BOWGAN MINERALS LIMITED

GR468

EL29475 ADNERA HILL
EL30797 OORALINGIE
EL31292 BUGGY CAMP

(NEUTRAL JUNCTION PROJECT)

COMBINED ANNUAL REPORT
FOR THE PERIOD:

15th JANUARY 2017 to 14th JANUARY 2018 (EL29475)
12th NOVEMBER 2016 to 14th JANUARY 2018 (EL30797)
13th JANUARY 2017 to 14th JANUARY 2018 (EL31292)

Barrow Creek, Alcoota
1:250,000 Map Sheet

Registered titleholder: Bowgan Minerals Limited

Target commodities: gold, silver, base metals

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SUMMARY

Combined tenement group GR468 comprises; EL29475 (Adnera Hill), EL30797 (Ooralingie) and EL31292 (Buggy Camp). GR468 is part of the Neutral Junction project, which is located 250km north of the regional centre Alice Springs. Bowgan Minerals Limited is the current operator of GR468. Exploration is currently aimed at identification of potential occurrence of economic gold, silver and base metal mineralisation within an iron oxide-copper-gold (Tennant Creek-style IOCG) deposit setting. Exploration conducted on GR468 during the reporting period included; completion of geological mapping and sampling program during March 2017, collation of geological mapping datasets and interpretation, completion of an on-going gravity survey during April 2017 with submission of summary report to NTGS, commencement of interpretation of gravity dataset and the completion of specific gravity testing of rock chip samples at the NTG core facility in Alice Springs during May 2017. A formal presentation of geobotanical methods and results to staff at the NTGS (Darwin office) during November 2017 and discussions were held with joint-venture partners and our Consulting Geophysicist in Adelaide during December 2017 in regarding the forward work schedule for the Adnera Hill targets. Geological mapping and sampling conducted at Adnera Hill during March 2017 provided the first insight into the exploration potential of a number of prospects on EL30797 and confirmed a new exploration target; a potentially anomalous breccia outcrop located several kilometres south of the existing Radiometric Anomaly target near to the southern boundary of EL29475.

1. INTRODUCTION

The Neutral Junction project is located 250 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 to Ti Tree, then the Adelaide Bore Road or alternatively via the Sandover Highway, then the Adelaide Bore Road to Mount Skinner homestead, with access to the tenement via a network of graded station tracks.

This report, is the first combined annual technical report for GR468 which includes; EL29475 (Adnera Hill), EL30797 (Ooralingie) and EL31292 (Buggy Camp) describes exploration work conducted on all three tenements during the stipulated reporting periods by Bowgan Minerals Limited (Bowgan).

2. TENEMENT DETAILS

2.1 Tenure

Bowgan Minerals Limited is the registered titleholder of exploration licences EL29475, EL30797 and EL31292 as detailed in Table 1. All exploration licences lie within the Mount Skinner Pastoral Lease.

Table 1: Tenement Details

Tenement	Name	Tenement Holder	No. blocks granted	Date Granted	Renewal Date
EL 29475	Adnera Hill	Bowgan Minerals Ltd (Bowgan)	49 blocks (156 km^2)	11/01/2013	10/11/2019
EL 30797	Ooralingie	Bowgan Minerals Ltd (Bowgan)	69 blocks (224 km^2)	12/11/2015	11/11/2021
EL31292	Buggy Camp	Bowgan Minerals Ltd (Bowgan)	86 blocks (274 km^2)	13/01/2017	12/01/2023

The three tenements comprise part of the Neutral Junction project, which also includes; EL24253 (Neutral Junction) and EL28615 (Donkey Creek).

Adnera Hill, Ooralingie, Buggy Camp and Donkey Creek are 100% owned/operated by Bowgan, with Neutral Junction being operated under joint-venture agreement between Bowgan Minerals Limited and Mithril Resources Limited and Mega Hindmarsh Pty Limited.

Surrender of 50% (24 out 49 originally granted blocks) for EL29475 and 15% (10 out 69 originally granted blocks) for EL30797 was conducted at the second anniversary. First surrender for EL31292 is scheduled for 12th January 2019.

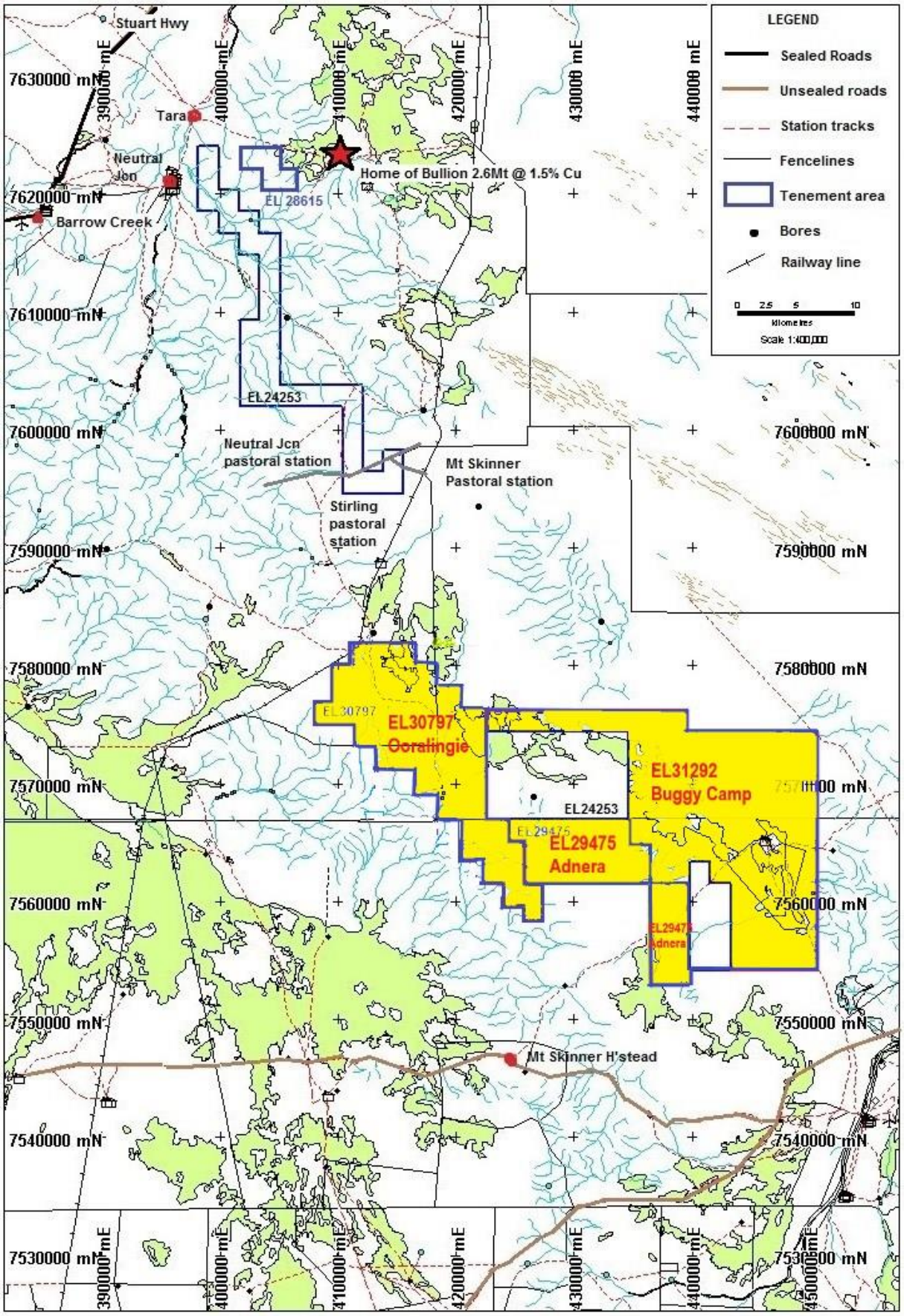

Figure 1: Neutral Junction project tenements, with EL29475 (Adnera Hill), EL30797 (Ooralingie) and EL31292 (Buggy Camp) highlighted.

2.2 Native Title Parties and Aboriginal Heritage

GR468 lies within Native Title Claim area NTP 704 (Mount Skinner) with sacred sites being identified within this precinct.

2.3 Consultation with Pastoralists

The station manager at Mount Skinner Pastoral Station will be contacted by staff from Bowgan Minerals Limited both before commencement, during the running of the program and, at the conclusion of field exploration programs conducted on GR468.

3. REGIONAL GEOLOGY

The Neutral Junction project is located at the boundary of the Arunta Inlier to the south and the Tennant Creek Inlier/Davenport Province to 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).

Combined tenement group GR468 is located in the southern half of the project in the Adnera Hill area. Locally, landscape comprises minor shallow, flat-lying sedimentary outcrops amongst widespread plains comprising shallow regolith to deeper transported sandy soils. Prominent outcrops are Georgina Basin sediments, Neoproterozoic-aged comprising sedimentary rocks of the Adelaidean Central Mount Stuart Formation. This includes sandstones and quartzite which occur within shallow-dipping outcrops, or under shallow cover.

Locally within the Adnera Hill area, Mount Stuart formation rocks rest unconformably above steeply inclined and deformed/metamorphosed Palaeoproterozoic-aged metasediments of the Arunta Inlier which exhibit amphibolite-grade metamorphism and are largely obscured apart from a small number of exposures at surface or under shallow cover. Further north, this 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. Exploration efforts conducted by Bowgan Minerals Limited to date, have focused on exploration of HCG-age equivalent units within the GR468 tenement area.

Proterozoic-aged, radiometrically-anomalous granites have intruded along the northwest-southeast structural trend and occur within the immediate area of GR468 immediately to the north-west and south-east of Adnera Hill and further east in the Buggy Camp/Tomahawk Range area.

Previous modelling of the depth of the HCG metasediments by the NT Geological Survey indicates that a major fault forms the western margin of the Georgina Basin. The depth of the basin sediments in the Neutral Junction project area 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.

Locally, this discontinuity is represented by the Ooralingie Fault, which runs through the western side of GR468. A number of surface anomalies of precious and base-metals have been identified to occur at Adnera Hill, with an iron oxide-copper-gold (‘Tennant Creek’-style IOCG) depositional setting being postulated. Potential exploration potential exists for anomalies to occur along the Ooralingie fault corridor within the GR468 tenement area.

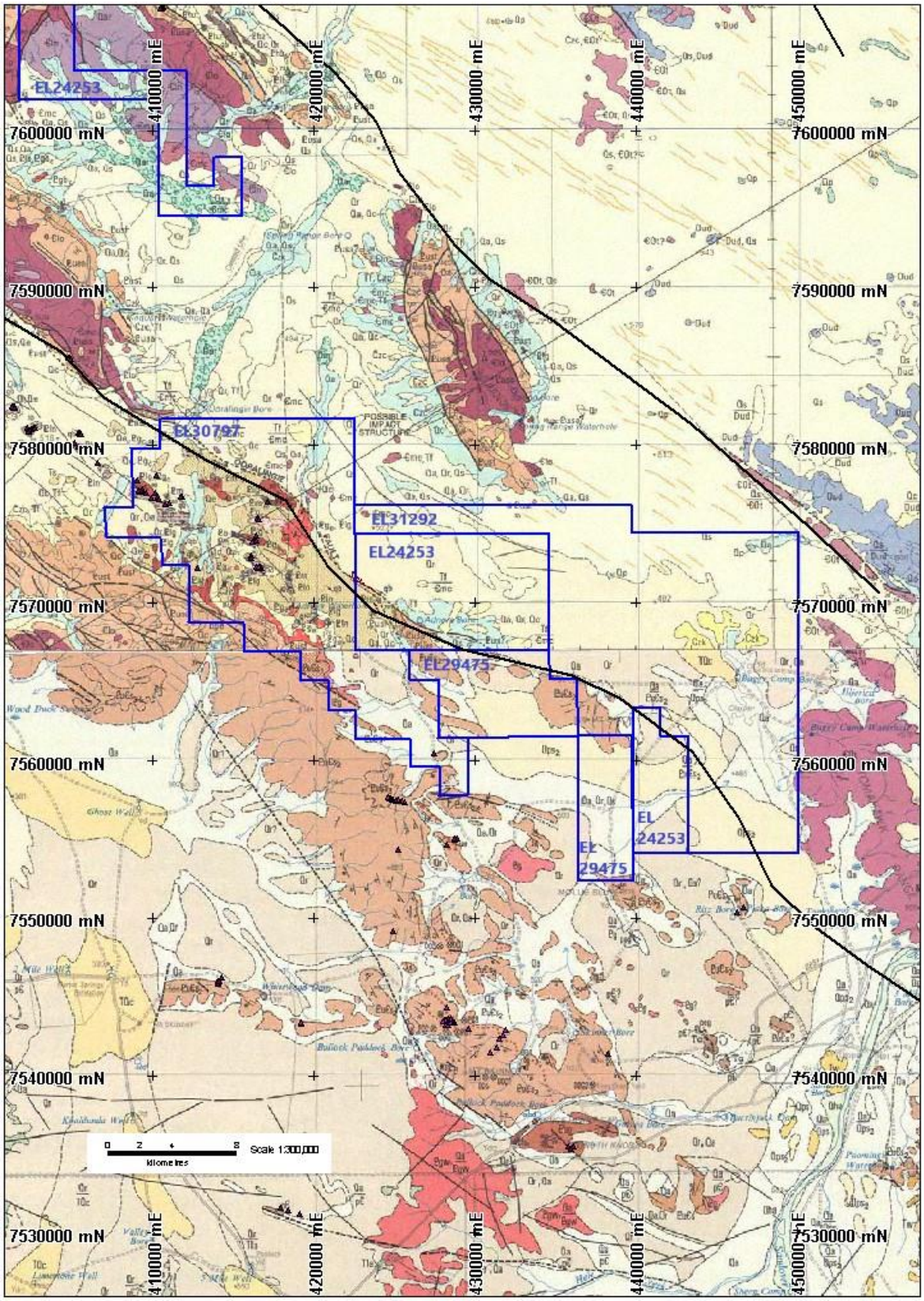

Figure 2: Regional geological interpretation (250K) for GR468 project area Adnera Hill.

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 copper ore was extracted (6,100 tonnes officially recorded) between 1923 and 1951.

Aerial surveying (magnetics) was completed by NT Geological Survey on N-S oriented 500 metre line-spacing at 100 metres height during 1981 and a regional gravity survey was completed on a 4km grid during 2008-09.

Base metals

Exploration for base metals was conducted within the district by Kennecott Exploration (1966), Department of Mines and Water Resources (1968).

Wolfram, tantalum and tin exploration was conducted within the local area by BHP Minerals Ltd (early 1980's) and R.B. Mining (1981).

Further work for base metals was conducted in the district by CRA Exploration (1980), Alcoa Australia Ltd. (1983) and Otter Exploration (1989).

Work recommenced at the abandoned Home of Bullion mine site in 2012, with a program of resource-delineation drilling being conducted by Kidman Resources. An inferred resource figure totaling; 2.5Mt @ 1.8% copper, 2% zinc, 1.2% lead, 0.14g/t gold and 36g/t silver was announced following conclusion of the program (ASX release, July 29th 2014).

Diamonds

Exploration for diamonds was undertaken in the district by CRA Exploration in 1977.

Nickel

Exploration for nickel was undertaken in the district by Mithril Resources Limited in 2005.

Uranium

Uranium exploration was undertaken in the district by Otter Exploration (1977), CRA Exploration (1978) and more recently by Mega-Hindmarsh (2006-9) and by Bowgan Minerals Limited (2009-present).

Lithium

Exploration for lithium is association with pegmatites has recently commenced in the Barrow Creek and Alcoota areas.

5. EXPORATION BY BOWGAN MINERALS LIMITED

5.1 2013 reporting period

Exploration activity was conducted on EL29475 during the 2013 reporting period which included; completion of a field program of geological reconnaissance mapping and research of historical literature. First-pass programs of geophysical and geochemical survey programs were planned for the next reporting period.

5.2 2014 reporting period

Exploration activity was conducted on EL29475 during the 2014 reporting period which included; completion of 33.65 line-kilometres of ground magnetic surveying, completion of geological mapping and limited outcrop sampling including collection of 5 rock chip samples during October 2014. Preliminary review of the ground magnetic dataset, cutting and cataloguing of rock chip samples, submission to ALS Chemex for chemical analysis and interpretation of results was completed at the conclusion of the field program.

Magnetic surveying investigated a number of prospective targets identified further south of the NJR004/NJM013 (Max's Find) target area along the extension of the Ooralingie Fault trace. Preliminary surveys examined a radiometric target identified within regional datasets. Surveying was also completed to examine a potential extension of the magnetic anomaly previously identified at NJM014.

This was interpreted at that point as a Skarn, located several kilometres further east of the Ooralingie Fault corridor. This target was subject of most of exploration activity completed during the October 2014 program.

5.3 2015 reporting period

Combined exploration activity on EL29475/24253 during the 2015 reporting period included; completion of 127.9 line-kilometres of ground magnetic surveying, completion of geological mapping, including collection of 70 outcrop samples, collation of ground magnetic dataset, cutting, cataloguing and photographing of rock chip samples, magnetic susceptibility testing, submission of 24 samples for analysis and review of results and interpretation of magnetic, mapping data and assay results.

Previous exploration in the Adnera Hill area by Bowgan has identified potential for economic occurrences of precious and base-metals at two target areas; Max's Find and TJ's Find/Skarn target, within an iron oxide-copper-gold ('Tennant Creek style IOCG') depositional setting. Bowgan recognised the potential of both targets with a program of first-pass exploration drilling being proposed to test both the surface anomalies and the associated structures at greater depth.

Ground magnetic surveying and geological mapping was conducted across the TJ's Find and Skarn target areas during June-July 2015 aimed to explore this new trend and this work has been successful with the discovery of a significant new breccia occurrence identified as Breccia Hill. Follow-up mapping and sampling has confirmed this breccia unit to be highly anomalous for both precious and base-metals over a strike extent of more than 5kilometres along an east-west strike trend.

In summary, the discovery of Breccia Hill is considered to be the most significant exploration target identified at Adnera Hill to date.

Detailed interpretation of the ground magnetic and geological mapping datasets was continued with follow-up programs of geophysical surveying, detailed geological mapping and outcrop and soil sampling currently proposed with the aim of designing a program of exploration drilling to test the Breccia Hill target.

Further to the work at Breccia Hill, the confirmation that similar breccia units could be correlated several kilometres southward at the South and Radiometric Anomaly targets was very significant. This confirms exploration potential in the area further south of the Max's Find target along the regional NNW-SSE striking Ooralingie Fault trend over a strike distance of more than 5 kilometres. Whilst both the South and Radiometric Anomaly targets are considered to be prospective, further exploration work is proposed at both targets to develop potential drilling targets that could be tested as part of the proposed program of exploration drilling.

Exploration conducted on EL29475 examined a surface radiometric anomaly which confirmed potential for uranium, precious and base-metals. Follow-up exploration of Radiometric Anomaly was proposed.

First-pass exploration conducted at the Buggy Camp area (now EL31292) has identified some exploration potential in the area, with detailed interpretation of the ground magnetic and geological mapping datasets being proposed.

5.4 2016 reporting period

Exploration activity was conducted on EL29475 and EL30797 during the reporting period included; completion of reconnaissance survey to examine lithium potential within pegmatites at the Neutral Junction project, completion of a spectrometer survey program over the Radiometric target on EL29475 and a brief reconnaissance on EL30797. Testing of rock chip samples collected to date, was completed using a hand-held Niton XRF and spectrometer.

A submission for co-funding through the NTG's CORE initiative for a proposed gravity surveying program was granted and the contract was awarded to Atlas

Geophysical Services. Surveying commenced on-ground during December 2016 and continued beyond the end of the reporting period.

A visit to the PIRSA Core Facility in Tonsley (Adelaide) was also conducted by staff from Bowgan during December 2016 to examine core samples from 3 significant IOCG deposits in South Australia. Holes examined during this visit included;

1) Hole RU39, drilled at Olympic Dam,
2) Hole CAR002; drilled at Carrapateena,
3) Hole URAN1; drilled at Prominent Hill.

A small selection of photographs of the core examined are presented (Plates 1 to 4).

Plate 1: Mineralised interval from hole URAN1, hosted within milled breccia (left).
Plate 2: Mineralised interval from hole CAR002, hosted within milled breccia (right).

Plate 3: Mineralised interval from hole RU39, hosted within milled breccia (left),
Plate 4: Mineralised interval from hole RU39, hosted within brecciated interval (right).

5.5 Current reporting period

Exploration activity conducted on GR468 by Bowgan Minerals Limited during the current reporting period included;

1) Completion of geological mapping and sampling program, March 2017,
2) Collation of geological mapping datasets and start of interpretation,
3) Finalisation of gravity survey by Atlas Geophysical Services during April 2017 and submission of summary report to NTGS,
4) Interpretation of the recently acquired gravity survey dataset,
5) Completion of specific gravity testing of rock chip samples at the NTG core facility in Alice Springs during May 2017,
6) Formal presentation of geobotanical methods and results to staff at the Darwin office of the NT Geological Survey during November 2017,
7) Discussions were held with joint-venture partners and our Consulting Geophysicist in Adelaide during December 2017 in regarding the forward work schedule for the Adnera Hill targets.

5.5.1 Geological mapping and sampling program

A program of geological mapping and sampling was conducted at Adnera Hill from Thursday, 23rd to Sunday 26th March 2017.

This program included; a single day of mapping and sampling of outcrops in the Breccia Hill/TJ's Find area on EL24253 (Neutral Junction) and EL29475 (Adnera), which included collection of 3 rock chip (NJRK_2017_001-3) and 19 soil samples (NJS_2017_1194-1222). This program was documented in the 12th Annual Technical Report for EL24253 Neutral Junction (Price 2017).

A single day of reconnaissance-style geological mapping and sampling was then completed to investigate an Alaskite prospect and other historical targets on EL30797 (Ooralingie), which included collection of 13 rock chip samples (NJRK_2017_004-16, Table 2 Appendix).

A program of reconnaissance-style geological mapping and sampling was then completed at a recently identified breccia outcrop located close to the southern tenement boundary of EL29475 (Adnera), which included collection of 3 rock chip samples (NJRK_2017_017-19, Table 2 Appendix).

All geological observations were entered onto the Bowgan mapping excel database at the conclusion of the program. All 19 rock chip samples cut at the NTG core facility in Alice Springs with all samples being photographed and documented (Table 2, Plates 14 to 29 Appendix).

5.5.2 Program summary

The program summary for the first day of field work on Friday, 24th March which investigated outcrop occurrences previously mapped on EL's 24253 & 29475 was presented in the 12th Annual Technical Report for EL24253 (Price 2017).

Geological mapping program; Saturday, 25th March
After completion of the program on EL24253/29475, the focus of field exploration then moved to an investigation of a number of potential prospects located on EL30797 (Ooralingie).

A number of targets had been identified from literature reviews conducted by Bowgan following the granting of the tenement in November 2015 which included; a uranium prospect hosted within an Alaskite which was explored by previous tenement holders Intercept Minerals Limited (Intercept), an area where drilling was conducted by Normandy during the 1990's which targeted copper and gold and a number of mapped outcrops where anomalous tungsten had been documented.

The reconnaissance was conducted on Saturday, 25th March using a 4WD vehicle, starting west of the Max's Find target area and extended further west and north of the previous geological mapping coverage. The traverse commenced in landscape that was flat and sparsely to moderately vegetated by mulga and lesser gidgee above clay loam soils with intermittent sandy soils and areas of scattered gravels and occasional gravel mounds. Further north, several small, shallow outcrops of fault breccia were mapped (423760mE, 7569978mN). Outcrops was interpreted to be a deflationary palaeosurface (<1m height above surrounding RL) covered by spinifex and surrounded by coarse, pale-white quartz gravels.

The traverse then tracked north-west following a shallow palaeosurface comprising quartz and breccia gravels for a distance of about 1 kilometre to the southern tip of the next prominent outcrop (423116mE, 7571155mN). Here, geological mapping identified a shallow, spinifex covered rise (±2m above RL) striking towards north, north-east with minor exposures and comprising fault breccia (Plate 5).

Examination of various outcrop identified small areas comprising mostly rubble (sub-crop) and lesser outcrop comprising of massive breccia rock, which was observed to be pale pink-brown to brown-grey in colour, highly siliceous with an angular/hackly texture (Plate 6). Breccia's examined were highly and irregularly fractured, with no visible pervasive structure that could be mapped. Fractures were commonly infilled by quartz, off-white in colour, opaque with vitric textures.
Small outcrops of fault breccia were mapped along a NNW trend for 100metres+ to the north tip of the shallow outcrop rise (423098mE, 7571246mN). Dark clay loam soils and schist fragments were mapped immediately north-west (rock chip sample NJRK_2017_004, 423099mE, 7571246mN).

The traverse then continued towards NW for about 200metres and stopped at a small breccia outcrop (422950mE, 7571478mN, Plate 7) before turning west for several hundred metres to the south-eastern corner of large quartzite ridgeline (422655mE, 7571942mN) which was the most prominent landscape feature.

Plate 5: Shallow outcrop rise with fault breccia outcrop (423760mE, 7569978mN).
Plate 6: Fault breccia outcrop (left).

Plate 7: View along breccia outcrop trend towards large quartzite ridgeline, which is the most prominent landscape feature in this part of EL30797.

Plate 8: Sub-parallel quartz veining within mylonitic fault breccia along crest of quartzite ridgeline.

Plate 9: Fault breccia outcrop at northern end of prominent quartzite ridgeline.

A traverse was then conducted on-foot northward to examine outcrop exposures along the crest of the ridgeline (Plates 8&9). Geological mapping identified mylonitic fault breccia over a width of up to 5 metres+ with a general strike trend of 300º, sub-vertical along the centre/crest of the ridgeline (422640mE, 7571555mN), with quartzite being mapped on both east and west flanks. A thick cover of spinifex was mapped across much of the ridgeline.

A traverse conducted on-foot along the length of the fault breccia outcrop identified sub-parallel and boudinaged quartz veining plunging -75º towards east (422655mE, 7571542mN) with late-stage oblique fractures mapped to dip -70º towards N, along strike 060º and sub-vertical, strike 270º (422655mE, 7571542mN). Quartz veining with strike N/S and sub-vertical dip was also mapped. Fault breccia exposures had similar textures and appearance to those mapped earlier in outcrops further east and interpreted at that point to represent the western flank/footwall of the Ooralingie fault corridor which followed a NW/SE-strike trend immediate to the EL24253/EL30797 tenement boundary.

The traverse then tracked west to examine the Alaskite prospect that was previously explored by Intercept. A wide, but shallowly incised drainage corridor was mapped from the base of the western edge of the prominent ridgeline (422500mE, 7571340mN). Dense scrub and wash-outs hindered the vehicle traverse for the next 50-100metres until the vehicle breeched the western edge of the drainage channel. The landscape then opened-up into a shallow, grassy plain towards the west across much of the Alaskite prospect area (Plate 10).

The traverse headed both north and south to explore the full extent of the Alaskite prospect according to the auger sampling conducted by Intercept during 2010. This reconnaissance located minor areas of scattered gravels and very coarse sands (possible decomposed granite?) but failed to identify any mappable surface exposures of the leucogranite (alaskite). Examination of gravels across several locations confirmed quartz, silcrete and occasional fragments of ferrugenised silcrete or haematite vein.

The traverse then continued in the western direction towards thick mulga/gidgee scrub with a geological contact or fault being interpreted at 422200mE, 7571785mN, which was interpreted to be the western edge of the Alaskite prospect. The traverse then continued west through thick mulga scrub for about 2 kilometres, crossing several historical drill lines (part of the Wapiti prospect where drilling was conducted by North Flinders Exploration period 1995-2000).

The vehicle traverse was halted in impenetrable scrub further to the west (419465mE, 7571080mN) and continued on-foot through thick scrub for another 600metres to a small gneiss outcrop which was mapped on the east bank of Adnera Creek (418725mE, 7571005mN). The creek is one of the main drainage corridors in this part of the EL30797 and is described as a deep, impassable creek channel with a depth of 2+metres and a width of 10+metres.

Plate 10: View east across Alaskite prospect towards prominent quartzite ridgeline.

Plate 11: Schist outcrop exposed in eastern bank of Adnera Creek.

The traverse then entered down into the deep and sandy creek channel to examine several long exposures of schist and lesser calcrete located along the eastern channel bank (Plate 11). Mapping confirmed a consistent strike of 300º, dip -75ºE with several samples of schist and gneiss being collected for petrological examination and analysis (NJRK_2017_010-12).

Adnera Creek marks the geological contact between Proterozoic-aged schists with Late Proterozoic-aged granite which was mapped in outcrops along the western bank of the creek channel. Schists mapped here were interpreted to be potentially age-equivalent units to the prospective Hatches Creek group (HCG) which host potentially economic base-metal mineralisation similar to that at the nearby Home of Bullion deposit.

Geological mapping on the western side of Adnera Creek identified widespread rounded outcrops of granite which extended over an area of >100m². Localised areas of quartz veining were mapped, with traces of malachite being observed on some of the fracture faces. A small outcrop comprising mafic schist (tourmalinite?) was also mapped and sampled near to the creek line on the eastern edge of the granite outcrop. An additional 4 rock chip samples (NJRK_2017_013-16) were collected for petrological examination and analysis.

After detailed mapping and sampling was completed the traverse continued on-foot past the edge of the granite outcrop and headed further west for a distance of several hundred meters, before being halted in an area of clay loam soils and think mulga/acacia scrub (418250mE, 7571000mN).

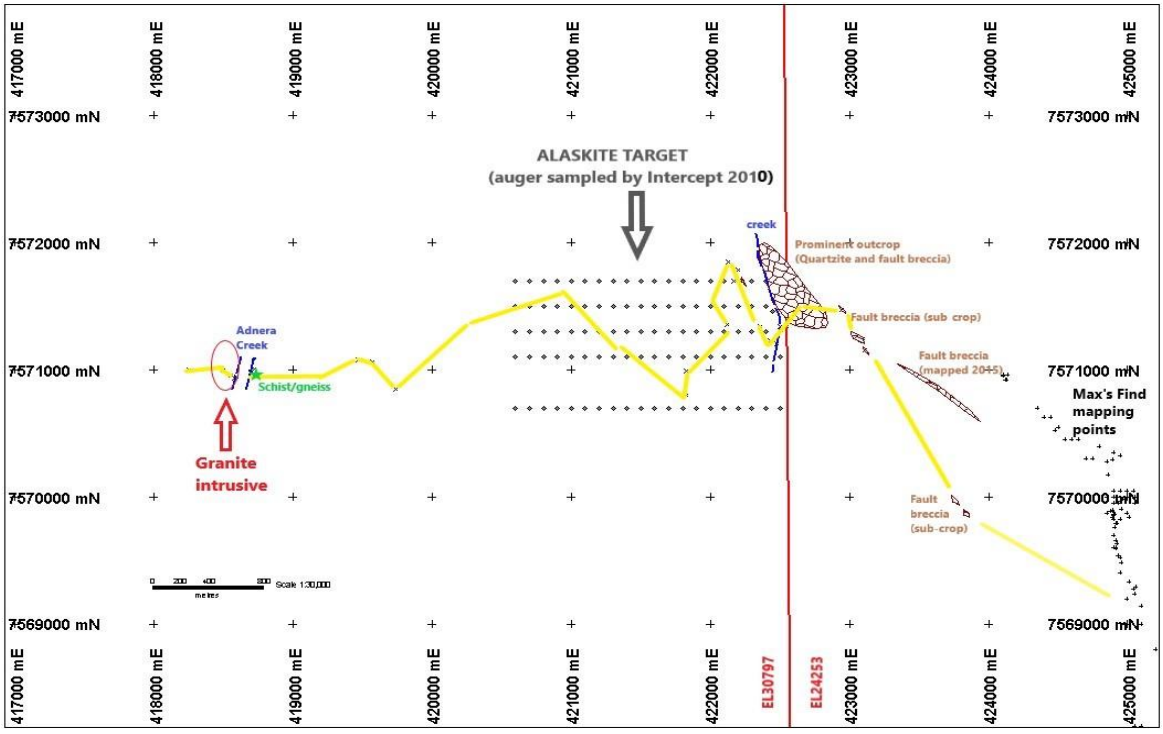

Figure 3: Plot of geological mapping traverse conducted on Saturday, 25th March.

Geological mapping program; Sunday, 26th March
An additional program of geological mapping and sampling was conducted on the following day; Sunday, 26th March to examine a new breccia outcrop located in the southern end of EL29475 (Adnera) prior to de-mobilising from site.

This outcrop was initially noted in the area several kilometres further south of the Radiometric Anomaly target and was initially visited briefly during previous field programs conducted in 2013 and 2016. Both site visits identified a large breccia outcrop that appeared similar in texture and appearance to the highly anomalous outcrops mapped/sampled at the Breccia Hill, South and Radiometric Anomaly targets located further north however, detailed geological mapping was not conducted during either visit owing to time constraints.

On Sunday, 26th March, a traverse was conducted on-foot to examine the breccia outcrop and to conducted geological mapping and sampling (Plate 12). From the station track, the traverse tracked through mulga and gidgee scrub followed by thick spinifex for about 50metres before climbing up the western side of the steep outcrop rise to the crest (located 10-20metres above surrounding RL). Geological mapping was conducted around the outcrop, with 3 rock chips (NJRK_2017_017-19) being collected for later analysis.

Mapping confirmed the breccia outcrop to be semi-continuous over a strike length of >100metres along a NW/SE-strike trend. The breccia was massive with strike and dip difficult to determine however, mapping of quartzite and fine-grained sediments along the east and west flanks identified steeply dipping sediments with strike 300º, dipping -70º towards west along the southern breccia contact near to the sample point for NJRK_2017_018.

The outcrop was interpreted to be steeply dipping, with a lensoidal symmetry from above, with a width of up to 60m in the centre which tapered off towards each end. A sharp offset was noted along the southern edge of the outcrop which may indicate the possibility of large-scale faulting having offset the breccia outcrop along an oblique trend (Figure 4).

From a distance outcrops appeared to be rounded, but had a sharper, more hackly texture was noted on closer examination along with frequent irregular fracturing and thick haematite and manganese-filled vugs/cavities and surface coatings. The breccia itself was typically comprised of pale quartzite clasts (angular and up to 50cm in diametre), surrounded by a dark, extremely fine-grained silica-haematite matrix (Plate 13). Breccia examined in the outcrop exposures was considered to have a ‘chaotic’ and/or ‘crackle’ texture according to classifications applied for exposures at other Adnera Hill target areas.

All mapping observations were entered onto an excel spreadsheet at the conclusion of the field program. Rock chip samples were submitted to the NTGS core facility (Alice Springs) for cutting via diamond saw before they were

photographed and catalogued. No samples have been tested by pXRF or dispatched for chemical analysis to date.

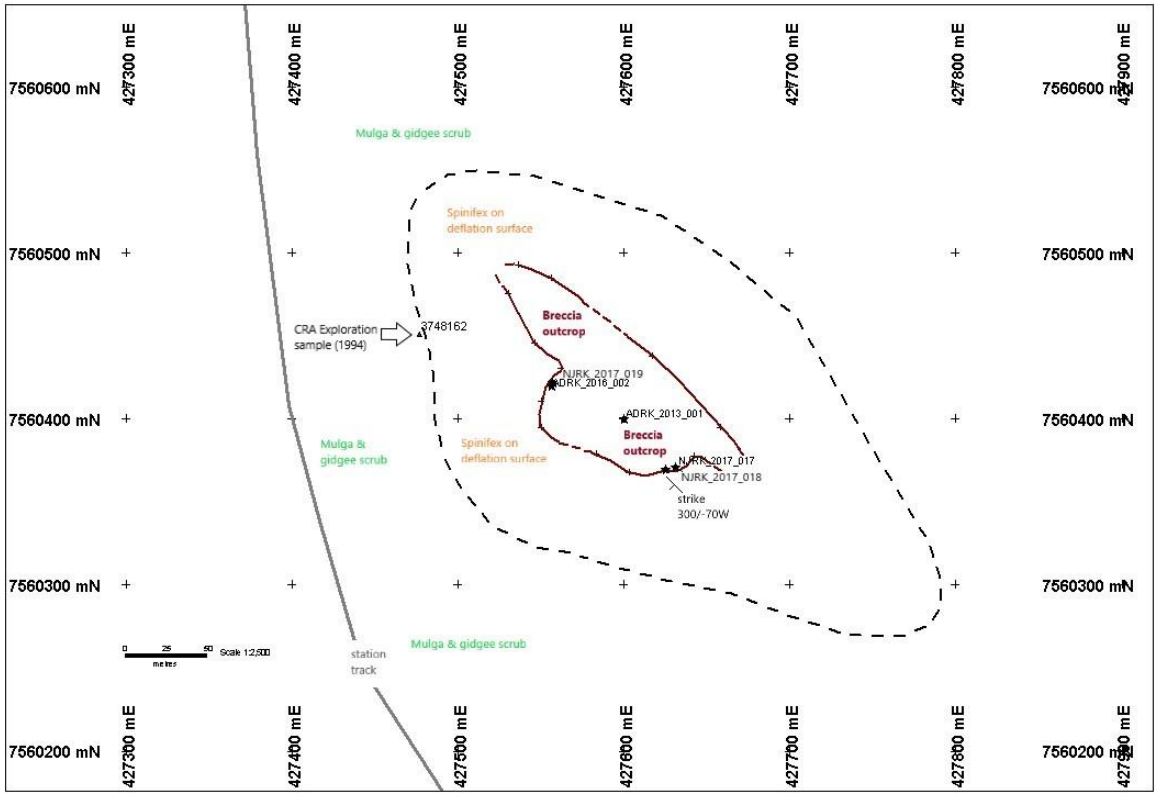

Figure 4: Plot of breccia outline from mapping conducted on Saturday, 25th March.

Plate 12: View east from station track towards new breccia target, which was located about 100m east of track (left).
Plate 13: Typical outcrop exposure of breccia examined along crest of the new target (right).

5.5.3 Discussion

Geological mapping and sampling conducted at Adnera Hill during March 2017 provided the first insight into the exploration potential of a number of prospects on EL30797 (Ooralingie) and confirmed a new exploration target; a potentially anomalous breccia outcrop located several kilometres south of the existing Radiometric Anomaly target near to the southern boundary of EL29475 (Adnera).

The reconnaissance traverse on EL30797 (Ooralingie) followed a series of small fault breccia outcrops interpreted to be continuous over a distance of several kilometres along a NW/SE-trend. Outcrops of this lithology were previously mapped to follow a similar same strike trend further south on EL24253 (Neutral Junction). The fault breccia was interpreted at that point to form the western edge (or footwall) of the Ooralingie Fault corridor within the Max's Find target area. As a consequence, this lithology was interpreted as having little economic potential with no subsequent analysis of rock chip samples being completed to date.

Based on recent geological mapping conducted during March 2017 this same fault breccia has been interpreted to extend further northward to the eastern edge of EL30797 (Ooralingie) along the same strike trend. Textures observed and recorded identify a close similarity with the earlier mapped/sampled outcrops from previous programs. Brittle fractures and quartz vein infills are interpreted as being associated with a 'crackle'-type breccia which suggests a low-temperature/brittle (high-strain) deformation terrane that probably formed as late-stage structures that may have overprinted the Ooralingie Fault system.

Outlines of the fault breccia outcrop generated from the recent mapping campaign were overlain on the recently acquired gravity image (Figure 5) and this has confirmed that the breccia unit is continuous along the northern flank of a discrete gravity high. Initial interpretation during the field campaign identified the possibility that the breccia may represent a possible structural separation between established targets on the east, compared to those prospects recently mapped further west and that this may have impacted on their prospectivity.

However, a subsequent re-interpretation using the recently acquired gravity data as a template does not confirm this earlier conclusion and as a consequence, recently explored prospects on EL30797 (Ooralingie) show potential to be similarly prospective when compared to established targets further east.

The reconnaissance then examined the Alaskite prospect in detail but failed to confirm any surface outcrops of leucogranite that could be sampled to confirm the prospectivity of this potential target. Test readings were conducted using a recently acquired geiger-counter (second hand unit that had not yet been calibrated) which also failed to confirm any discrete surface anomalies, although a slight increase in radioactive response was confirmed across the general area.

As the prospectivity of this potential target could not be confirmed during the field

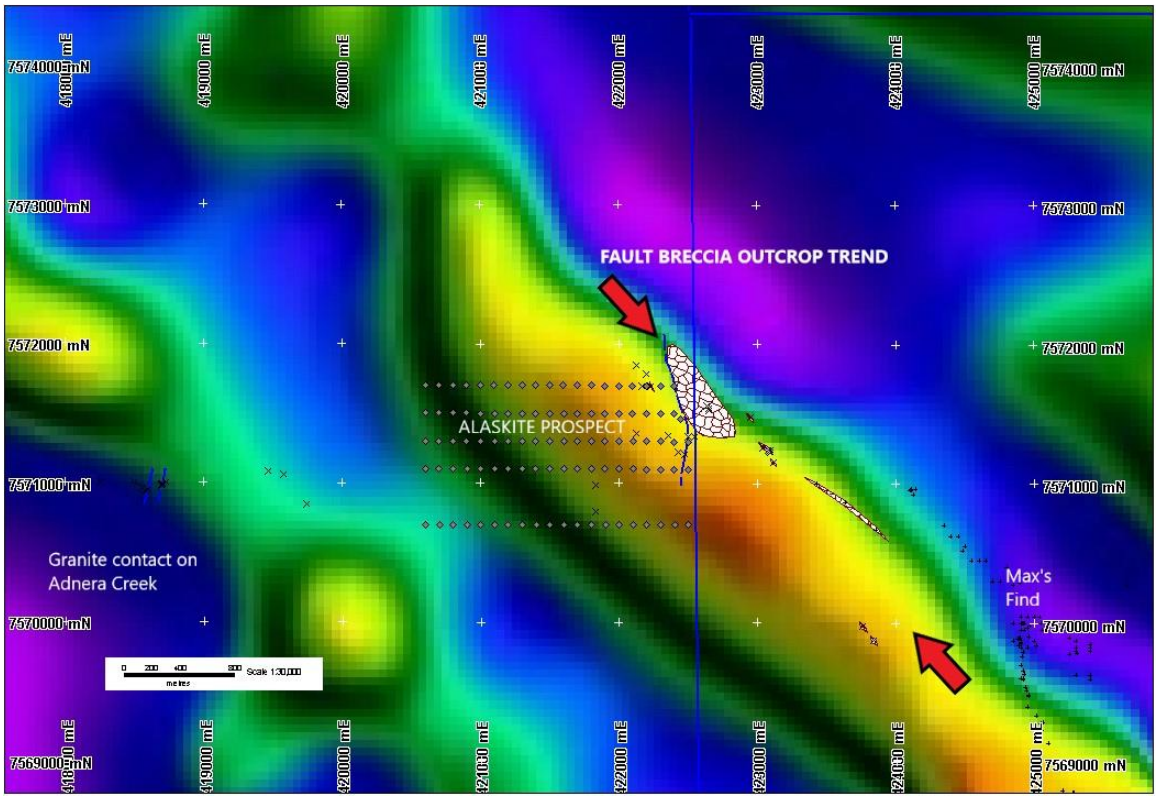

Figure 5: Plot of fault breccia outcrops overlain on 1VD Bouger gravity image.

program, attention was then given to the open-file geochemical data from the auger program conducted by Intercept during 2010. The Surrender Report details an auger program comprising 108 holes which were drilled along 5 E/W traverses with the aim to test an undisclosed number of surface radiometric anomalies earlier identified by ground surveys using a hand-held spectrometer.

Intercept field staff identified potentially anomalous uranium (including assay values >40ppm) in a high percentage of the auger samples during the initial field testing using a pXRF (Figure 6). However, a subsequent geochemical analysis of all 108 auger samples in the laboratory failed to confirm any anomalous values (maximum of 1.83ppm_U). The difference between the two datasets could not be reconciled at that point by Intercept (Townrow, 2013).

Both of the open-file datasets were re-processed using excel software, with >90 percentile values being identified and sorted. These values were plotted using MAPINFO software to allow for interpretation. The generated plot for the laboratory assays revealed a clustering of >90 percentile values for the elements; Uranium, Copper, Lead and Zinc with two linear trends being interpreted running sub-parallel, oriented-N/S on the eastern side of the sampled area (Figure 7).

The pXRF dataset was then plotted which revealed a clustering of >90 percentile values for up to half of the elements analysis and this also corresponded with the eastern side of the sampled area (Figure 8).

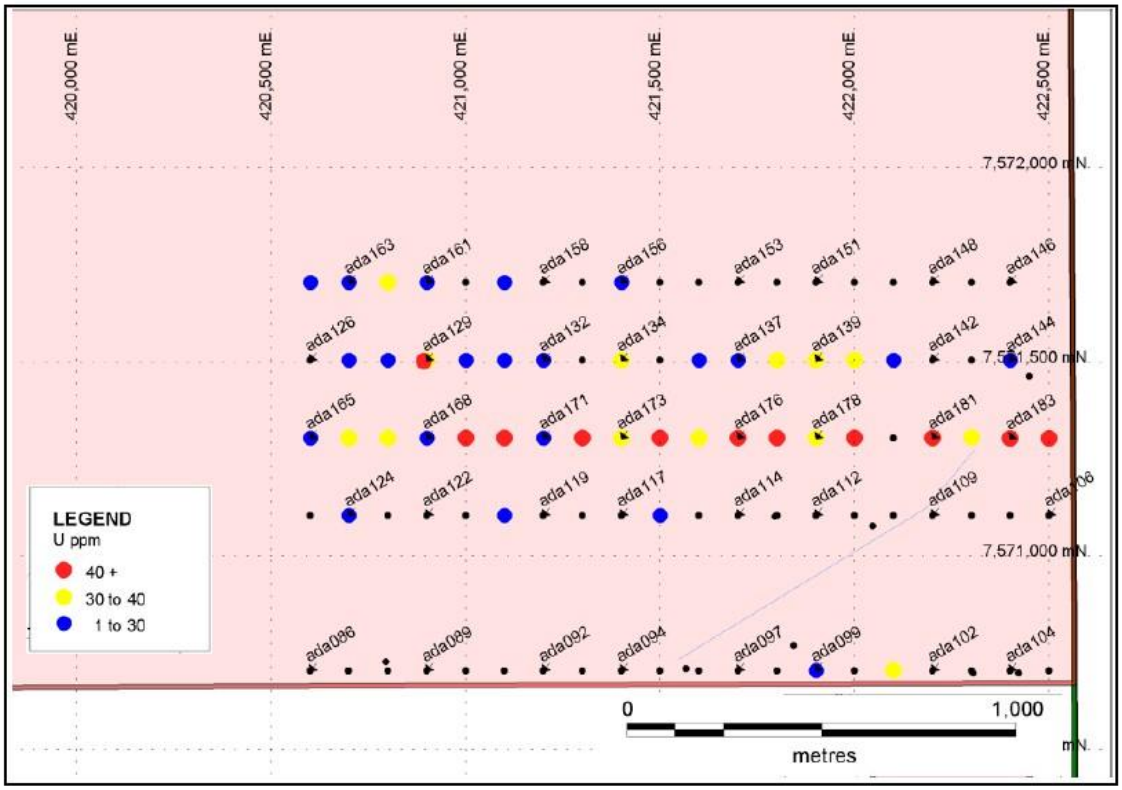

Figure 6: Plot of original Uranium results derived from pXRF analysis of auger samples (referenced; Surrender Report, EL26748 Adnera Creek, Townrow, 2013).

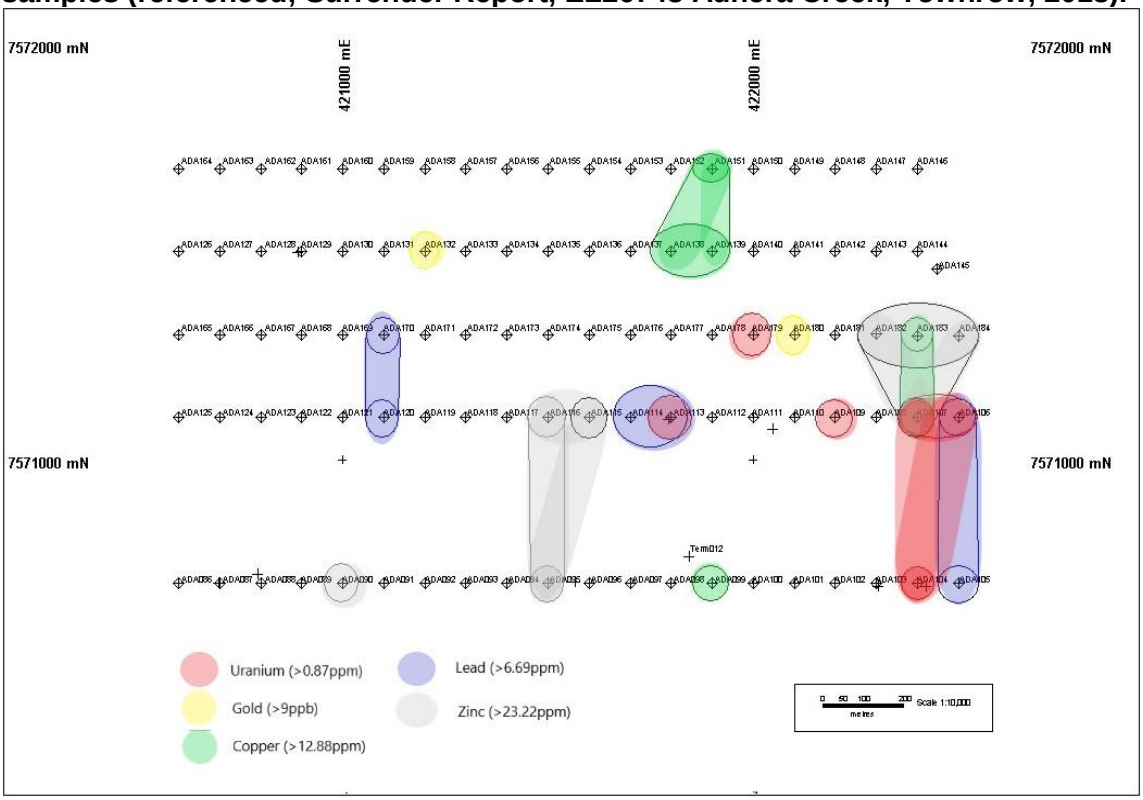

Figure 7: Plot of >95percential values for 6 elements from follow-up laboratory analysis completed by Intercept Minerals Limited (open-file data, released 2013).

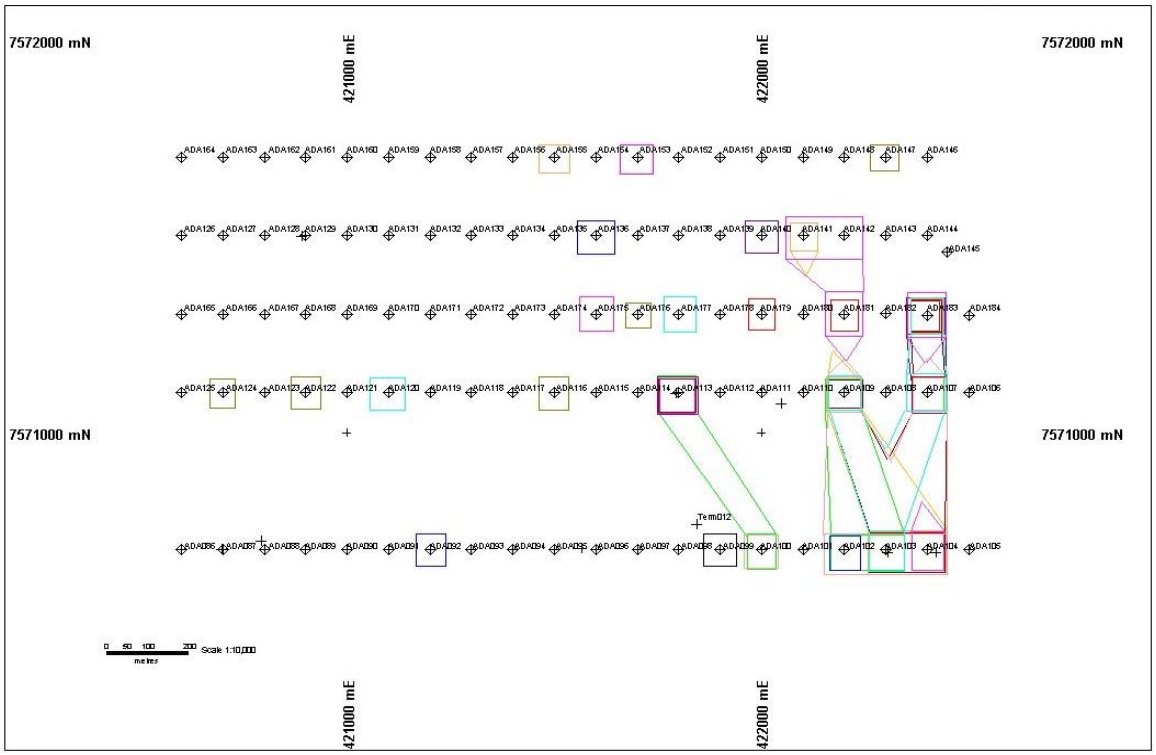

Figure 8: Plot of >90percential values for all elements determined by pXRF.

Results from the laboratory analysis were not considered anomalous by Intercept at that time. However, recent re-interpretation of the data identified clustering of many elements and interpreted linear trends on the eastern side of the sampled area suggest potential exists for an underlying structure or fault. The presence of leucogranite could not be confirmed by the field traverse and the recent re-interpretation of the underlying geology based on the 1VD Bouger gravity image fails to confirm the presence of granite as much of the sampled area appears located over a discrete gravity feature. Granite intrusive by contrast, are commonly associated with a lower gravity response.

Whilst no discrete Uranium anomalies could be confirmed by the field traverse, a subtle increase in the radiometric response was determined in the general area of the Alaskite prospect which is also noted on the regional radiometric imagery. There is potential for Uranium to act as a pathfinder, or indicator of high fluid flows in association with the deposition of other economic elements such as precious and/or base-metals and as a consequence, further investigation of the Alaskite prospect area for economic Uranium, as well as other elements is currently proposed.

Whilst a reconciliation between the different analysis methods was not fully investigated by Intercept by the time they surrendered EL26748 in 2013, it is worth noting that in the opinion of the author; Uranium is considered to be a highly mobile element, and that this may have contributed to the lack of reconciliation between the original pXRF and laboratory datasets.

For example, the initial pXRF values from a number of auger samples received were as high as +40ppm_U which was interpreted to be anomalous by Intercept staff at that point. Details of the sampling preparation and pXRF analysis protocol was not reported. As a consequence, there is a possibility that the initially high pXRF results may have in part, been the result of relatively low concentrations of Uranium and other elements being present in the form of fine surface coatings.

The pXRF instrument conducts an analysis via scanning of the upper surface of each sample hence, it is possible that the presence of low concentrations of an element in the form of a thin surface coating on individual grains within the sample may have resulted in a false indication of the total element concentration being determined when averaged across the entire sample mass. By contrast, the laboratory method relies on the analysis of a consistent and statistically-valid sample charge that is a composite of the entire sample mass.

A new exploration target was also confirmed following the field investigation of a new breccia outcrop on the final day of the field program. This field work confirmed that breccia at this new outcrop was similar in nature to the highly prospective breccias mapped and sampled at other target areas including; Breccia Hill, South and Radiometric which had been proposed during the two previous site visits conducted in 2013 & 2016.

Follow-up research of historical open-file data identified that a single rock chip had previously been collected adjacent to the outcrop crest. Sample#3748162, Mollie Prospect was sampled by CRA Exploration whom identified; 398ppm_Cu, 381ppm_Pb, 234ppm_Zn, 203ppm_As, 40ppm_Co, 34.5%_Fe and 1150ppm_Mn. The documented sample location is slightly west of the breccia outcrop, high iron and manganese content in the analysis suggests that the sample was in fact, collected from within the breccia outcrop area with an inaccurate survey location resulting from discrepancy between the older, verses current survey grid.

Geological mapping of the surrounding quartzite and sedimentary units suggests that the breccia is steeply dipping along a NW/SE-strike trend, with a lensoidal symmetry and that late-stage faulting may have occurred along an oblique fault trend which has potentially offset the outcrop. Later interpretation of available geophysical data confirmed that the mapped breccia outcrop is located within the southward extension of the regional Ooralingie Fault corridor.

The outcrop corresponds with the northern flank of a magnetic high, co-incident with a discrete gravity low (Figures 9&10). Possible off-sets can be interpreted within the 1VD magnetic image which may indicate late-stage fault formation.

Owing to the prospectivity identified at this outcrop follow-up field exploration currently proposed at this target area by Bowgan Minerals Limited

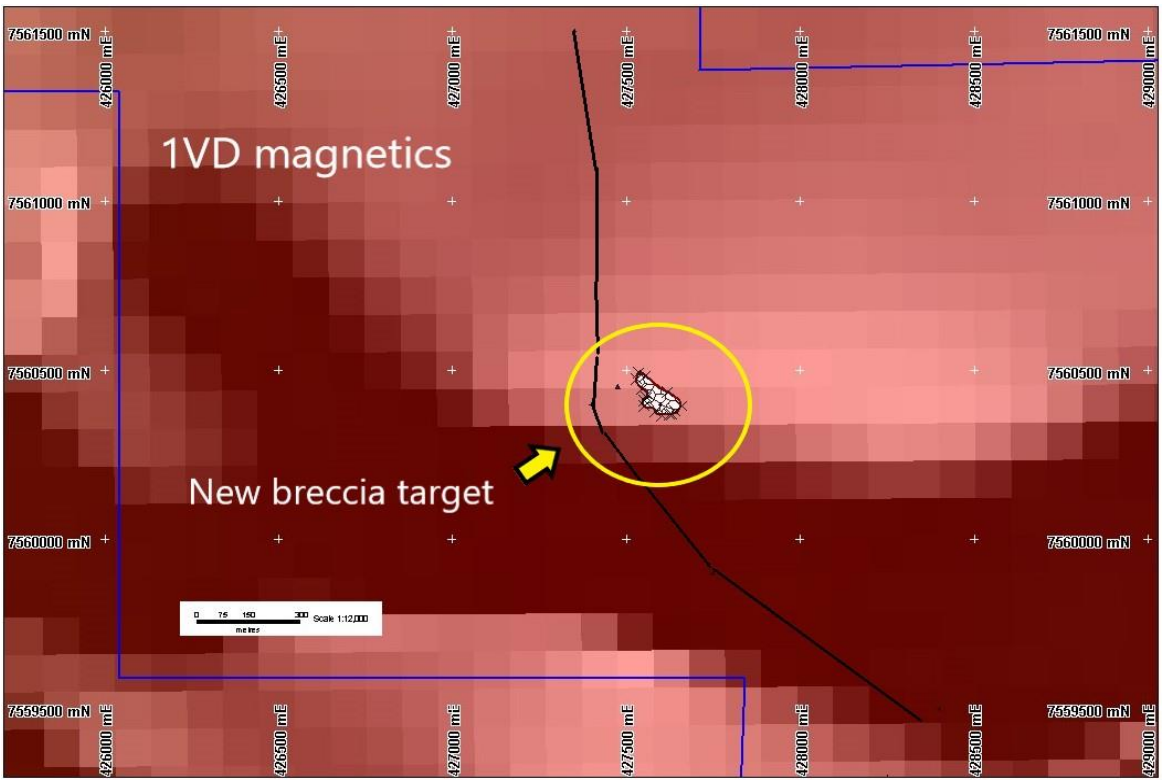

Figure 9: 1VD magnetic image showing location of the target breccia outcrop.

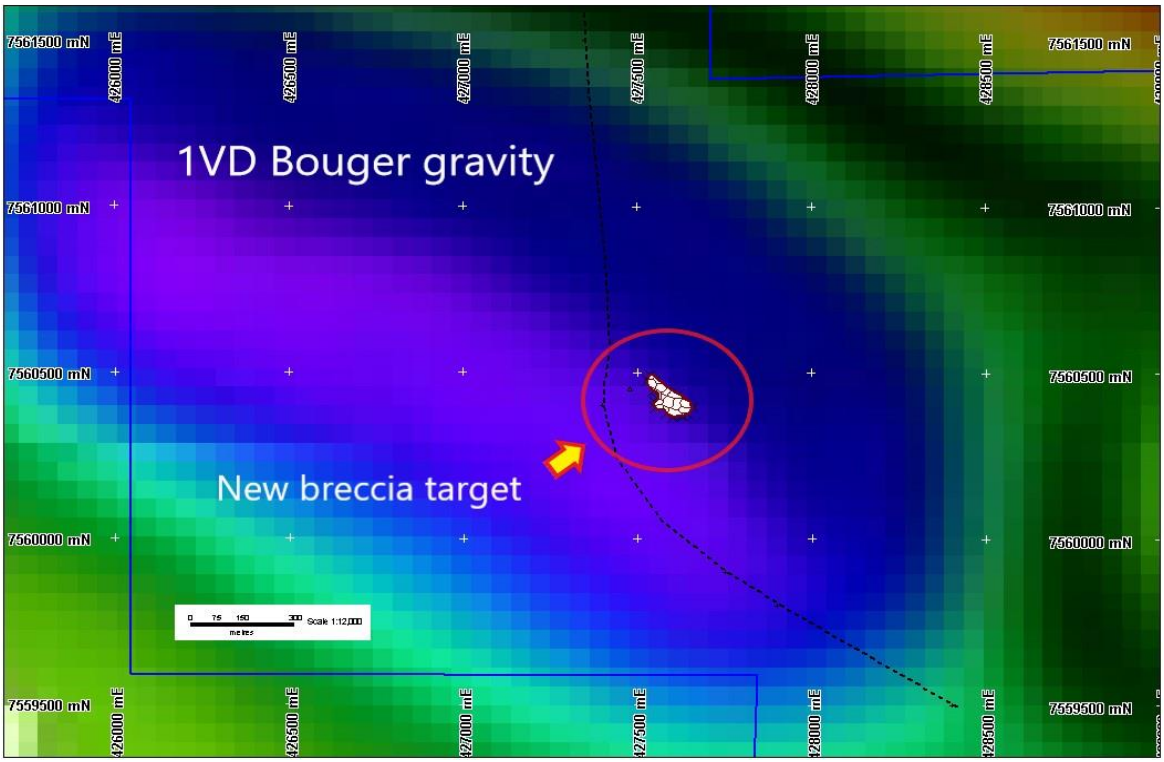

Figure 10: 1VD Bouger gravity image showing location of the target breccia outcrop.

5.5.4 Gravity survey program

Bowgan Minerals Limited submitted an application for co-funding of a proposed gravity surveying program as part of Round 9, of the NTG's CORE initiative. The program proposed completion of an on-ground gravity survey to provide 1km X 1km density survey readings across the Adnera Hill area, Neutral Junction project (Figure 10).

On 19th May 2016, a notification was received from the NT Department of Primary Industry and Resources which confirmed the granting of co-funding totalling $7,700- for completion of the proposed survey program.

An additional program of infill surveys was also proposed for the Breccia Hill/TJ's Find, Max's Find and Radiometric target area according to a 200m X 50m survey density which was to be funded exclusively by Bowgan Minerals Limited.

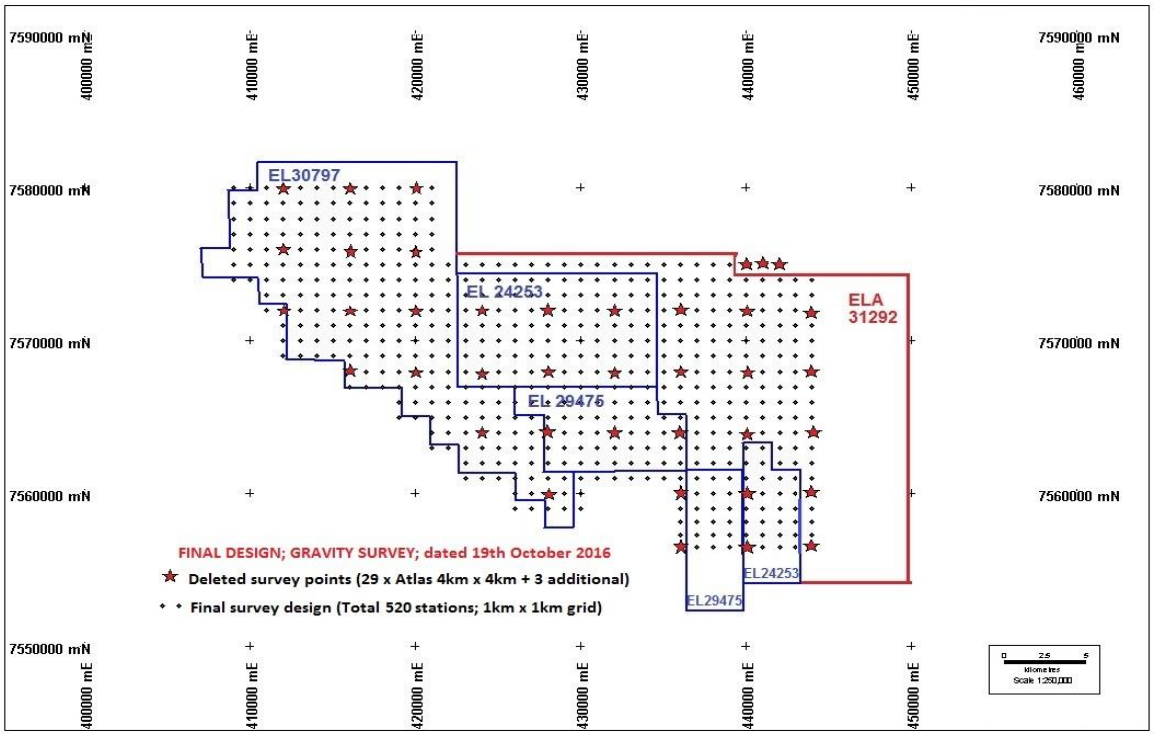

Figure 10: Design for co-funded gravity surveying program, Adnera Hill area.

Atlas Geophysical Services (Perth) was awarded the contract and commenced the survey on-ground during December 2016 after some initial delays owing to staffing and operational issues with the contractor. As a consequence, an application for an extension was lodged which was accepted by the NT Geological Survey.

The survey crew arrived on-site on the 12th of December and after some initial delayed owing to staffing and mechanical problems commenced surveying in the north-western area of the survey near to the boundary between Stirling and Mt Skinner pastoral stations. The program was delayed by incremental weather and

the progress was also slowed by very dense scrub within the Adnera Creek corridor which is deeply incised and heavily vegetated.

Approximately one quarter of the survey program was completed prior to the crew demobilising from site on the 20th December 2016 owing to the on-set of incremental weather.

Surveying recommenced on 26th March 2017 and was completed on 11th April 2017. Bowgan Minerals Limited provided logistical support for the final part of the survey program. A formal report was submitted to the NT Geological Survey during the reporting period.

5.5.5 Specific Gravity testing program

Determination of specific gravity was completed for all rock chip samples collected from the Neutral Junction project to date. Test work was conducted at the NTGS core facility in Alice Springs on 11th-12th May 2017. The aim of this program was to generate a dataset for specific gravity readings for a range of lithology which will assist with interpretation of geophysical datasets.

Results for this program were documented in the 12th Annual Technical Report for EL24253 Neutral Junction (Price 2017).

5.5.6 Additional presentations and discussion

A formal presentation of a power-point summarising geobotanical exploration methods at Adnera Hill targets was conducted for staff at the NT Geological Survey in Darwin on Thursday, 16th November.

A JV meeting was held with management from Mithril Resources in Adelaide on Wednesday, 6th of December and a formal meeting was held with Jim Hanneson, our Consulting Geophysicist in Adelaide on Friday, 8th December to schedule the interpretation of the geophysical dataset and completion of target generation for Adnera Hill during 2018.

6 WORK PROGRAM PROPOSED: 2018 reporting period

The following field and office-based exploration work is proposed for the next reporting period;

1) Interpretation of gravity survey dataset,
2) Preparation and testing of soil samples by pXRF,
3) Review of exploration model for Adnera Hill targets,
6) Interpretation of exploration data generated to date with an aim to design a program of first-pass exploration drilling at Adnera Hill.

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APPENDIX

Table 2: Rock chip samples collected from GR486 during the reporting period.

Sample number	Easting	Northing	Description
NJRK_2017_004	423098	7571246	Schist
NJRK_2017_005	423085	7571235	Fault breccia
NJRK_2017_006	422655	7571542	Sheared quartzite (mylonite)
NJRK_2017_007	422655	7571542	Quartz vein
NJRK_2017_008	422655	7571542	Quartzite, quartz vein
NJRK_2017_009	422428	7571229	Quartz gravels
NJRK_2017_010	418725	7571005	Gneiss
NJRK_2017_011	418695	7570985	Schist
NJRK_2017_012	418695	7570980	Schist
NJRK_2017_013	418700	7570985	Calcrete
NJRK_2017_014	418595	7570945	Schist
NJRK_2017_015	418578	7570937	Granite
NJRK_2017_016	418580	7570940	Quartz, malachite=coatings
NJRK_2017_017	427631	7560371	Sediment, lateritic
NJRK_2017_018	427625	7560770	Quartzite
NJRK_2017_019	427557	7560422	Breccia

Plate 14: Rock chip sample NJRK_2017_004

Plate 15: Rock chip sample NJRK_2017_005

Plate 16: Rock chip sample NJRK_2017_006

Plate 17: Rock chip sample NJRK_2017_007

Plate 18: Rock chip sample NJRK_2017_008

Plate 19: Rock chip sample NJRK_2017_009

Plate 20: Rock chip sample NJRK_2017_010

Plate 21: Rock chip sample NJRK_2017_011

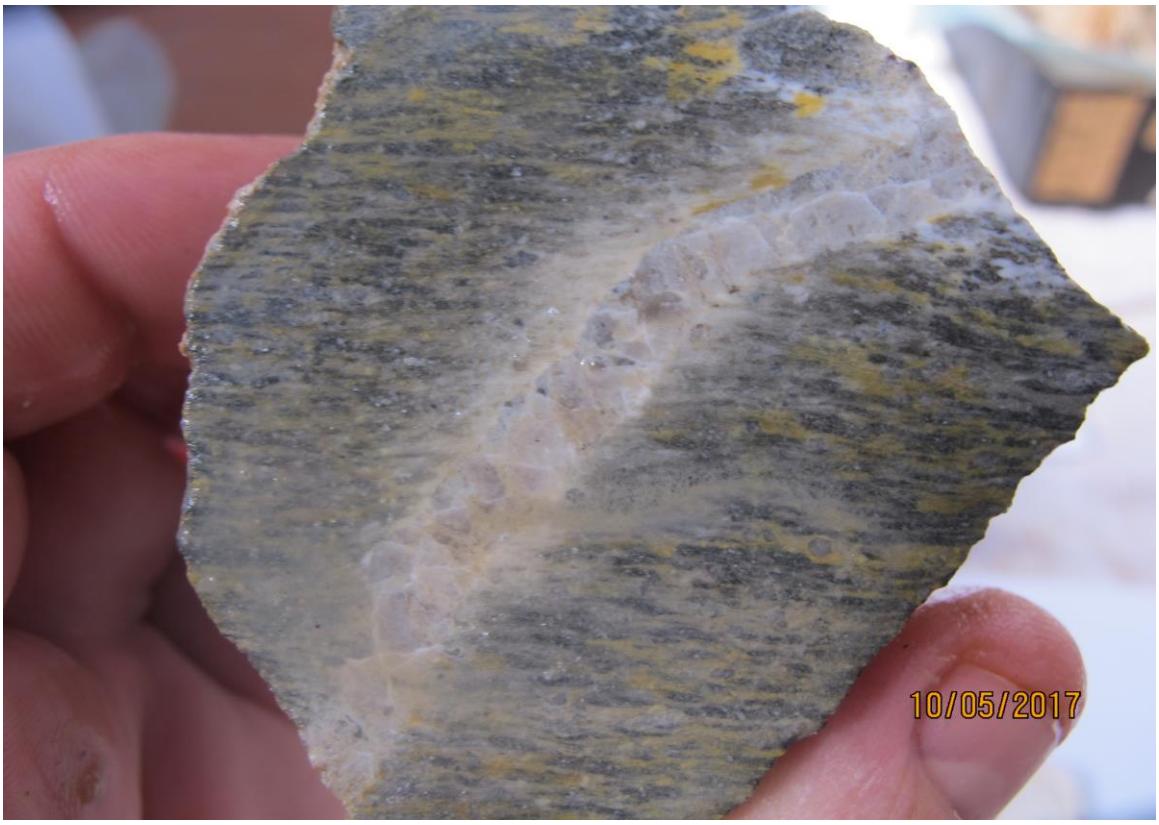

Plate 22: Rock chip sample NJRK_2017_012

Plate 23: Rock chip sample NJRK_2017_013

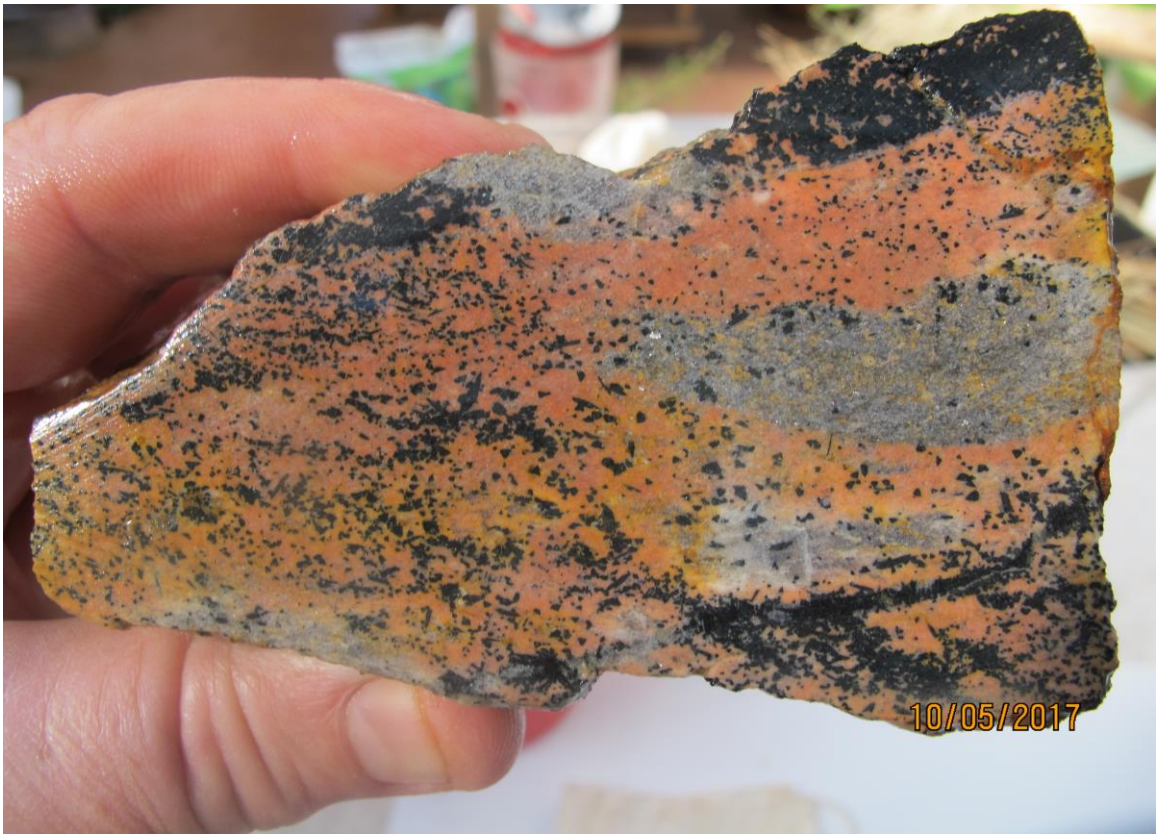

Plate 24: Rock chip sample NJRK_2017_014

Plate 25: Rock chip sample NJRK_2017_015

Plate 26: Rock chip sample NJRK_2017_016

Plate 27: Rock chip sample NJRK_2017_017

Plate 28: Rock chip sample NJRK_2017_018

Plate 29: Rock chip sample NJRK_2017_019