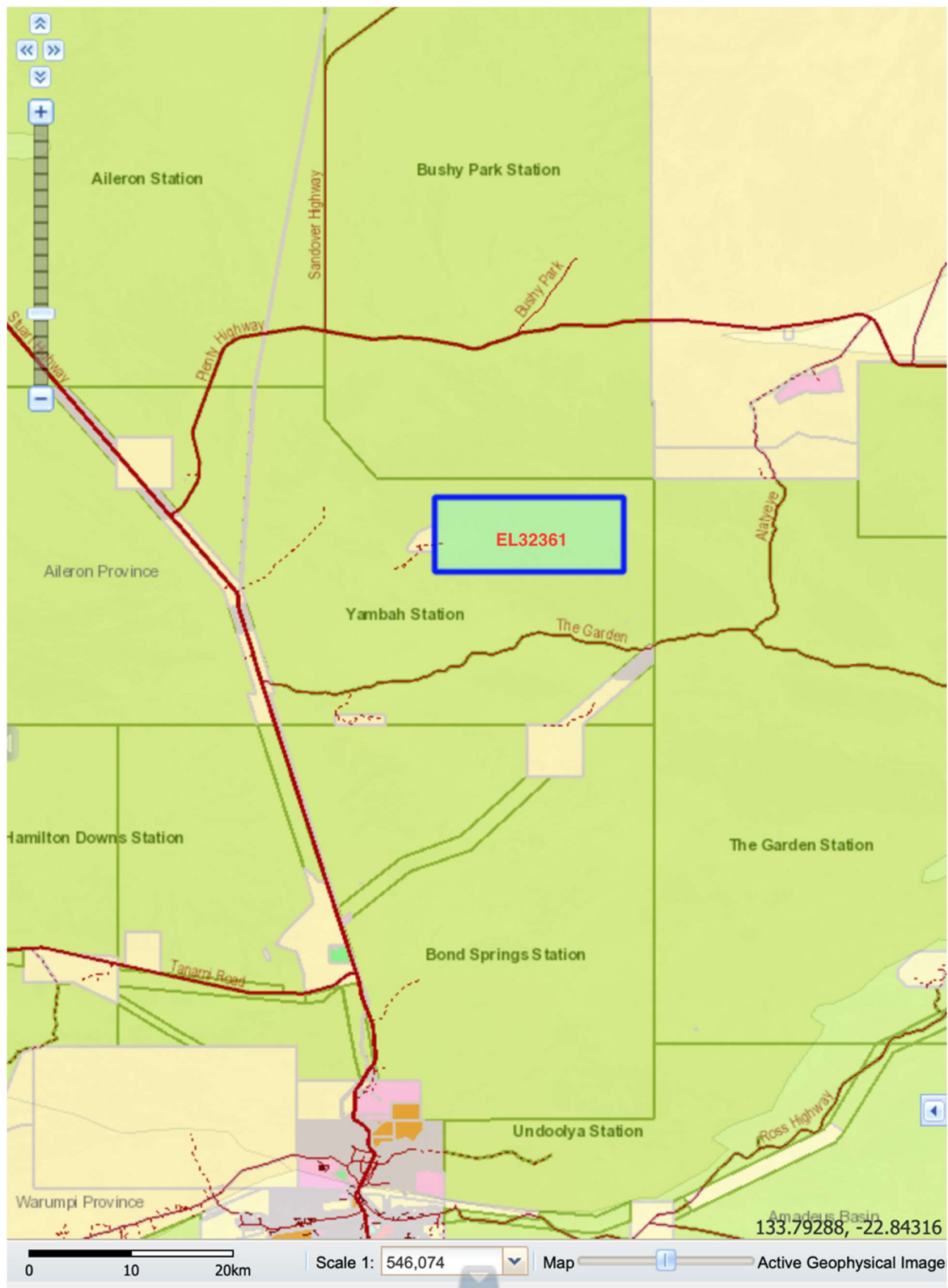


Figure 1: Location Map

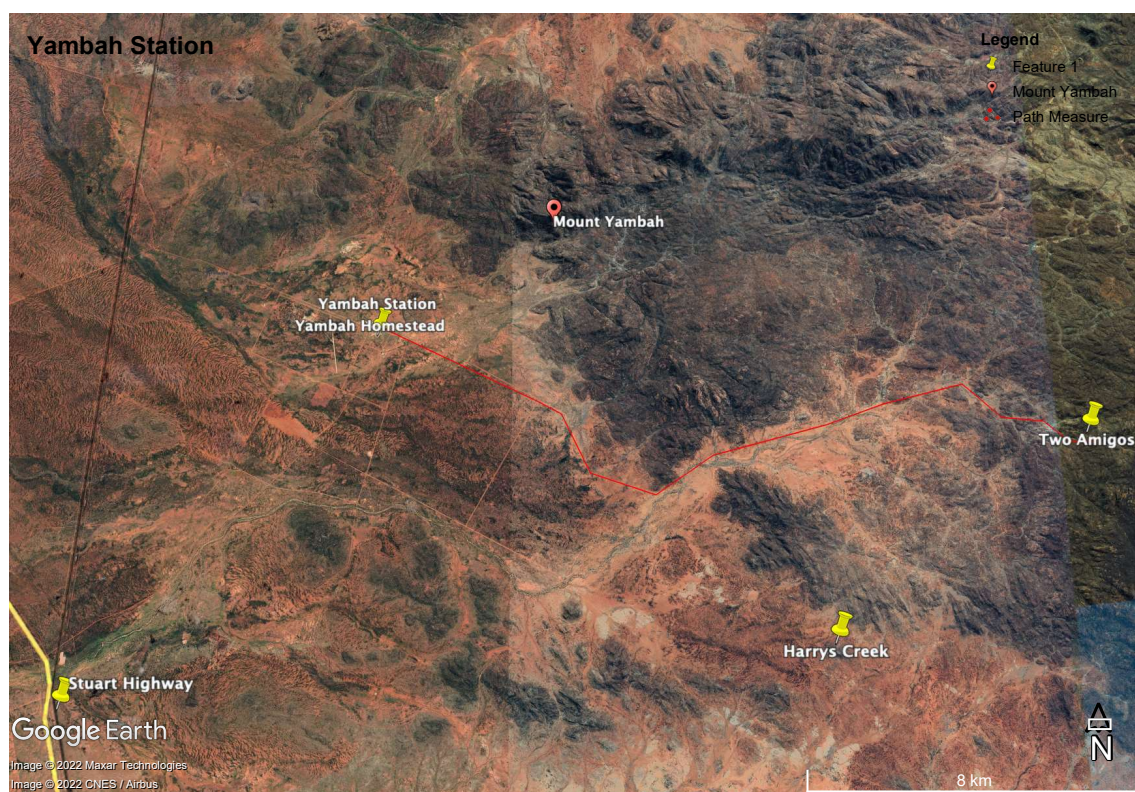


Figure 2: Access Map – Yambah Station and Stuart Highway A37. Station track highlighted in red.

Table 1: Tenement Grant Particulars

Tenement ID	Tenement Name	Holders	Interest (%)	Grant Date	Expiry Date	Area
EL32361	Two Amigos	Territory Exploration Pty Ltd	100	01/04/2021	31/03/2027	40 blocks 126.32 km ²

5. Geological Setting

EL32361 is located within the Arunta Province in central Australia. The granulitic Strangways Metamorphic Complex (SMC) dominates the south-eastern part of the province and hosts several mineral deposits in and around the EL.

5.1 Regional Geology

Geological rock units are well exposed within the EL and comprise granulite metamorphic facies gneisses, schists and amphibolites. The strata are often highly faulted and folded

5.2 Local Geology

The Two Amigos prospect appears as a brecciated iron rich gossan heavily stained with malachite (Figures 4 and 5). It is approximately 60 meters in strike length with a NW-SE orientation, and approximately 10 meters wide (Figure 3). Exposures of granulite facies metamorphic units of amphibolite are nearby.

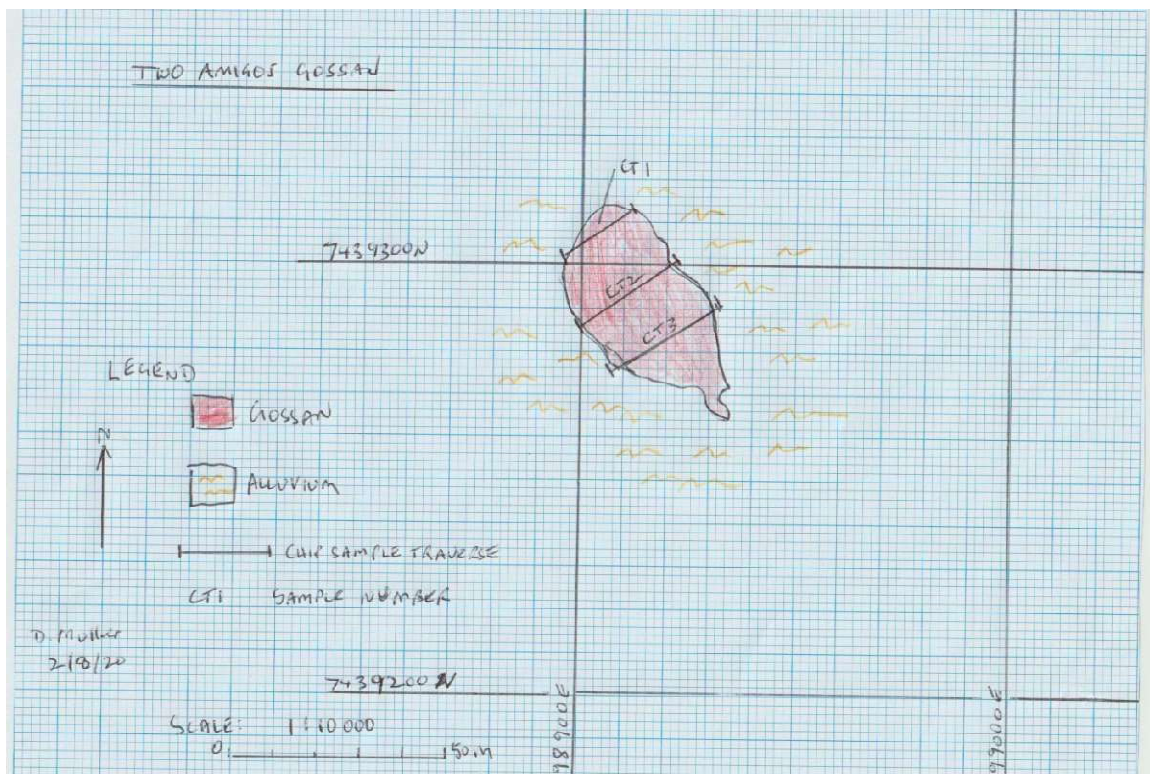


Figure 3: Two Amigos gossan location and sampling plan

6. Activity

An initial visit was made to meet pastoralists on Yambah Station. A helicopter reconnaissance survey was carried out to survey inaccessible areas and conduct aerial prospecting for anomalously coloured material. This led to the discovery of the Two Amigos copper gossan, an unexplored gossan outcrop heavily stained with malachite and extending 60 meters in strike NW-SE and approximately 10 meters in width.

Rock chip samples were collected from solid outcrop over three traverses across the width of the gossan (see Figure 3). Traverses were up to 20 m long; rock chips were collected every half metre or so over each traverse.

It must be emphasised that the samples were biased against collecting malachite-stained material; instead it was intended to collect a representative sample of ferruginous material across the outcrop.

Approximately 2 kg of chips from each traverse was bagged and submitted to Intertek laboratories in Alice Springs for assay. Gold and silver were analysed for via ICPMS. Iron ore analysis (Cu, Fe, Mn, Ni, Pb and Zn) was conducted via XRF.

Rock chip samples yielded highly anomalous results (see Table 2).

A detailed mapping and sampling program had been scheduled in February but was cancelled due to Western Australia prolonging its border shutdown indefinitely. The program has now been rescheduled for June.

Three separate parties approached the author with a view to entering into a joint venture. Material was provided; only one party was able to visit the site due to Covid issues. That party proposed an unacceptable work program. The other two parties are waiting to join the author during the planned June field trip.

The photos below show the impressive outcrop of gossanous material which has had no previous exploration activity.

7. Conclusion and Recommendations

All three sample traverses reported anomalous copper up to 4000 ppm and zinc values up to 6%, accompanied by anomalous gold and silver values as indicated in Table 2 below.

Table 2: Two Amigos gossan results summary

Sample ID	Job Number	Project	Ag ppm	Au ppb	Cu %	Fe %	Mn %	Ni %	Pb %	Zn %
TA 1	NT43959	Two Amigos	5.2	45	0.290	8.08	1.36	<0.01	0.114	1.358
TA 2	NT43959	Two Amigos	2.7	19	0.379	17.27	0.17	<0.01	0.054	6.200
Ta 3	NT43959	Two Amigos	0.35	16	0.406	10.59	0.06	<0.01	0.045	0.641

*Note that samples were originally analysed as CT1 – CT3



Figure 4: Two Amigos gossan outcrop – view from helicopter



Figure 5: Intense copper staining at Two Amigos gossan

7.1 Planned Exploration for Year 2

A field trip is planned for a period commencing 24th June 2022. A local grid will be surveyed over the outcrop and surrounding area. A detailed mapping and sampling program will be undertaken. A geochemical orientation survey will also be conducted to facilitate soil sampling in the areas along strike where outcrop is non-existent.

Expenditure in excess of \$15,000 is anticipated.

Activity	\$ Expenditure
Hire of vehicles Alice Springs	560
Providing reports to JV candidates	650
Helicopter R44 VH X	3000
Assays NT Labs	150
Geological days x 3	3000
Report preparation	400
Tenement management fees	1200
Field expenses and stores	300
Rents	1480
Total	10740
Overheads 10%	1074
Total Expenditure	11814