Post Office Creek
Exploration Licence 33/2007

Annual Report for the period 28/08/2009 to 28/08/2010

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1 Summary

Exploration Licence 33/2007 located in western Tasmania is prospective for tin, tungsten and magnetite skarns within meta-sedimentary rocks adjacent to the Meredith Granite. There has been minimal historical exploration in the area covered by EL33/2007 and the targets are “greenfields”. Venture’s regional exploration activities were greatly reduced in 2009-2010 because of funding limitations, and restricted to review and reinterpretation of historic geological mapping, refinement of exploration targets, and reconnaissance of the Whyte and Rocky River areas to assess the logistics associated with mapping and surface sampling the three identified skarn targets at the northern end of the licence and the Supergrunt stream sediment anomaly (222 ppm Sn, 222 ppm W, 730 ppm As, 245 ppm Cu, 410 ppm Zn and 55 ppm Pb) in the south.

2 Introduction

Exploration Licence 33/2007 is situated in the tin-tungsten province of western Tasmania and covers the south eastern contact metamorphic aureole of the Meredith Granite. The Meredith Granite is part of a suite of Devonian granites which is very important to tin-tungsten mineralization in Tasmania, and deposits associated with this suite include the world class Renison Bell tin mine (26 Mt at 1.46% Sn), Mount Bischoff (10.54 Mt at 1.1% Sn), Cleveland (12.4 Mt at 0.62% Sn, 0.25% Cu) and King Island (17 Mt at 0.85% W03). Cleveland and Mount Bischoff are situated around the northern margin of the Meredith Granite, and Rension Bell is associated with the smaller Pine Hill Granite c. 15 km to the southeast of the Meredith Granite.

3 Location and Access

Exploration Licence 33/2007 covers a narrow north trending 64 km^2 strip of rugged western Tasmania extending from c. 3 to 20 km south southeast of the Savage River magnetite mine. The Whyte River crosses the western boundary of the licence. Access is currently restricted to foot or helicopter.

Elevation within the licence ranges from 100 m above median sea level where the Whyte River winds along the western boundary up to 792 m at the top of Mount Meredith in the northern part of the license and 781 m for Mt Livingstone in the south of the license. Average annual rainfall is c. 2000 mm and vegetation is dominated by temperate rainforest, with patches of dense sub-alpine scrub over granitic basement and in areas of regenerating forest.

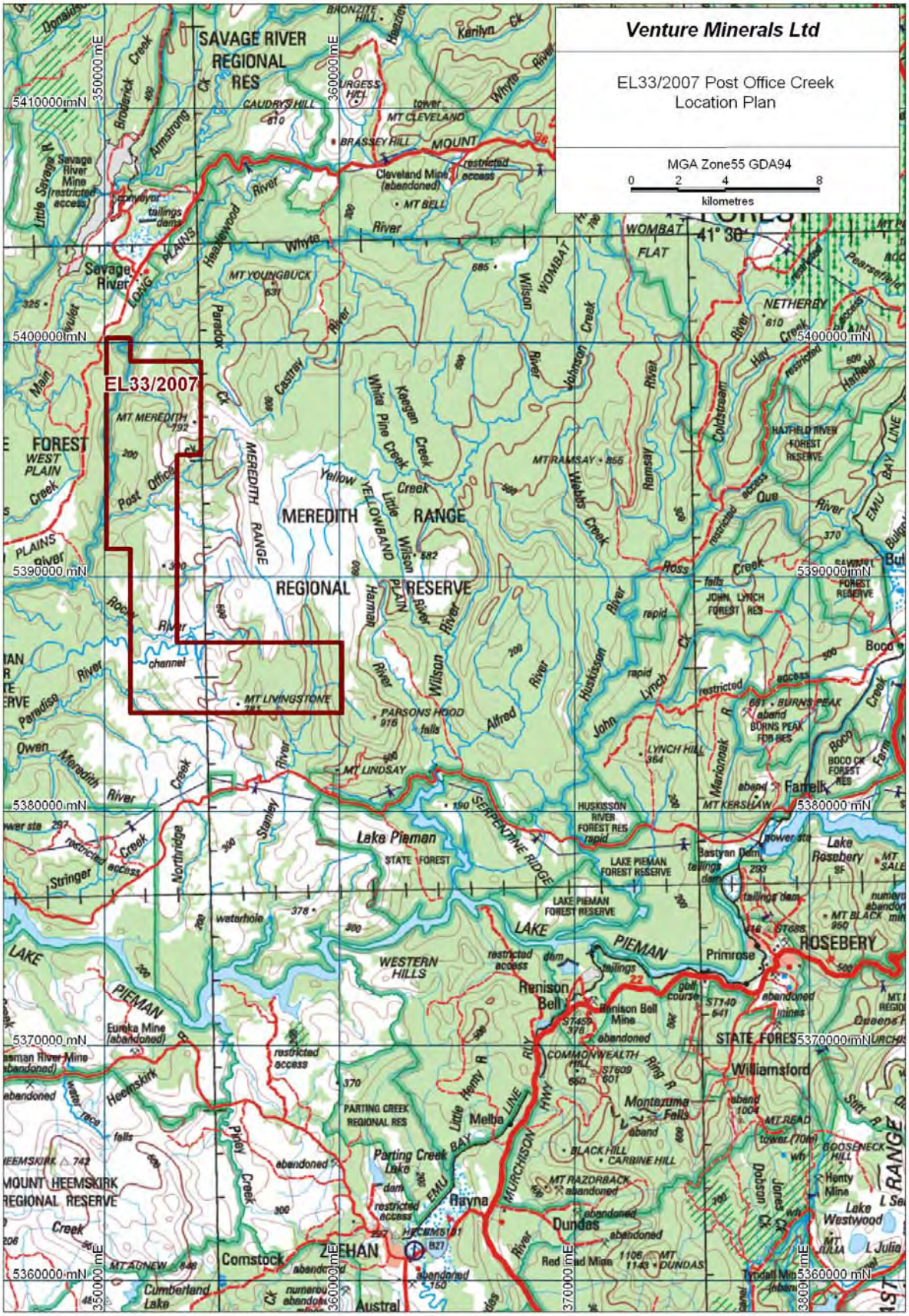

Figure 1: El33/2007 Location Plan

4 Exploration and Mining History

Alluvial gold exploration and mining commenced in the district during the 1880's and placer gold workings are widespread in the Whyte and Rocky rivers immediately to the west of EL33/2007. Most recently, Goldstream Mining NL (1996 – 2001) focused its activities in the area exploring for gold hosted by Proterozoic iron formation. They indentified a broad polymetallic (As, Pb, Sb, Ag, Bi) stream sediment anomaly located to the east of the Rocky River workings near the western boundary of EL33/2007. This anomaly was thought to be indicative of sediment hosted 'Carlin style' gold but was not significant enough to warrant further work.

Previous exploration work in the area covered by EL33/2007 for Sn and W is limited and much of the tenement remains under explored for these two metals. Aberfoyle Exploration Pty Ltd (1979 – 1981) explored for Sn and W mineralization mostly to the northeast of EL33/2007 which culminated in the discovery of a magnetite-amphibole and garnet skarn with anomalous Sn and W values at Mount Youngbuck. No significant work was done with the area now covered by EL33/2007.

During the 1983 to 1985 period Industrial and Mining Investigations Pty Ltd completed significant stream sediment sampling campaign to the north and west of current EL33/2007 and noted anomalous gold values. Sn and W results from tributaries to the Whyte and Rocky rivers were generally low, with the exception of the Supergrunt anomaly (222 ppm Sn, 222 ppm W, 730 ppm As, 245 ppm Cu, 410 ppm Zn and 55 ppm Pb) located in a large tributary to Rocky River just (<100 m) within the margin of the Meredith Granite. IMI was not able to follow this anomaly upstream and concluded that source of the anomaly was either in the immediate vicinity of the stream sediment sample or pluming from one of the small unsampled tributaries from the west of the main creek.

5 2009-2010 Anniversary Year Exploration Activities

Venture's exploration activities were greatly reduced in 2009 because of limited funding during the 2008-2009 global financial crisis. Regional exploration resumed in the summer of 2010 but available resources were focused on the core Mt Lindsay area and it was unfortunately too late to conduct a significant field program within EL33/2007. Activities during the 2010 anniversary year were restricted to reconnaissance of the Whyte River and Rocky River gorges to asses logistics of accessing skarn targets within the northern part of the licence and the Supergrunt Sn & W stream sediment anomaly in the south, and a review and reinterpretation of historic geological mapping, aeromagnetic and airborne imagery.

From west to east EL33/2007 is underlain by Keith Schist or correlates, Oonah Formation (c. 1200 m thick) and finally Meredith Granite (Figure 2). Wedges of meta-sedimentary rocks assignable to the Success Creek Group are now interpreted to be present between the Oonah Fm and Meredith Granite in the northern and southern ends of the licence. This interpretation is based on a combination of historic and 2010 Venture mapping in the Whyte River - Contact Creek area north of EL33/2007, and a geophysical

signature and stratigraphic position closely comparable to the Success Creek Gp in the Stanley River – Mt Lindsay area. The Neoproterozoic – Early Cambrian Success Creek Group is not as conspicuously deformed as the Oonah Formation, and four formations are generally recognised, comprising a basal conglomerate with sandstone lenses, overlain by quartz sandstone with minor siltstone and conglomerate (Dalcoath Formation), then black mudstone, siltstone and minor quartz sandstone, and finally siliceous siltstone, red chert and mudstone with minor quartz sandstone, conglomerate and dolomite (Renison Bell Formation). In the Stanley River – Mt Lindsay area the Success Creek Gp comprises laminated to medium bedded quartz-wacke and dark grey siltstone, overlain by c. 100 m of dolomite, with minor quartz-wacke and siltstone and up to 50 m of polymict conglomerate with minor lithic sandstone and siltstone, then laminated to thin bedded reddish mudstone, siltstone and grey ?tuffaceous sandstone. Aberfoyle's 101/102B EM anomaly in the Whyte River north of EL33/2007 was described as comprising graphitic black shales, grey shales, rare quartzite, massive basic volcanic and laminated green and purple shales and siltstones (Joyce 1981). Joyce (1981) noted that such lithologies were very similar to those observed in Cambrian sediments to the east and north but still referred the anomaly to the Proterozoic "Whyte Schist Zone". The anomaly 101/102B lithologies are not compatible with the Crimson Creek Fm as known from Mt Lindsay, but could be compatible with the Success Creek Group.

This interpretation differs from that on the Geological Survey of Tasmania's Corinna 1:50,000 geological map sheet on which the Success Creek Gp and Crimson Creek Fm as shown on Figure 2 are mapped as the Pom and Poq facies respectively of Oonah Formation. Pom is described as dark grey siltstone and mudstone with minor chert, dolomite, conglomerate, lava and volcanic breccias, and Poq as quartzwacke with coarse detrital muscovite interbedded with siltstone, mudstone, dolomite and minor conglomerate. The Pom facies of the Oonah is mapped immediately beneath the Success Creek Gp east of the Stanley River on the Corinna sheet, and it appears quite likely that Pom and basal Poq in the Whyte River – Contact Creek area includes previously unrecognised Success Creek Gp rocks.

Dolomite units within the Oonah and Success Creek groups and calcareous sandstones within the Crimson Creek Fm adjacent to the Meredith Granite are the targets for skarn hosted Sn, W and magnetite mineralisation. Carbonate units have not been mapped in the area but Venture's work in the Mt Lindsay – Stanley River area has shown that carbonates and distal skarn facies are typically topographically recessive and can require careful mapping to recognize.

Three topographically recessive north trending magnetic ridges are present adjacent to the Meredith Granite margin in the north of EL33/2007 and warrant detailed prospecting for carbonate and distal skarn alteration. The limited historic stream sediment sampling suggests that skarn mineralisation, if present, does not extend to surface.

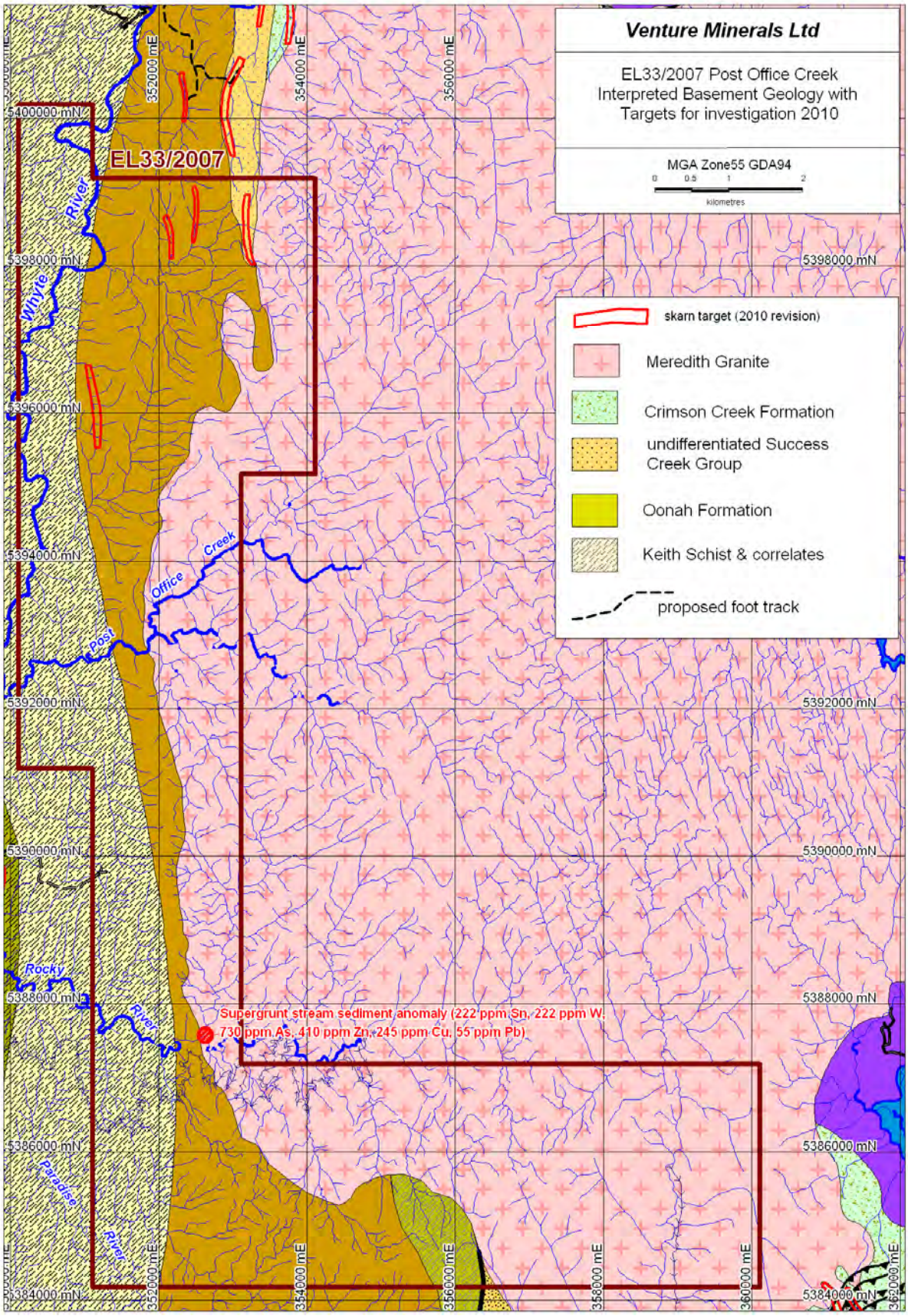

Figure 2: Interpreted Geology and Targets for Investigation 2010

6 Conclusions and Recommendations

Venture's regional exploration activities within EL33/2007 were greatly reduced because of funding limitations during the global financial crisis of 2008-2009. Activities during the 2010 anniversary year were restricted to review and reinterpretation of historic geological mapping, refinement of exploration targets, and reconnaissance of the Whyte and Rocky River areas to assess the logistics associated with mapping and surface sampling the three identified skarn targets at the northern end of the licence and the Supergrunt stream sediment anomaly (222 ppm Sn, 222 ppm W, 730 ppm As, 245 ppm Cu, 410 ppm Zn and 55 ppm Pb) located in a large tributary to Rocky River just within the margin of the Meredith Granite. Foot access to the northern skarn targets using a proposed track from the Whyte River – Heazlewood River confluence through Venture's adjacent EL24/2008 appears feasible, and the Supergrunt anomaly should be most easily accessible on foot from the Whyte River – Rocky River confluence. Venture plans to map and surface sample both these areas during the upcoming summer field season.

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