AVENUE RIVER - TASMANIA
EL52/2010

ANNUAL PROGRESS REPORT
12th June 2011 – 11th June 2012

Tenement Holder/Manager

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Disclaimer

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

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ABSTRACT

The Avenue River tenement remains perspective for gold. Over the past 12 months no field work has been completed on the ground of this tenement, but work has continued here as part of the regional 'Prospectivity Review' being undertaken by Tamar Gold. The company is now relinquishing 80sq km of this tenement.

The next 12 months will see the continuation of this review with specific targets and work programs for this tenement being proposed.

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1. INTRODUCTION

This report is a summary of the exploration activities conducted on the Avenue River Exploration licence EL52/2010, for the period of 12th June 2011 to 13th June 2012, which is year 1 of the licence. The area of the licence is 246sq kms. Tamar Gold is relinquishing 80sq km of this licence; figure1.

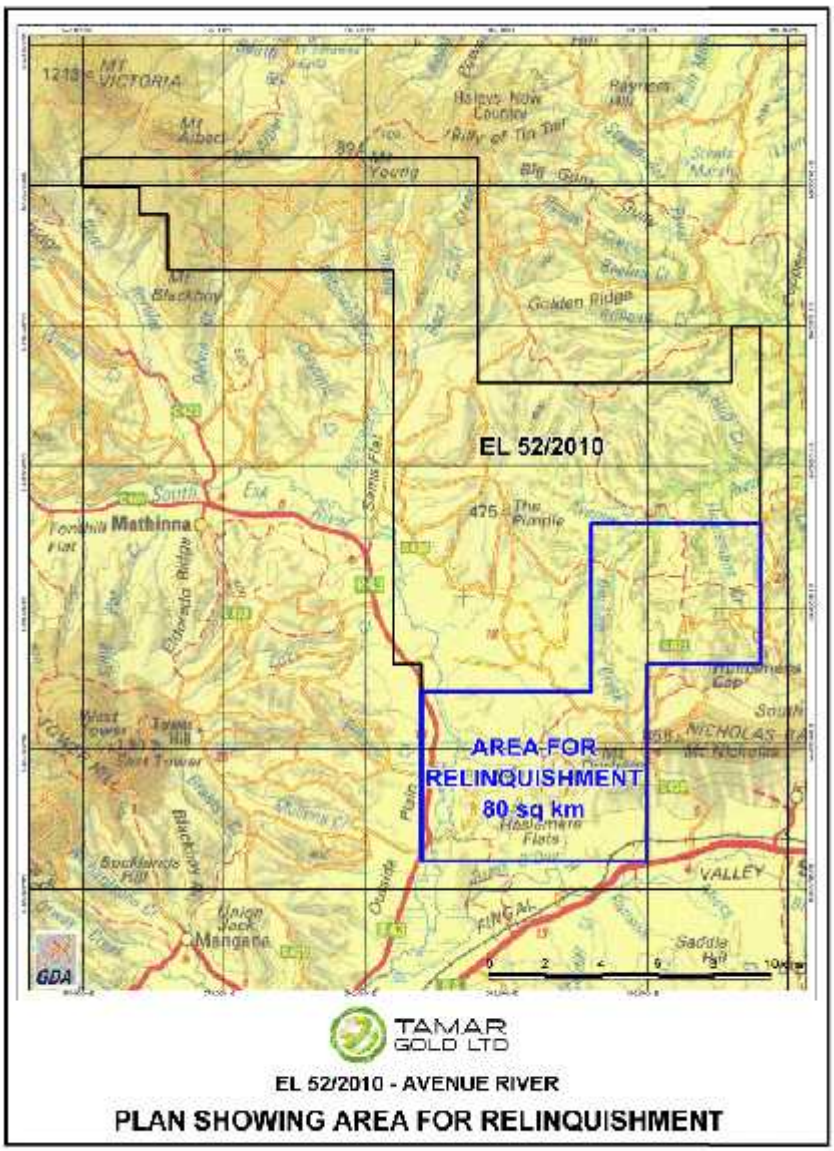


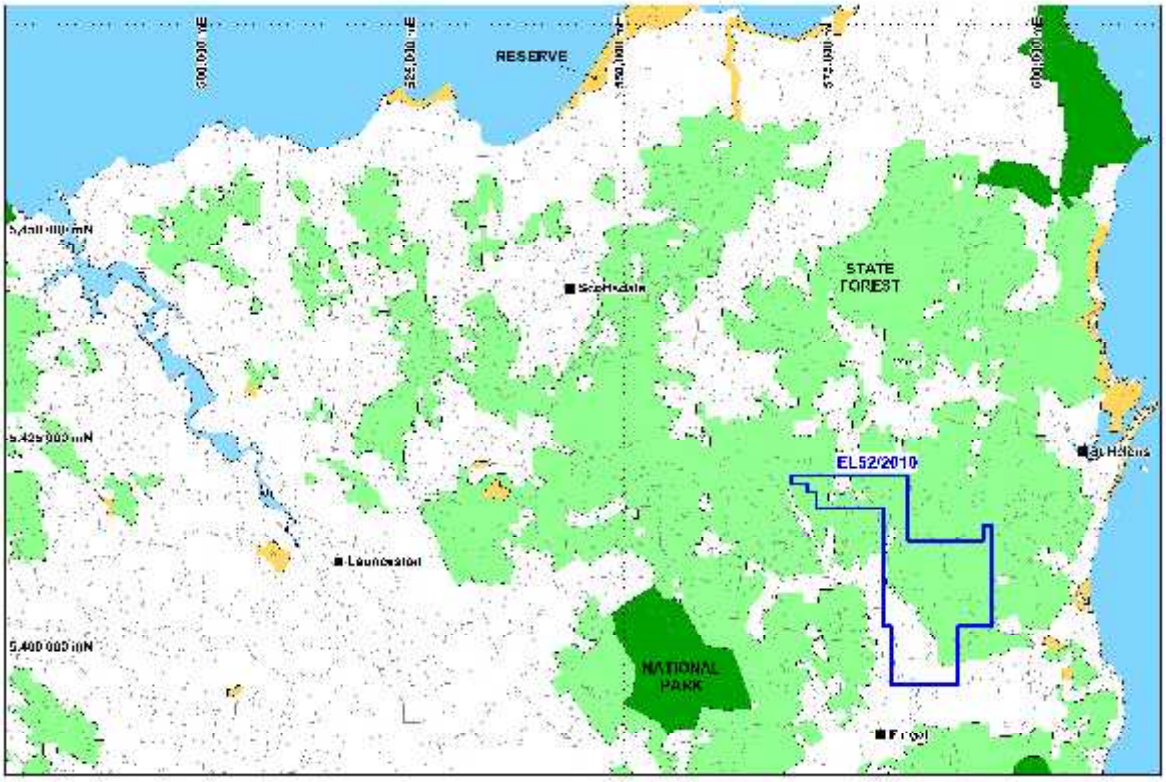
Figure 1 Area for Relinquishment EL 52/2010

1.1 Location:

The tenement boundary is located approximately 5 km east of the township of Mathinna, in eastern Tasmania (Figure 1). Access to the license area is via gravel road from the eastern 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 2. The Avenue River Exploration Licence (EL52/2010) is located in northeastern 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, subordinate shales and Devonian Granite. Revision of the internal stratigraphy of the Mathinna Supergroup as detailed in Seymour et al. (2011) and summarized in Table 1 below,

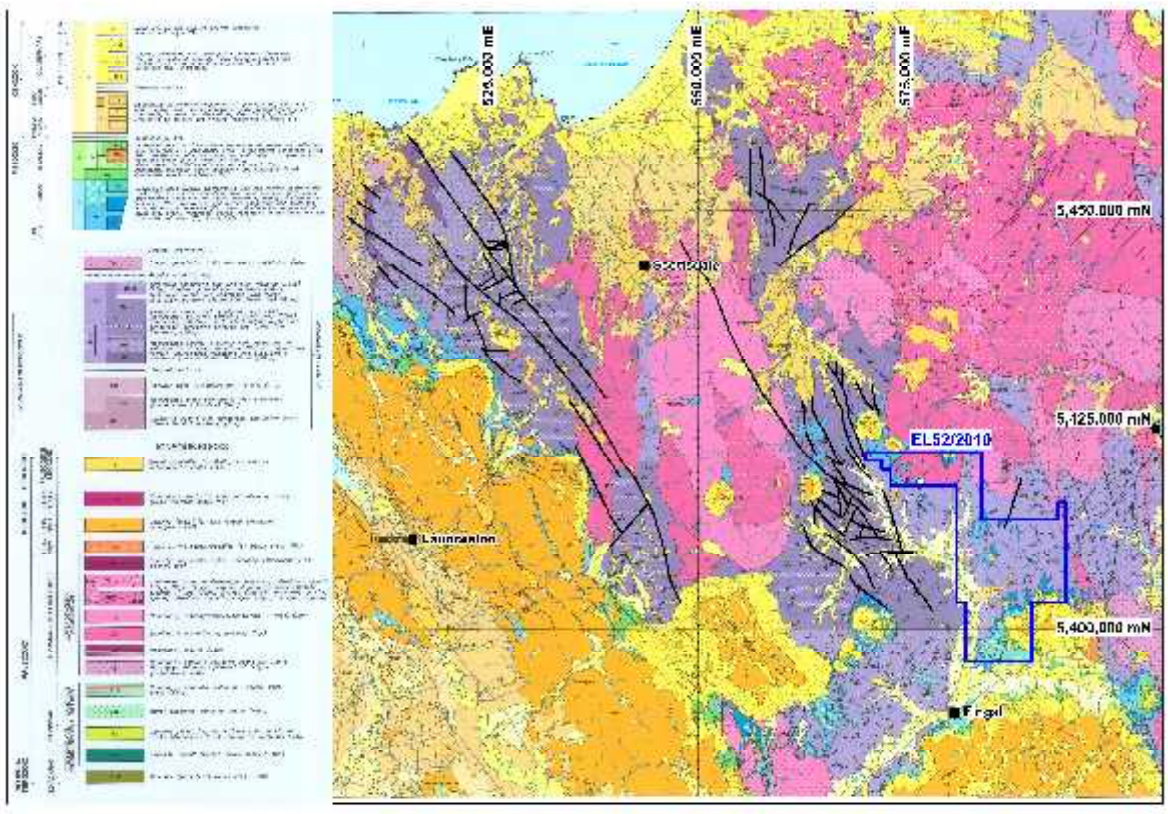
Group	Formation	Member	Age	Brief description
Panama Group	Sideling Sandstone		Early Devonian (plant fossils)	Dominantly fine-grained sandstone, some interbedded siltstone
	Lone Star Siltstone		Late Silurian (graptolites)	Dominantly thin-bedded siltstone with interbedded fine-grained sandstone increasing 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

1.2.2 Mineralization

The Target mineralization styles in EL52/2010 are related to the known gold occurrences close to the intrusive contacts between Devonian granodiorite and contact metamorphosed Siluro-Devonian Mathinna Supergroup sandstones. The geology in the tenement area is considered prospective for fracture system hosted and disseminated gold in both the granodiorite and sandstones near the contact. There is sufficient encouragement in the results from the Prospectivity Review undertaken by Tamar Gold Ltd to support new programs to test these aims.

Figure 3. Geology of the Avenue River area. Copied from the MRT Regional Geology map.



2. CURRENT WORK

Over the previous 12 months this tenement license area has been part of the Regional Prospectivity review by Tamar Gold. Results from this project will highlight specific areas of ground for priority geological exploration.

3. PROPOSED EXPLORATION

On the completion of the regional prospectivity review, specific areas will be targeted for further exploration.

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

12 June 2011 – 11th June 2012		
Geoscientific Costs	**Prospectivity Review**	2014
	Geochemistry	
	Geophysics	
	Remote Sensing	
Drilling & Gridding Costs	**Gridding**	
	Drilling	
	Land Access Costs	
	Rehabilitation Costs	
	Feasibility Study Costs	
	Other Costs	126
	Admin Costs	1293
	Total - eligible	**3433**

Table 1. Expenditure 12 June 2011 to 11 June 2012.