



**MATHINNA - TASMANIA
EL34/2008**

**ANNUAL PROGRESS REPORT
31 May 2011 – 30th May 2012**

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Distribution:

Mineral Resources Tasmania
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Note: All figures, grids, and contained data are according to the GDA/MGA94 grid system.

ABSTRACT

The Mathina tenement in eastern Tasmania remains highly perspective for gold. Over the previous 12 months no field work has been completed over this tenement; however this lease has been included in the 'Regional Prospectivity 'review being undertaken by Tamar Gold.

Over the next 12 months Tamar Gold will continue work on the regional review, resulting in specific targets for exploration being highlighted within the tenement area.

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1. INTRODUCTION

This report is a summary of the exploration activities conducted on the Mathinna exploration tenement, for the period of 31 May 2011 to 30 May 2012. The area of the licence remains 158sq km.

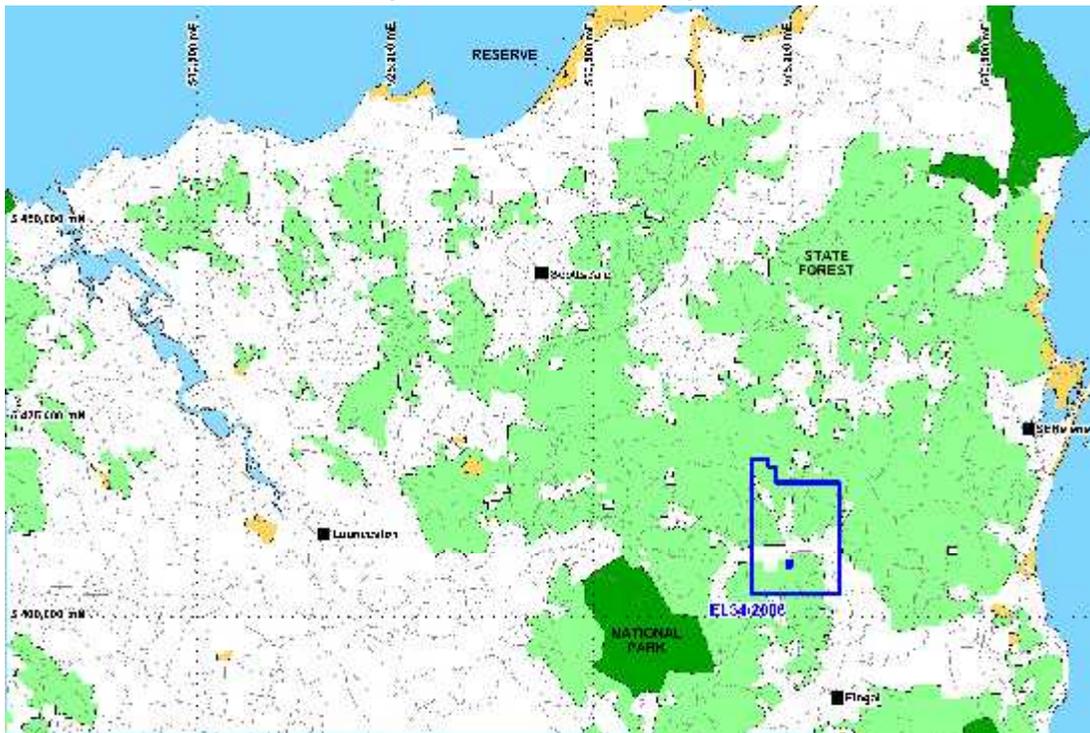
The tenement is of particular interest to TGL as it surrounds the New Golden Gate and Tasman Consols mine workings and associated tailings. This was the most significant historical gold mine in this part of NE Tasmania and produced 260,000oz at a calculated average head grade of ca. 26g/t Au. Drilling along strike of the historic mine lead to a discovery by Defiance Mining of narrow zones of mineralisation known thereon as Dylan's and Sophie's reefs (totalling ca. 25,000oz). TGL believe that there is scope for further discovery throughout the tenement area.

1.1 Location:

The tenement encompasses the township of Mathinna, in eastern Tasmania (Figure 1). Access to the license area is via gravel road from the southern margin of the Mathinna township. Mathinna is located approximately 20km NNW from Fingal and is accessed by sealed road.

The licence area can be found on the Mathinna (5640) 1:25,000 scale, and the Forester (8415) 1:100,000 scale; topographic map sheets.

Figure 1. The Mathinna Exploration Tenement EL34/2008 is located in north eastern Tasmania and proximal to the township of Mathinna.



1.2 Geology Overview

1.2.1 Stratigraphy

The tenement comprises sub- and outcropping Mathinna Supergroup siltstones, sandstones, and subordinate shales. Revision of the internal stratigraphy of the Mathinna Supergroup as detailed in Seymour et al. (2011) and summarized in Table 1 below,

Group	Formation	Member	Age	Brief description
Panama Group	Sideling Sandstone		Early Devonian (plant fossils)	Dominantly fine-grained sandstone, some interbedded siltstone
	Lone Star Siltstone		Late Silurian (graptolites)	Dominantly thin-bedded siltstone with interbedded fine-grained sandstone increasing towards the top
	Retreat Formation		Silurian?	Interbedded turbiditic medium to very fine-grained sandstone and subordinate siltstone-mudstone
	Yarrow Creek Mudstone		Silurian?	Dominantly thin-bedded mudstone, with subordinate cross-laminated siltstone
Inferred faulted unconformable contact				
Tippogoree Group	Turquoise Bluff Slate		Early-Middle Ordovician (graptolites)	Phyllitic dark grey-black slate; recumbent folds and cleavage
		Industry Road Member	Ordovician?	Interbedded phyllitic slate and foliated very fine-grained sandstone; ridge-forming recumbent folds and cleavage
	Stony Head Sandstone		Ordovician?	Graded thick-bedded fine-grained turbiditic sandstone with minor interbedded pelite; large-scale recumbent folds and cleavage

Table 1. Revised Stratigraphy of the Mathinna Supergroup

The New Golden Gate and associated vein deposits are hosted within the Lone Star Siltstone formation (pers. comm M. Vicary 2011). The Lone Star Siltstone Formation comprises basal bioturbated marine siltstone/shale/mudstone which is laminated to thinly bedded (Seymour et al., 2011). Minor black shale occurs and is commonly pyritic. The Lone Star Siltstone Formation grades upward with quartz-rich thick-bedded sandstone becoming more common toward the boundary with the overlying Sideling Sandstone Formation (Seymour et al., 2011).

The regional geology (Figure 2) is dominated by Mathinna Supergroup rocks and granitoids. Note that the granitoids are interpreted to be at a depth of approximately 4km below the New Golden Gate gold system (Leaman D.E. & Richardson R.G., 1992).

1.2.2 Structure and Mineralization

The host-rocks to gold mineralization in the Mathinna area preserve several overprinting deformation features which are documented in Keele (1994) and modified for the specific geometries and observations of the New Golden Gate mine area below.

D₁

Observations by Keele (1994) of minor folding and spaced cleavage overprinted by the dominant S₂ cleavage. Not observed at the New Golden Gate deposit to date.

D₂

Regional folding with NW/NNW trending axial planes. Pervasive slaty cleavage. Dominant fabric in hand-specimen.

D₃

Local folding with N/NNE trending axial planes. Antiformal fold observed by Twelvetrees as central to the reefs of the New Golden Gate and Tasman Consols mines is likely to be and F₃ fold. S₃ cleavage recorded in geological logs of Defiance Mining diamond-drilling in the licence area. Intersection lineation (L⁰₃) in hand specimen (Figure 3) post-dating S₂ and pre-dating late kinking. Occurs at ~60degree angle to L⁰₂ in the plane of bedding. Observations by Twelvetrees (1906) that the 'apparent' drag of reefs into the main slide, previously assumed to be fault-drag folding, is actually a manifestation of simultaneous brecciation along the reef line and the main slide. This gives the effect of the reef turning sharply. His evidence for this was that although the reefs exhibited this 'apparent' drag on intersection with the main slide, bedding in the host-rocks did not. This observation is supported by TGL interpretation of the controls on high-grade and wider mineralization in the mine as being located at the intersection of NW striking faults and the NNE striking reef structures. NNW trending faults (Main Slide, Western, Central, East and West branch) may represent domainal reactivation of the S₂ slaty cleavage concurrent with the development of N/NNE trending fault/shear-zones which became reef 'channels'. Folding of bedding and the main S₂ cleavage may have created a zone of restraining during D₃ reactivation of S₂ and this is seen as the contributing factor as to why the New Golden gate reef system is located where it is. Note that both orientation of structures are mineralised. The main phase of gold mineralisation is interpreted as late- to post D₃.

Post-D₃

Kink-folding is recognized in hand-specimen and overprints all other fabrics.

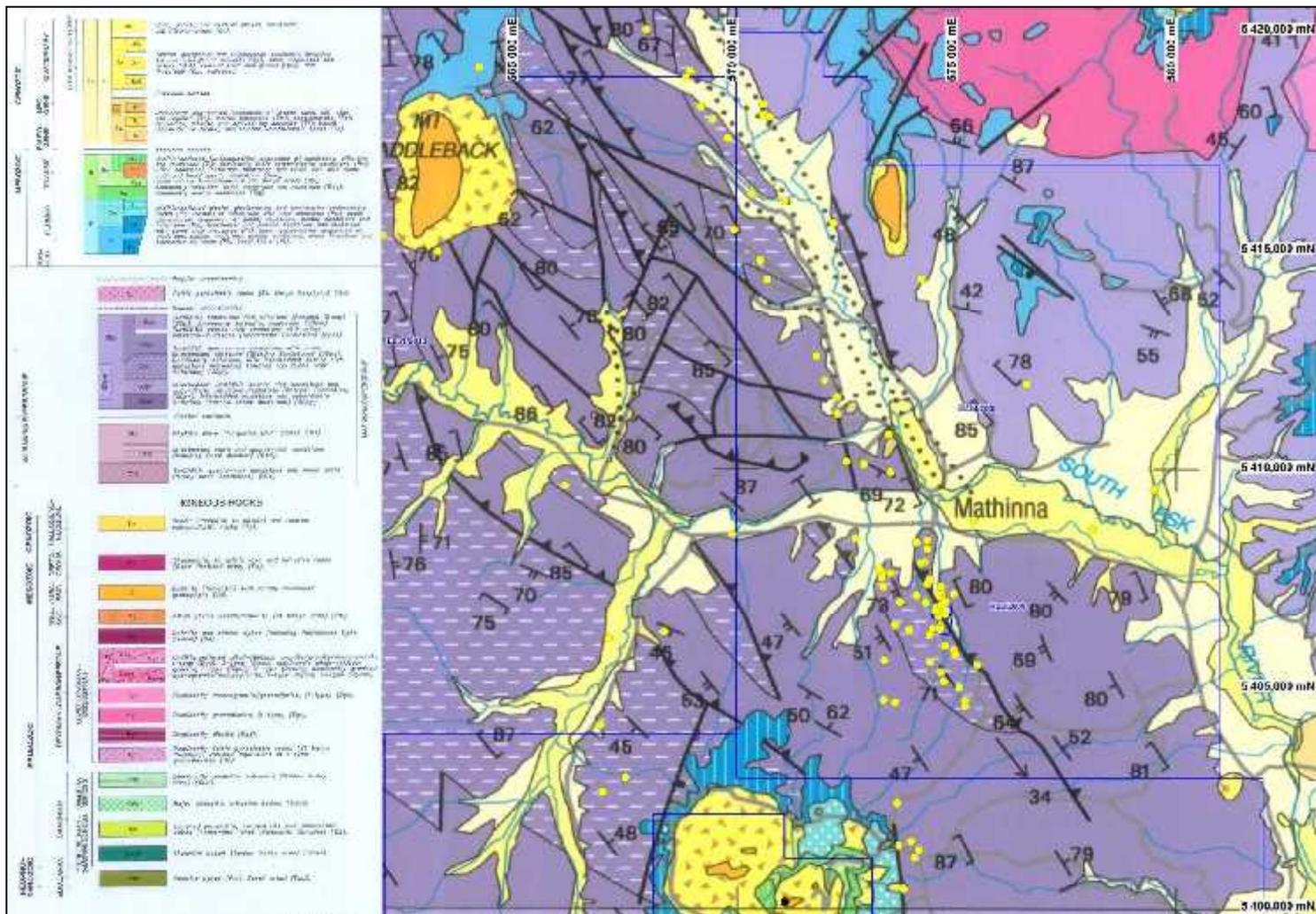


Figure 2. Geology of the Mathinna area. Yellow dots are locations of gold deposits/prospects/occurrences and these partially obscure the RL2/2008 tenement boundary in the lower-centre of the map. Copied from the MRT Regional Geology Map.

2. CURRENT WORK

2.1 Data capture

All existing data (RC/DD drilling, soils, rock-chip) has been captured digitally and will be compiled into database form in the coming reporting period.

No work has been completed in the field over the past 12 months, however significant exploration work has been performed on RL2/2008 which EL34/2008 encompasses. Some of the findings of this work (3D modeling of structures) will benefit exploration in the broader Mathinna tenement.

3. PROPOSED EXPLORATION

On completion of the Regional Prospectivity review, tenement ground will be targeted for further exploration work, which we envisage will include geochemistry and detailed mapping, leading to the proposal of percussion drilling targets. The principle target of this exploration phase is narrow veined gold occurrences.

4. ENVIRONMENT

The company has environmental policies in place, including compliance with the Mineral Exploration Code of Practice, which minimise the impact that exploration activities have on the environment. The policies include guidelines on how to reduce the risk of spreading plant diseases and weeds as a result of day-to-day exploration tasks.

5. EXPENDITURE

31 May 2011 – 30 May 2012		
Geoscientific Costs	Prospectivity Review	4104
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	Gridding	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	282
	Admin Costs	1293
	Total - eligible	5680

Table 1. Expenditure 31st May 2011 to 30 May 2012.

6 REFERENCES

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