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EL8/2006 YOLANDE RIVER
ANNUAL REPORT TO 23.5.09

Volume 1 of 1

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16.11.09

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1 Summary

- EL8/2006 Yolande River contains a section of the Mt Read Volcanics that may host gold mineralisation similar to mineralisation at the Henty Gold Mine.
- Previous exploration in an area adjacent to EL8/2006 tentatively identified a weakly mineralised stratigraphic interval in the Western Sequence of the Mt Read Volcanics, not far below the Tyndall Group. Testing for more strongly mineralised strike extensions of this interval is a target for future work in EL8/2006.
- Gold Creek, west of the Lake Margaret township, also appears to be a target for future work. There are old alluvial gold workings in the creek and markedly anomalous gold (1.2 ppm) in a rock chip sample has been reported.
- There is a substantial body of data from previous exploration in, and around, EL8/2006. Compilation of this data may reveal more targets for future work.

2 Introduction

Mineral exploration licence 8/2006 Yolande River (Figure 1) of 53 km^2 is for metallic minerals and has an end date of 23.5.2012. It is located in western Tasmania a few kilometres northwest of Queenstown. The licence area includes a section of the Zeehan Highway west of Lake Margaret as well as a short section of the Queenstown-Strahan road, a part of the Lake Margaret Road and a few vehicular and walking tracks.

The terrain is rugged and much of the licence area is thickly vegetated. Track cutting and helicopter support may be necessary for the conduct of mineral exploration. The categories of land tenure within the licence (Figure 4) include Regional Reserve and Crown Land together with Aurora/Hydro/Transend lands around the Lake Margaret hydro-electric scheme. None of the ground within the licence is excluded from mineral exploration (Figure 5).

This report outlines Manasia Mining and Metals Ltd's exploration philosophy for the coming period. It also provides brief summaries of the geology and previous exploration, and identifies some areas for possible future work.

3 Exploration philosophy

Manasia Mining and Metals Ltd has stated that its proposed exploration in EL8/2006 will be based on the following themes.

1. An in-depth data compilation of historical work from all relevant open file reports.
2. Reinterpretation of the geology of the area from airborne geophysical surveys.
3. Delineation of a series of exploration targets for field checking, prospecting, geochemical sampling and possible geophysical surveying followed by drilling where warranted.
4. A range of commodities will be considered.

4 Geology

The exploration licence contains a section across the western part of the Mt Read Volcanics (Figure 3), which are of Cambrian age. A small area in the north east corner of the licence is occupied by the Central Mt Read Volcanics while the laterally equivalent Western Sequence of the Mt Read Volcanics occupies much of the north and centre of the licence. Regionally the Central Mt Read Volcanics consists mainly of feldspar-phyric, felsic volcanic rocks whereas the Western Sequence comprises typically turbiditic, volcanic-derived and siliciclastic sandstone, mudstone, conglomerate and breccia (Corbett, 2002). In EL8/2006 there are substantial porphyry intrusions in the Western Sequence.

Further west in EL8/2006 there is a north-south belt of Tyndall Group, which is also a part of the Mt Read Volcanics. Regionally this group is transgressive across the Central and Western sequences and comprises crystal-rich (quartz-feldspar) volcaniclastic sandstone, siltstone and conglomerate with minor ignimbrite and local flows of felsic, andesitic and basaltic lava. Lenses of limestone and massive sulphide may be present in the lower part. In EL8/2006 the Tyndall Group includes a strongly magnetic unit that correlates with the Lynchford Tuff (Figure 2; Morrison and Richards, 2004).

Rocks younger than the Mt Read Volcanics occupy the western and southern parts of EL8/2006. In the northwest Late Cambrian to Ordovician siliciclastic sandstone and conglomerate are overlain by limestone while in the southwest and south is the Bell Shale, which is of Devonian age. The boundaries with these younger rocks are largely formed by the Firewood Siding Fault and the South Henty Fault. Faulting has also caused rotation of structures in the Yolande River.

In terms of mineral exploration in EL8/2006 the Mt Read Volcanics are of principal interest because they are known to contain substantial economic mineral deposits in nearby areas. A few kilometres south east of the licence area the Central Mt Read Volcanics are host to the Mt Lyell copper-gold deposits while some 15 km to the north east the Central Mt Read Volcanics and the Tyndall Group together host the alteration zone that contains the Henty gold deposits (Seymour et al, 2007).

5 Previous exploration

EL8/2006 was immediately preceded by Glengarry Resources' EL21/2003 which had the same northern, western and southern boundaries, but a different eastern boundary such that the old workings at Madame Howards and Diamond Hill were included in EL21/2003. Aspects of particular interest from a review carried out by Glengarry Resources of earlier exploration (Morrison and Richards, 2004) and from Glengarry Resources' own exploration work (Richards, 2005) include the following.

- The Mt Lyell Mining and Railway Company identified as anomalous a 115 ppm Zn value in stream sediments collected (1973-1975) from Gold Creek, about 1 km west of Lake Margaret township.
- Fourteen features identified in a 1980 helicopter Dighem survey of the Henty-Yolande area were considered worthy of follow-up by Mt Lyell's consultant. Some features may not have been followed up.
- Mt Lyell found 330 ppm Zn in stream sediments collected (1981-1983) from Gold Creek. They also returned a 1.2 ppm Au value in rock chips from sericitic tuffs and black shales. Small alluvial gold workings are present in Gold Creek and to the south on Lake Margaret Road (Green, 1986).
- Mt Lyell's 1981-1983 stream sediment sampling found high Cu and Zn values in Truscott Creek near the Zeehan Highway and a 620 ppm Zn value further downstream.
- Goldfields Exploration Ltd concluded (1983) that the Zn anomaly in Gold Creek was worthy of follow up and that the gold anomaly was genuine. However, they apparently thought that any local source of gold would probably be small because the locality was outside the Central Mt Read Volcanics.
- Pasminco (1990-1995) recognised the possibility of Tyndall Group rocks similar to those associated with mineralisation at Newton Creek-Howards Road Anomaly (near the Henty Gold Mine) being present at Yolande River.
- Copper Mines of Tasmania (1996-2002) identified middle-upper Tyndall Group rocks in what is now EL8/2006.
- Copper Mines of Tasmania showed that a panned concentrate drainage survey around Diamond Hill and Madame Howards produced coherent gold anomalies, a superior result to that achieved by a -80 mesh survey for gold. This result is of significance for future work in EL8/2006.
- Glengarry Resources (2003-2005) acquired EL21/2003 to explore for volcanic-hosted gold in a structural and stratigraphic setting broadly similar to the setting of the Henty gold deposit.
- Glengarry Resources mostly concentrated on Madame Howards, Diamond Hill and a porphyry body north of Diamond Hill. These localities are outside of EL8/2006. However, the work on Diamond Hill and the more northerly porphyry suggested the presence of an anomalous stratigraphic level in the Western Sequence of the Mt Read Volcanics, not far below the Tyndall Group.
- Glengarry Resources considered their anomalous results not to be sufficiently encouraging of near surface, economic gold or base metal mineralisation and withdrew from EL21/2003 without drilling.

6 Future work

A detailed compilation of all previous exploration data for EL8/2006 is to be prepared by Manasia Mining and Metals Ltd. There is considerable previous stream sediment data, some rock chip data and a variety of geophysical data.

Gold Creek is of interest for future work, particularly as there is a previous report of markedly anomalous gold in rock chip of 1.2 ppm.

The tentative identification of an anomalous horizon in the Western Sequence of the Mt Read Volcanics not far below the Tyndall Group is also of interest for future work. Strike extensions of this horizon may be present in EL8/2006 north of the Yolande River, possibly reflected by the anomalous metal values in stream sediments from Truscott Creek.

7 References

Corbett, K. D. 2002. Updating the geology of the Mt Read Volcanics belt. Mineral Resources Tasmania, Geological Survey Record 2002/19.

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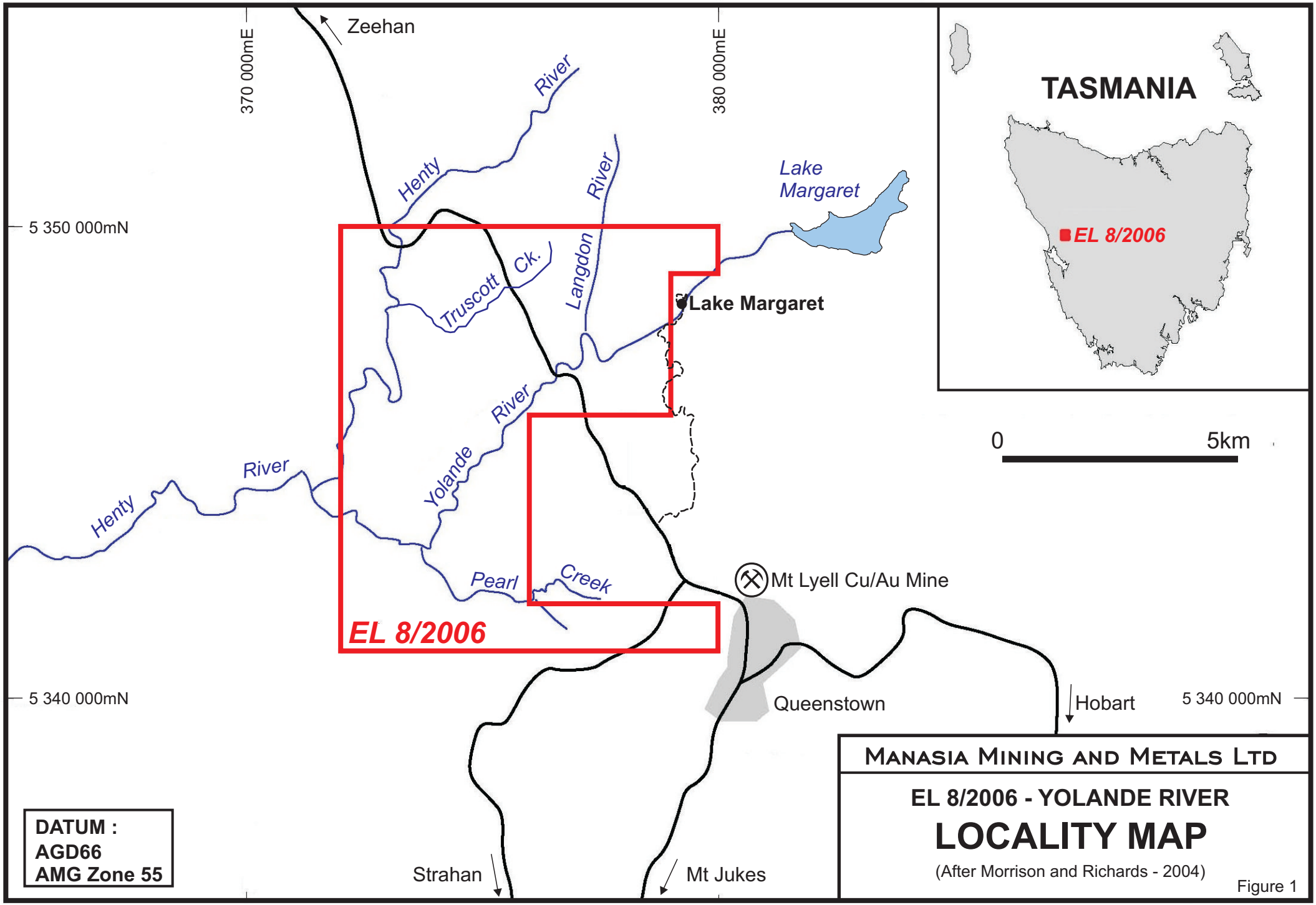
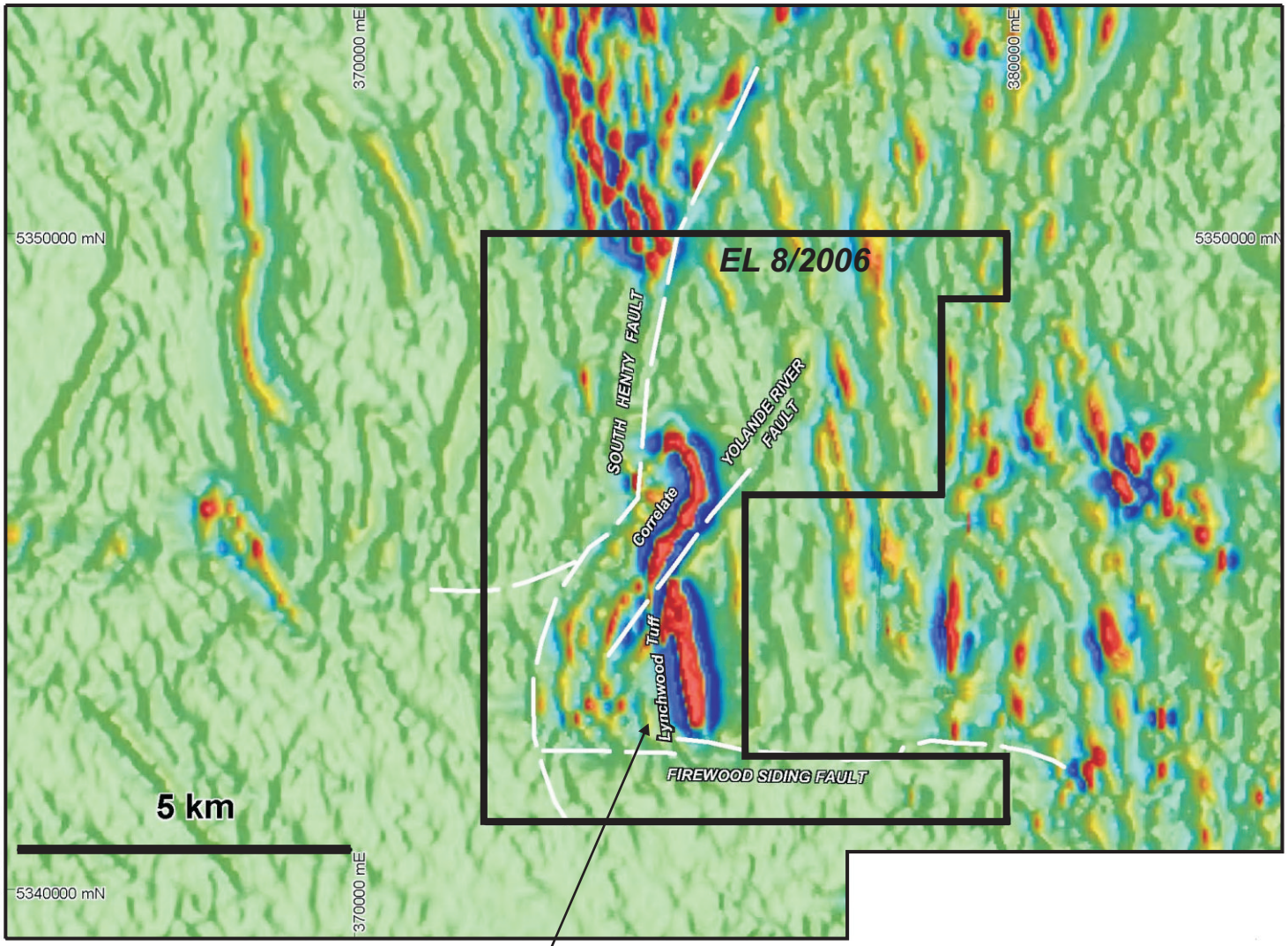
Richards, D. 2005. EL21/2003-Yolande River. Final Report for the period 12th July 2003 to 30th June 2005. Glengarry Resources Ltd.

Seymour, D. B., Green, G. R., Calver, C. R. 2007. The Geology and Mineral Deposits of Tasmania-a Summary (2nd edition). Mineral Resources Tasmania, Geological Survey Bulletin 72.


Zeehan
370 000mE
380 000mE
River
Henty
River
Lake
Margaret
5 350 000mN
Truscott
Ck.
Langdon
Lake Margaret
River
Yolande
River
Henty
River
Pearl
Creek
EL 8/2006
Mt Lyell Cu/Au Mine
5 340 000mN
Queenstown
Hobart
5 340 000mN
Strahan
Mt Jukes
TASMANIA
EL 8/2006
0
5km
DATUM :
AGD66
AMG Zone 55
MANASIA MINING AND METALS LTD
EL 8/2006 - YOLANDE RIVER
LOCALITY MAP
(After Morrison and Richards - 2004)
Figure 1



LYNCHFORD TUFF

DATUM :
AGD66
AMG Zone 55

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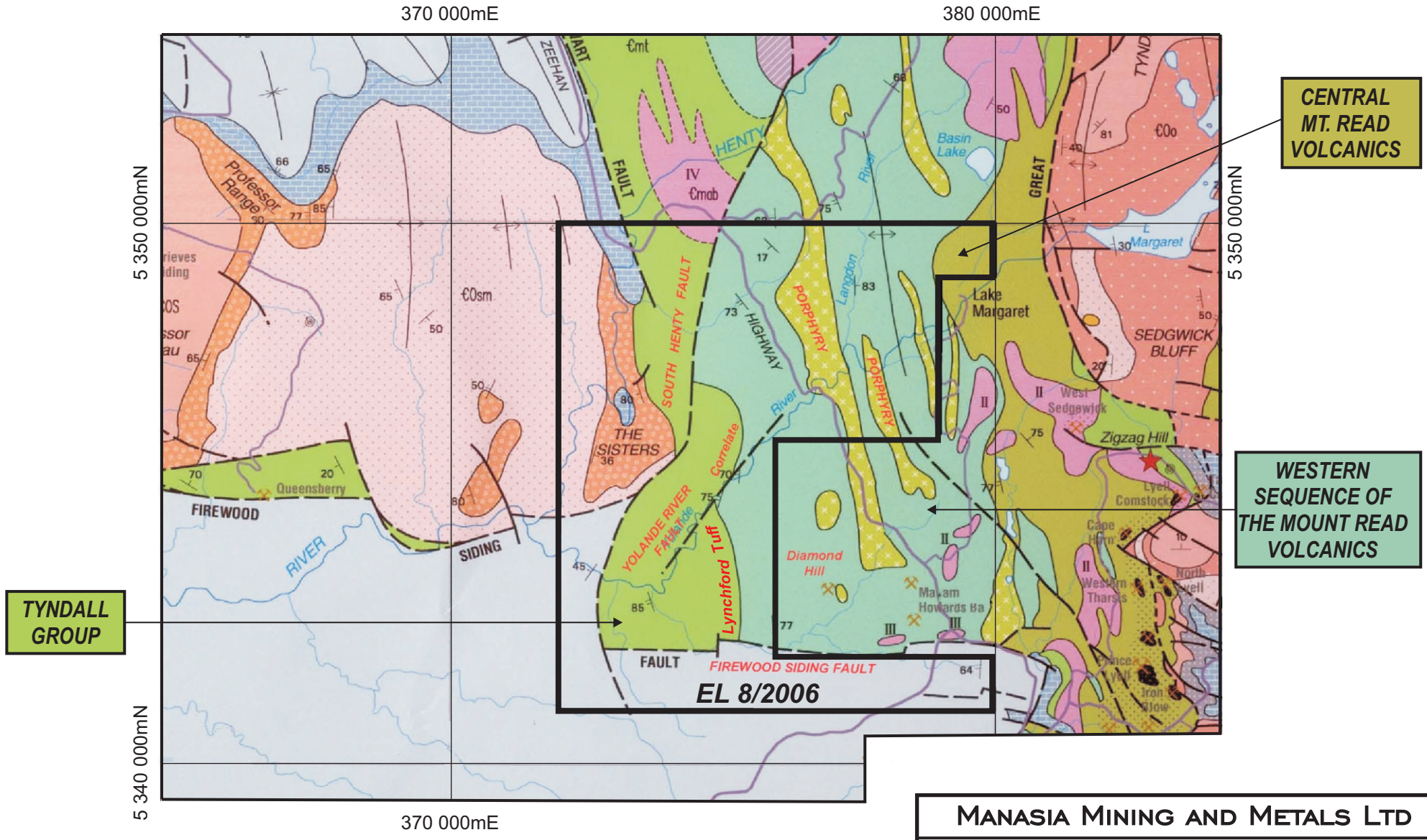
EL 8/2006 - YOLANDE RIVER

RESIDUAL MAG ANOMALIES

(After Morrison and Richards - 2004)

Figure 2



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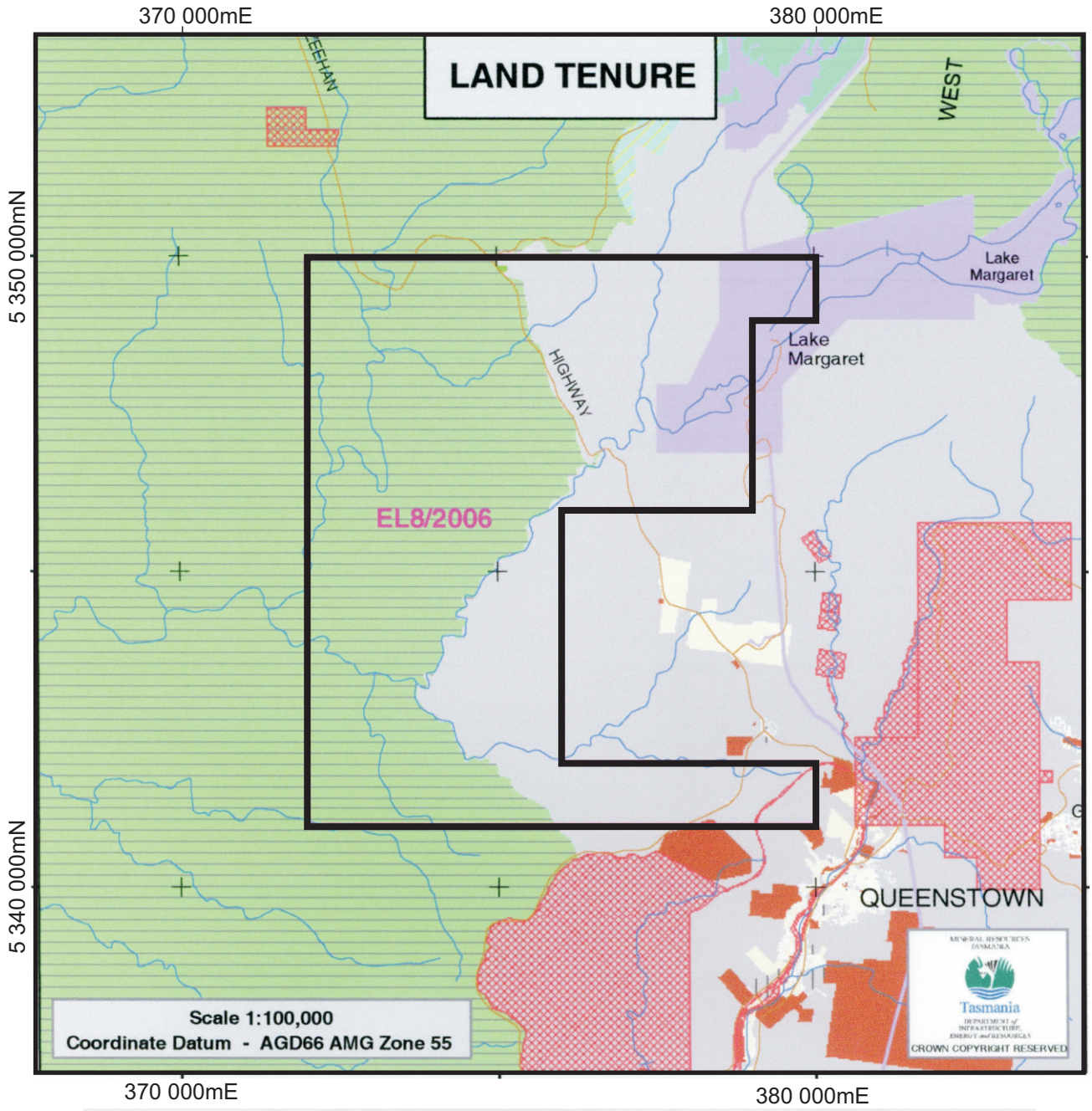
REGIONAL GEOLOGY

(After Corbett - 2002; Morrison and Richards - 2004)

Figure 3



Land Tenure / Special Management Areas (Guide Only)

- Exploration Licence
- * Mining Lease
- Fossicking Area
- Fossil Site
- Private Land
- * Crown Land
- Authority Land
- * Aurora / Hydro / Transend Lands
- State Forest
- Forest Reserve
- Proposed Forest Reserve - RFA
- MDC Informal Reserve
- Proposed Informal Reserve - RFA
- Forest Communities Managed by Prescription
- Nationally Significant Wetlands
- RAMSAR Site
- Gas Pipeline Corridor
- Administratively Excluded Areas
- * Public Reserve
- Commonwealth Land
- Aboriginal Administered Land
- PFRP Covenants etc
- PFRP Private Nature Reserve
- PFRP Private Sanctuary
- Conservation Area
- Protected Area
- Proposed Conservation Area - RFA
- * Regional Reserve
- Proposed Regional Reserve - RFA
- Nature Recreation Area
- Proposed Nature Recreation Area - RFA
- National Park
- * State Reserve
- Proposed State Reserve - RFA
- Game Reserve
- Historic Site
- Nature Reserve
- Proposed Nature Reserve
- Wellington Park

Relevant tenement land tenure / land management area indicated *

Note: Land Tenure is derived from the LIST and other sources and may be incomplete. Not all Land Tenure depicted in legend may appear

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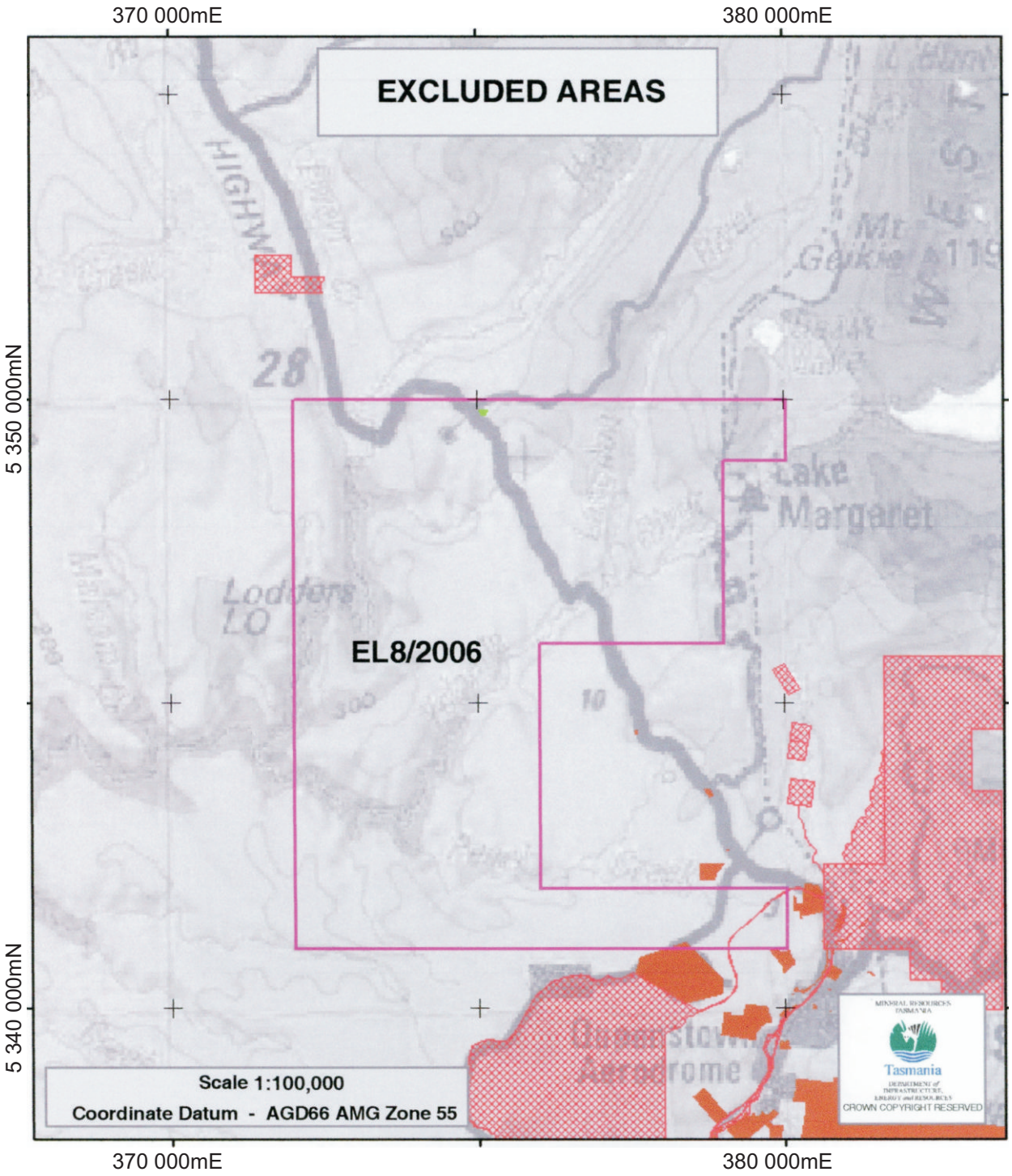
LAND TENURE

MINERAL RESOURCES TASMANIA, 2009

Figure 4



Excluded Areas

- * Mining Lease
- Gas Pipeline Corridor
- Administratively Excluded Areas
- Fossicking Area
- Fossil Site
- * Public Reserve
- Commonwealth Land
- Aboriginal Administered Land
- Nationally Significant Wetlands
- RAMSAR Site
- National Park
- * State Reserve
- Proposed State Reserve - RFA
- Historic Site
- Game Reserve
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Relevant tenement land tenure / land management area indicated *

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AREAS EXCLUDED FROM MINERAL EXPLORATION

MINERAL RESOURCES TASMANIA, 2009

Figure 5