

Annual Report
for EL31/2004 Firetower East
for the Period 26 November 2010 to 25 November 2011

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ABSTRACT

EL31/2004 Firetower East is located in central north Tasmania approximately 15km west north-west of the town of Deloraine and forms the central parts of the Company's Firetower project.

The tenement covers some 10 strike kilometres of rocks assigned to the Mt Read Volcanic sequence. The company's main focus is gold mineralisation.

Work completed during the period included mapping and rock chip sampling at the Lobster prospect. There is one slightly elevated rock chip sample that may be worthy of follow-up. Database compilation was completed for the tenement area.

During the period the tenement became subject to a Farm-In agreement with Unity Mining Ltd. Work proposed for the coming year is a review of geochemistry on the tenement, with follow-up, within the Cambrian rocks, particularly adjacent to the faulted contact with the Ordovician, Moina Sandstone.

KEYWORDS

Geology/Mineralisation

Mt Read Volcanics, Gordon Group, Roland Conglomerate, Moina Sandstone,
Gordon Limestone

Minerals

Gold, copper, lead, zinc

Deposits/Occurrences

Lobster

COORDINATES

All lat/long co-ordinates in this report refer to the AGD66 Datum

All AMG co-ordinates in this report refer to the AGD66 Datum - Zone55

FILE SUMMARY LIST

File Name	Format	Contents
EL312004_201112_01_report.pdf	pdf	report
EL312004_201112_02_Appendix_I.pdf	pdf	mapping report
EL312004_201112_03_Appendix_II	pdf	rock chip descriptions
EL312004_201112_04_Appendix_III	csv	rock chip assays

SUMMARY OF ACTIVITIES FOR EL31/2004 FIRE TOWER FOR THE PERIOD 26 NOVEMBER 2010 to 25 NOVEMBER 2011

- Geological Mapping
- Rock Chip Sampling
- Database Compilation
- Data Interpretation

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1.0 Introduction

This report details the exploration activities completed within EL31/2004 during the period 26 November 2010 to 25 November 2011. The lease is located in central north Tasmania, approximately 15km west north-west of the town of Deloraine, and forms the central parts of the Company's Firetower project.

The tenement covers some 10 strike kilometres of rocks assigned to the Mt Read Volcanic sequence. The company's main focus is gold mineralisation.

Work completed during the period included soil sampling and rock chip sampling at the Lobster prospect. Also, database compilation was initiated for the tenement area.

2.0 Tenement Details

EL31/2004 Firetower East was applied for by Greatland Pty Ltd during April 2004 and was granted during November 2004. The tenement covers an area of 29 square kilometres. Tenement details are shown in Table 1.

Table 1 – Tenement Details

Tenement	Holder	Date Applied	Date Granted	Size
EL31/2004 Firetower East	Greatland Pty Ltd 100%	5 Apr 2004	26 Nov 2004	29km ²

3.0 Location and Access

EL31/2004 Firetower East is located 55km west of Launceston in central north Tasmania (Figure 1). It lies 15km west north-west of the town of Deloraine and forms the central parts of the Company's Firetower project. The bulk of

land within the tenement is state forest with smaller portions of private farming land on the northern and western extremities.

The tenement straddles the Tasmania NW (SK55-20) and Tasmania NE (SK55-21) 1:250,000 map sheets. It falls within the four 1:100,000 map sheets of Mersey (8114), Forth (8115), Meander (8214) and Tamar (8215).

From Launceston, access to the project area is by sealed road to Deloraine then west or west north-west via sealed roads. Local roads and logging tracks provide adequate access throughout the tenement.

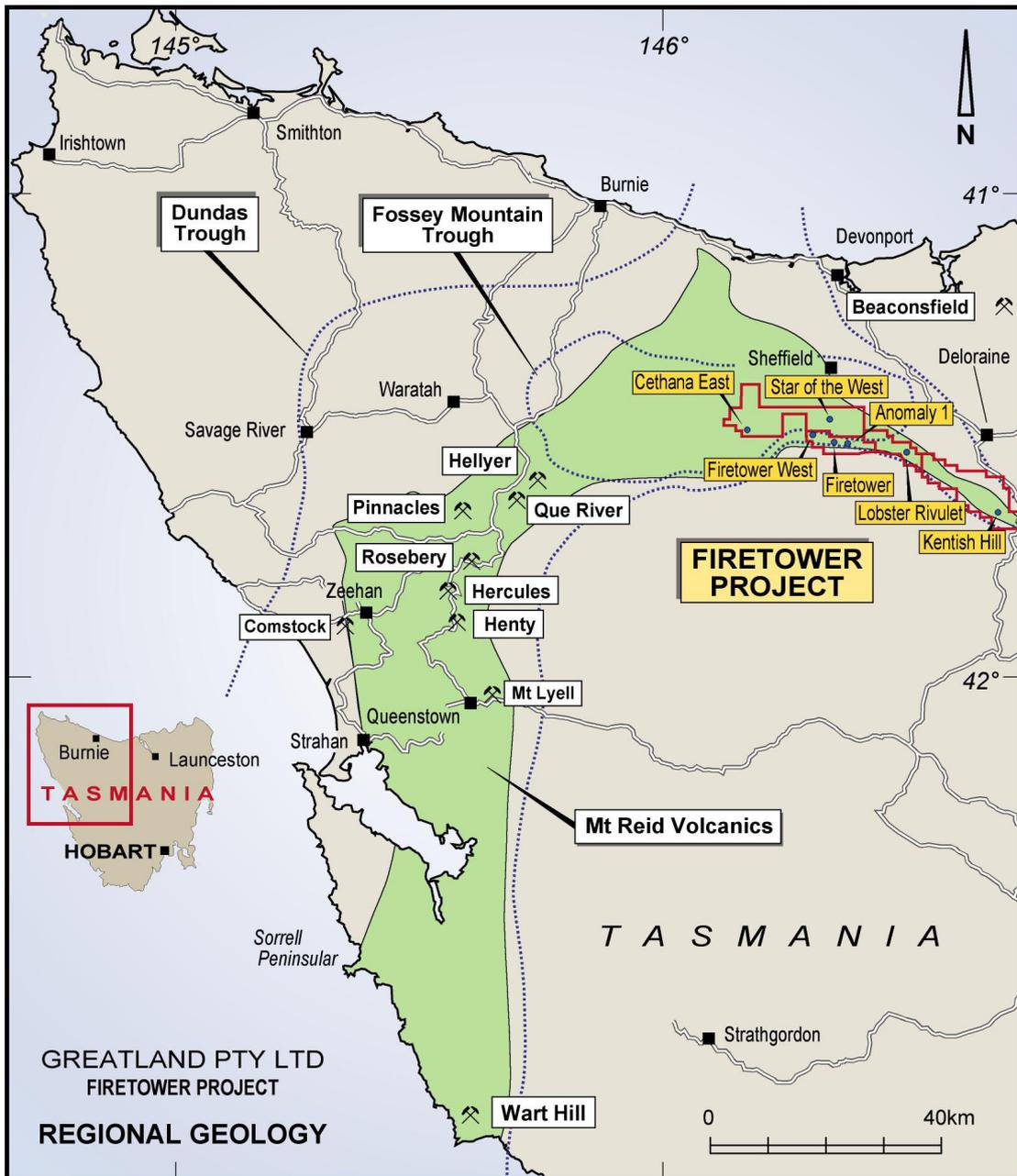


Figure 1 Location

4.0 Geology and Mineralisation

The licence area covers some 10 strike kilometres of rocks assigned to the Cambrian Mt Read Volcanics (Figure 3). These Cambrian rocks are highly mineralised and host major polymetallic VHMS deposits, particularly in the west of Tasmania. The Cambrian volcanics and sediments are unconformably overlain by late Cambrian to early Ordovician Gordon Group consisting of siliclastics of the Roland Conglomerate and Moina Sandstone overlain by the

Gordon Limestone. The regional and economic geological setting has been detailed in Askins and Baxter (2005).

Gold mineralisation has been well defined at the Firetower prospect located in the adjacent tenement of EL26/2004. Gold and base metal mineralisation, outlined by soil and rock chip sampling, extends east and west of the Firetower prospect for some kilometres. Further details of geology and mineralisation can be found in McLean and Baxter (2006), McLean (2007) and Baxter (2008).

5.0 Previous Exploration

Details of previous exploration within EL31/2004 have been covered in Askins and Baxter (2005) McLean and Baxter (2006), McLean (2007) and Baxter (2008 and 2009). Readers are referred to these reports.

6.0 Work Carried Out During the Period

Work completed during the period comprised soil sampling and rock chip sampling at the Lobster prospect. Also database compilation was initiated for the tenement area.

Mapping

Geological mapping of the Lobster area was completed. A complete report on this work is found in Appendix I. The mapping identified a sequence of dolerites and basalts with overlying conglomerates, quartzites and sandstones. Schist, thought to be derived from Cambrian sediments and not previously identified in the area was also mapped. The location of the area covered by mapping is shown in figure 2. A list of rock samples and descriptions and locations is shown in Appendix II.

Rock Chip Sampling

Some rock chip sampling accompanied the mapping. One sample of interest (slightly elevated in gold and silver) was taken in the area mapped as schist.

Assays of rock chip samples are contained in Appendix III.

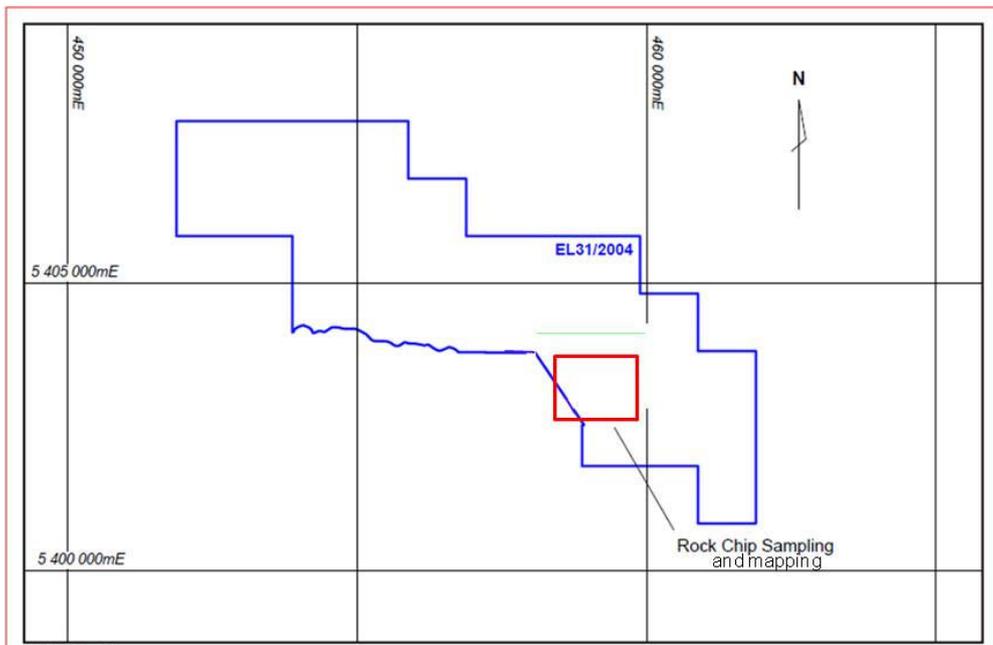


Figure 2 Location of Lobster Prospect mapping area.

Data Base Compilation

During the period a database compilation was completed for the tenement area.

Unity Mining Ltd. Due diligence process.

Unity Mining operates the Henty Gold Mine, hosted by the Mount Read Volcanics and located between Queenstown and Tullah. As a gold miner it

has an interest in exploring for gold in Tasmania, to search for deposits that that could be mined and trucked to the Henty mill or that would justify a stand-alone operation.

Unity Mining became interested in pursuing a Farm-In agreement on the Firetower Project following a review of the data and visits in the field, to view the Firetower prospect and core. Although the Firetower mineralisation is not an analogue of Henty, there are some similarities, the most encouraging being the similarities of the host sequence the apparently, rather late stage of mineralisation and the overall geological setting, that is, adjacent to a regional-scale fault boundary between the Cambrian Mount Read Volcanics and Ordovician sandstones and conglomerates.,

Aside from similarities with Henty, Unity recognized the potential for gold mineralisation at the Firetower Prospect to continue at depth, along two sub-parallel shoots. They also recognized the potential for other shoots to be discovered along strike, into the area covered by this tenement. The considerable potential for gold mineralisation, on a regional scale influenced the decision to Farm-In to the Firetower Project.

Review of rehabilitation

During field visits undertaken as part of Unity's "due diligence" process it became apparent that additional work was required to complete the rehabilitation of drill sites, particularly on the steeper tracks, where run-off needs to be controlled.

7.0 Conclusions

EL31/2004 Firetower East is located in central north Tasmania approximately 15km west north-west of the town of Deloraine and forms the central parts of the Company's Firetower project.

The tenement covers some 10 strike kilometres of rocks assigned to the Mt Read Volcanic sequence. The company's main focus is gold mineralisation.

Work completed during the period included mapping and rock chip sampling at the Lobster prospect. Also, database compilation was completed for the tenement area. A review of all the data, including that at the Lobster Prospect, will be undertaken with a view to progressing the regional potential through to drill targets.

8.0 Work planned for the next 12 months

- Review of data, including schist mapped and elevated in gold/silver;
- Development of drill targets, additional sampling if required; and
- Finish rehabilitation of tracks.

9.0 References

Askins, P.W. and Baxter, C., 2005. Annual Report for EL26/2004 and EL31/2004 for the Period to 26 November 2004 to 25 November 2005. Greatland Pty Ltd, pp22. (unpublished)

Baxter, C., 2008. Annual Report for EL26/2004 for the Period to 26 November 2007 to 25 November 2008. Greatland Pty Ltd, pp9. (unpublished)

Baxter, C., 2009. Annual Report for EL26/2004 for the Period to 26 November 2008 to 25 November 2009. Greatland Pty Ltd, pp5. (unpublished)

Baxter, C., 2010. Annual Report for EL26/2004 for the Period to 26 November 2009 to 25 November 2010. Greatland Pty Ltd, pp5. (unpublished)

McLean, G. and Baxter, C., 2006. Annual Report for EL26/2004 and EL31/2004 for the Period to 26 November 2005 to 25 November 2006. Greatland Pty Ltd, pp22. (unpublished)

McLean, G., 2007. Annual Report for EL26/2004 and EL31/2004 for the Period to 26 November 2006 to 25 November 2007. Greatland Pty Ltd, pp35. (unpublished)

Appendix I

Mapping report

Appendix II

Rock chip descriptions

Appendix III

Rock chip assay data